

September 2, 2022

Three-month report

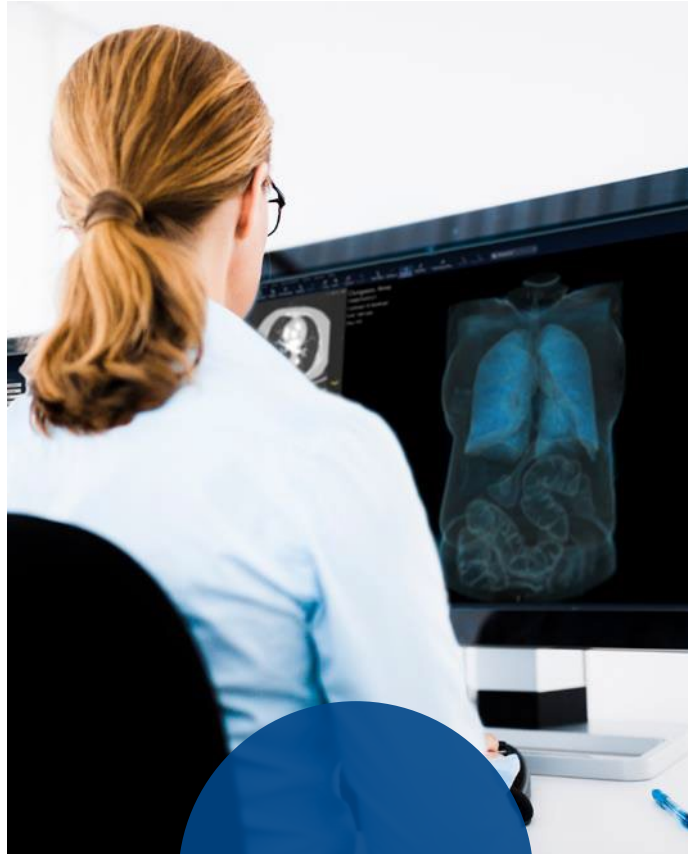


SECTRA

Agenda

1. Intro and highlights – Torbjörn Kronander CEO/President
2. Financial development – Jessica Holmquist CFO
3. Sectra's way forward – Torbjörn Kronander
4. Q&A session – Via chat function and email

The value we create for customers



Imaging IT



Business
Innovation



Secure
Communications

Q1 highlights

Torbjörn Kronander

Order bookings exceeded SEK 2 billion

- » Two substantial Sectra One contracts
- » Combination of high volume and long contract gives large values
- » Significant quarterly variations, due to individual large orders



Transforming to Software as a Service

Net sales

+19%

SEK 484 million

Profit/share

-26%

SEK 0.28

Recurring revenue

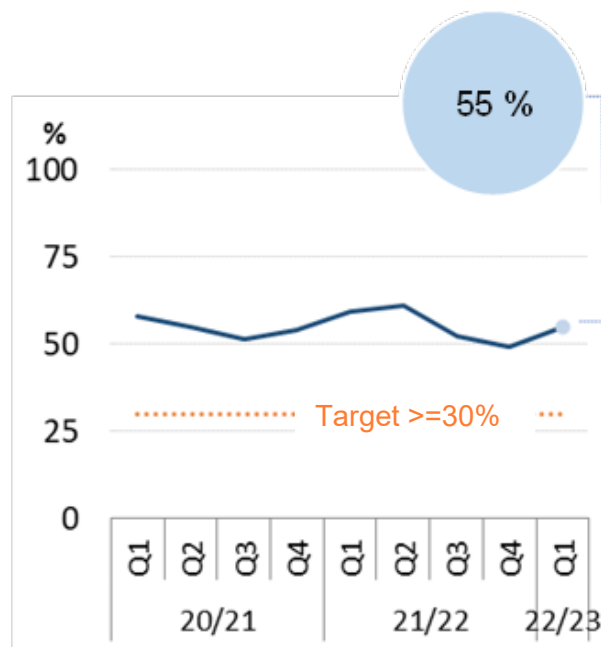
+23%

SEK 310 million

Financial targets for the Group fulfilled

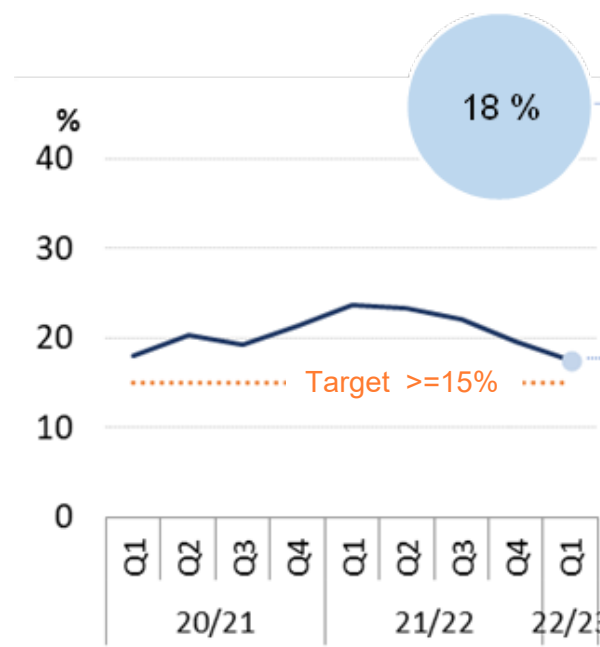
1. Stability

Equity/Assets ratio



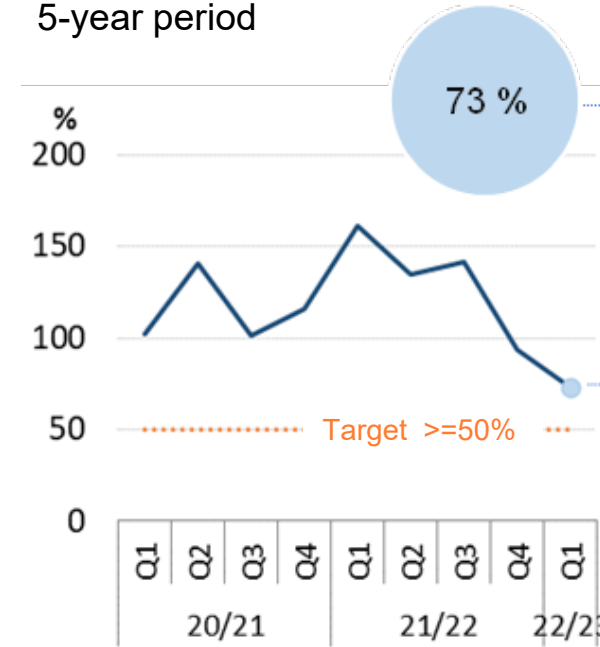
2. Profitability

Operating margin



3. Growth of profits

EBIT/share growth over a 5-year period



Priority

Secure Communications highlights



Demand for
cybersecurity



In focus:
Procurements
and deliveries.



