

Sectra contributes to a healthier and safer society

THE YEAR IN BRIEF 2021/2022



SECTRA
Knowledge and passion

Sectra—a Swedish company with **global trust**

The desire to change society for the better has driven us for over 40 years. During this time, we have retained our entrepreneurial spirit and realized ideas and innovations in close cooperation with end users. To safeguard Sectra’s customer-oriented corporate culture, we have primarily grown organically since our start in 1978.

What we do

Sectra offers products and services in the medical IT and cybersecurity sectors. We are seeing growing synergies between these areas since healthcare is increasingly becoming a target for organized cybercrime.

Our purpose

The overall purpose of our business operations is to solve major social problems that must be addressed in the foreseeable future. There are primarily two global trends that are driving the underlying growth in Sectra’s niche areas: aging population and increased digitization.

60+

Countries with customers

1,949

Net sales, SEK million

1,000+

Employees in 14 countries

Our operating areas

Imaging IT Solutions

IT systems for managing medical images and patient information related to diagnostic imaging.



Share of consolidated sales

Business Innovation

Sectra’s own incubator. This includes Sectra’s medical technology research department as well as the business units for Medical Education and Orthopaedics.



Share of consolidated sales

Secure Communications

Cybersecurity solutions for society’s most critical functions and organizations that handle sensitive information.



Share of consolidated sales

Satisfied customers are what drives us forward

A company's success stems from happy customers. However, you don't become the best at customer satisfaction without putting in the effort. A great deal of work has gone into Sectra's success.

As we look back at 2021/2022, I'm pleased to say it was a year to be proud of. It was an intense year that, despite the lingering pandemic, saw more, and larger, customer projects than ever before. I am grateful for what our employees have accomplished together with our customers. For our empathy, creativity and drive, which enable us to deliver maximum customer value, even under difficult circumstances.

The Group's possibilities for growth are favorable in all operating areas. Our recipe for success is customer satisfaction, which in turn requires happy employees, in that order. Add to this a clear focus on markets that must grow due to underlying societal factors, reasonable cost control, a clear vision of where we are headed and the perseverance to stay the course and we can see that Sectra's development over the years is a testament to what a strong combination this is.

We have many strategies for achieving our goals but they can be summarized as follows: treat our customers how we would like to be treated ourselves. Do unto others as you would have them to do unto you—the golden rule that we see, in various forms, in essentially all societies and religions. Living and acting according to the golden rule leads to successful teamwork and successful business, plus it makes work more fun and more satisfying for our employees.

» Read the full CEO letter in the annual report on investor.sectra.com/annual-reports

Linköping, July 2022

Torbjörn Kronander
President and CEO of Sectra AB

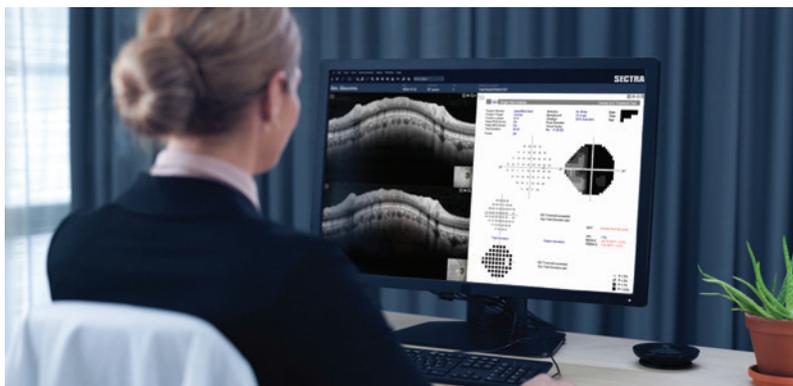
"Our recipe for success is customer satisfaction, which in turn requires happy employees, in that order."



