Sectra contributes to a healthier and safer society

SECTRA

Knowledge and passion

Sectra—a company with an **entrepreneurial spirit**

Why we exist

The overall purpose of our business operations is to solve major social problems that must be addressed in the foreseeable future. For our customers, this is primarily about challenges related to two global trends: an aging population and digitization. Our job is to help customers become more effective and give them the tools needed to provide patients with high-quality care and increase cybersecurity in society.

How we work

Our work is based on a strong corporate culture that engages and motivates employees to do what is best for customers. Our work is guided by a desire for satisfied customers and, in order to achieve this, satisfied employees. Add to this a clear vision of where the company is headed, perseverance and cost awareness. Sectra's development over the years is a testament to what a strong combination this is.

What we do

Sectra offers products and services within medical IT and cybersecurity. The industries we have chosen are characterized by a tendency to grow regardless of the economic climate and by the fact that stable products and trust in suppliers are essential to customers.

60+
Countries with customers

3,240
Net sales, SEK million

1,300+
Employees

Our operating areas

Imaging IT Solutions

IT systems for managing medical images and patient information related to diagnostic imaging.
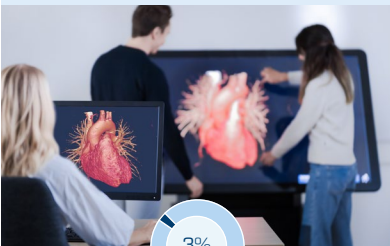
85%

Share of consolidated sales

Business Innovation

Sectra's own incubator. This includes Sectra's medical technology research department as well as the Genomics IT, Medical Education and Orthopaedics business units.

3%

Share of consolidated sales

Secure Communications

Solutions and services for secure communication and protection of sensitive information and critical systems.

12%

Share of consolidated sales

CEO letter

Succeeding in a time of change—customer satisfaction, innovation and a long-term approach

The past fiscal year can be summarized by record-breaking order bookings, a continued positive trend for secure communications and progress in the transition to selling medical diagnostic imaging as a service. We have not yet completed this transition. The extensive deliveries that we have in our order book will take many years to complete and have not yet started to generate meaningful revenue. Nor have we had the same support from currency effects as before. Nonetheless, profit for the year was good. The most important thing to note is that our customers remain satisfied. In our medical operations, we broke our previous record, winning more Best in KLAS awards than ever before. This provides external proof that we have the highest levels of customer satisfaction.

Unique trust from customers
According to a recent KLAS report, 100% of the healthcare customers surveyed at major hospitals in the US said that they would purchase from Sectra again—a figure that no other medical diagnostic imaging (PACS) supplier was even close to reaching. In the long term, satisfied customers and satisfied shareholders go hand in hand. High customer satisfaction is the pillar of our success in all of our operations and a clear indication of the value we create for customers and, subsequently, for our owners as well.

Customer satisfaction is about much more than products and services—not least, it is about our employees and our corporate culture of always being there for the customer. We all realize how essential effective IT support is for the important work our customers do for patients and society. This insight inspires us to care a little more. Our consistent top ranking in customer satisfaction, even during the comprehensive transition of our business model, is proof of the strength of Sectra's culture.

Sectra drives innovation in medical diagnostics
Demand in our largest operating area, Imaging IT Solutions, remains strong. Our innovative technology and close customer relationships enable us to win new business and deepen our

"Our long-term efforts to create value for healthcare and society, and ultimately our shareholders, are continuing to deliver results. We took major steps forward in our core areas—medical IT and cybersecurity—where we deliver solutions that improve people's quality of life and safety all over the world."

partnerships with existing customers. Our enterprise imaging module for radiology is ranked number one by users around the world. Now, we also have the most satisfied customers in digital pathology.

Ten years have passed since we launched Sectra's first pathology solution in Sweden, and the product area is growing internationally. Our progress in pathology is an excellent example of how we tackle challenging and important problems in our customer environments. A more recent example is the launch of our new IT support for genomics, which was a major milestone during the fiscal year. Both of these product offerings are proof of our drive to advance our industries through collaboration with customers.