Magnus Skogberg
new President
from August 2022

Impact of the Ukraine crisis

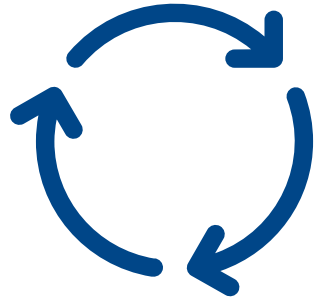
Increasing demand for:

- » Cyber security overall
- » Secure communications and encryption products



Sectra products are approved for use both in the EU and in NATO.

Business Innovation highlights



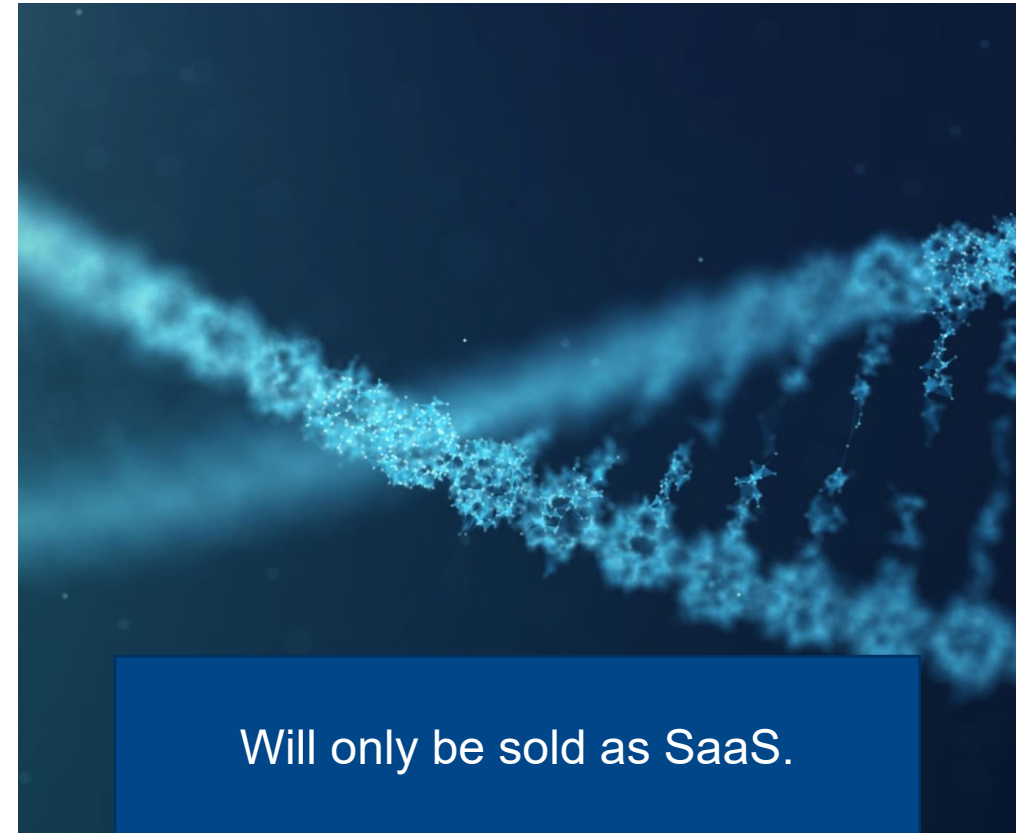
In focus:
Increasing usage and
recurring revenue



New business unit
for genomics IT

Genetic information increasingly important in diagnostics and precision medicine

- » A project in close collaboration with customer who will take it into clinical use when completed.
- » Potential to significantly impact patient care.
- » One more step towards integrated diagnostics.
- » Fits with long-term ambition to be the leader in diagnostics IT.



Will only be sold as SaaS.

Business Innovation growth initiatives



Both areas with significant growth
in Recurring Revenue

New orthopaedics areas

- » Sectra Implant Movement Analysis (Post OP)
- » Computer Tomography Micro motion Analysis (for clinical research & studies)



Medical Education transition

- » From device delivery to a service including cloud-based content subscriptions
- » Remote and modern teaching demand.



Introduced 2 years ago

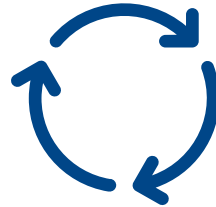
Software, maintenance and support in a unified subscription

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Imaging IT Solutions highlights



Substantial
Sectra One contracts



Recurring revenue
+23%



Transition to SaaS
and cloud deliveries

Imaging IT Solutions growth initiatives

- » New markets, direct and indirect
 - ✓ Expanding indirect sales region to South America
- » Enterprise Imaging, including:
 - ✓ Digital pathology and integrated diagnostics
 - ✓ Cardiology
 - ✓ Ophthalmology
- » Focus US
 - ✓ The world's largest market
 - ✓ Sectra tops customer satisfaction
 - ✓ Small, but growing, market share



Financial development

Jessica Holmquist, CFO

The cloud trend is affecting Sectra's external reporting measures

1. New contracts reflect SaaS business model - service delivery over time
2. Revenues are increasingly recognized over time

We therefore introduce new reporting measures

Changes in Sectra's external reporting

- ✔ Increased details on order intake during the transition period, but order intake will be removed from external reporting by Q1 2024
- ✔ Focus on Recurring Revenue
- ✔ A new APM "Cloud Recurring Revenue" (CRR)

