

Interim report for the May 2022–January 2023 period:

## The industry's most satisfied customers for the tenth consecutive year

Sectra's enterprise imaging module for radiology once again received a top ranking in customer satisfaction surveys in the US, Canada and Asia/Oceania. Satisfied customers are the foundation for the Group's growth in all operating areas, which is reflected in Sectra's positive financial performance during the nine-month period.

### REPORT PRESENTATION

**March 10, 2023 at 10:00 a.m. (CET)**

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More information on page 14.

### FINANCIAL OUTCOME IN BRIEF

Figures in parentheses pertain to the corresponding period/quarter in the preceding fiscal year.

#### Third quarter: November 2022–January 2023

- Contracted order bookings rose 24.9% to SEK 549.2 million (439.6), of which SEK 484.0 million (439.6) pertained to guaranteed order bookings. Of the guaranteed order bookings, 23% were recognized during the quarter and a further 37–47% are deemed to pertain to revenue within 12 months after the end of the quarter.
- Net sales increased 21.9% to SEK 580.3 million (476.2). Based on unadjusted exchange rates, the increase was 14.5%. Recurring revenue accounted for SEK 356.4 million (275.2) of net sales, up 29.5%. Based on unadjusted exchange rates, the increase was 21.9%. Cloud recurring revenue (CRR) increased 55.4% to SEK 72.1 million (46.4).
- Operating profit rose 27.2% to SEK 87.0 million (68.4), corresponding to an operating margin of 15.0% (14.4). Based on unadjusted exchange rates, operating profit increased 8.6%.
- Profit after financial items amounted to SEK 91.1 million (77.0).
- Cash flow from operations amounted to SEK 83.6 million (153.1).

#### Nine-month period: May 2022–January 2023

- Contracted order bookings rose 164.7% to SEK 3,448.8 million (1,302.8), of which SEK 1,795.0 million (1,302.8) pertained to guaranteed order bookings.
- Net sales rose 25.1% to SEK 1,626.0 million (1,300.1). Based on unadjusted exchange rates, the increase was 15.6%. Recurring revenue accounted for SEK 983.3 million (800.6) of sales for the period, up 22.8%. Based on unadjusted exchange rates, the increase was 14.3%. CRR increased 38.7% to SEK 181.7 million (131.0).
- Operating profit rose 6.9% to SEK 258.9 million (242.2), corresponding to an operating margin of 15.9% (18.6). Based on unadjusted exchange rates, operating profit decreased 12.3%.
- Profit after financial items amounted to SEK 277.5 million (253.1).
- Cash flow from operations amounted to SEK 58.3 million (202.5).

#### Key figures

SEK million

	Quarter			Period			12 months		
	Q3	Q3	Δ	Q1–3	Q1–3	Δ	R12	Full-year	Δ
	22/23	21/22	%	22/23	21/22	%	21/22		%
Contracted order bookings	549.2	439.6	24.9	3,448.8	1,302.8	164.7	4,466.2	2,320.2	92.5
of which guaranteed order bookings	484.0	439.6	10.1	1,795.0	1,302.8	37.8	2,812.4	2,320.2	21.2
Net sales	580.3	476.2	21.9	1,626.0	1,300.1	25.1	2,275.1	1,949.1	16.7
of which recurring revenue	356.4	275.2	29.5	983.3	800.6	22.8	1,264.1	1,081.4	16.9
of which cloud recurring revenue (CRR)	72.1	46.4	55.4	181.7	131.0	38.7	232.1	181.4	27.9
Operating profit	87.0	68.4	27.2	258.9	242.2	6.9	400.1	383.4	4.4
Operating margin, %	15.0	14.4	n/a	15.9	18.6	n/a	17.6	19.7	n/a
Profit after financial items	91.1	77.0	18.3	277.5	253.1	9.6	418.9	394.5	6.2
Profit margin, %	15.7	16.2	n/a	17.1	19.5	n/a	18.4	20.2	n/a
Profit for the period	72.3	62.9	14.9	220.3	202.3	8.9	332.8	314.8	5.7
Earnings per share before dilution, SEK	0.38	0.33	15.2	1.14	1.05	8.6	1.73	1.63	6.1
Cash flow <sup>1</sup>	83.6	153.1	-45.4	58.3	202.5	-71.2	472.7	616.9	-23.4
Cash flow per share before dilution <sup>1</sup>	0.43	0.79	-45.6	0.30	1.05	-71.4	2.45	3.20	-23.4
Average no. of employees	1,026	918	11.8	1,001	894	12.0	989	908	8.9

<sup>1</sup> Cash flow from operations.

## CEO'S COMMENTS

Sustainable investments in innovation and corporate culture allow us to deliver the secure, flexible and scalable solutions that our customers appreciate. Our awards for high customer satisfaction and our ranking as one of Sweden's best employers demonstrate that we are achieving our goals of delivering customer value and building a sustainable business.



Torbjörn Kronander, President and CEO

Many customers choose Sectra's products because they are user-friendly, operationally secure and efficient. But the most important reason that they choose Sectra is our employees and our corporate culture, with a strong customer focus that permeates everything we do. We rank highly in customer satisfaction surveys primarily due to our Sectra culture and our employees throughout the entire value chain, from developers and sellers to delivery and support staff. Sectra's employees are passionate about customers and understand that if we at Sectra fail to do our job, customers are unable to do theirs – and their jobs are central for society's most critical functions.

Satisfied customers and happy employees are reflected in our financial performance. All operating areas are growing and delivered improved earnings during the quarter. The trend we were already seeing within Secure Communications in the previous quarter continued, and we are pleased to see how the operating area contributed to the positive performance for the nine-month period. Many countries are investing more in defense and cybersecurity, which combined with our previous investments has led to high order bookings as well as drastically improved earnings.

During the fiscal year, we increased our sales of cloud-based services, which is delaying our net sales and earnings compared to selling the same system under a traditional license model. Our costs for travel and trade fairs also increased compared to the very low levels during the pandemic years. However, these were offset by currency movements that were advantageous for Sectra.

### Cloud services growing quickly

Selling software as a recurring service, or Software as a Service (SaaS), is an accelerating trend in society overall and is often associated with deliveries through the cloud. We saw the advantages of service sales early on, and began preparing for a transition several years ago. Now we are seeing demand for this delivery model grow even faster than we originally expected. However, the shift is in different phases in different markets. For example, some countries in Europe are still dominated by traditional license sales.

Over the long term, service sales and cloud deliveries will be beneficial for suppliers as well as for customers. In the short term, however, the transition will have a dampening effect on Sectra's growth rate. The current fiscal year has been affected to a limited degree, but the proportion is growing quickly. For example, we have entered into several contracts for Sectra One Cloud, our cloud-based services for enterprise imaging, which will go into operation in 2023/2024. Such services also dominate the business transactions we are currently discussing. The short-term dampening effect is therefore expected to be more prevalent in the next fiscal year.

We are innovating technology as well as delivery models through our customer offerings. None of our competitors currently have all enterprise imaging IT modules in a single system. Nor do they provide proprietary secure phones certified at the highest security classifications. We are also the only company with a delivery model where—through true SaaS deliveries—we assume total responsibility for the service, including cloud costs, for the entire duration of the contract. With Sectra, customers gain a partner that takes full responsibility for all functions, which our customers appreciate and which saves them money. Customers that subscribe to enterprise imaging with Sectra One can easily add services and increase the elasticity of their operations while also ensuring a guaranteed cost without variations in, for example, the cloud provider's prices. Replacing traditional IT systems with cloud services is also an opportunity to reduce customers' need for IT and cybersecurity expertise since many customers have difficulty filling these roles. Another positive effect of moving traditional IT operations to the cloud is that it can drastically reduce an operation's climate footprint by sharing capacity and resources more energy efficiently.

Sectra is a customer-oriented and innovative company delivering a positive performance. We are active in industries that need to grow regardless of the economy and we are well positioned with stable, growing finances and positive cash flow as well as new products and business ideas. Together with visionary customers, we continue to invest in the future in order to lead the development towards a healthier and safer society, in both the short and long term. This permeates all of our business areas, and we are looking forward to the future with confidence.

## FINANCIAL GOALS

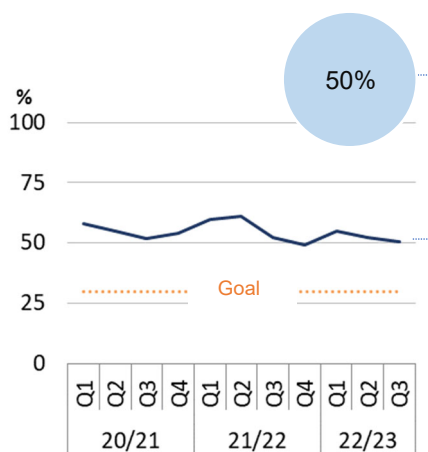
Sectra's overall operational target is to create high customer value in our markets, which are characterized by a need to grow regardless of the economic climate. Delivering customer value is also the Group's most important sustainability target since our customers' work to treat patients, cure diseases and increase cybersecurity is vital for functioning societies. Sectra's customers should be so satisfied with their experience that they remain for a long time, expand their use of our solutions and recommend Sectra to others. But customer satisfaction cannot be achieved without satisfied and dedicated employees. Employees who are motivated, understand their customers, feel good and are satisfied in their jobs will also increasingly develop new, creative solutions that can further increase the value we provide for Sectra's customers.

A healthy financial performance is important. This is what pays our employees' salaries and enables continued innovation and the investments needed to continue creating the substantial customer value that we strive for. Stability and profitability are considered fundamental hygiene factors. Once these goals have been met, the focus shifts to earnings growth, with operating profit per share as our primary financial goal.

The financial goals are (in order of priority):

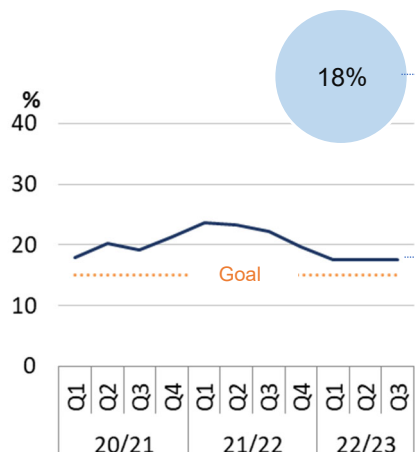
### 1. Stability:

Equity/assets ratio  $\geq 30\%$



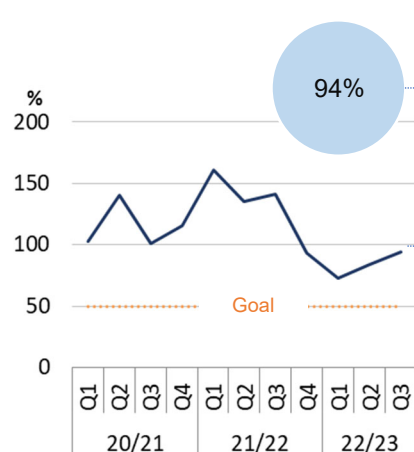
### 2. Profitability:

Operating margin  $\geq 15\%$



### 3. Earnings growth:

Growth for operating profit/share over a five-year period  $\geq 50\%$



For further information about goals and strategies, refer to Sectra's 2021/2022 Annual Report and Sustainability Report <https://investor.sectra.com/annual-reports>



### Diagrams and amounts in the financial report

Bars show the outcome per quarter and lines show the outcome for the rolling 12-month period (R12). Amounts are restated in SEK million unless otherwise indicated.