Cancer diagnostics based on genetic information (genomics) is developing quickly and has, until this point, lacked effective IT support for high production. Our offering strengthens Sectra's position in integrated diagnostics for cancer care, an area where we remain one step ahead of the competition by gathering radiology, pathology and genomics to offer consolidated IT support.

Comprehensive transition under way

Over the past several years, we have been conducting a major transition that primarily affects our medical operations. We are shifting from traditional license sales to a business model based on service sales. This change impacts everything from how we develop systems and organize ourselves to provide the best customer service to how we report our financial figures. The rapid pace of the transition is evident in our key figures for recurring revenue and revenue from cloud services.

In terms of reporting, the change will lead to a delay in revenue and earnings, while costs continue to be incurred at the beginning of projects. Revenue comes later than in the license model, but continues for a long time. The ongoing transition might therefore give the impression that our performance is worse than if we had stayed on the same path, but things will look better when we start to see the positive effects in one or two years.

Strong growth in North America with record-breaking order and cloud services

Our customer base is growing and we are securing increasingly large customer contracts. The largest to date involves more than 150 Canadian hospitals and radiology units in Québec. The contract shows how extensive certain procurements have become within healthcare. Future IT systems are expected to cover larger regions and consolidate all medical imaging IT into a single solution. This is just one of many customers in North America that chose Sectra as their new vendor over the past year. While our operations in this region account for the majority of our order bookings in the last year, we are also performing well in other markets. The US and Canada are also the countries where we have made the most progress when it comes to the ongoing transition to cloud services. Essentially all our new sales in these countries are currently cloud-based Software-as-a-Service (SaaS) deliveries. We are also seeing this change in other markets, although not as strongly as in North America.

Like many companies, we have questions concerning the current political situation in the US, the consequences of which for Sectra are impossible to predict. So far, I see no immediate cause for concern since there has not been any discussion regarding tariffs on services. Moreover, these would be very difficult to implement. A large portion of the service we sell in the US is produced in the country and delivered by local personnel. Instead, the risks we currently see are primarily linked to the performance of the dollar and access to data centers in the US for the delivery of cloud services. These centers often rely on components from China, and insufficient data center capacity could result in delays to our deliveries. In our interactions with healthcare providers in Europe, we also see some hesitation when it comes to using public cloud solutions from US vendors. However, we are doing what we can to mitigate the risks, and in the European market, we have long offered private cloud solutions as an alternative.

Security solutions for a resilient society

The customers we are targeting with our cybersecurity offerings are investing heavily in strengthening information security and making society more resistant to cyberthreats. These investments represent an opportunity for us to help, and our Secure Communications operating area has grown rapidly in recent years. Moreover, the settlement regarding one of our patents in secure communications also had a highly positive impact on this year's profit.

The security situation remains unstable and society is profoundly vulnerable to cyberattacks, meaning that cyber-

security and secure communications are still priority issues. We meet growing customer needs with offerings that enable efficient and secure information sharing and provide protection for operations critical to society. We are also developing the business model from a dependence on large orders to a more scalable and sustainable product-driven model. As part of this change, we are also offering more of our solutions in Secure Communications as a service, particularly those tailored to government authorities.

US politics are contributing to further dynamics in the industry and could create opportunities for independent suppliers in Europe. European capabilities are becoming an important part of EU and NATO partnerships.

Gaining an advantage by being unafraid to fail

The extensive investments we are making in innovations and business development are creating value for our customers and building a stronger Sectra for the future. In our case, this means understanding where our technology and customer environments are heading in order to create the solutions that customers need. Sometimes we get it wrong and we have to close down product lines, but often we're right, which gives us a major advantage in the market.

The growing use of AI plays a key role in ensuring our long-term competitiveness. By combining our expertise with AI-driven tools, we can continue to deliver the highest possible value to our customers and remain at the forefront of our industry. At the same time, our core values remain unchanged. Sectra's culture, built on collaborations and constant improvement, is what sets us apart. AI is here to support us, enabling us to work smarter, solve complex challenges and contribute to a healthier and safer society without compromising on what makes us unique.

