

December 10, 2021

Six-month interim report



SECTRA

Agenda

1. Q2 highlights

CEO and President Torbjörn Kronander

2. Financial development

CFO Mats Franzén

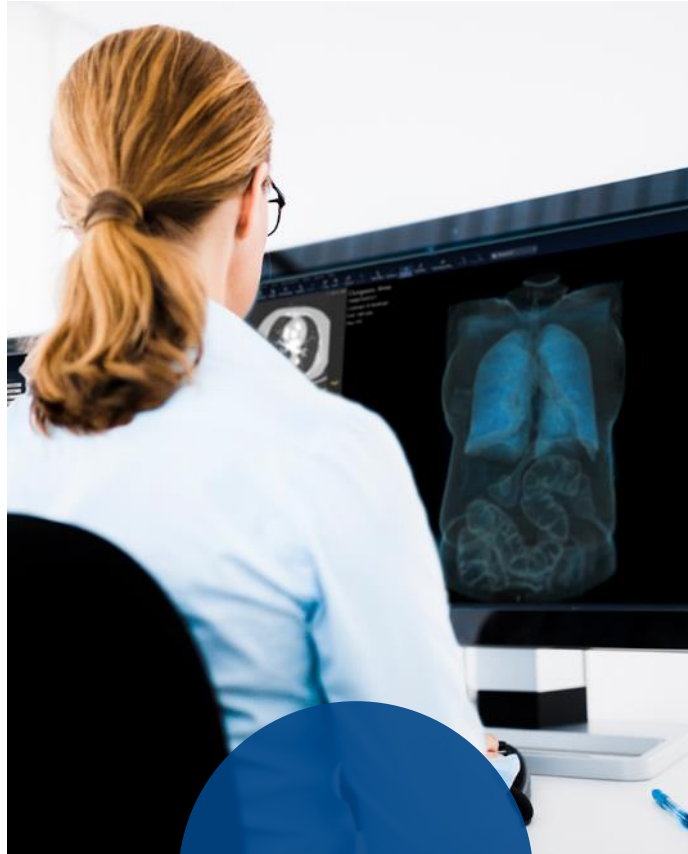
3. Sectra's way forward

CEO and President Torbjörn Kronander

4. Q&A session

Via simultaneous chat function and email

The value we create for customers



Imaging IT



Business
Innovation



Secure
Communications

Q2 highlights

Torbjörn Kronander

Six-month figures 21/22:

Increased recurring revenue and profit

Net sales

+15.7%

SEK 824 million

Profit/share

+53.2%

SEK 0.72

Recurring revenue

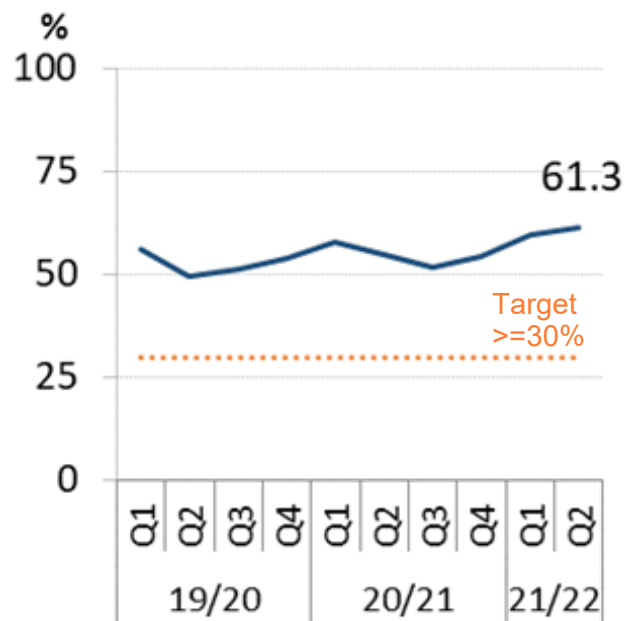
+11.8%

SEK 525 million

Financial targets for the Group fulfilled

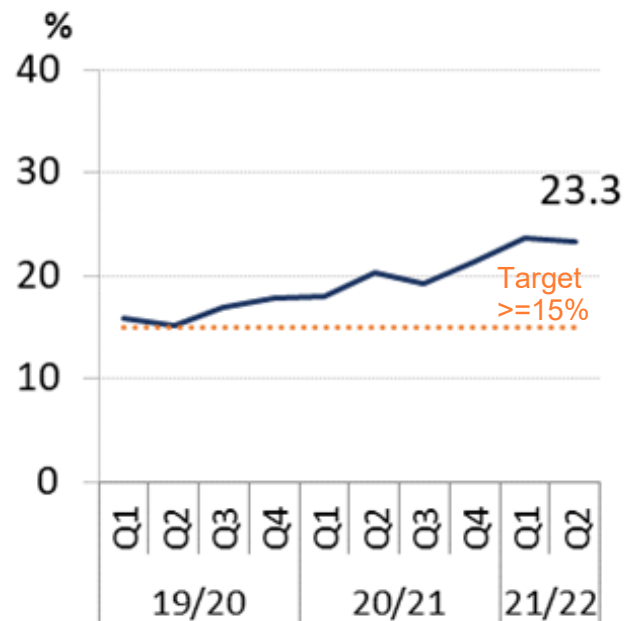
1. Stability

Equity/Assets ratio



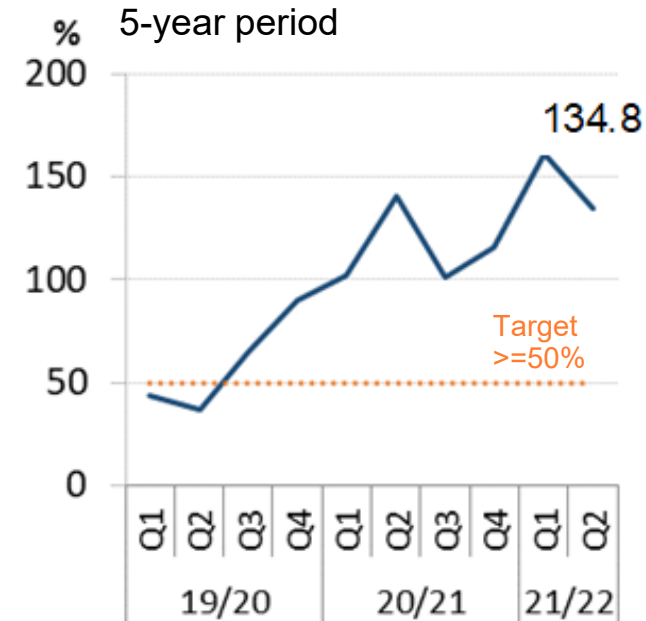
2. Profitability

Operating margin



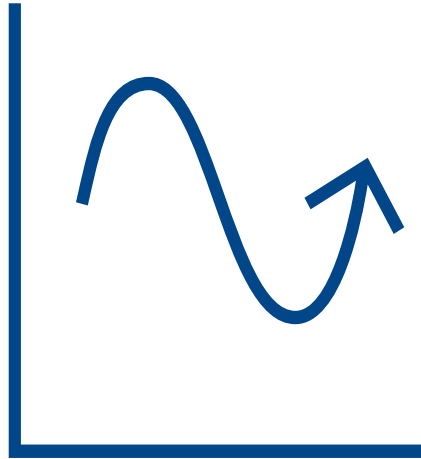
3. Growth of profits

EBIT/share growth over a 5-year period



Priority

Seasonal effects and the pandemic



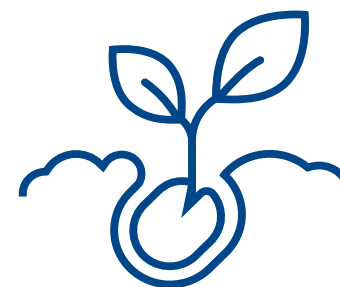
Variations between quarters continue to be large, but will over time gradually decrease.

Travel and marketing costs will increase post-pandemic, but not to historic levels.