Contracted order bookings



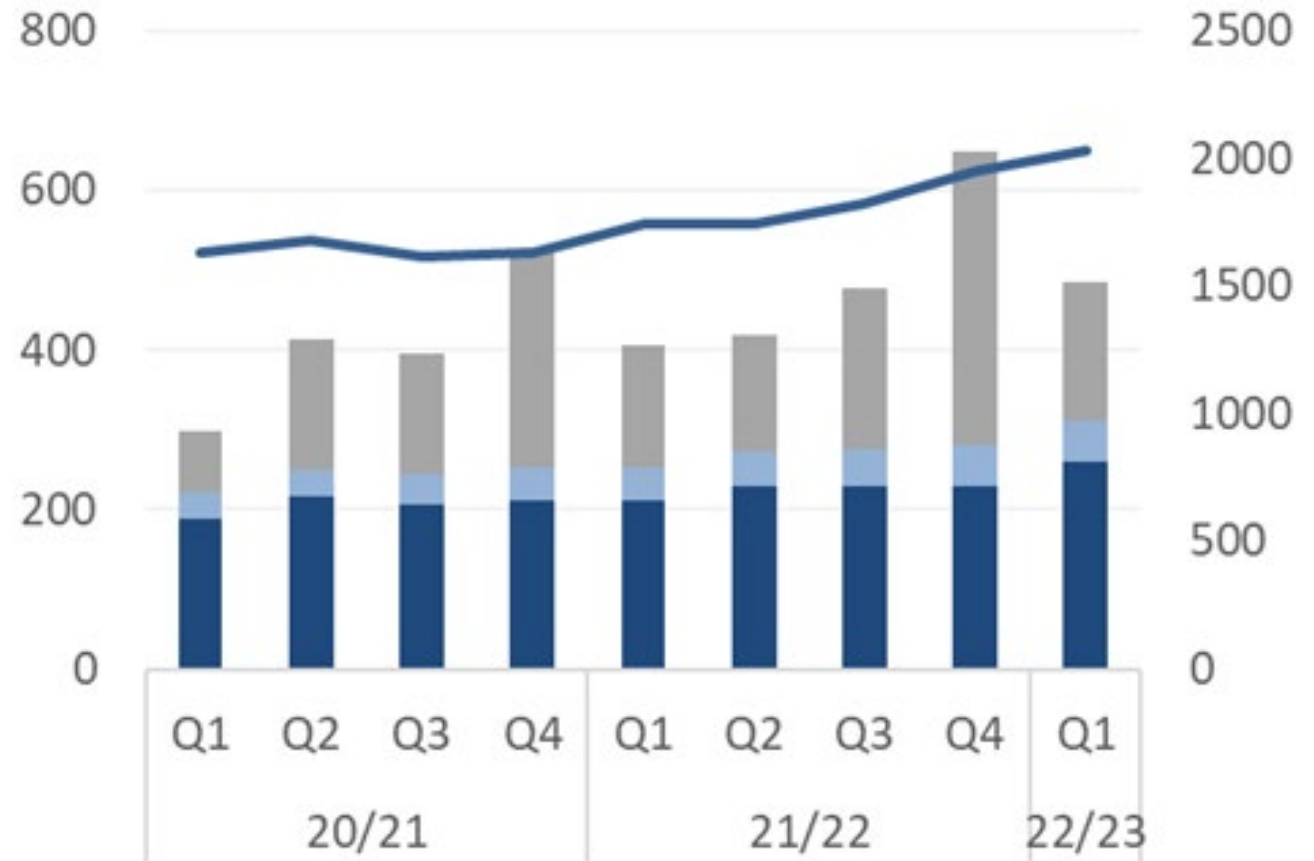
2,235 MSEK
(393 MSEK)
+469%

Of which
705 MSEK is
guaranteed

Net sales

- » Net sales +19% to 484 MSEK
- » Growth adjusted for currency impact +11%
- » Recurring revenue +23%
- » Cloud Recurring Revenue +19%, 50 MSEK