We see a future in healthcare where AI supports healthcare personnel in their work and enables earlier detection of illnesses and personalized treatments. At this early stage, our AI strategy is based on integration, where we offer "AI as a Service" in the form of applications from various suppliers. This provides our customers with access to a wide range of innovations that can help improve diagnostic precision and efficiency, while our own development team can focus on how to best apply AI models and make technological improvements. There are already several good examples of how our customers are seeing real benefits from AI.

The future

We will continue working to make the world a healthier and safer place. To succeed in growing, the most important thing is that we continue to have satisfied customers. And to get satisfied customers, we also need satisfied and motivated employees, which both our internal and external surveys show we have.

The changes taking place around the world mean that efficient medical care and cybersecurity are areas that will continue to grow for a long time to come. We grow by adding new customers, and by existing customers remaining with us and increasing their use of our services. The transition of the business model will position us for the future, although we expect that decreased license sales will have a dampening effect on sales growth. Major customers will also go live in the coming year, which will place additional pressure on profitability before they start using our services at full capacity. In the long term, however, the transition will be highly beneficial—for us and for our customers—not least because Sectra's customers are satisfied and stay with us for a very long time. With loyal customers combined with a strong brand in growing areas, we have every reason to remain optimistic about the future.

Our success is built on the dedication and expertise of our employees. I would like to extend my sincere thanks to all of our employees. Their passion and knowledge are what drives Sectra's continued development. I would also like to thank our customers and partners for the trust they place in us, and our shareholders for their long-term support. Together we are making a difference in society.

Linköping, Sweden, July 2025

Torbjörn Kronander
President and CEO Sectra AB

The year in brief

Imaging IT Solutions

- Major, long-term customer contracts led to historically high levels of contracted order bookings. Sectra secured some of its largest contracts ever, including its largest to date—a contract pertaining to a cloud solution for 150 Canadian hospitals in the province of Québec.

- More customers deployed the Sectra One subscription service, often delivered as a cloud service, resulting in increased recurring revenue. The transition to the cloud is progressing rapidly. Cloud-based services accounted for 20% of the operating area's revenue.

- Continued growth in the US. A survey showed that Sectra was the most chosen vendor by US healthcare providers in the past two years.[1] Sectra was considered as a choice in half of the approximately 80 PACS procurements reviewed. Out of these, we were chosen as a supplier in approximately half—in other words, Sectra won more than 25% of all procurements. This is significantly more than any other supplier.

- A growing number of healthcare providers around the world chose Sectra, and sales increased in all geographic markets.