Secure Communications – Q2 highlights



Norwegian defense forces
procured additional units of the
Sectra Tiger/S
mobile encryption system



Inadequate margins, due to
growth initiatives and strong
impact from **COVID** on travel

Secure Communications growth initiatives

- » Mobile secure workplaces
- » Critical infrastructure
- » Highest security levels for
 - » Secure mobile voice and network systems
 - » High speed network encryption systems



Change of manager Secure Communications

- » Simo Pykälistö has after 18 years with Sectra on his own initiative decided to leave Sectra for another opportunity
- » An interim manager has been assigned, formally starting January 1st
- » Search of a new permanent manager will proceed as soon as practical

Business Innovation – Q2 highlights



Oslo Metropolitan University
1st in Norway
with
Sectra Education Portal



Sectra Implant Movement
Analysis for
postoperative
follow-up



Strong
negative impact
from
pandemic effects

Business Innovation growth initiatives

Medical Education transition

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

New areas within orthopaedics

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

Research

- » Focus on AI for medical applications and future applications and areas



Imaging IT Solutions – Q2 highlights



Cloud-based
deliveries are
increasing



International
partnership with
Microsoft in cloud
deliveries



Our customer base
is growing

Imaging IT Solutions growth initiatives

- » New markets, direct and indirect
 - ✓ First partnership in South America
- » Enterprise Imaging, including:
 - ✓ Digital pathology and integrated diagnostics
 - ✓ Cardiology
 - ✓ Ophthalmology (new)
- » Focus US
 - ✓ The world's largest market
 - ✓ Sectra tops customer satisfaction
 - ✓ Small, but growing, market share



