

THE YEAR IN BRIEF 2022/2023

Sectra contributes to a healthier and safer society



SECTRA

Knowledge and passion

Sectra—a company with global trust

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 efficient 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 employees—in that order. 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 stability and trust are essential to customers.

60+

Countries with customers

2,351

Net sales, SEK million

1,100+

Employees

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 Genomics IT, Medical Education and Orthopaedics business units.



Share of consolidated sales

Secure Communications

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



Share of consolidated sales

CEO letter

Sectra's success depends on satisfied customers who operate in growing markets where a trusted supplier is absolutely critical. We maintain our customers' trust and create value with the help of a strong corporate culture and long-term investments in innovations that can solve problems to ensure that society continues to function in the future.

Customer satisfaction and customer value can only be achieved with motivated and happy employees. Our success in this regard is reflected in success for Sectra. We won more and larger orders than ever before, received distinctions for high levels of customer satisfaction and cybersecurity, and were even ranked as one of the best employers in Sweden. All operating areas are now growing, and the transition to service sales and cloud deliveries is progressing. All of this is due to our ability to deliver customer value and build a long-term sustainable company by providing critical components for modern healthcare, medical education and increased cybersecurity in society.

The needs for increased productivity in healthcare and strengthened cybersecurity are great. We are well positioned to meet these challenges. Customer value, innovation and corporate culture remain key elements of our strategic plan. With these as our base, we will deliver secure, scalable and user-friendly solutions that create significant customer value in medical IT and cybersecurity. Customer value that is then passed on to us through the payments we receive for our services.

I'm proud of what we've accomplished so far and would like to express my appreciation. Thank you to all of our customers, employees and shareholders for your continued support and trust in Sectra. Our collective work has an important and tangible impact on people's health and on security in our society.

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

Linköping, Sweden, July 2023

Torbjörn Kronander
President and CEO Sectra AB

"A long-term and sustainable future is created through satisfied customers and happy employees."



The year in brief

Imaging IT Solutions

- Sectra's radiology module, Sectra PACS, wins awards for highest customer satisfaction. This marks Sectra's tenth consecutive win in the US, its fourth consecutive win in Canada and its second consecutive win in Asia/Oceania.
- Major, long-term customer contracts lead to historically high levels of contracted order bookings. The two largest contracts are with Region Hovedstaden in Denmark and the Health and Social Care Service in Northern Ireland.
- Continued growth in our single largest market, the US, where large regional healthcare providers sign agreements with Sectra.
- A growing number of healthcare providers around the world choose Sectra, and sales increase in all geographic markets.
- Sectra strengthens its position in the digital pathology market through orders from hospitals in countries including Denmark, France, the UK, South Korea and the US. More than 1.5 million cases so far have been reviewed with Sectra's pathology solution.
- More customers choose the Sectra One subscription service, often delivered as a cloud service, resulting in increased recurring revenue.



#1 in customer satisfaction



Business Innovation

- Start of a new business unit, Genomics IT, for innovation and development of additional IT support for precision diagnostics. This area is important for cancer diagnostics and supplements our offerings in pathology and radiology.
- The next generation of cloud-based education portal is launched, and the number of users of Sectra's cloud service for medical education grows significantly.
- Several customers in Canada and the US include Sectra's orthopaedics services in their subscription agreements for medical imaging IT.
- The journal Acta Orthopaedic publishes a follow-up study where the Sectra Implant Movement Analysis (IMA) service was used in cases of a suspected loose implant. The study shows that the likelihood of a correct diagnosis increases significantly when using IMA compared with plain X-rays.
- Research results pave the way for clinical benefits of AI.



Secure Communications

- Many countries are increasing their investments in defense and public security. Sectra's ability to help customers with these needs leads to increased order bookings and an improved financial performance.
- Magnus Skogberg takes office as the new President of the operating area.
- The Dutch Ministry of Defense expands its use of the Sectra Tiger/S mobile encryption system to include secure file sharing at the highest classification level.
- Swedish authorities expand their partnership with Sectra through new orders of systems and solutions to strengthen the Swedish civil and military defense's ability to communicate securely.
- NATO approves the most recent version of Sectra Tiger/S. The product includes new functions that help officials exchange information even more securely and efficiently. Customers in NATO countries order Sectra Tiger/S devices, including an authority in Finland.
- An energy company orders Sectra's service for monitoring operational systems, which helps customers detect risks and vulnerabilities before they affect daily operations.

The financial figures in brief



Capital Markets day 2023

Presentations focusing on customer value and sustainable growth:

investor.sectra.com/cmd2023



Financial goals

All Group-wide financial goals exceed the target levels..

Stability

47.4%

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

Profitability

19.4%

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

Growth

110.0%

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

Financial key figures

The Group's order intake, sales and operating profit exceed previous records.

2,351

Net sales
SEK million

456

Operating profit
SEK million

4,636

Contracted order bookings
SEK million

2.29

Cash flow per share
SEK

1.95

Earnings per share
SEK

1.10

Redemption price/dividend
per share, SEK *

*Proposal to the 2023 AGM

Recurring revenue



Recurring revenue amounted to SEK 1,360 million, of which SEK 255 million pertains to cloud-based services.

The value we create and our social action

Focus on sustainability

Sectra's vision is to contribute to healthier and safer societies. Achieving this requires satisfied customers and employees as well as long-term, responsible action as a company on behalf of all stakeholders. That is why we focus our efforts in these sustainability areas. In Sectra's Annual Report and Sustainability Report, you can read about the value we create and how our work contributes to the UN Sustainable Development Goals.



Satisfied customers

The value we create for customers is Sectra's largest contribution to more sustainable societies. We help our customers provide more patients with the best care possible and protect communication and critical infrastructure in today's digital society. Our work helps make people's lives healthier and safer.



Satisfied employees

Having satisfied and dedicated employees is a precondition for delivering maximum customer value. We safeguard our corporate culture, fair working conditions, equality and diversity.



Responsible conduct

Our approach to conducting long-term sustainable operations can be summarized as follows: treat our customers and other stakeholders as we would like to be treated ourselves. This leads to successful teamwork and prosperous business. This includes taking responsibility for the environment and climate, following fair business principles, counteracting corruption and respecting human rights.

Cloud technology and a strong corporate culture assist radiologists in Ukraine

The Russian invasion of Ukraine made it difficult for radiologists in the country to review radiology images and dictate results. Healthcare personnel were conscripted, relocated, or simply chose to leave the country. Ukraine maintained a functioning internet, which enabled Sectra and Microsoft to act together on a request for assistance. As a result, physicians in the Sumy region now review about 1,000 examinations per month using Sectra's enterprise imaging solution, available via Microsoft Azure cloud service.

This is a project that is outside the box in many ways. These needs subsist in a region in which we are not typically active. The project is being conducted without allocated resources, without knowledge of the language, without easy access to healthcare personnel and without any payment in return. Instead, we have an extremely strong desire to act, stable and easy-to-use technology and a corporate culture that gives our employees the authority to make decisions.



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 2023

Date: September 7, 2023

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 17, 2023 (three weeks prior to the AGM).

» investor.sectra.com/agm2023

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» 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



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