## EVENTS

### Third quarter

#### Imaging IT Solutions

- Several healthcare providers in France and Belgium ordered Sectra's solution for digital pathology to address needs such as sharing resources and expertise. The new customers include university hospitals in Montpellier and Nîmes as well as hospitals in Roubaix and Mouscron.
- The first Canadian agreement was signed for Sectra One Cloud, an enterprise imaging solution delivered as a cloud service.
- Sectra was named a "Cybersecurity Transparent Leader" by Censinet and KLAS Research based on an evaluation of the company's cyber security preparedness.

#### Secure Communications

- Swedish authorities expanded their partnership with Sectra through new orders of systems and solutions to strengthen the Swedish civil and military defense's ability to communicate securely. The order value amounted to approximately SEK 100 million.

#### Group

- Sectra was the highest-ranked product company in Universum's "Sweden's best employers" survey, and fourth on the list overall.
- Increase in the number of shares related to the company's commitments in long-term incentive programs and conversion of convertibles.

### After the end of the reporting period

- Sectra won four prestigious "Best in KLAS" awards (below) for the Sectra PACS radiology module in our enterprise imaging solution.
- Sectra installed an enterprise imaging solution for Genomics England to contribute to a world-leading initiative in cancer research that combines data in genomics, pathology and radiology. Sectra's solution supports the initiative by handling radiology and pathology images from a large number of NHS trusts in the UK.



For further information about these events, visit <https://sectra.com/news>



For the tenth consecutive year, US customers ranked Sectra PACS highest in the "large hospital" category. In Canada, we won the award for the fourth year running, and in Asia/Oceania for the second consecutive year.

"I'm incredibly proud that we continue to have a high level of customer satisfaction in several markets and for so many years. Our products and services are made to help healthcare providers in the important task of taking an enterprise approach to medical imaging, coordinating work between departments as well as between hospitals and regions. To me, these awards for high customer satisfaction are a clear sign that Sectra's commitment and knowledgeable employees are creating significant value for our customers."

Marie Ekström Trägårdh, President of Sectra Imaging IT Solutions

## SECTRA'S MARKETS

Sectra plays a key role in meeting the need for medical imaging IT and cybersecurity. We help solve major social problems in these changing markets, where scope for expansion remains. The global trends of an aging population and increased digitization in society mean that these markets are expected to continue to grow even in a weaker economic climate. Our customers operate in some of society's most critical functions, which makes our brand an important symbol for reliability, trustworthiness and stability. Our job is to help customers become more efficient and give them the tools needed to make people's lives healthier, safer and more secure. As stated in Sectra's vision, this is how the company creates value for its customers, shareholders and society as a whole.

### IT support for more efficient care and medical education

Today's demographic development and increased survival rates among cancer patients are putting pressure on healthcare. The aging population of the industrialized world entails major challenges. At the same time, the proportion of people of working age is decreasing. In order to maintain high quality of care with fewer people taking care of more patients, particularly more elderly patients with growing needs, healthcare must become more efficient. The growing population of senior citizens is also shining a spotlight on diseases affecting the elderly. The treatment of patients with cancer and skeletal diseases, for example, entails enormous challenges. These diseases represent some of the most costly and resource-intensive areas in the healthcare sector and are dependent on medical diagnostic imaging. Healthcare providers across the globe use Sectra's expertise and solutions in medical IT not only to increase productivity and coordinate their resources but also to improve efficiency in orthopaedic surgery through better planning and follow-up. The rapidly growing number of genetic analyses for cancer diagnostics, conducted alongside pathology analyses, is also contributing to a growing market. Sectra also helps to raise the quality of medical education by providing solutions where the user can interact with medical images and share educational materials. We are noting increasing synergies between our operating areas since healthcare is being exposed to cybercrime at an accelerating rate, resulting in, for example, the authorities in the US issuing a particular warning to healthcare providers.

We enable our customers to take care of more patients and save more lives at a long-term sustainable cost. This work is carried out in our Imaging IT Solutions and Business Innovation operating areas.

### Cybersecurity for a more stable and safer society

The ability to safely and efficiently handle and transmit sensitive information is central to the stability and security of society, particularly when it comes to critical social functions and critical infrastructure. The players in these areas rely on products and services that increase cybersecurity. We have extensive experience of protecting society's most critical communications and control systems and are a strong brand in the niche markets of encryption and secure mobile communications. IT developments in society, political instability in the world, and the growth of cybercrime are creating a greater need for Sectra's expertise and product offerings.

We help customers to provide increased security, thereby contributing to a more stable and safer society. This work is carried out in the Secure Communications operating area.

## COMMENTS ON THE GROUP'S FINANCIAL OUTCOME

### Order bookings

Sectra reported record-high order bookings. Contracted order bookings rose 164.7% to SEK 3,448.8 million (1,302.8), of which SEK 549.2 million (439.6) pertained to the third quarter. A total of SEK 1,795.0 million (1,302.8) was guaranteed order bookings, of which SEK 484.0 million (439.6) pertained to the third quarter. The ratio of contracted order bookings to net sales for the latest rolling 12-month period totaled 2.0, up from 1.2 at the end of the previous fiscal year.

The outcome includes two comprehensive, long-term customer contracts for managing very large volumes of medical images. The contracts were signed in the first quarter and together account for a contracted order value of approximately SEK 1.8 billion, of which over SEK 400 million is guaranteed. Orders of this size lead to significant variations in order bookings between individual quarters and periods.





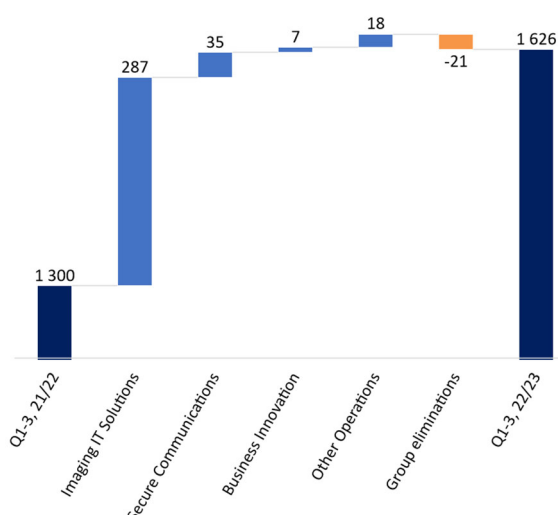
## Net sales

Net sales rose 25.1% to SEK 1,626.0 million (1,300.1), of which SEK 580.3 million (476.2) pertained to the third quarter. Based on unadjusted exchange rates, consolidated sales increased 15.6% during the nine-month period. Imaging IT Solutions was the main contributor to sales growth, although all operating areas reported higher sales than in the comparative period. The ongoing transition to selling products and software as services, of which cloud deliveries account for a growing share, contributed to an increase in recurring revenue during the period. SEK 983.3 million (800.6) of sales pertained to recurring revenue, of which SEK 356.4 million (275.2) pertained to the third quarter. This represents an increase of 22.8% for the nine-month period. Based on unadjusted exchange rates, the increase was 14.3%. CRR rose 38.7% to SEK 181.7 million (131.0), of which SEK 72.1 million (46.4) pertained to the third quarter.

Sectra is growing in all geographic markets. The operations in the US delivered the largest increase, partly due to positive effects from currency fluctuations. More than 70% of the Group's net sales are carried out in foreign currency, primarily EUR, GBP and USD, which entails a relatively large sensitivity to currency fluctuations.

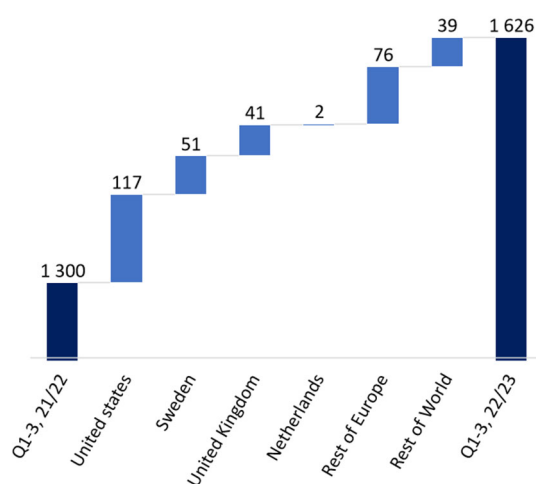
### Sales trend per operating area, SEK million

Compared with the corresponding period preceding fiscal year



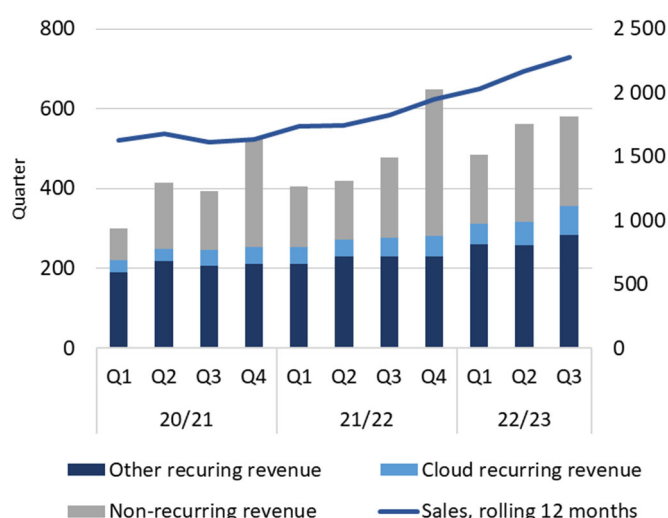
### Sales trend per geographic market, SEK million

Compared with the corresponding period preceding fiscal year

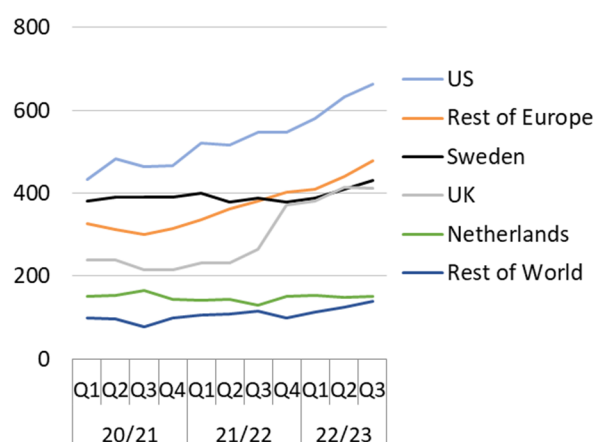


■ Total ■ Increase ■ Decrease

### Sales and recurring revenue, SEK million



### Sales by geographic market, SEK million



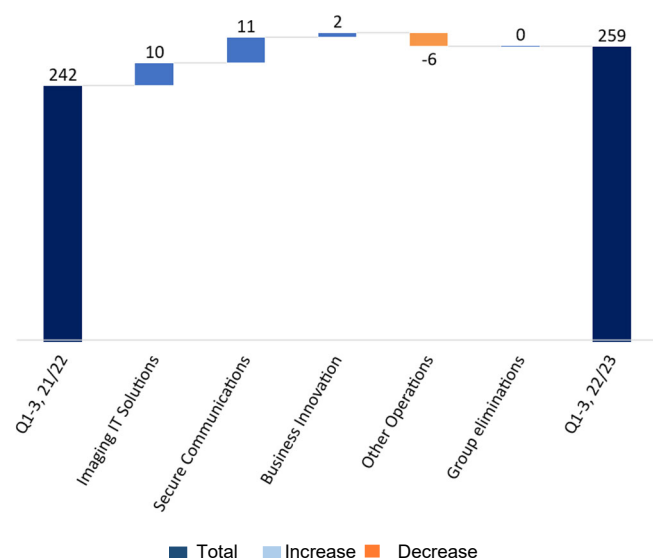
## Earnings

The Group's operating profit in the third quarter rose 27.2% to SEK 87.0 million (68.4) and earnings amounted to SEK 258.9 million (242.2) for the nine-month period. Based on unadjusted exchange rates, operating profit increased 8.6% from the comparative quarter and decreased 12.3% from the comparative period. The operating margin was 15.9% (18.6), which is higher than the goal of 15%. In addition to currency fluctuations, the operating margin for the period was impacted by a strengthened delivery capacity to meet increased demand, the transition to cloud deliveries, and increased travel and more physical events than in the comparative period. We had a significantly higher activity level around the world in terms of trade fairs, user meetings, and internal events and courses than in the pandemic years.