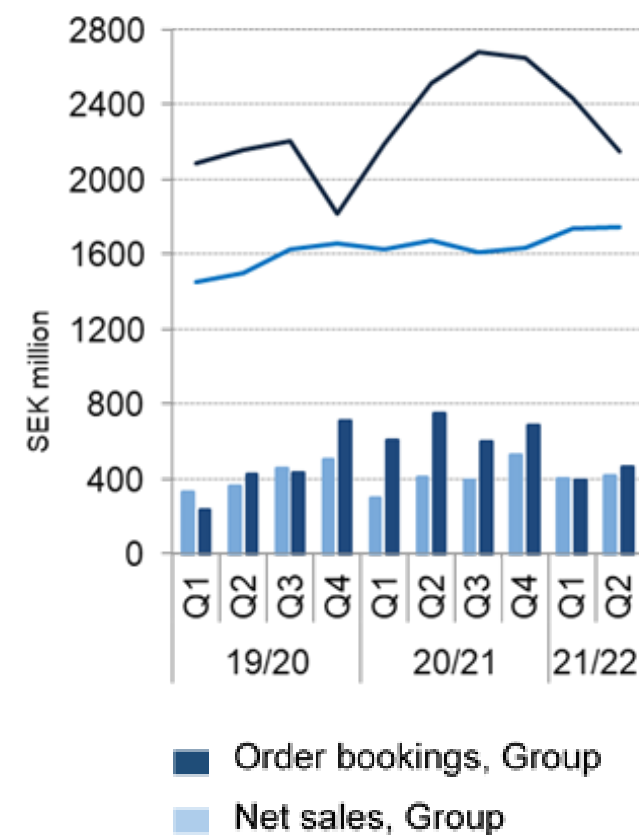
Financial development

Mats Franzén

Order bookings and net sales

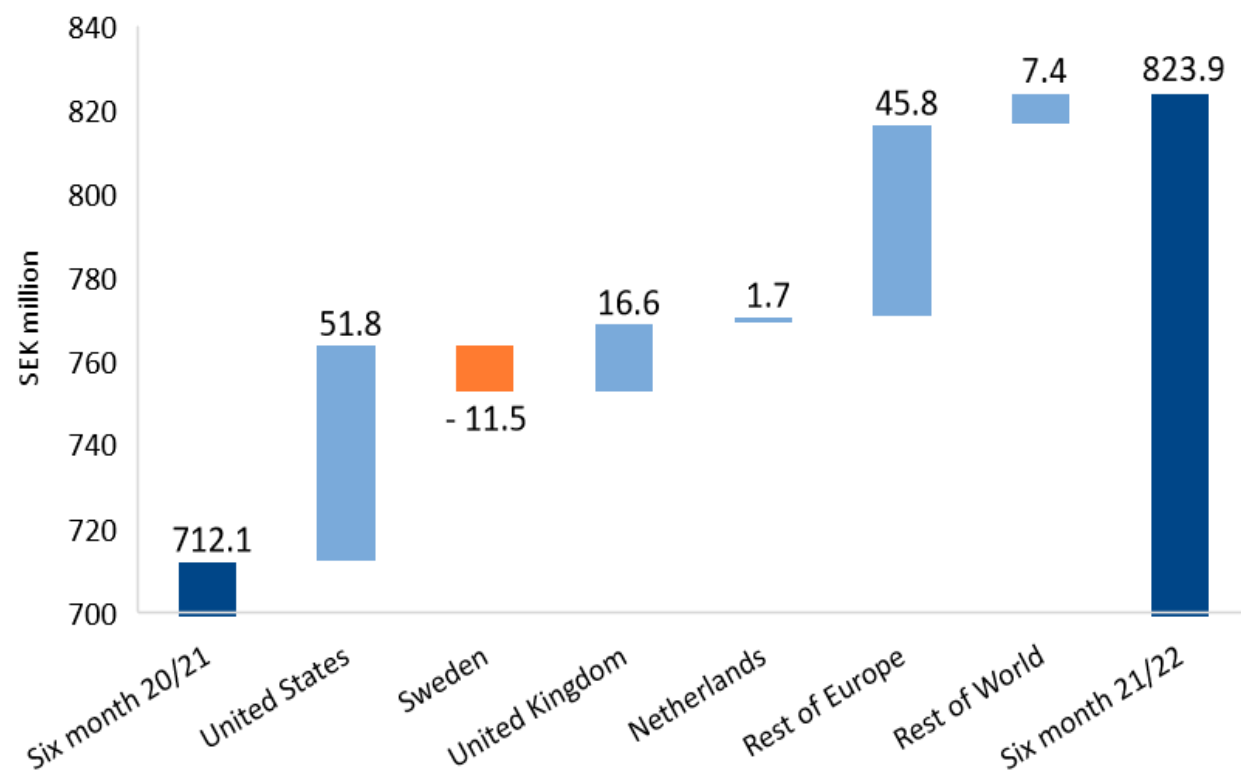
- » 6-month order intake was SEK 863.2 M, down 36.7%
- » Net sales SEK 823.9 M, up 15.7%
- » Stronger SEK has negative impact
 - USD -5.1%
 - EUR -2.8%
 - GBP +2.7%