The year in brief

Imaging IT Solutions

- Awards for highest customer satisfaction in the US, Canada and Asia/Oceania.
- Increased sales in markets where Sectra already commands a strong position, and several major customer projects have been delivered around the world.
- Growing customer base in the US.
- Most new customers choose Sectra One, the new subscription model for Sectra's enterprise imaging solution.
- Major deliveries of cloud-based solutions in key markets.
- Sectra helps reputable healthcare providers to introduce digital pathology.
- Customer offerings in medical imaging IT expanded to include a module for ophthalmology.



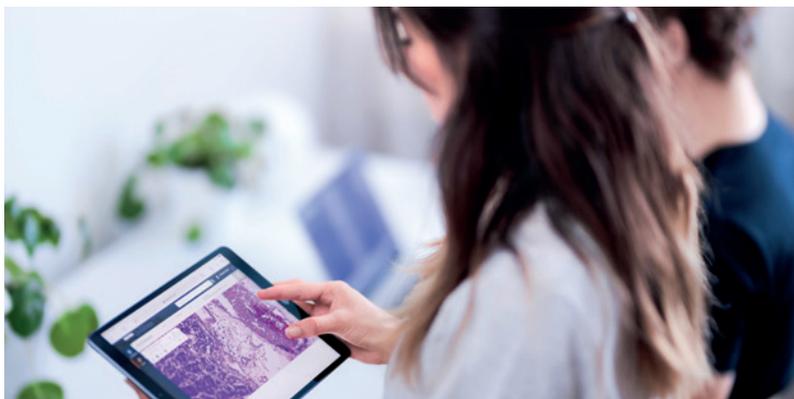
Business Innovation

- Sectra awarded Annual Spine Technology Award for innovative orthopaedic technology.
- The number of subscribers to Sectra's cloud service for medical education is growing.
- Research results demonstrate clinical benefit of AI.



Secure Communications

- Framework agreement renewed with the Dutch Ministry of Defense.
- The Norwegian Defense Forces expands its use of the Sectra Tiger mobile encryption system.
- The pandemic had a significant impact on the financial results, with a certain improvement noted in the final quarter.
- Orders from the Swedish Defence Materiel Administration (FMV) and the Dutch Ministry of Defense.





Financial goals

The financial outcomes exceeded the Group-wide financial goals.

Stability
49.3%

Goal: The equity/assets ratio is to be at least 30%.

Profitability
19.7%

Goal: The operating margin (EBIT margin) is to be at least 15%.

Earnings growth
93.3%

Goal: Operating profit (EBIT) per share is to grow by at least 50% over a five-year period.

Specific uncertainties

- The invasion of Ukraine and the sanctions imposed have had a minimal direct effect on Sectra's operations. We have very limited activity in Russia, Belarus and Ukraine.
- COVID-19 and the security situation in Europe are contributing to greater uncertainty than normal.
- With a strong financial position, positive cash flows and a significant share of recurring revenue, we are well-equipped to manage these risks.



Recurring revenue, SEK 1,081 million

Financial key figures

1,949

Net sales
SEK million

383

Operating profit
SEK million

2,320

Order bookings
SEK million

3.20

Cash flow per share
SEK

1.63

Earnings per share
SEK

1.00

Redemption price/ dividend
per share, SEK

Examples of the value we create



Collaboration saves lives

Each week, healthcare providers share more than 47 million medical images with Sectra's image sharing services. One example of how customers cooperate around images to save patients' lives is the collaboration between physicians in Umeå, Sweden and Vaasa, Finland. Using our services, images are shared for rapid assessment of whether a stroke is treatable, which in such cases means that the patient is immediately transferred to a trauma center by air ambulance.