- Sectra strengthened its position in the digital pathology market through orders from hospitals in countries including Canada, France, Norway, Sweden and the US.
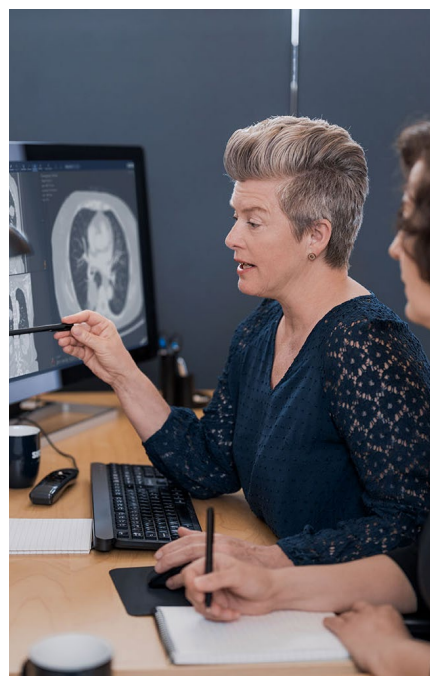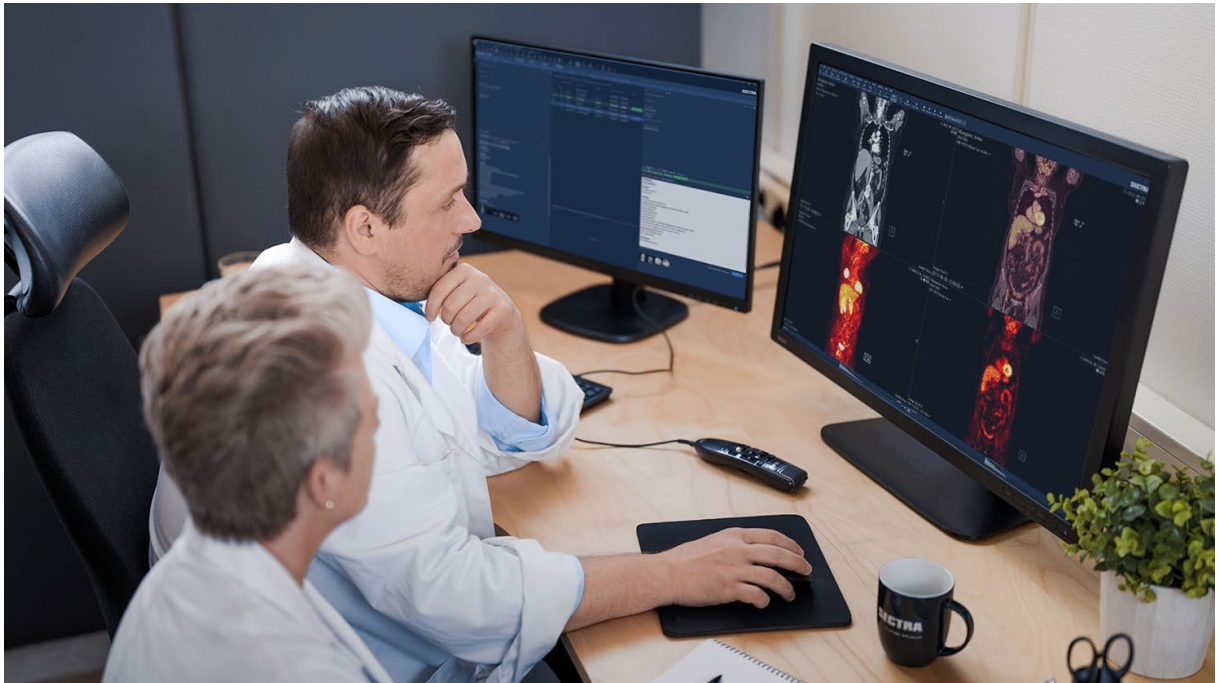

#1 in customer satisfaction

Sectra continued to top the Best in KLAS customer satisfaction surveys[2], both in new categories and segments and in categories and segments we have won for several years in a row.

A regional cloud solution to enable collaboration among 150 healthcare providers in Canada

Background

Québec, Canada's largest province by land area, is home to nine million residents. Comprising more than 150 healthcare sites, the province collectively performs approximately 12 million examinations a year.

The customer's challenge

To ensure optimal and secure patient care in the province, the customer needed a reliable solution with high system availability that would enable effective collaboration in the province regardless of the location of the patient and healthcare resources and allow the customer to expand the solution to manage growing image volumes.

How Sectra is helping

- Regional cloud solution that enables collaboration among 150 healthcare providers in the province. The customer can share resources and streamline workflows within radiology, breast imaging and orthopaedics.
- A consolidated system designed to accommodate planned growth as volumes increase and as potential into other specialties is explored.

Market trend – the growing volumes of medical images and the consolidation taking place in healthcare are leading to larger customers, higher demands for efficiency and more extensive procurements than before.

The year in brief—continued

Business Innovation

- Successful launch of Sectra's new genomics module in collaboration with the University of Pennsylvania Health System in the US. The module is used to successfully streamline management of the analyses performed in precision medicine, one of the fastest growing areas in diagnostics.

- The use of Sectra's cloud service for medical education continued to grow, especially for training radiologic technologists. The University of Hartford in the US is one of the new customers that ordered Sectra's training platform.

- Increased use of Sectra's services for orthopaedics. Several customers who purchased Sectra One chose to use the orthopaedics module to save time and increase patient value.