The Group

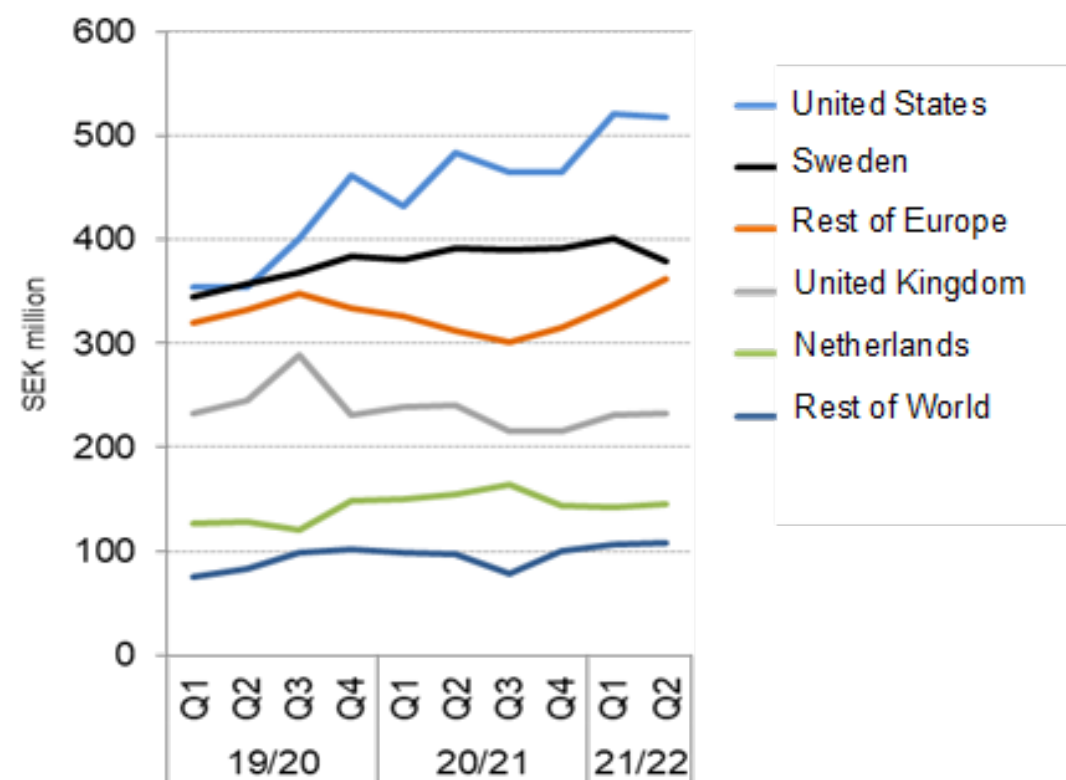


Sales by geographic market

Trend by market

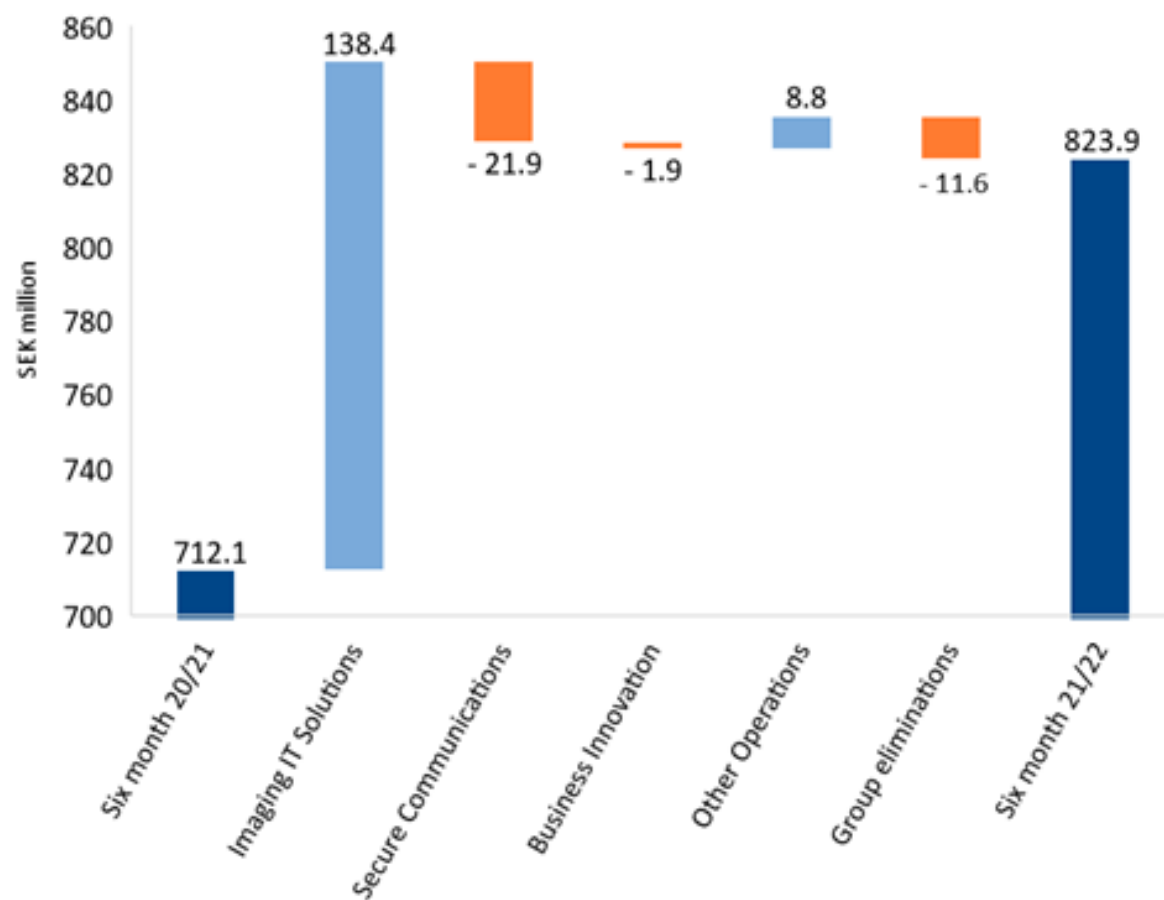


Trend 12-month rolling



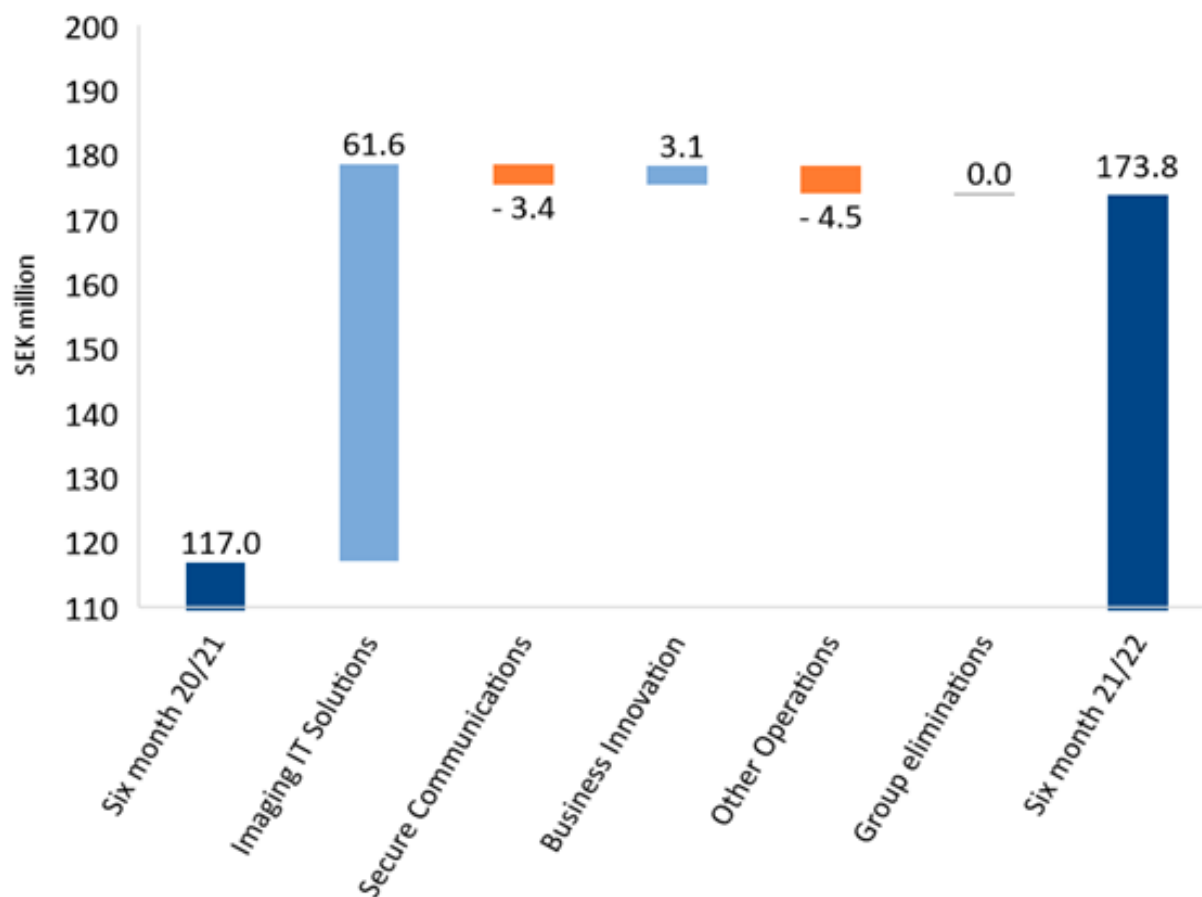
Sales by business segment

Trend by operating area

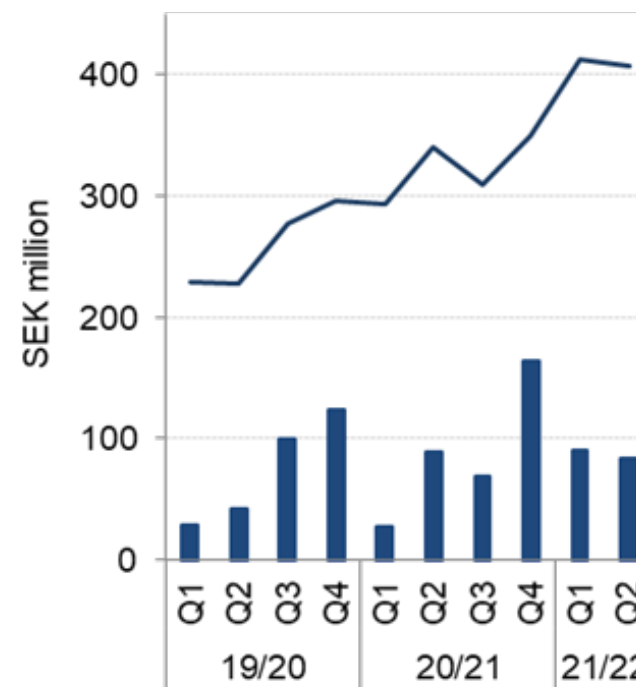


Operating earnings

By operating area



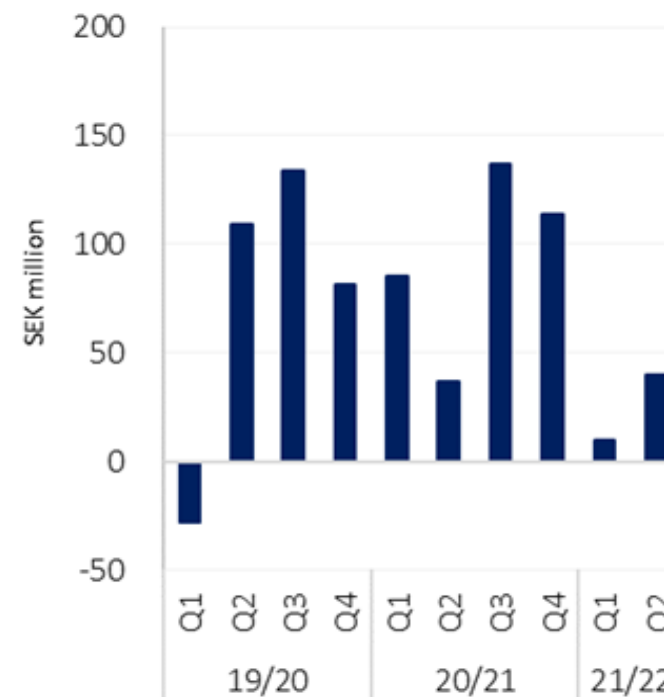
Trend 12-month rolling for the Group



Cash flow

- » Increased operating profit
- » Higher investments compared with the year-earlier period
- » Weak cash flow conversion from operating profit due to significant high-margin invoicing in the end of the quarter

Cash flow after changes in working capital



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

High customer satisfaction