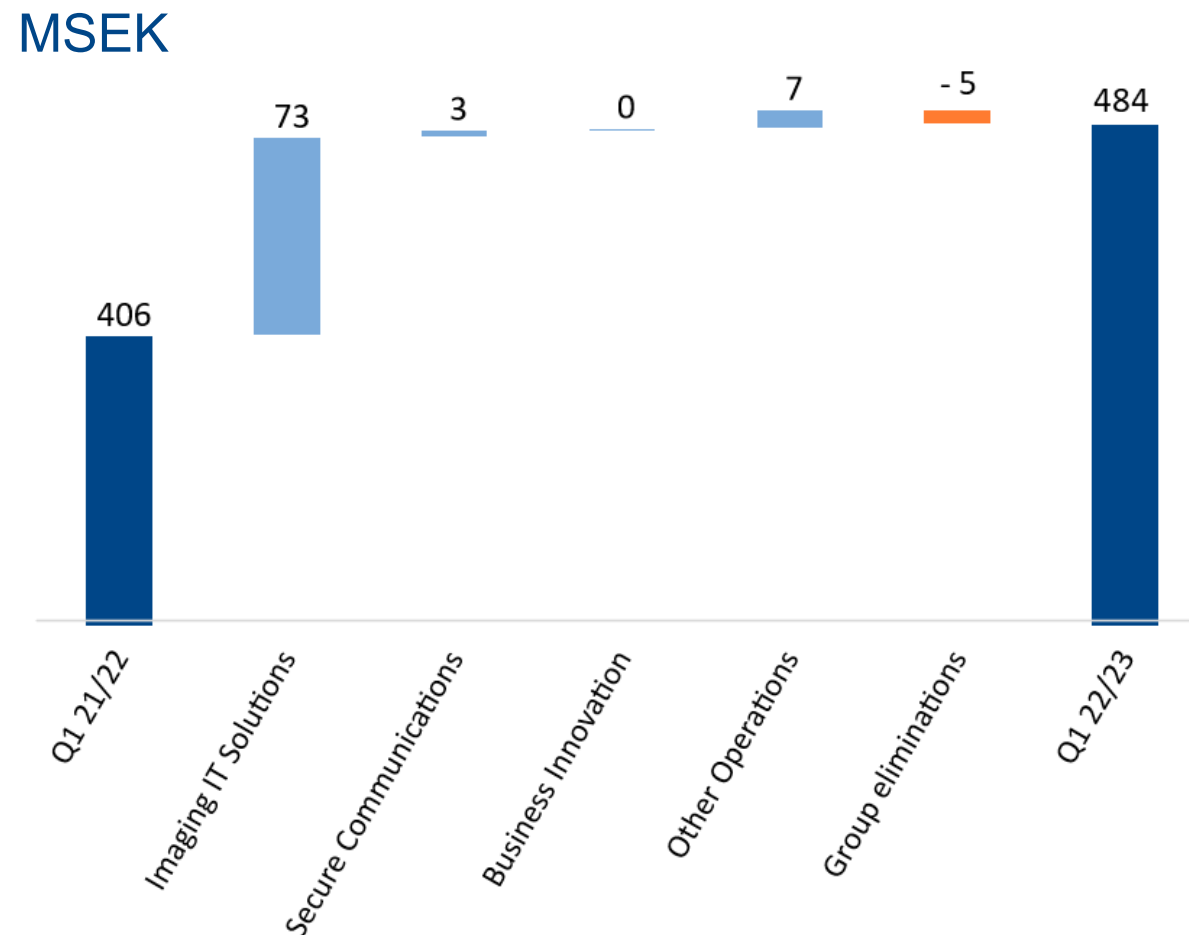
MSEK



- Net sales, 12 month rolling
- Cloud recurring revenue (CRR)
- Other recurring revenue (RR)
- Non-recurring revenue

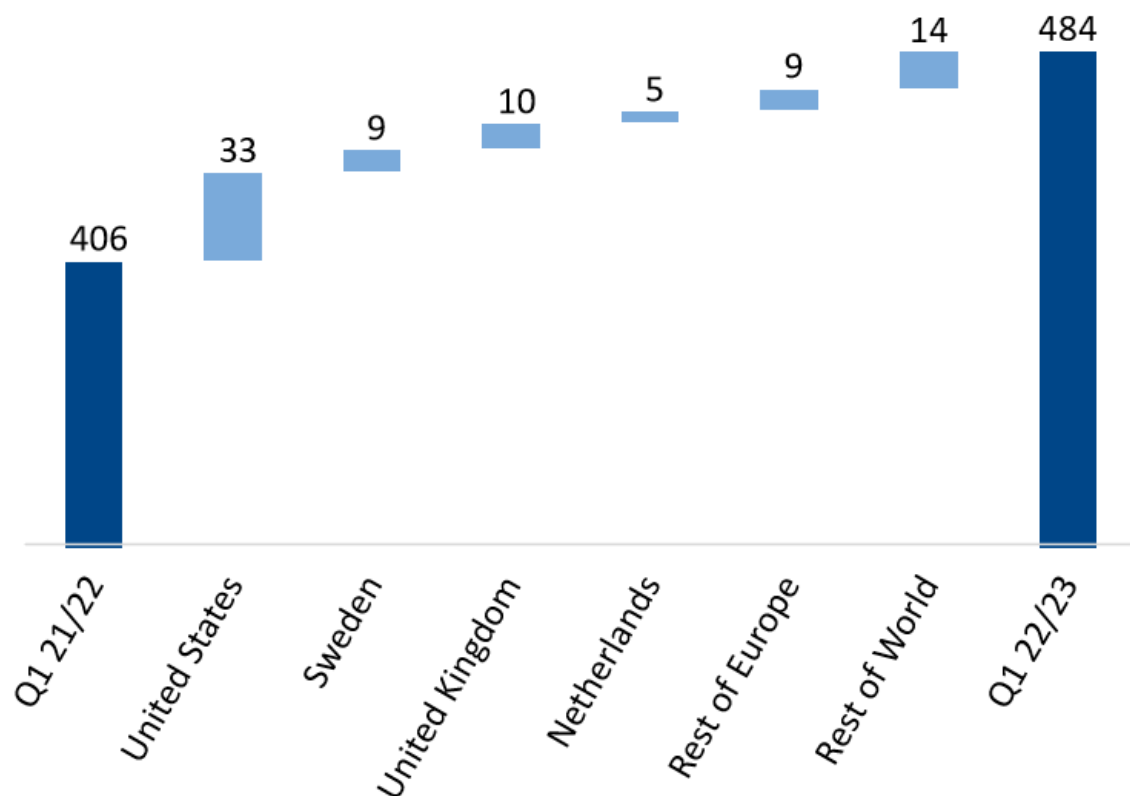
Sales by business segment

- » Growth in all business segments
- » Imaging IT +20%
 - » New and existing customers
 - » Positive currency impact
- » Secure Communications +8%
 - » Increased demand for cyber security and encryption solutions
- » Business Innovation +3%
 - » Positive trend on recurring revenue