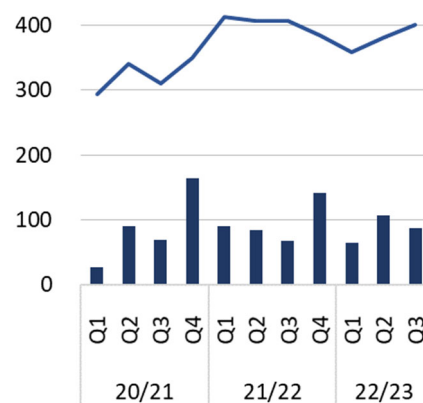
The Group's financial items amounted to SEK 18.6 million (10.8), of which SEK 4.1 million (8.6) pertained to the third quarter. Financial items improved primarily due to changes in exchange rates. Currency fluctuations during the nine-month period had an impact of SEK 13.2 million (6.7) on the Group's financial items. Sectra does not hedge its operations, and currency fluctuations therefore have an immediate impact on profit or loss or on comprehensive income. Profit after financial items amounted to SEK 277.5 million (253.1), of which SEK 91.1 million (77.0) pertained to the third quarter. This outcome corresponds to a profit margin of 17.1% (19.5) for the nine-month period and 15.7% (16.2) for the third quarter. Earnings per share before dilution totaled SEK 1.14 (1.05) for the period, of which SEK 0.38 (0.33) pertained to the third quarter.

### Operating profit trend per operating area, SEK million

Compared with the corresponding period preceding fiscal year



### Operating profit, Group, SEK million



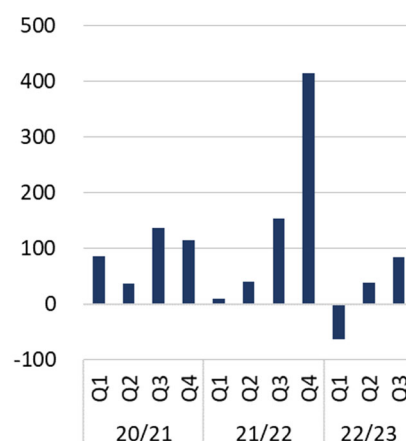
## Financial position and cash flow

The Group's cash and cash equivalents at the end of the reporting period amounted to SEK 482.5 million (423.6). In addition to this, the Group has a short-term investment of SEK 120.0 million (0). The Group's debt/equity ratio was 0.07 (0.07) as of the balance-sheet date. Interest-bearing liabilities amounted to SEK 80.4 million (66.8), of which SEK 80.4 million (66.4) pertained to lease liabilities according to IFRS 16.

Cash flow from operations amounted to SEK 58.3 million (202.5) for the period, of which SEK 83.6 million (153.1) pertained to the third quarter. Cash flow was lower than in the year-earlier period, mainly due to increased tied-up capital in current receivables and the settlement of current liabilities. Cash flow per share amounted to SEK 0.30 (1.05), of which SEK 0.43 (0.79) pertained to the third quarter.

Cash flow from investing activities amounted to SEK -188.1 million (-49.9), of which SEK -22.8 million (-20.8) was attributable to the third quarter. Refer to the information about investing activities on the next page.

### Cash flow from operations, Group, SEK million



The Group's total cash flow for the period amounted to SEK -340.6 million (-39.7). The decrease compared with the comparative period is mainly due to a change in the cash flow from operations and short-term cash and cash equivalents investments of SEK 120.0 million. This result includes a disbursement of SEK 192.7 million (173.4) to the shareholders through Sectra's 2022 share redemption program. Refer to page 12.

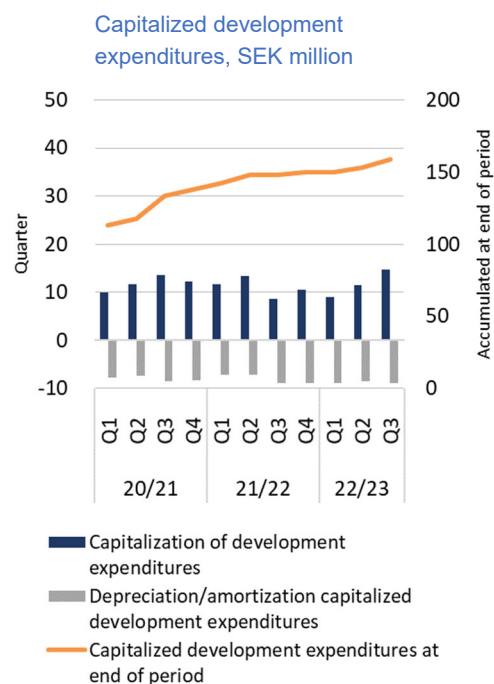
## Investments and depreciation/amortization

Investments for the period amounted to SEK 188.1 million (56.0), of which SEK 22.8 million (20.8) was attributable to the third quarter. This change was primarily due to a short-term investment of SEK 120.0 million during the second quarter. The outcome includes capitalized work for own use of SEK 35.1 million (33.7), of which SEK 14.7 million (8.7) pertained to the third quarter.

Total depreciation and amortization for the period was SEK 67.7 million (59.4), of which the third quarter accounted for SEK 23.3 million (21.3). SEK 26.0 million (23.3) of the outcome pertained to capitalized development expenditures, of which SEK 8.8 million (8.9) pertained to the third quarter. Depreciation of right-of-use assets according to IFRS 16 amounted to SEK 19.9 million (18.7), of which SEK 6.4 million (6.5) pertained to the third quarter. At the end of the period, capitalized development expenditures totaled SEK 158.9 million (148.1).

## Seasonal variations

Sectra has historically experienced major seasonal variations, since individual projects can be very large relative to Sectra's sales. This applies for both medical systems and encryption systems. The beginning of the fiscal year is usually weaker since many customers prefer not to put systems into operation during the summer. During the pandemic, this seasonal pattern was affected by when customers were able to accept deliveries, which entailed a certain change from the traditional pattern. The variations in order volumes between individual quarters are significant since certain contracts are very large and have long terms. As Sectra transitions to selling products as a service, this variation is expected to gradually decrease over the next several years since revenue will be spread more evenly over time.



Sectra held a Capital Markets Day in January 2023 with a focus on customer value and sustainable growth. Some 50 institutional and private investors participated. Visit our event page to see the recorded presentations: <https://investor.sectra.com/cmd2023>





## OPERATING AREA IMAGING IT SOLUTIONS

	Quarter			Period			12 months		
	Q3 22/23	Q3 21/22	Δ %	Q1-3 22/23	Q1-3 21/22	Δ %	R12	Full-year 21/22	Δ %
Sales, SEK million	504.9	418.9	20.5	1,443.5	1,156.5	24.8	2,014.2	1,727.2	16.6
of which recurring external revenue	328.7	254.3	29.3	909.7	737.3	23.4	1,166.7	994.4	17.3
of which cloud recurring revenue	68.7	43.1	59.4	172.3	124.2	38.7	220.0	172.0	27.9
Operating profit, SEK million	89.0	80.1	11.1	279.6	269.8	3.6	425.7	416.0	2.3
Operating margin, %	17.6	19.1	n/a	19.4	23.3	n/a	21.1	24.1	n/a

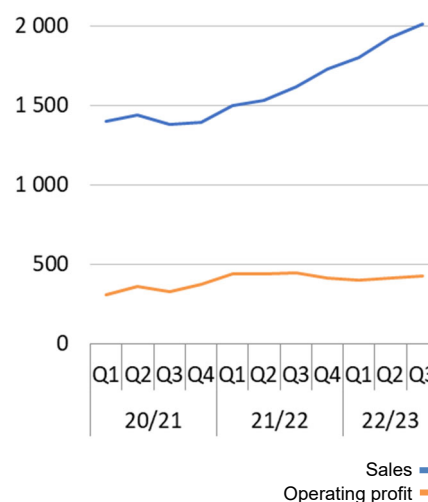
Order bookings for Imaging IT Solutions increased in North America and Scandinavia as well as in the rest of the world. Several of the orders received in the most recent quarter were for Sectra One and Sectra One Cloud, from customers in the Netherlands and Belgium, among other countries. Both new and existing customers are choosing to subscribe to enterprise imaging when they renew their contracts. The contracted order bookings for the period were at record-high levels, including two very large, multiyear contracts with customers in Denmark and Northern Ireland.

For the first time, the operating area's sales exceeded SEK 2 billion on a rolling 12-month basis. Revenue increased as a result of the growing customer base and the positive impact of currency fluctuations. Recurring revenue from cloud-based deliveries also trended positively.

Since success is based on close collaboration with our customers, being able to once again attend user meetings and industry events in person is valuable for us. We have arranged and participated in a large number of events thus far during the fiscal year. This means that costs for marketing activities and travel were higher than in the comparative period, which was affected by the pandemic. During the quarter, we participated in RSNA, the largest international radiology trade fair. More visitors than ever met with us to discuss how Sectra can meet their needs, not least within cancer diagnostics, where our investment in a consolidated system for radiology as well as pathology and other images is appreciated by customers.

Operating profit was also affected by the fact that the organization was strengthened to meet high demand and by the ongoing transition to service sales and investments in cloud-based deliveries. In the not too distant future, the majority of new customers that purchase Sectra's medical IT solutions are expected to choose cloud-based services. However, it will take a long time for all of our existing healthcare customers to transition to this new model. The transition involves building a new kind of organization and increasing collaboration within and across our various regions. We are also making changes to our product development and processes as well as how we package and sell our offerings. In the long term, this transition will result in more stable and long-term business than traditional license sales, but sales growth will be weaker in the short term.

Trend, SEK million



### Sectra takes total responsibility for software, operation and infrastructure at a predictable cost for customers

Many healthcare providers are exchanging old IT systems for services in the cloud. In the 2022/2023 financial year, hospitals in the US, Canada and the UK ordered the Sectra One Cloud solution for enterprise imaging – an offering that sets us apart from the competition. Our solution allows customers to free up time and resources that can instead be spent on providing patients with the best possible care.

## OPERATING AREA BUSINESS INNOVATION

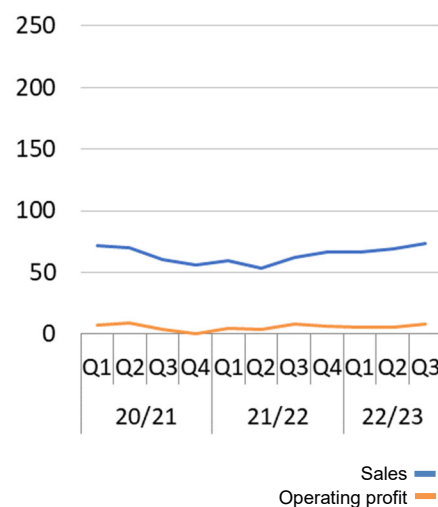
	Quarter			Period			12 months		
	Q3 22/23	Q3 21/22	Δ %	Q1–3 22/23	Q1–3 21/22	Δ %	R12	Full-year 21/22	Δ %
Sales, SEK million	22.8	19.1	19.4	51.2	44.4	15.3	73.2	66.4	10.2
of which recurring external revenue	3.6	3.6	0.0	9.9	7.5	32.0	12.7	10.3	23.3
of which cloud recurring revenue	3.4	3.3	3.0	9.4	6.7	40.3	12.0	9.3	29.0
Operating profit, SEK million	5.1	3.0	70.0	3.9	2.0	95.0	8.0	6.1	31.1
Operating margin, %	22.4	15.7	n/a	7.6	4.5	n/a	10.9	9.2	n/a

Business Innovation comprises the Orthopaedics and Medical Education business units. This area also reports the expenses for research activities in this area, which largely focus on initiatives in the field of AI for medical applications.