Profit in business comes from repeat customers,
customers that boast about your project or service,
and that bring friends with them.

(W. Edwards Deming)

izquotes.com



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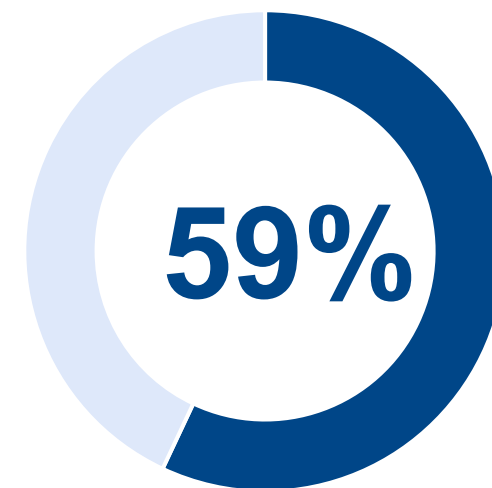
Sectra

Sweden's Best Employers

SECTRA

Increasing recurring revenue

- » Large interest in “Pay per usage”
- » The Sectra One subscription model will dominate future sales
- » Transition will be over several years
- » During the transition apparent revenue growth will be significantly smaller, despite large growth in real usage
- » Long term the financial effects will be strongly positive



Share of recurring revenue
12-month rolling

"Skate to where the puck is going to be"

Examples:

» Imaging IT systems

- Enterprise medical imaging, including Pathology
- Improve workflows and interaction
- Consolidated large scale IT systems

» Cybersecurity

- High speed high security network infrastructure
- Secure mobile workplaces
- Safeguarding Critical Infrastructure

» Business innovation

- "The spare part human"
- Lifelong education of medical staff



Philosophy shareholders

If you have:

- » Happy customers
- » Happy employees
- » A good position in growing markets
- » Perseverance and reasonable cost control

Then shareholders WILL be happy

Upcoming financial reports and the AGM

- » **March 9, 2022** Nine-month interim report
- » June 3, 2022 Year-end report
- » September 8, 2022 Annual General Meeting

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