- Sectra's research activities generated important new insights and tools to add value to healthcare, such as better feedback on AI results and monitoring AI performance.

Customers ordered the newly developed stationary phone in the Sectra Tiger/S product family that allows multiple people to participate in a secure call at once.
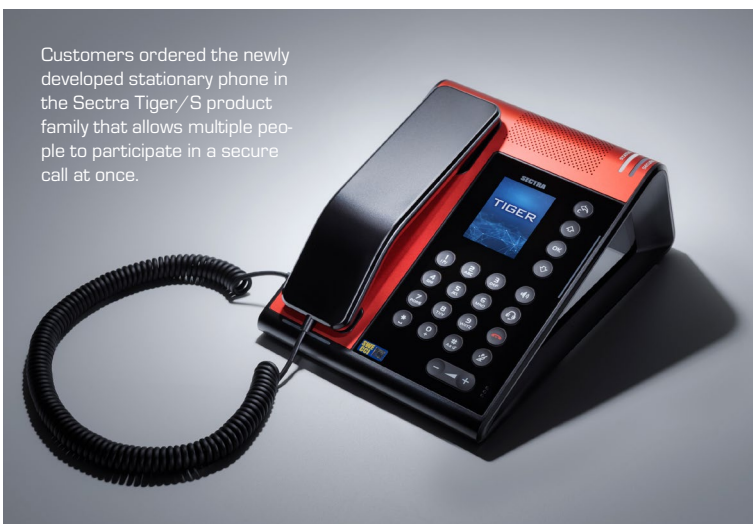
Secure Communications

- Many countries are increasing their investments in defense and public security. Sectra's ability to help customers with these needs led to improved financial performance.

- Swedish authorities and defense customers in Europe placed orders for the further development and serial deliveries of the Tiger/S mobile encryption system and network crypto devices.

- Agreements were entered into with several new customers in critical infrastructure for consulting and security monitoring.

- A settlement was reached in a patent dispute in the US regarding Sectra's patented technology for secure communication. The settlement had a positive non-recurring effect of SEK 110 million on the financial outcome for the fiscal year.

- Delivery of solution to the Swedish Prison and Probation Service for secure access to information The solution will streamline the customer's daily operations and provide inmates with controlled, secure access to digital services and information.

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The financial figures in brief

Key figures

Refer to the Annual Report and Sustainability Report for additional performance measures.

3,240	**723**	**8,706**
Net sales SEK million	Operating profit[3] SEK million	Contracted order bookings SEK million
4.79	**2.92**	**2.10**
Cash flow per share SEK	Earnings per share[3] SEK	Dividend per share[4] SEK

[3] Include a non-recurring positive effect of SEK 110 million from a patent settlement.
[4] Proposal for ordinary dividend and extra ordinary dividend.

The Group's order bookings, sales and operating profit exceeded previous records. With a strong financial position, positive cash flows and a significant share of recurring revenue, we are well equipped for the future.

Financial goals

All Group-wide financial goals exceed the target levels. The figures for profitability and growth refer to outcomes excluding a non-recurring positive effect from a patent settlement.

Stability
51.0%

Goal: The equity/assets ratio is to be at least 30%.
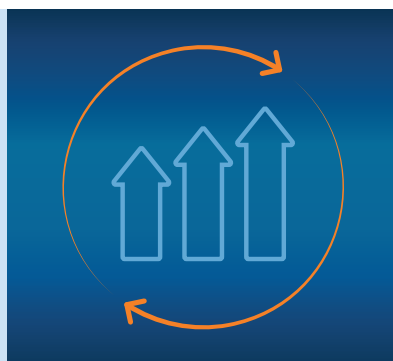
Profitability
18.9%

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

Growth
107.4%

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

Cloud services

+49%

Recurring revenue amounted to SEK 2,067 million, of which SEK 591 million pertained to cloud-based services.