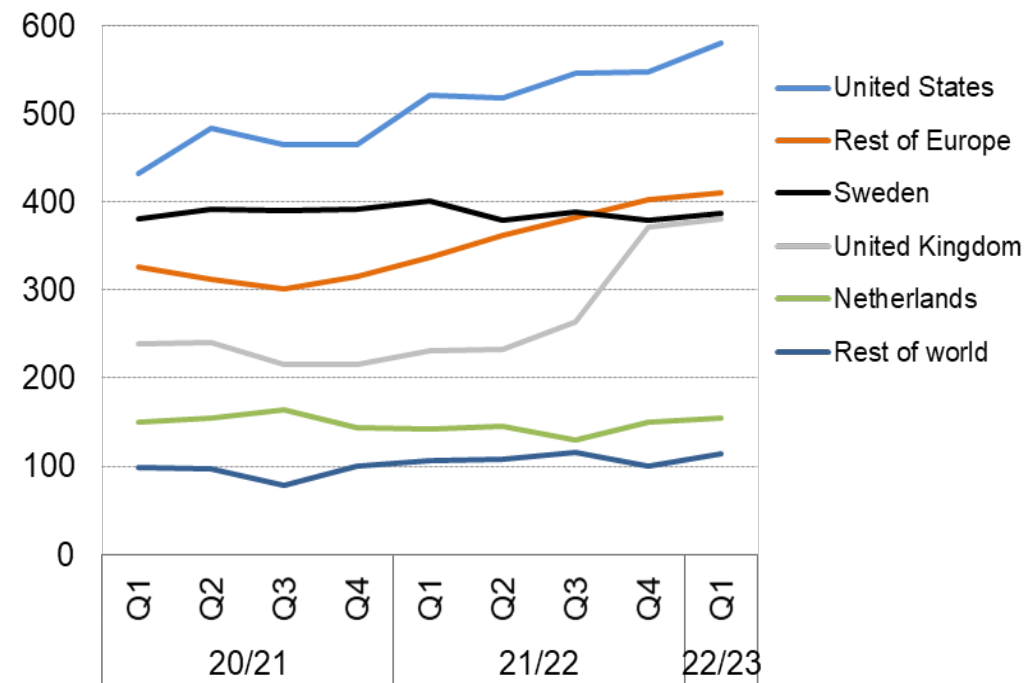


Sales by geographic market

MSEK



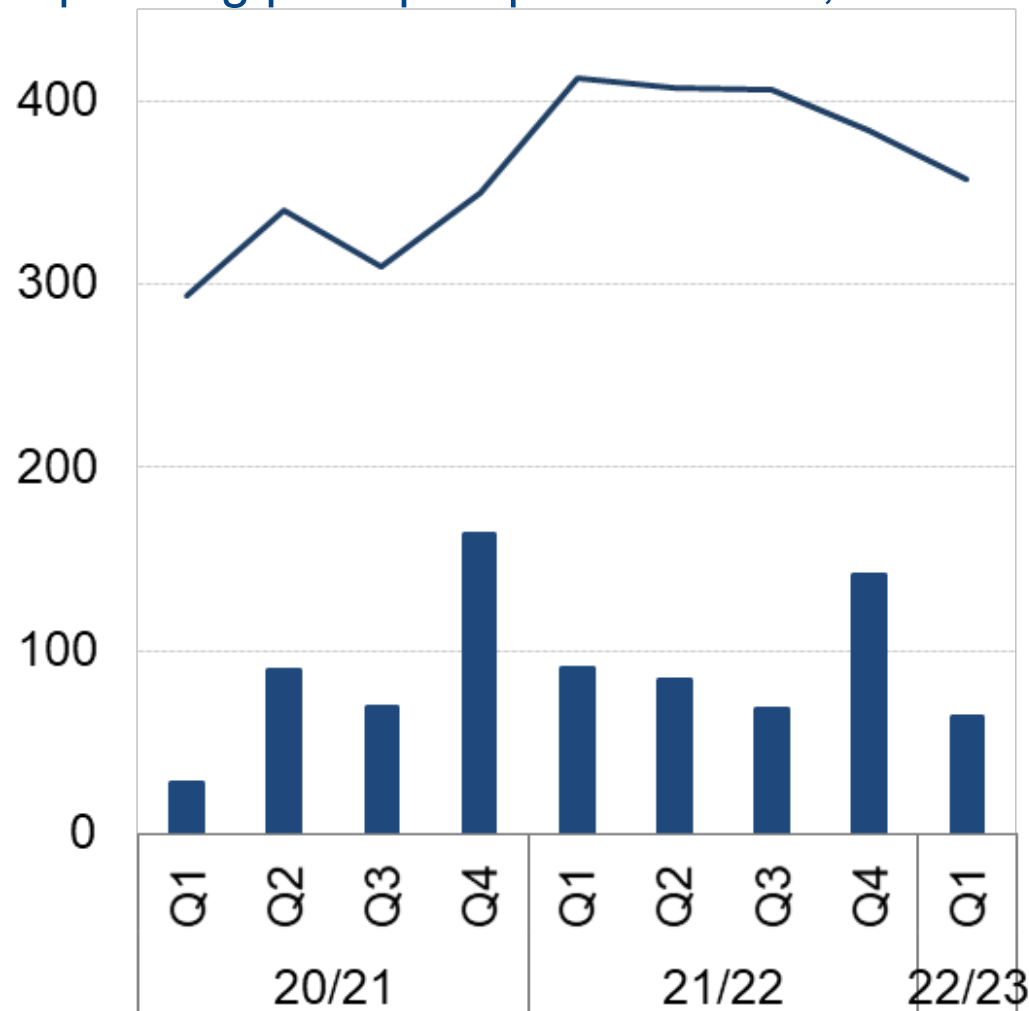
R12, MSEK



Operating profit

- » Operating profit of 64 MSEK, a 29% decline vs Q1 last year
 - » Ramping up of the organization and accumulated need for sales & marketing activities
- » Margin at 13% is in line with set expectations for the group
- » R12 down from Q4 due to exceptionally strong Q1 last year