As of May 1, 2022, this segment has been expanded to include the Genomics IT business unit. In this unit, Sectra focuses on innovation and development of IT support primarily for precision diagnostics in cancer care, an area that is becoming more important as cancer diagnostics increasingly transition to personalized medicine.

The financial outcome for the nine-month period was higher in terms of sales and operating profit than in the year-earlier period, and the trend for recurring revenue is positive. However, the results may vary significantly between quarters and periods. The transition to pay-per-use business models is having a dampening effect on sales growth. In the long term, the new business models will result in higher recurring revenue, resulting in fewer variations in the long term.

Trend, SEK million



Sectra Education Portal is used to train healthcare personnel and veterinarians at universities and hospitals in several countries. The number of unique users increased after the launch of a new generation of the education portal in 2022.

## OPERATING AREA SECURE COMMUNICATIONS

	Quarter			Period			12 months		
	Q3 22/23	Q3 21/22	Δ %	Q1-3 22/23	Q1-3 21/22	Δ %	R12	Full-year 21/22	Δ %
Sales, SEK million	63.3	44.0	43.9	156.2	121.4	28.7	219.8	184.9	18.9
of which recurring external revenue	24.0	17.2	39.5	63.2	55.3	14.3	83.9	76.1	10.2
Operating profit/loss, SEK million	8.5	-4.9	273.5	1.9	-8.8	121.6	7.7	-3.0	356.7
Operating margin, %	13.4	neg	n/a	1.2	neg	n/a	3.5	neg	n/a

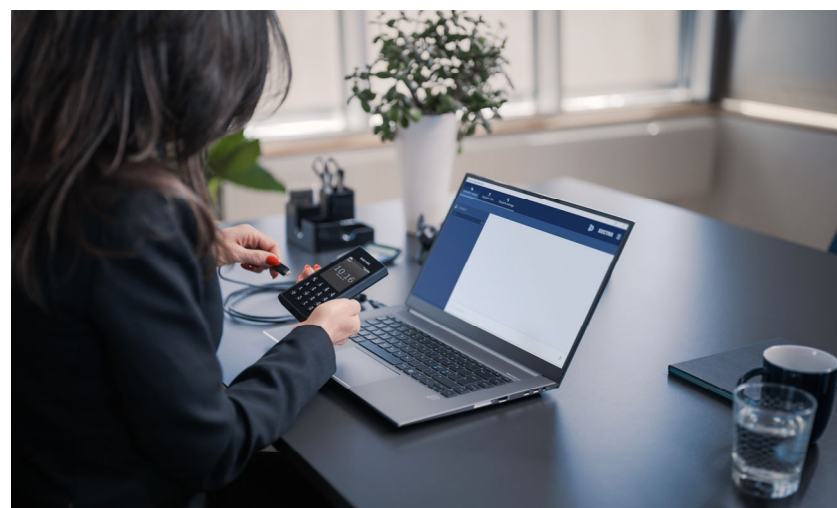
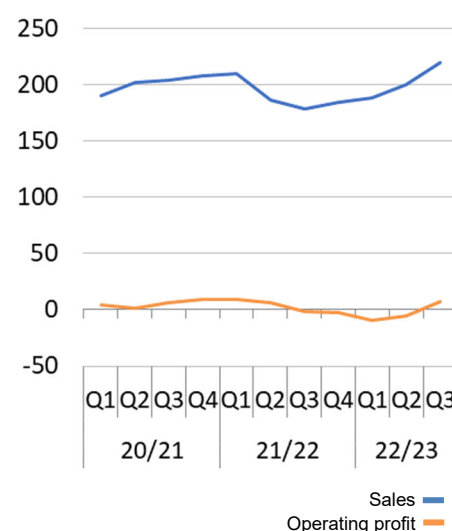
The uncertain geopolitical situation, with an ongoing war in Europe and further tensions worldwide, continues to highlight the importance of defense capabilities and public security. This, in turn, is placing greater demands on communication and fueling the need for investments in high assurance products, crypto development and cybersecurity both in Sweden and in the rest of Europe. These acute needs have led to higher budgetary funding for cybersecurity for defense forces, authorities and critical infrastructure.

Secure Communications' opportunities to help customers in this situation led to increased contracted order bookings and sales growth. The operations are focusing on delivery, marketing and sales, which will help to strengthen earnings over time. The results indicate that these activities are taking us in the right direction, which is clear in the financial outcome for the third quarter.

During the third quarter, we received product orders and assignments from Swedish authorities to improve the civil and military defense's ability to communicate securely. The orders include further development and additional deliveries of existing systems for secure mobile communication approved for highly classified information and stringent performance requirements. We see this as an indication that the market situation is gradually normalizing after the pandemic years, although certain challenges remain. Demand is growing, while the global shortage of components and strained labor market continue to impact the growth rate.

Ongoing initiatives in Secure Communications include new offerings with the potential to contribute to substantial customer value and growth in all product segments. The operations are characterized by long business cycles, however, and opportunities to carry out important business negotiations during the years of the pandemic were limited. This led to delays, particularly in areas where we are targeting new customers. In line with our prioritized activities, we are assessing the possibility of ramping up our initiatives through partnerships that can supplement our customer offerings or broaden our market.

Trend, SEK million



### Sectra Tiger enables secure voice communication and file transfers

User-friendly solutions with a high level of security help our customers to carry out their daily tasks in an efficient manner. They use Sectra Tiger/S for secure communication and for sending and receiving encrypted files. The product can easily be connected to an approved computer and files are always sent securely.

## OTHER OPERATIONS

	Quarter			Period			12 months		
	Q3 22/23	Q3 21/22	Δ %	Q1-3 22/23	Q1-3 21/22	Δ %	R12	Full-year 21/22	Δ %
Sales, SEK million	31.5	26.2	20.2	90.3	72.0	25.4	117.3	98.9	18.6
Operating loss, SEK million	-15.6	-9.7	-60.8	-26.6	-20.9	-27.3	-41.5	-35.7	-16.2
Operating margin, %	neg	neg	n/a	neg	neg	n/a	neg	neg	n/a

Other Operations pertain to Sectra's joint functions for administration, recruitment, Group finance, IT, regulatory affairs, people and brand, and activities related to investors. The change in revenue mainly pertained to increased central management of costs distributed across the organization.

## PARENT COMPANY

The Parent Company's income statement and balance sheet are reported on page 19. The Parent Company Sectra AB includes the research department for medical imaging IT, the Genomics business unit and the head office's joint functions (see Other Operations above).

## THE SHARE

### 2022 share redemption program and help with Swedish tax return

During the second quarter, SEK 1.00 per share was transferred to the shareholders through a 2:1 share split, combined with a mandatory redemption process and a bonus issue to restore the share capital. In the Swedish tax return, a redemption or sale of redemption shares (designated SECT IL A and SECT IL B) is to be declared as a sale of shares on Form K4 (does not apply to shares owned through investment savings accounts). Visit <https://investor.sectra.com/redemption2022> for information about the Swedish Tax Agency's general recommendations and tax return help.

### Share capital and number of shares

On January 31, 2023, Sectra's share capital totaled SEK 38,824,179, distributed between 194,120,895 shares and 312,052,035 voting rights. The number of shares is distributed between 13,103,460 Class A shares and 181,017,435 Class B shares. Sectra's holding of treasury shares at the end of the period amounted to 1,435,406 Class B shares, corresponding to 0.7% of the share capital and 0.5% of the voting rights in the company.

Changes in the third quarter are related to:

- The issue of shares for LTIP 2022 (see below).
- The conversion to 5,164 Class B shares in the 2018/2023 convertible program that expired on January 31, 2023. Sectra thus has no convertible programs outstanding.

For more information, refer to Note 3.

### LTIP 2022 – new share issue and repurchase of own shares

During the third quarter, the Board exercised the authority granted by the 2022 AGM and carried out a directed share issue of 453,406 Class C shares at a price corresponding to the quotient value, meaning SEK 0.20 per share and a total of SEK 90,681.20. The goal is to secure the obligation for a new performance-based incentive program (LTIP 2022) that the AGM resolved to implement. All Class C shares have been repurchased at a price corresponding to the quotient value. These were then converted to Class B shares. The number of Class B shares held thereafter was 1,453,406, corresponding to approximately 0.7% of the total number of shares in the company.

In addition to the newly issued shares, 546,594 of the Class B shares that Sectra holds due to LTIP 2021 can be used for LTIP 2022, or a total of 1,000,000 Class B shares. In accordance with the terms of LTIP 2022, a maximum of 780,000 Class B treasury shares may be allotted to participants in the incentive program. The allotment of performance shares will take place within 60 days from the end of the qualification period, which runs from January 1, 2023 to December 31, 2027. In order to finance the costs of social security contributions related to LTIP 2022, a maximum of 220,000 Class B shares may be transferred on Nasdaq Stockholm, including by way of a financial intermediary, at a price within the price range registered at any given time. In total, this will entail a maximum dilution of about 0.5%.

## Authorization

The 2022 AGM authorized the Board, for the period until the next AGM, to decide on:

- the new issue of not more than 18,500,000 Class B shares for consideration in the form of cash payment, offsetting of debt or contribution in kind whereby payment through offsetting of debt may deviate from shareholders' preferential rights. The authorization is intended to enable newly issued shares to be used in conjunction with the completion of acquisitions or financing of acquisitions of companies or operations, in full or in part, as well as in conjunction with market investments. If the authorization is fully exercised, the dilution effect will be approximately 9.5% of the share capital and approximately 5.9% of the voting rights.
- the acquisition and divestment of all of the company's treasury shares. Divestment can take place on Nasdaq Stockholm or in conjunction with acquisitions of companies or operations, in full or in part, in conjunction with market investments, to cover the costs arising as a result of the company's incentive programs and to continuously adapt the company's capital structure and thereby contribute to increased shareholder value. A condition for the authorization is that the company's holding of treasury shares at no time exceeds 10% of all shares in the company.

At the time of publication of this financial report, the Board had not utilized these authorizations.

## 2023 AGM AND NOMINATION COMMITTEE

The AGM is scheduled for September 7, 2023 in Linköping, Sweden. The notice of the AGM is issued not earlier than six weeks and not later than four weeks prior to the AGM. Shareholders are entitled to have a matter addressed by the AGM. To ensure that the company has time to include matters in the notice, requests for matters to be addressed by the AGM must be received by the company not later than seven weeks prior to the AGM.

A Nomination Committee was appointed in accordance with the instructions adopted at the 2020 AGM. If any of the largest shareholders in terms of voting rights has waived their right to appoint a member of the Nomination Committee, the next shareholder in order of size has been given the opportunity to appoint a member. The Nomination Committee comprises the following members:

- Torbjörn Kronander representing his own and related parties' shareholdings
- Patrik Jönsson representing SEB Investment Management
- Mats Andersson representing Nordea Investment Funds
- Jan-Olof Brüer in his role as Chairman of the Board and representing his own and related parties' shareholdings

Patrik Jönsson, who represents the fifth-largest shareholder in terms of votes, was appointed Chairman of the Nomination Committee. The Nomination Committee will prepare and submit proposals regarding:

- election of the Chairman of the Board and other members of the Board of Directors
- allocation of Board fee payments to the Chairman and other members of the Board and potential remuneration for committee work
- election of and fees to the auditors and deputy auditors (where applicable)
- resolution on amendments to the Nomination Committee instructions, if the Nomination Committee deems such amendments to be necessary
- Chairman of the AGM

Proposals will be presented in the notice of the General Meeting of Shareholders and be available on the company's website not earlier than six weeks and not later than four weeks prior to the Meeting date. Shareholders who wish to submit proposals may do so in writing to the Nomination Committee by email: [info.investor@sectra.com](mailto:info.investor@sectra.com), or by mail: Sectra AB, Attn. Nomination Committee, Teknikringen 20, SE-583 30 Linköping, Sweden. In order for the Nomination Committee to address a proposal, the proposal must arrive in ample time prior to the notice of the AGM.