Satisfied customers lead to low churn

0.6%

Recurring revenue churn

Capital Markets Day 2025

Watch presentations focused on medical imaging IT: https://investor.sectra.com/cmd2025

Sustainability focus

Achieving our vision requires satisfied customers and employees as well as long-term, responsible commitment as a company to all stakeholders. That is why we focus our efforts on these sustainability areas.


Satisfied customers

Satisfied employees

Responsible conduct

Sectra welcomes future employees
At Sectra, our success largely rests on our motivated employees who have a strong drive to help our customers. The satisfaction and well-being of our employees is also essential for our success. Actively supporting the possibility of combining family and work is important for Sectra. Here are some of the new additions that brightened the world during the fiscal year.

Learn more about the Sectra culture in the full Annual Report and Sustainability Report.
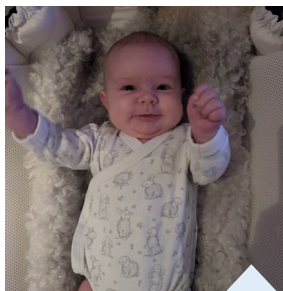
Elvira Jinnegren
Per Jinnegren
Software Engineer, Sweden

Elvira Arkstål
Emil Arkstål
Solution Architect, Sweden

John Theo Simmonds
Johnny Simmonds
Software Engineer, UK

Mateo Söderström
Pontus Larsson
Quality Engineer, Sweden

Eden Blomstrand
Regina Blomstrand
Software Engineer, Sweden

Jones Crump
Jenna Crump
Solutions Specialist, US

Lova May Lind
Marcus Lind
Line Manager, Sweden
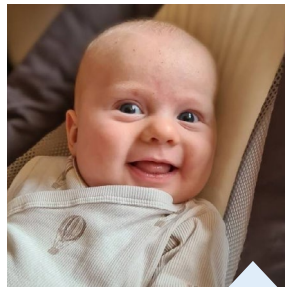
Cecilia Spjuth
Chiahsin Chen
Cloud Engineer, Sweden

Alba and Vega Linder
Tova Linder
Line Manager, Sweden

Gabriel Chantry Costa
Rui Costa
Customer Success Manager, UK

Arvid Nöjdh
Oscar Nöjdh
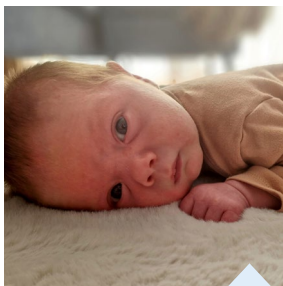Product Manager, Sweden

Oscar Fröberg
Henric Fröberg
Software Engineer, Sweden

Hanna-Maria H. Animut
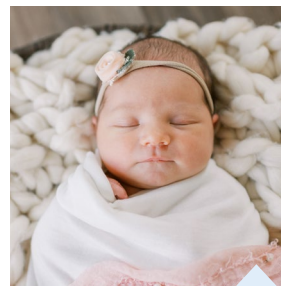Animut D. Tsegaye
Systems Engineer, Norway

Jude Jacob Small
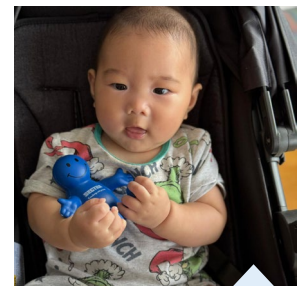Richard Small
Customer Success Manager, UK

Tore Häll
Andreas Häll
Reporting Solution Specialist, Sweden

David Sandberg Khori
Gustav Sandberg
VP Critical Infrastructure, Sweden

Maya Atkins
Presley Atkins
Technical Writer, US

Ritchie Xu
Mark Xu
Customer Operations Engineer, Australia

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

Date: September 9, 2025

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 19, 2025 (three weeks prior to the AGM).

» investor.sectra.com/agm2025

Follow Sectra's progress

To subscribe for information and receive notice of the AGM, press releases and other financial information from Sectra via email, fill in your contact details on:

» 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. Please answer the questions in Sectra's shareholder survey. Your feedback is important to us!

» investor.sectra.com/irsurvey

SECTRA

Knowledge and passion

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