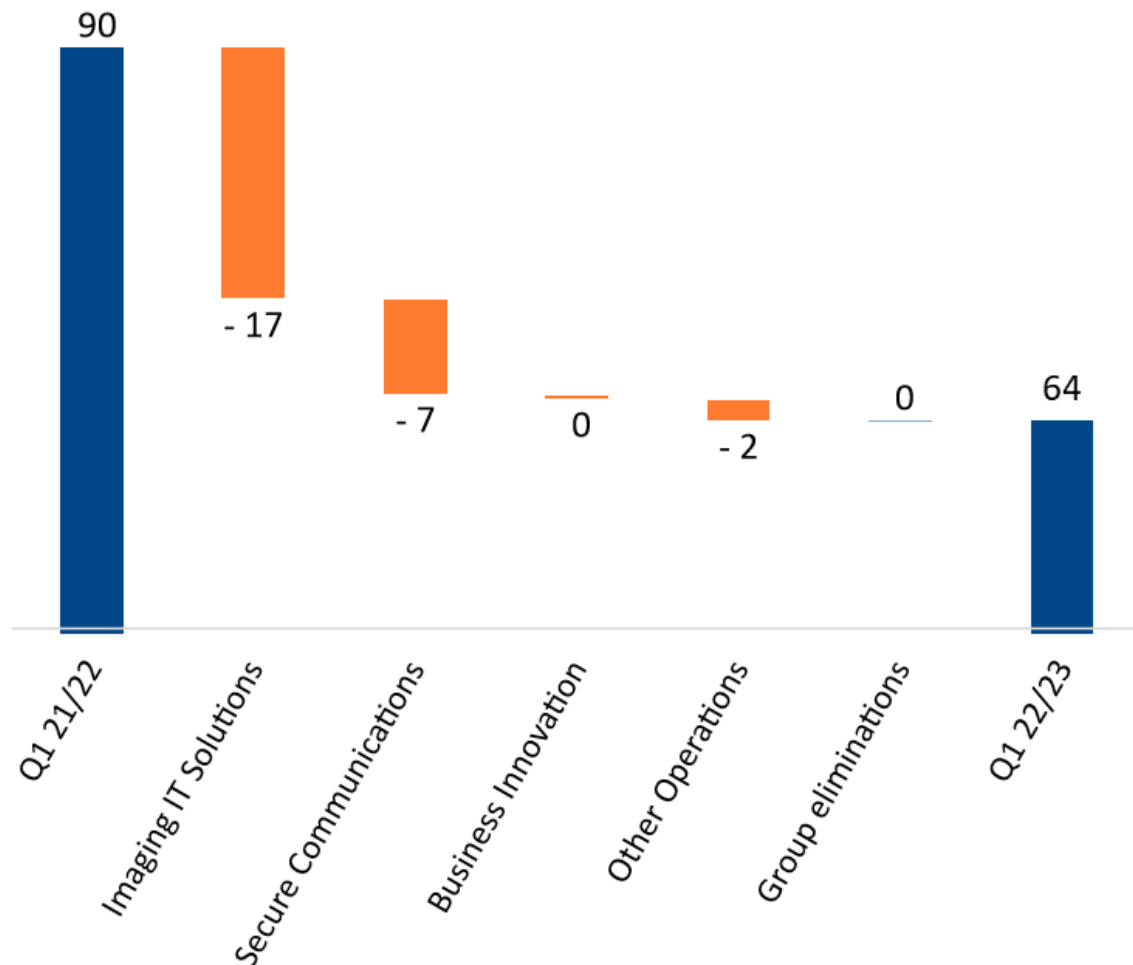
Operating profit per quarter & R12, MSEK



Operating profit

- » Imaging IT
 - » High activity during Q1 and continued cloud investments
 - » Low cost in Q1 last year due to pandemic
- » Secure Communications
 - » Development of new offerings
 - » Focus on deliveries, marketing & sales

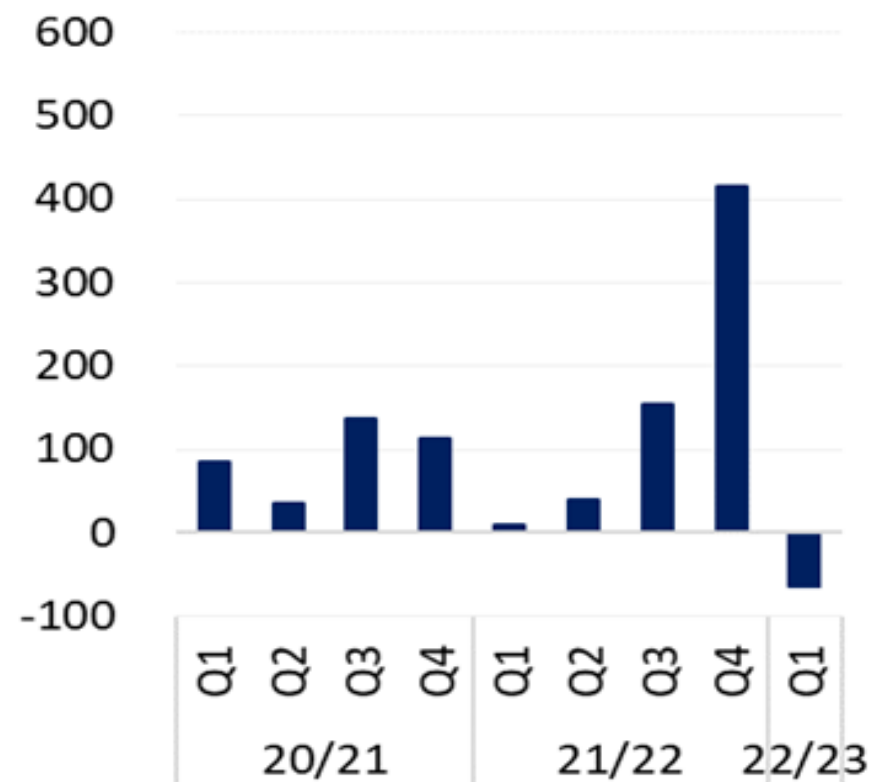
Operating profit by business segment, MSEK



Cash flow

- » Cash flow from operations -64 MSEK
 - » Large advance payments in Q4
 - » Settlement of current liabilities during Q1
- » Strong cash position

Cash flow after changes
in working capital, MSEK



Sectra's way forward

Torbjörn Kronander

SECTRA

Focus forward



High customer
satisfaction



Employees and
culture



Profitable
growth



Skate to where
the puck is
going to be



How does Sectra build lasting competitive advantage?

Product.

Promotion.

Place.

Price.

Process.

People!