## RISKS AND UNCERTAINTIES

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of currency fluctuations on pricing in the markets in which the Group is active, and property and liability risks. Sectra is also exposed to various types of financial risks such as currency, interest-rate, credit and liquidity risks. A detailed description of the risks and uncertainties as well as Sectra's strategies and tactics for minimizing risk exposure and limiting adverse effects are provided in the Administration Report in the Group's Annual and Sustainability Report for the 2021/2022 fiscal year in the administration report on page 80 and in Note 29 on page 111. No events have occurred that would alter the conditions reported.



### Specific uncertainties

Sectra has only a small number of indirect customer or sub-supplier relationships in Ukraine, Russia and Belarus and no direct relationships. The invasion of Ukraine and the sanctions imposed have been deemed to have a minimal direct impact on the Group's operations. However, indirect consequences of what is happening could eventually impact Sectra as well as other companies in the form of higher prices for energy and transportation or component shortages. The majority of Sectra's customer contracts include index clauses, or in some cases clauses for renegotiating prices after a certain period, which offsets the effects of inflation.

Sectra is well equipped to manage these uncertainties based on a strong financial position, positive cash flows and a significant share of recurring revenue. The company has neither needed nor received any support in the form of reduced rent, furlough assistance or business transition support due to the COVID-19 pandemic. No need for impairment is deemed to exist owing to the pandemic or the war in Europe. For further information, refer to Sectra's Annual and Sustainability Report for the 2021/2022 fiscal year on page 82.

### CHANGES TO FINANCIAL STATEMENTS

In light of Sectra's transition to increasingly selling services, particularly cloud-based services, the Board of Directors and the President have assessed the performance measures recognized in the financial statements. As a result, Sectra's recognition of order bookings and recurring revenue have been changed as of the current fiscal year.

As sales of products and software as service increase, the relative importance of order bookings as a measure of growth will decrease. In addition, when software is sold as a service, customers usually want to have the option to terminate their agreement with the provider if the purchased service does not deliver maximum value. With new contract clauses giving the customer the right to terminate the contract for no specific reason, revenue from long-term customer contracts is only partially guaranteed. Contracts will continue to typically be based on terms of five to ten years. Assuming the service is satisfactory, it will be utilized throughout this period, at a minimum. However, guaranteed future revenue will be limited to initial delivery of consultancy services and a notice period of approximately one year or other binding commitment, depending on the specific contract.

Accordingly, Sectra is changing the way in which order bookings are recognized. Up until the 2023/2024 fiscal year, at which point order bookings will be entirely excluded from the financial statements, the recognition of order bookings will be divided between contracted and guaranteed order bookings. **Contracted order bookings** refer to the contract value that the customer has procured and intends to purchase during the term of the contract. **Guaranteed order bookings** are the share of contracted order bookings that correspond to what the customer has undertaken to purchase when the contract is entered into. For guaranteed order bookings received during a given quarter, Sectra will also state the share that has already been recognized as revenue as well as the share expected to be recognized as revenue within 12 months of the end of the quarter. The order bookings recognized for prior periods were, in all material respects, guaranteed.

Sectra is also clarifying its recognition of recurring revenue. In pace with the gradual transition to delivering software as a service, initial sales in the form of software licenses will decrease and be replaced by per-use sales over a longer period of time. To clarify how its former license sales will be replaced, recurring revenue will be supplemented with the new performance measure "Cloud recurring revenue" (CRR) for recurring revenue from cloud services. CRR refers to the recurring revenue we receive from customers for software delivered via the cloud, including operating services and underlying infrastructure, meaning a portion of the total recurring revenue.

During the fourth quarter of the current fiscal year, Sectra intends to start recognizing the reduction in recurring revenue attributable to customers that leave Sectra ("Revenue churn"). This will be done to comply with standard reporting practices in software companies that deliver software as a service.

### FOR FURTHER INFORMATION

Contact Sectra's CEO Torbjörn Kronander, telephone +46 13 23 52 27 or email [info.investor@sectra.se](mailto:info.investor@sectra.se).

### Presentation of the interim report

Time: March 10, 2023 at 10:00 a.m. (CET)

Torbjörn Kronander, President and CEO of Sectra AB, and Jessica Holmquist, CFO of Sectra AB, will present the financial report and answer questions. The presentation will be held in English. For information about participating online or to listen to the recording afterwards, visit: <https://investor.sectra.com/q3report2223>.

### Financial calendar and AGM

Year-end report 2022/2023	June 2, 2023 at 8:15 a.m. CEST
2023 AGM	September 7, 2023 in Linköping

For other IR events, visit: <https://investor.sectra.com/events-and-presentations/>

## ASSURANCE

The Board of Directors and the President of Sectra AB (publ) hereby assure that the interim report for the period May 2022 to January 2023 provides a true and fair view of the Parent Company's and Group's operations, financial position and earnings and describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Linköping, date as indicated by our electronic signature

Torbjörn Kronander  
President, CEO and Board member

Jan-Olof Brüer  
Chairman

Tomas Puusepp  
Board member

Birgitta Hagenfeldt  
Board member

Ulrika Unell  
Board member

Anders Persson  
Board member

Fredrik Robertsson  
Board member

Filip Klintenstedt  
Board member and employee representative

Andreas Örnéus  
Board member and employee representative

## AUDITOR'S REVIEW REPORT

### Introduction

We have reviewed the condensed interim financial information for Sectra AB (publ) at January 31, 2023 and for the nine-month period ended on that date. The Board of Directors and the President are responsible for the preparation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on the interim financial information based on our review.

### Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed on the basis of a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

### Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled for the Group in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act and for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Linköping, date as indicated by our electronic signature

Ernst & Young AB

Andreas Troberg

Authorized Public Accountant

This information constitutes information that Sectra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and/or the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out in the press release, at 8:15 a.m. (CET) on March 10, 2023.

Sectra AB (publ), <https://sectra.com>, Corporate Registration Number 556064-8304, email [info@sectra.com](mailto:info@sectra.com)

## GROUP

### Condensed consolidated income statements

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
<b>Net sales (Note 4)</b>	<b>580,295</b>	<b>476,173</b>	<b>1,626,049</b>	<b>1,300,117</b>	<b>2,275,072</b>	<b>1,949,140</b>
Capitalized work for own use	14,670	8,737	35,106	33,700	45,678	44,272
Other operating income	558	8	1,122	903	1,515	1,296
<b>Total income</b>	<b>595,523</b>	<b>484,918</b>	<b>1,662,277</b>	<b>1,334,720</b>	<b>2,322,265</b>	<b>1,994,708</b>
Goods for resale	-53,623	-68,572	-156,758	-158,115	-284,686	-286,043
Personnel costs	-308,331	-245,160	-865,423	-684,769	-1,125,830	-945,176
Other external costs	-123,270	-81,441	-313,568	-190,170	-422,285	-298,887
Depreciation/amortization and impairment	-23,340	-21,300	-67,660	-59,425	-89,451	-81,216
<b>Total operating expenses</b>	<b>-508,564</b>	<b>-416,473</b>	<b>-1,403,409</b>	<b>-1,092,479</b>	<b>-1,922,252</b>	<b>-1,611,322</b>
<b>Operating profit</b>	<b>86,959</b>	<b>68,445</b>	<b>258,868</b>	<b>242,241</b>	<b>400,013</b>	<b>383,386</b>
Total financial items	4,100	8,590	18,624	10,822	18,921	11,119
<b>Profit after financial items</b>	<b>91,059</b>	<b>77,035</b>	<b>277,492</b>	<b>253,063</b>	<b>418,934</b>	<b>394,505</b>
Taxes	-18,758	-14,155	-57,163	-50,734	-86,141	-79,712
<b>Profit for the period</b>	<b>72,301</b>	<b>62,880</b>	<b>220,329</b>	<b>202,329</b>	<b>332,793</b>	<b>314,793</b>
<b>Profit for the period attributable to:</b>						
Parent Company owners	72,301	62,880	220,329	202,329	332,793	314,793
<b>Earnings per share</b>						
Before dilution, SEK	0.38	0.33	1.14	1.05	1.73	1.63
After dilution, SEK (Note 3)	0.38	0.33	1.14	1.05	1.73	1.63

### Consolidated statement of comprehensive income

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit for the period	72,301	62,880	220,329	202,329	332,793	314,793
<b>Items that may be reversed in profit or loss</b>						
Translation differences	-258	29,436	25,424	30,919	32,080	37,575
<b>Total other comprehensive income for the period</b>	<b>-258</b>	<b>29,436</b>	<b>25,424</b>	<b>30,919</b>	<b>32,080</b>	<b>37,575</b>
<b>Total comprehensive income for the period</b>	<b>72,043</b>	<b>92,316</b>	<b>245,753</b>	<b>233,248</b>	<b>364,873</b>	<b>352,368</b>
<b>Comprehensive income for the period attributable to:</b>						
Parent Company owners	72,043	92,316	245,753	233,248	364,873	352,368

## Condensed consolidated balance sheets

SEK thousand	Jan 31 2023	Jan 31 2022	Apr 30 2022
<b>Assets</b>			
Intangible assets and goodwill	227,729	223,318	218,244
Tangible assets	76,766	55,353	61,913
Right-of-use assets	83,080	69,218	64,969
Financial assets	136,266	156,358	172,639
Deferred tax assets	7,027	3,598	4,554
<b>Total fixed assets</b>	<b>530,868</b>	<b>507,845</b>	<b>522,319</b>
Accounts receivable	362,620	339,008	339,650
Other current assets	95,547	93,184	41,718
Prepaid expenses and accrued income	676,605	464,612	479,449
Short-term investments	120,000	–	–
Cash and bank balances	482,502	423,585	808,775
<b>Total current assets</b>	<b>1,737,274</b>	<b>1,320,389</b>	<b>1,669,592</b>
<b>Total assets</b>	<b>2,268,142</b>	<b>1,828,234</b>	<b>2,191,911</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>1,144,012</b>	<b>959,025</b>	<b>1,080,737</b>
Deferred tax liabilities	4,382	3,608	4,773
Provisions	8,387	–	3,308
Non-current lease liabilities	55,879	41,985	37,892
Other long-term liabilities	560	910	513
<b>Total long-term liabilities</b>	<b>69,208</b>	<b>46,503</b>	<b>46,486</b>
Provisions	1,990	4,275	2,954
Current lease liabilities	24,550	24,376	24,342
Other current liabilities	157,506	177,927	196,199
Accrued expenses and deferred income	870,876	616,128	841,193
<b>Total current liabilities</b>	<b>1,054,922</b>	<b>822,706</b>	<b>1,064,688</b>
<b>Total equity and liabilities</b>	<b>2,268,142</b>	<b>1,828,234</b>	<b>2,191,911</b>