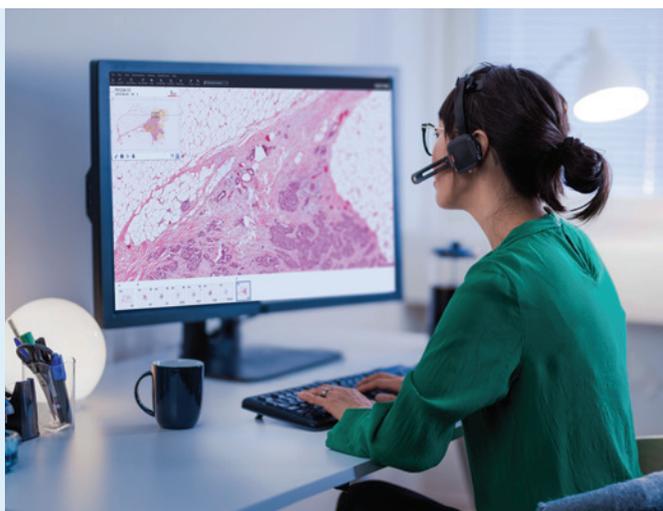
A complete patient overview leads to better quality of care

We help healthcare providers manage all types of medical images through the same solution. Healthcare teams are provided with a complete patient overview by integrating our medical imaging IT system with other healthcare information systems. With the support of Sectra's solutions, users are able to make faster and more accurate diagnoses, which leads to better patient care.



Digitization for equitable care and remote diagnoses

We help pathologists transition to technology that makes it possible to review tissue samples digitally. This reduces the variance between reviews, and makes it easier to share resources and expertise and reap the benefits of innovative technology such as AI. For patients, digitization leads to a lower risk of receiving the wrong treatment, shorter wait times and more equitable care.



- » Read more about these and other examples that show how we help our customers: medical.sectra.com/customerstories and communications.sectra.com/customerstories

Working remotely without increased risk exposure

With our products and services for secure mobile communication, we help defense organizations, ministries of foreign affairs, civil authorities and companies manage sensitive information while working remotely. Our products and services provide the same high level of security as when work is performed from the office. This was especially important during the COVID-19 pandemic since many of our customers were forced to change their way of working.



Avoiding unnecessary suffering for patients

With an image-based analysis service, we help orthopaedic surgeons and radiologists determine if the patients who suffer from pain following joint replacement surgery have a loose implant and are therefore in need of revision surgery. This contributes to patients receiving the best possible treatment at an earlier stage.

Approximately 10–15% of all hip and knee surgeries performed in Sweden are revision surgery. Since these procedures are expensive, significant costs can be saved if unnecessary surgery can be avoided. The greatest gain is ultimately the reduced suffering for patients given that revision surgery is associated with risks.

Reduced risk of disruptions and interruptions in critical social functions

Our analysis services and data traffic monitoring help customers reduce vulnerabilities in different energy grids. The total length of the energy grids we monitor is equal to 1.2 times that of the Earth's circumference.



Students who are better prepared for professional life in healthcare

Our cloud-based service for medical education works as a bridge between theory and practice. It helps students interact with medical images in a realistic way, which creates a deeper insight into anatomy as well as functions and processes in the body.

Annual report

As a Sectra shareholder, you receive this printed summary. We encourage you to read the Annual Report on our website.

» investor.sectra.com/annual-reports

Annual General Meeting 2022

Date: September 8, 2022

Official notice will be distributed not earlier than six weeks and not later than four weeks prior to the AGM in the form of a press release and publication on Sectra's website. The notice will be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and an announcement that notice has been given will be published in Svenska Dagbladet. The complete proposals for resolution and other documents will be available not later than August 18, 2022 (three weeks prior to the AGM).

» investor.sectra.com/agm2022

Follow Sectra's progress

To subscribe for information and receive notice of the AGM, press releases and other financial information from Sectra via email, visit:

» investor.sectra.com/subscribe

Let us know what you think

We would like to know why you chose to buy shares in Sectra and what you think of your investment and confidence in the company. We would be grateful if you could answer the nine questions in Sectra's shareholder survey. Your feedback is important to us!

» investor.sectra.com/irsurvey

Sectra AB (publ)
Email: info.investor@sectra.com
Phone: +46 (0)13 23 52 00