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It is in fact quite easy to succeed in business
Just live and act:



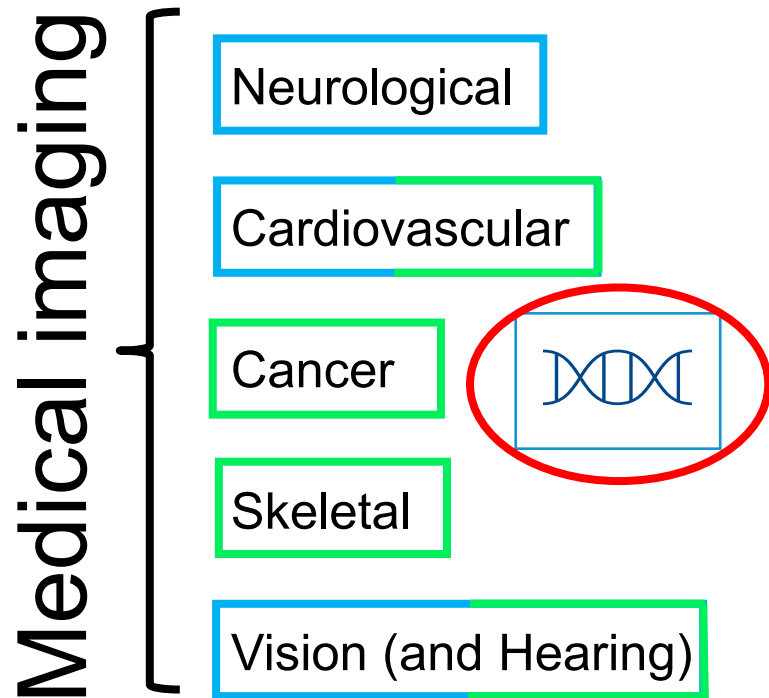
Medical



Medical systems

Growth areas

Age related diseases:



Cybersecurity

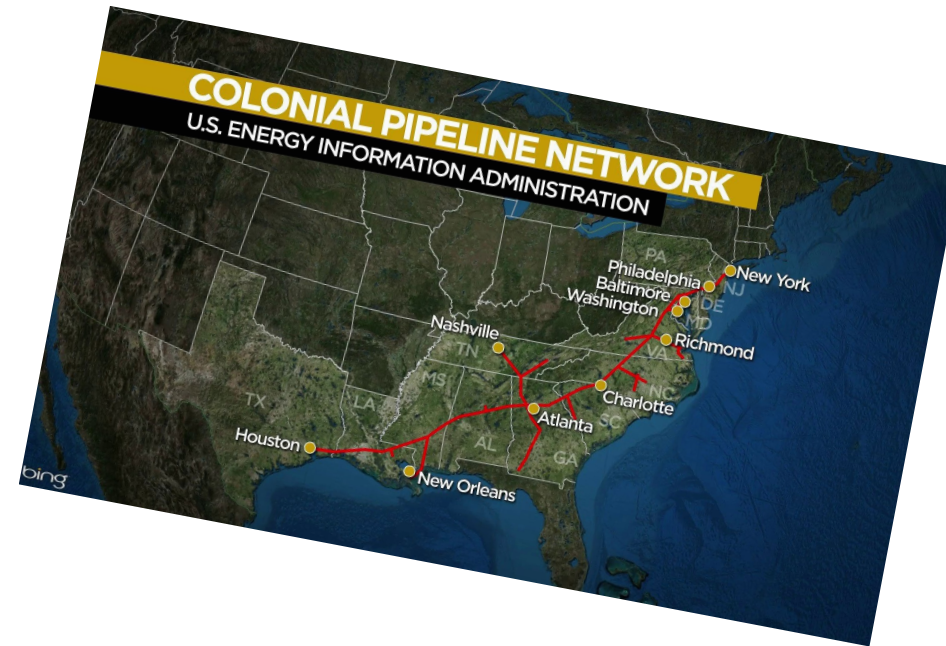
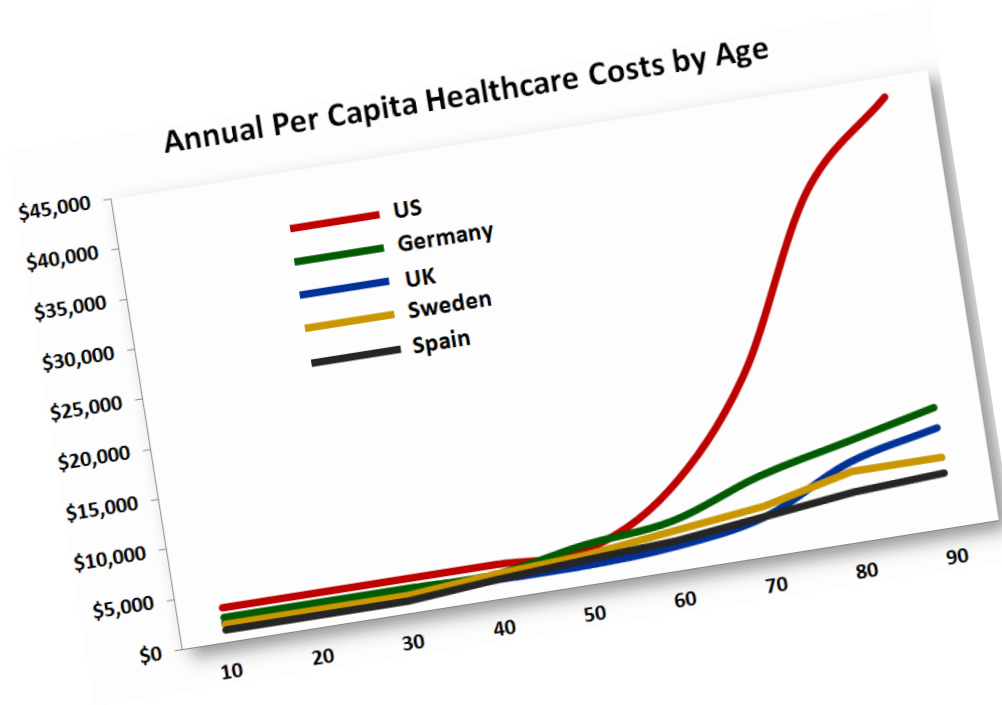


Demands for cybersecurity is increasing in times of crisis

- » Society and Defence communications must function and be secure!
- » Increasing Cyber threats also in other areas of society
- » Sectra protects against criminals but also against national actors and terrorism



Where others see a problem...



we see...