## Consolidated cash-flow statements

SEK thousand	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	Full-year May–Apr 2021/2022
<b>Operating activities</b>			
Operating profit	258,868	242,241	383,386
Adjustment for non-cash items	72,877	43,532	74,469
Interest and dividends received	6,769	5,316	6,967
Interest paid	-1,337	-1,175	-1,555
Income tax paid	-61,707	-54,792	-73,473
<b>Cash flow from operations before changes in working capital</b>	<b>275,470</b>	<b>235,122</b>	<b>389,794</b>
<b>Changes in working capital</b>			
Change in inventories	-3,659	-4,206	1,257
Change in receivables	-129,762	-89,181	-119,590
Change in current liabilities	-83,738	60,766	345,461
<b>Cash flow from operations</b>	<b>58,311</b>	<b>202,501</b>	<b>616,922</b>
<b>Investing activities</b>			
Acquisitions of intangible assets	-35,105	-37,860	-44,272
Acquisitions of tangible assets	-33,002	-18,104	-30,103
Short-term investment	-120,000	–	–
Depreciation of tangible assets	–	6,029	6,029
<b>Cash flow from investing activities</b>	<b>-188,107</b>	<b>-49,935</b>	<b>-68,346</b>
<b>Financing activities</b>			
Repayment of lease liabilities	-18,111	-17,883	-24,366
Repayment of long-term liabilities	–	-1,017	-1,017
Redemption of shares	-192,662	-173,365	-173,365
<b>Cash flow from financing activities</b>	<b>-210,773</b>	<b>-192,265</b>	<b>-198,748</b>
<b>Cash flow for the period</b>	<b>-340,569</b>	<b>-39,699</b>	<b>349,828</b>
Cash and cash equivalents, opening balance	808,775	454,854	454,854
Exchange-rate difference in cash and cash equivalents	14,296	8,429	4,093
Cash and cash equivalents, closing balance	482,502	423,585	808,775

## Condensed consolidated statement of changes in equity

SEK thousand	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	Full-year May–Apr 2021/2022
Equity at start of period	1,080,737	895,623	895,623
Comprehensive income for the period	245,753	233,248	352,368
Dividend/redemption of shares	-192,662	-173,365	-173,365
Share-based payments	10,184	3,519	6,111
<b>Equity at end of period</b>	<b>1,144,012</b>	<b>959,025</b>	<b>1,080,737</b>



## PARENT COMPANY

### Condensed Parent Company income statements

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
<b>Net sales</b>	<b>32,451</b>	<b>27,081</b>	<b>92,976</b>	<b>103,438</b>	<b>120,617</b>	<b>131,079</b>
Capitalized work for own use	921	–	2,377	917	2,377	917
Other operating income	163	7	214	29	222	37
<b>Total income</b>	<b>33,535</b>	<b>27,088</b>	<b>95,567</b>	<b>104,384</b>	<b>123,216</b>	<b>132,033</b>
Goods for resale	–	-989	-142	-8,809	-931	-9,598
Personnel costs	-15,085	-13,824	-43,964	-42,690	-58,182	-56,908
Other external costs	-34,465	-22,578	-79,562	-74,317	-107,902	-102,657
Depreciation/amortization	-353	-420	-1,168	-1,598	-1,586	-2,016
<b>Total operating expenses</b>	<b>-49,903</b>	<b>-37,811</b>	<b>-124,836</b>	<b>-127,414</b>	<b>-168,601</b>	<b>-171,179</b>
<b>Operating loss</b>	<b>-16,368</b>	<b>-10,723</b>	<b>-29,269</b>	<b>-23,030</b>	<b>-45,385</b>	<b>-39,146</b>
Total financial items	5,755	18,003	15,837	22,805	44,554	51,522
<b>Profit/loss after financial items</b>	<b>-10,613</b>	<b>7,280</b>	<b>-13,432</b>	<b>-225</b>	<b>-831</b>	<b>12,376</b>
Appropriations	–	–	–	–	254,250	254,250
<b>Profit/loss before tax</b>	<b>-10,613</b>	<b>7,280</b>	<b>-13,432</b>	<b>-225</b>	<b>253,419</b>	<b>266,626</b>
Tax on earnings for the period	2,187	-1,500	2,768	46	-47,308	-50,030
<b>Profit/loss for the period</b>	<b>-8,426</b>	<b>5,780</b>	<b>-10,664</b>	<b>-179</b>	<b>206,111</b>	<b>216,596</b>

### Parent Company statement of comprehensive income

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit/loss for the period	-8,426	5,780	-10,664	-179	206,111	216,596
<b>Total comprehensive income for the period</b>	<b>-8,426</b>	<b>5,780</b>	<b>-10,664</b>	<b>-179</b>	<b>206,111</b>	<b>216,596</b>

### Condensed Parent Company balance sheets

SEK thousand	Jan 31 2023	Jan 31 2022	Apr 30 2022
<b>Assets</b>			
Intangible assets	2,380	4,446	201
Tangible assets	3,478	4,039	3,926
Financial assets	182,435	270,175	143,451
<b>Total fixed assets</b>	<b>188,293</b>	<b>278,660</b>	<b>147,578</b>
Accounts receivable	261	979	808
Receivables from Group companies	281,720	241,023	504,090
Other current assets	67,182	58,141	24,480
Short-term investments	120,000	–	–
Cash and bank balances	318,452	288,951	683,803
<b>Total current assets</b>	<b>787,615</b>	<b>589,094</b>	<b>1,213,181</b>
<b>Total assets</b>	<b>975,908</b>	<b>867,754</b>	<b>1,360,759</b>
<b>Equity and liabilities</b>			
Restricted equity	267,660	265,473	265,390
Unrestricted equity	210,440	197,065	414,295
<b>Total equity</b>	<b>478,100</b>	<b>462,538</b>	<b>679,685</b>
Provisions	562	–	–
Long-term liabilities	–	389	–
Current liabilities	497,246	404,827	681,074
<b>Total equity and liabilities</b>	<b>975,908</b>	<b>867,754</b>	<b>1,360,759</b>

## NOTES

## Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Markets Act. The accounting policies and calculation methods applied are consistent with those described in Sectra's 2021/2022 Annual and Sustainability Report.

## Note 2 Related-party transactions

Other than the types of transactions presented in Note 3 Employees and personnel costs in the 2021/2022 Annual Report, no significant transactions with related parties took place in the reporting period.

## Note 3 Number of shares

No. of common shares <sup>2</sup>	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Before dilution	192,667,489	192,662,325	192,667,489	192,662,325	192,667,489	192,662,325
After dilution <sup>1</sup>	192,667,489	192,667,455	192,667,489	192,667,455	192,667,489	192,667,455
Average, before dilution	192,664,046	192,639,088	192,662,899	192,631,343	192,662,755	192,639,088
Average, after dilution <sup>1</sup>	192,667,466	192,667,350	192,667,459	192,667,322	192,667,458	192,667,355

<sup>1</sup> Dilution of the number of shares, based on the convertible programs issued in 2017/2018. Dilution corresponded to 5,130 shares on January 31, 2022 and the last remaining convertibles had been redeemed by January 31, 2023. There are therefore no convertible programs outstanding.

<sup>2</sup> Number of shares does not include the 1,453,406 Class B treasury shares.

## Note 4 Operating segments and sales

## Sales by business segment

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Imaging IT Solutions	504.9	418.9	1,443.5	1,156.5	2,014.2	1,727.2
Secure Communications	63.3	44.0	156.2	121.4	219.8	184.9
Business Innovation	22.8	19.1	51.2	44.4	73.2	66.4
Other Operations	31.5	26.2	90.3	72.0	117.3	98.9
Group eliminations	-42.2	-32.0	-115.2	-94.2	-149.4	-128.3
<b>Total</b>	<b>580.3</b>	<b>476.2</b>	<b>1,626.0</b>	<b>1,300.1</b>	<b>2,275.1</b>	<b>1,949.1</b>

## Operating profit/loss by business segment

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Imaging IT Solutions	89.0	80.1	279.6	269.8	425.7	416.0
Secure Communications	8.5	-4.9	1.9	-8.8	7.7	-3.0
Business Innovation	5.1	3.0	3.9	2.0	8.0	6.1
Other Operations	-15.6	-9.7	-26.6	-20.9	-41.5	-35.7
Group eliminations	0.0	-0.1	0.1	0.1	0.1	0.0
<b>Total</b>	<b>87.0</b>	<b>68.4</b>	<b>258.9</b>	<b>242.2</b>	<b>400.0</b>	<b>383.4</b>

## Sales by geographic market

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
United States	162.1	131.3	489.1	372.1	664.1	547.1
Sweden	121.7	101.1	328.0	276.8	430.0	378.8
United Kingdom	84.5	86.3	239.4	198.3	411.8	370.7
Netherlands	30.9	28.5	97.9	96.1	152.1	150.3
Rest of Europe	140.5	103.7	361.2	285.7	477.5	401.9
Rest of World	40.6	25.3	110.4	71.1	139.6	100.3
<b>Total</b>	<b>580.3</b>	<b>476.2</b>	<b>1,626.0</b>	<b>1,300.1</b>	<b>2,275.1</b>	<b>1,949.1</b>

**Recurring and non-recurring external revenue by business segment**

Group

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Recurring revenue	356.4	275.2	983.3	800.6	1,263.9	1,081.4
Of which cloud recurring revenue, CRR	72.1	46.4	181.7	131.0	232.2	181.4
Non-recurring revenue	223.9	201.0	642.7	499.5	1,011.2	867.7
<b>Total</b>	<b>580.3</b>	<b>476.2</b>	<b>1,626.0</b>	<b>1,300.1</b>	<b>2,275.1</b>	<b>1,949.1</b>
Share of recurring revenue, %	61.4	57.8	60.5	61.6	55.6	55.5

**Imaging IT Solutions**

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Recurring revenue	328.7	254.3	909.7	737.3	1,166.7	994.4
Of which cloud recurring revenue, CRR	68.7	43.1	172.3	124.2	220.0	172.0
Non-recurring revenue	174.1	166.5	534.2	419.0	849.8	734.4
<b>Total</b>	<b>502.8</b>	<b>420.8</b>	<b>1,443.9</b>	<b>1,156.3</b>	<b>2,016.5</b>	<b>1,728.8</b>
Share of recurring revenue, %	65.4	60.4	63.0	63.8	57.9	57.5

**Secure Communications**

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Recurring revenue	24.0	17.2	63.2	55.3	83.9	76.1
Of which cloud recurring revenue, CRR	–	–	0.0	–	0.2	0.1
Non-recurring revenue	39.2	26.3	92.8	64.7	135.0	106.8
<b>Total</b>	<b>63.2</b>	<b>43.5</b>	<b>156.0</b>	<b>120.0</b>	<b>218.9</b>	<b>182.9</b>
Share of recurring revenue, %	38.0	39.5	40.5	46.1	38.3	41.6

**Business Innovation**

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Recurring revenue	3.6	3.6	9.9	7.5	12.7	10.3
Of which cloud recurring revenue, CRR	3.4	3.3	9.4	6.7	12.0	9.3
Non-recurring revenue	10.5	8.1	15.7	15.9	26.4	26.5
<b>Total</b>	<b>14.1</b>	<b>11.7</b>	<b>25.6</b>	<b>23.4</b>	<b>39.1</b>	<b>36.8</b>
Share of recurring revenue, %	25.5	30.8	38.7	32.1	32.5	28.0

**Other Operations**

SEK million	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Recurring revenue	0.2	0.1	0.4	0.4	0.6	0.6
Of which cloud recurring revenue, CRR	–	–	–	–	–	–
Non-recurring revenue	–	–	–	–	–	–
<b>Total</b>	<b>0.2</b>	<b>0.1</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>	<b>0.6</b>
Share of recurring revenue, %	100.0	100.0	100.0	100.0	100.0	100.0

## Note 5 Financial definitions and alternative performance measures

The Group applies the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures (see below). Alternative performance measures are applied since the company believes they provide valuable supplementary information for management and investors given that they play a central role when it comes to understanding and evaluating the Group's operations. A number of new alternative performance measures were introduced during the fiscal year (refer to page 14).

### Share of recurring revenue

#### Purpose

Shows the portion of external sales that is recurring. Recurring revenue refers to revenue from customers for the provision of a good or service during the term of a contract, wherein the customer cannot continue to benefit from the full functionality of the good or service without ongoing payments and the revenue stream is expected to recur for more than 12 months.

Recurring revenue mainly refers to revenue from subscription, support and maintenance agreements. The share delivered via the cloud is reported as cloud recurring revenue (CRR).

Revenue from system implementations, migration and one-time purchases of licenses are not recognized as recurring revenue.

#### Calculation

Recurring revenue divided by total external sales. Refer to the table on page 20.

### Equity per share before dilution

	Jan 31 2023	Jan 31 2022	Apr 30 2022
Equity, SEK thousand	1,144,012	959,025	1,080,737
Number of shares before dilution at the end of the period	192,667,489	192,662,325	192,662,325
<b>Equity per share before dilution, SEK</b>	<b>5.94</b>	<b>4.98</b>	<b>5.61</b>

#### Purpose

Measures the company's net value per share and shows if a company is increasing shareholder capital over time given currently available participations.

#### Calculation

Equity divided by the number of shares before dilution at the end of the period.

### Equity per share after dilution

	Jan 31 2023	Jan 31 2022	Apr 30 2022
Equity, SEK thousand	1,144,012	959,025	1,080,737
Number of shares after dilution at the end of the period	192,667,489	192,667,455	192,667,455
<b>Equity per share after dilution, SEK</b>	<b>5.94</b>	<b>4.98</b>	<b>5.61</b>

#### Purpose

Measures the company's net value per share and shows if a company is increasing shareholder capital over time given the maximum number of available participations.

#### Calculation

Equity divided by the number of shares after dilution at the end of the period.

### Value added

	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
SEK thousand				
Operating profit	258,868	242,241	400,013	383,386
Personnel costs	865,423	684,769	1,125,830	945,176
<b>Value added</b>	<b>1,124,291</b>	<b>927,010</b>	<b>1,525,843</b>	<b>1,328,562</b>

#### Purpose

Shows the value of the company's production.

#### Calculation

Operating profit plus personnel costs.

**Non-interest-bearing liabilities and interest-bearing liabilities**

SEK thousand	Jan 31 2023	Jan 31 2022	Apr 30 2022
Non-interest-bearing liabilities	1,043,701	802,459	1,048,551
Interest-bearing liabilities	80,429	66,750	62,624
<b>Total liabilities</b>	<b>1,124,130</b>	<b>869,209</b>	<b>1,111,175</b>

**Purpose**

Indicates the proportion of the Company's liabilities with and without interest. Included in the calculation of the debt/equity ratio and capital employed.

**Calculation**

Non-interest-bearing liabilities refers to liabilities without interest, such as accounts payable, advances from customers and tax liabilities. Interest-bearing liabilities refers to liabilities with interest, such as lease liabilities.

**Cash flow per share before dilution**

	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Cash flow from operations, SEK thousand	83,565	153,074	58,311	202,501	472,732	616,922
Number of shares before dilution at the end of the period	192,667,489	192,662,325	192,667,489	192,662,325	192,667,489	192,662,325
<b>Cash flow per share before dilution, SEK</b>	<b>0.43</b>	<b>0.79</b>	<b>0.30</b>	<b>1.05</b>	<b>2.45</b>	<b>3.20</b>

**Purpose**

Shows the cash flow the company generated per share before capital investments and financing.

**Calculation**

Cash flow from operations divided by the number of shares before dilution at the end of the period.

**Cash flow per share after dilution**

	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Cash flow from operations, SEK thousand	83,565	153,704	58,311	202,501	472,732	616,922
Number of shares after dilution at the end of the period	192,667,489	192,667,455	192,667,489	192,667,455	192,667,489	192,667,455
<b>Cash flow per share after dilution, SEK</b>	<b>0.43</b>	<b>0.79</b>	<b>0.30</b>	<b>1.05</b>	<b>2.45</b>	<b>3.20</b>

**Purpose**

Shows the cash flow the company generated per share before capital investments and financing.

**Calculation**

Cash flow from operations divided by the number of shares after dilution at the end of the period.

**Ratio of contracted order bookings to net sales**

SEK thousand	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Contracted order bookings	4,466,196	2,320,198
Net sales	2,275,072	1,949,140
<b>Ratio of contracted order bookings to net sales</b>	<b>1.96</b>	<b>1.19</b>

**Purpose**

Provides an indication of demand for the company's products and services.

**Calculation**

Contracted order bookings divided by net sales.



## Liquidity

SEK thousand	Jan 31 2023	Jan 31 2022	Apr 30 2022
Current assets	1,737,274	1,320,389	1,669,592
Unutilized overdraft facilities	15,000	15,000	15,000
Current liabilities	1,054,922	822,706	1,064,688
<b>Liquidity</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>

### Purpose

Shows the company's current ability to pay.

### Calculation

Current assets plus unutilized overdraft facility divided by current liabilities.

## Average no. of employees

### Purpose

Shows full-time positions in a certain period.

### Calculation

Average number of full-time employees during the period.

## Unadjusted exchange rates – sales

	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	Full-year May–Apr 2021/2022
Nominal change, %	21.9	20.8	25.1	17.5	19.4
Exchange-rate effect, %	-7.4	-5.8	-9.5	-1.0	-2.5
<b>Change in unadjusted exchange rates, %</b>	<b>14.5</b>	<b>15.0</b>	<b>15.6</b>	<b>16.5</b>	<b>16.9</b>

### Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

### Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

## Unadjusted exchange rates – operating profit

	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	Full-year May–Apr 2021/2022
Nominal change, %	27.0	-1.0	6.9	30.1	9.5
Exchange-rate effect, %	-18.4	-13.0	-19.2	-2.3	-4.7
<b>Change in unadjusted exchange rates, %</b>	<b>8.6</b>	<b>-14.0</b>	<b>-12.3</b>	<b>27.8</b>	<b>4.8</b>

### Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

### Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

## Unadjusted exchange rates – recurring revenue

	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	Full-year May–Apr 2021/2022
Nominal change, %	29.5	12.2	22.8	11.9	11.7
Exchange-rate effect, %	-7.6	-5.0	-8.5	-1.1	-2.1
<b>Change in unadjusted exchange rates, %</b>	<b>21.9</b>	<b>7.2</b>	<b>14.3</b>	<b>10.8</b>	<b>9.6</b>

### Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

### Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

## Order bookings – guaranteed

### Purpose

Indicates future revenue in the company.

### Calculation

The share of contracted order bookings that corresponds to what the customer has undertaken to purchase when the contract is entered into.

## Order bookings – contracted

### Purpose

Indicates future revenue in the company.

### Calculation

The value of orders received that corresponds to what the customer has procured and intends to purchase during the term of the contract.

## P/E ratio

SEK	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Share price at end of period	147.44	124.80
Earnings per share before dilution for the rolling 12-month period	1.73	1.63
<b>P/E ratio, multiple</b>	<b>85.2</b>	<b>76.6</b>

### Purpose

Shows how the market values the company's profits and how long it may take for the shareholders to get a return on an investment in the share.

### Calculation

Share price at the end of the period divided by earnings per share for the most recent rolling 12-month period before dilution.

## Earnings per share before dilution

	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit for the period, SEK thousand	72,301	62,880	220,329	202,329	332,793	314,793
Average number of shares at the end of the period before dilution	192,664,046	192,639,088	192,662,899	192,631,343	192,662,755	192,639,088
<b>Earnings per share before dilution, SEK</b>	<b>0.38</b>	<b>0.33</b>	<b>1.14</b>	<b>1.05</b>	<b>1.73</b>	<b>1.63</b>

### Purpose

Shows each share's participation in the company's earnings during the reporting period.

### Calculation

Profit/loss after tax divided by the average number of shares before dilution at the end of the period. This performance measure is defined in accordance with IFRS.

## Earnings per share after dilution

	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit for the period, SEK thousand	72,301	62,880	220,329	202,329	332,793	314,793
Average number of shares at the end of the period after dilution	192,667,466	192,667,350	192,667,459	192,667,322	192,667,458	192,667,355
<b>Earnings per share after dilution, SEK</b>	<b>0.38</b>	<b>0.33</b>	<b>1.14</b>	<b>1.05</b>	<b>1.73</b>	<b>1.63</b>

### Purpose

Shows each share's participation in the company's earnings during the reporting period, taking potential shares that may arise after conversion into account.

### Calculation

Profit/loss after tax divided by the average number of shares at the end of the period after dilution. This performance measure is defined in accordance with IFRS.

## Return on equity

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit for the period	72,301	62,880	220,329	202,329	332,793	314,793
Equity at start of period	1,067,347	1,036,555	1,080,737	895,623	959,025	895,623
Equity at end of period	1,144,012	959,025	1,144,012	959,025	1,144,012	1,080,737
Average equity	1,105,680	997,790	1,112,375	927,324	1,051,519	988,180
<b>Return on equity, %</b>	<b>6.5</b>	<b>6.3</b>	<b>19.8</b>	<b>21.8</b>	<b>31.6</b>	<b>31.9</b>

### Purpose

Shows the return on capital attributable to the Parent Company owners.

### Calculation

Profit for the period divided by average adjusted equity.

## Return on capital employed (ROCE)

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit after financial items	91,059	77,035	277,492	253,063	418,934	394,505
Financial expenses	-709	-385	-1,337	-1,175	-1,718	-1,555
Average capital employed	1,172,912	1,066,089	1,183,901	997,425	1,125,108	1,056,218
<b>Return on capital employed, %</b>	<b>7.8</b>	<b>7.3</b>	<b>23.6</b>	<b>25.5</b>	<b>37.4</b>	<b>37.5</b>

### Purpose

Shows profitability based on how much capital is used in the operations.

### Calculation

Profit after financial items plus financial expenses divided by average capital employed.

## Return on total capital

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit after financial items	91,059	77,035	277,492	253,063	418,934	394,505
Financial expenses	-709	-385	-1,337	-1,175	-1,718	-1,555
Average total assets	2,153,608	1,759,400	2,230,027	1,740,093	2,048,188	1,921,932
<b>Return on total capital, %</b>	<b>4.3</b>	<b>4.4</b>	<b>12.5</b>	<b>14.6</b>	<b>20.5</b>	<b>20.6</b>

### Purpose

Shows the return on total assets.

### Calculation

Profit after financial items plus financial expenses divided by average total assets.

## Operating margin

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Operating profit	86,959	68,445	258,868	242,241	400,013	383,386
Net sales	580,295	476,173	1,626,049	1,300,117	2,275,072	1,949,140
<b>Operating margin, %</b>	<b>15.0</b>	<b>14.4</b>	<b>15.9</b>	<b>18.6</b>	<b>17.6</b>	<b>19.7</b>

### Purpose

Measures operational profitability. This measure is used for the purpose of management by objectives in the operations.

### Calculation

Operating profit divided by net sales.

**Operating profit per share**

	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Operating profit, SEK thousand	400,013	383,386
Number of shares before dilution	192,667,489	192,662,325
<b>Operating profit per share, SEK</b>	<b>2.08</b>	<b>1.99</b>

**Purpose**

Shows earnings per share before interest and taxes.

**Calculation**

Operating profit divided by the number of shares before dilution on the balance-sheet date.

**Debt/equity ratio**

SEK thousand	Jan 31 2023	Jan 31 2022
Interest-bearing liabilities	80,429	66,750
Equity	1,144,012	959,025
<b>Debt/equity ratio</b>	<b>0.07</b>	<b>0.07</b>

**Purpose**

Shows to what extent the operations are financed by loans and describes the company's financial risk.