OPPORTUNITY

With a special niche when healthcare must
scale up and become stream lined production



When asked why he was so good in Hockey

*"I do not skate to where the puck is,
I skate to where the puck is going to be"*

Wayne Gretzky



"Skate to where the puck is going to be"

Examples:

- » Imaging IT systems
 - Consolidated hospitals and IT systems
 - Enterprise medical imaging, a "Pixel-EMR"
 - New "ologies", Pathology, Ophthalmology...



"Skate to where the puck is going to be"

Examples:

- » Cybersecurity
 - Secure mobile workplaces
 - High speed, high security network infrastructure
 - Expecting increasing demand due to the crisis in Europe



"Skate to where the puck is going to be"

Examples:

- » Business innovation
 - The entire image-based orthopedics planning and follow up process
 - Lifelong education of medical staff
 - Other new medical areas that are on the threshold of becoming “industrialized”
 - Post quantum encryption systems



And adding a new seed for the future

Business Innovation



Medical education



Orthopaedics IT



Genomics IT



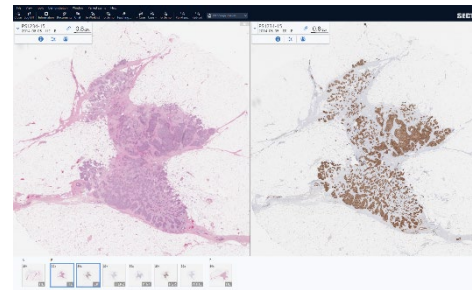
Research

Secure Communications



IT security for
Critical Infrastructure

Imaging IT



Digital pathology and
Integrated Diagnostics

Sectra is well positioned



- » Profitable growth is easier in growing markets
- » Ideally it is a market that is forced to grow by external factors
- » Healthcare and Cybersecurity are such markets
- » Genomics IT for clinical production adds to the growth opportunity with a predicted market CAGR of 19+% for the over seeable future

Philosophy shareholders

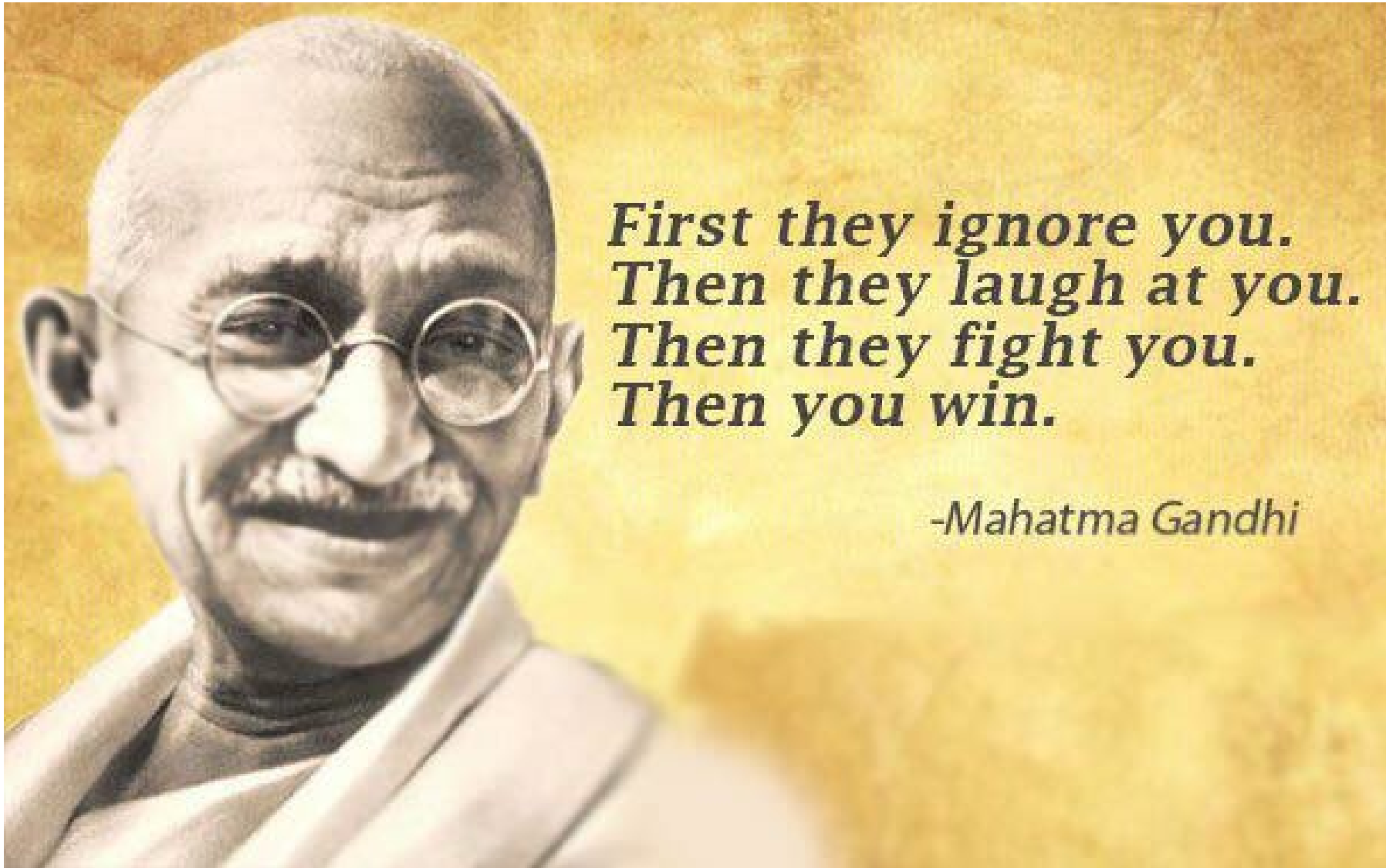
Start with a good position in growing markets.

Then if you have:

- » Happy customers
- » Happy employees
- » Perseverance and reasonable cost control

Shareholders WILL be happy

The Sectra journey



Upcoming financial report and the AGM

- » September 8, 2022 Annual General Meeting
- » December 16, 2022 Six-month report

Your feedback is important!

Please let us know what you think.

Send an email to: info.investor@sectra.com

Questions?

If you follow online, please use the chat function.

SECTRA

Knowledge and passion