**Calculation**

Interest-bearing liabilities divided by equity.

**Equity/assets ratio**

SEK thousand	Jan 31 2023	Jan 31 2022	Apr 30 2022
Equity	1,144,012	959,025	1,080,737
Total assets	2,268,142	1,828,234	2,191,911
<b>Equity/assets ratio, %</b>	<b>50.4</b>	<b>52.5</b>	<b>49.3</b>

**Purpose**

Shows the portion of assets financed with equity. This measure is used for the purpose of management by objectives in the operations.

**Calculation**

Equity divided by total assets on the balance-sheet date.

**Capital employed**

SEK thousand	Jan 31 2023	Jan 31 2022	Apr 30 2022
Total assets	2,268,142	1,828,234	2,191,911
Non-interest-bearing liabilities	1,043,701	802,459	1,048,551
<b>Capital employed</b>	<b>1,224,441</b>	<b>1,025,775</b>	<b>1,143,360</b>

**Purpose**

Shows the portion of the company's assets that has been borrowed from, for example, the company's owners or external lenders, and shows the company's profitability in relation to externally financed capital and equity.

**Calculation**

Total assets reduced by non-interest-bearing liabilities.

**Growth in operating profit per share over a five-year period**

SEK	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Operating profit per share before dilution	2.076	1,990
Operating profit per share before dilution five years earlier	1.068	1,030
<b>Growth in operating profit per share before dilution over a five-year period, %</b>	<b>94.4</b>	<b>93.3</b>

**Purpose**

Shows the growth of the operations over a five-year period. This measure is used for the purpose of management by objectives in the operations.

**Calculation**

Operating profit per share on the balance-sheet date less operating profit per share on the balance-sheet date five years earlier divided by operating profit per share on the balance-sheet date five years earlier.

**Profit margin**

SEK thousand	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	12 months Feb 2022– Jan 2023	Full-year May–Apr 2021/2022
Profit after financial items	91,059	77,035	277,492	253,063	418,934	394,505
Net sales	580,295	476,173	1,626,049	1,300,117	2,275,072	1,949,140
<b>Operating margin, %</b>	<b>15.7</b>	<b>16.2</b>	<b>17.1</b>	<b>19.5</b>	<b>18.4</b>	<b>20.2</b>

**Purpose**

Shows a comparison of profitability regardless of corporate tax rate.

**Calculation**

Profit after financial items divided by net sales.

## KEY FIGURES AND OTHER INFORMATION

**Key figures**

	9 months Jan 31 2023	9 months Jan 31 2022	12 months Jan 31 2023	Full-year Apr 30 2022
Contracted order bookings, SEK million	3,448.8	1,302.8	4,466.2	2,320.2
of which guaranteed order bookings, SEK million	1,795.0	1,302.8	2,812.4	2,320.2
Operating margin, %	15.9	18.6	17.6	19.7
Profit margin, %	17.1	19.5	18.4	20.2
Average no. of employees	1,001	894	989	908
Cash flow per share before dilution, SEK <sup>1</sup>	0.30	1.05	2.45	3.20
Cash flow per share after dilution, SEK <sup>1</sup>	0.30	1.05	2.45	3.20
Value added, SEK million	1,124.3	927.0	1,525.8	1,328.6
P/E ratio, multiple	n/a	n/a	85.2	76.6
Share price at end of period, SEK	147.44	152.5	147.44	124.8
Return on equity, %	19.8	21.8	31.6	31.9
Return on capital employed, %	23.6	25.5	37.4	37.5
Return on total capital, %	12.5	14.6	20.5	20.6
Equity/assets ratio, %	50.4	52.5	50.4	49.3
Liquidity ratio, multiple	1.7	1.6	1.7	1.6
Equity per share before dilution, SEK	5.94	4.98	5.94	5.61
Equity per share after dilution, SEK	5.94	4.98	5.94	5.61

<sup>1</sup> Cash flow from operations.

**Condensed consolidated income statements by quarter**

SEK million	2022/2023			2021/2022				2020/2021			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	580.3	561.7	484.1	649.0	476.2	418.2	405.7	526.2	394.2	413.2	298.9
Capitalized work for own use	14.7	11.5	9.0	10.6	8.7	13.3	11.6	12.3	13.5	11.6	9.9
Reversal of contingent consideration	–	–	–	–	–	–	–	1.2	–	1.1	0.6
Other operating income	0.5	0.4	0.1	0.4	0.0	0.6	0.3	0.1	0.6	0.5	0.0
Operating expenses	-485.2	-443.9	-406.6	-497.1	-395.2	-329.4	-308.4	-353.6	-319.1	-315.2	-262.8
Depreciation/amortization and impairment	-23.3	-22.1	-22.2	-21.8	-21.3	-19.0	-19.1	-22.3	-20.1	-21.5	-19.2
<b>Operating profit</b>	<b>87.0</b>	<b>107.6</b>	<b>64.4</b>	<b>141.1</b>	<b>68.4</b>	<b>83.7</b>	<b>90.1</b>	<b>163.9</b>	<b>69.1</b>	<b>89.6</b>	<b>27.4</b>
Total financial items	4.1	10.7	3.8	0.3	8.6	0.2	2.0	2.6	-1.3	2.9	-5.9
<b>Profit after financial items</b>	<b>91.1</b>	<b>118.3</b>	<b>68.2</b>	<b>141.4</b>	<b>77.0</b>	<b>83.9</b>	<b>92.1</b>	<b>166.5</b>	<b>67.8</b>	<b>92.5</b>	<b>21.4</b>
Tax on earnings for the period	-18.8	-24.4	-14.0	-29.0	-14.1	-17.6	-19.0	-33.9	-14.5	-19.8	-4.6
<b>Profit for the period</b>	<b>72.3</b>	<b>93.9</b>	<b>54.1</b>	<b>112.5</b>	<b>62.9</b>	<b>66.3</b>	<b>73.1</b>	<b>132.6</b>	<b>53.3</b>	<b>72.7</b>	<b>16.8</b>



## Key figures by quarter

	2022/2023			2021/2022				2020/2021			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Contracted order bookings, SEK million	549.2	664.2	2,235.4	1,017.4	439.6	470.0	393.2	689.2	598.0	752.1	612.3
of which guaranteed order bookings, SEK million	484.0	605.6	705.3	1,017.4	439.6	470.0	393.2	689.2	598.0	752.1	612.3
Operating margin, %	15.0	19.2	13.3	21.7	14.4	20.0	22.2	31.1	17.5	21.7	9.2
Cash flow per share before dilution, SEK <sup>1</sup>	0.43	0.20	-0.33	2.15	0.79	0.21	0.05	0.59	0.71	0.19	0.44
Cash flow per share after dilution, SEK <sup>1</sup>	0.43	0.20	-0.33	2.15	0.79	0.21	0.05	0.59	0.71	0.19	0.44
Earnings per share before dilution, SEK <sup>1</sup>	0.38	0.49	0.28	0.58	0.33	0.34	0.38	0.69	0.28	0.38	0.09
Return on equity, %	6.5	8.5	4.9	11.0	6.3	6.6	7.8	16.0	6.8	9.5	2.1
Return on capital employed, %	7.8	10.2	5.8	13.1	7.3	7.8	9.2	18.5	7.8	10.9	2.4
Equity/assets ratio, %	50.4	52.3	54.9	49.3	52.5	61.3	59.6	54.2	51.7	55.0	58.1
Equity per share, SEK <sup>1</sup>	5.94	5.54	5.95	5.61	4.98	5.38	5.06	4.65	3.95	3.69	4.19
Share price at end of period, SEK <sup>1</sup>	147.44	146.40	185.90	124.80	152.50	209.60	137.20	121.00	142.50	108.60	120.20

<sup>1</sup> Comparative figures per share have been restated due to the 5:1 share split that Sectra carried out in the second quarter of 21/22.

## Five-year summary <sup>1</sup>

	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Order bookings, SEK million	2,320.2	2,651.6	1,816.0	2,132.8	1,492.5
Net sales, SEK million	1,949.1	1,632.4	1,661.1	1,413.5	1,209.2
Operating profit, SEK million	383.4	350.1	295.3	235.5	214.3
Profit after financial items, SEK million	394.5	348.2	303.0	248.8	231.2
Profit for the period, SEK million	314.8	275.5	237.4	199.0	184.7
Operating margin, %	19.7	21.4	17.8	16.7	17.7
Profit margin, %	20.2	21.3	18.2	17.6	19.1
Earnings per share before dilution, SEK <sup>2</sup>	1.63	1.43	1.24	1.04	0.97
Earnings per share after dilution, SEK <sup>2</sup>	1.63	1.43	1.23	1.03	0.96
Redemption program per share/dividend, SEK <sup>2</sup>	1.00	0.90	0.90	0.90	0.90
Share price at end of year, SEK <sup>2</sup>	124.80	121.00	84.00	64.40	38.84
P/E ratio, multiple	76.6	84.6	68.0	61.8	40.0
Return on equity, %	31.9	32.2	30.7	29.8	30.4
Return on capital employed, %	37.5	37.4	36.8	35.9	34.5
Return on total capital, %	20.6	22.1	21.6	19.6	19.0
Equity per share before dilution, SEK <sup>2</sup>	5.61	4.65	4.24	3.80	3.47
Equity per share after dilution, SEK <sup>2</sup>	5.61	4.65	4.24	3.78	3.43
Equity/assets ratio, %	49.3	54.2	54.1	55.4	51.4

<sup>1</sup> The comparative year 2017/2018 has been restated. Refer to Note 5 on page 76 of Sectra's 2018/2019 Annual Report.

<sup>2</sup> Comparative figures per share have been restated due to the 5:1 share split that Sectra carried out in the second quarter of 21/22.

## Exchange rates

Currency	Average rates in SEK						Closing rates in SEK		
	3 months Nov 2022– Jan 2023	3 months Nov 2021– Jan 2022	Δ %	9 months May 2022– Jan 2023	9 months May 2021– Jan 2022	Δ %	Jan 31 2023	Jan 31 2022	Δ %
US dollar, 1 USD	10.43	9.10	14.6	10.44	8.70	20.0	10.36	9.33	11.0
Euro, 1 EUR	11.05	10.26	7.7	10.77	10.13	6.3	11.21	10.43	7.5
British pound, 1 GBP	12.62	12.21	3.4	12.46	11.90	4.7	12.76	12.54	1.8

## GLOSSARY

### Genomics

The study of genetic makeup, meaning an organism's DNA. In medicine, a patient's genetic makeup is studied to increase understanding of the causes of disease. In cancer diseases, for example, a tumor's mutations are studied in DNA. The genetic information plays an important role diagnosing cancer and customizing treatment, known as precision medicine.

### Cardiology/cardiovascular diseases

The field of medicine dealing with the functions and diseases of the heart.

### Critical infrastructure

Basic infrastructure that is essential for the functioning of society, such as roads, bridges and electricity and water supply.

### Crypto

Equipment that uses mathematical manipulations (algorithms and keys) to encrypt information, so that it can be interpreted or read only by the intended recipient. To read encrypted information, the recipient must have the correct key and algorithm.

### The cloud/cloud solutions

From the term cloud computing, meaning delivering services and sharing IT infrastructure over the internet.

### Ophthalmology

A specialist medical area for the diagnosis and treatment of eye disorders.

### Orthopaedics

A surgical specialty for disorders affecting the musculoskeletal system.

### Pathology/histopathology/microscopy

A specialized medical area that uses tissues and body fluids for diagnostic purposes.

### Precision medicine

Providing patient care that is highly adapted to individual conditions. Advanced diagnostic analyses are a cornerstone of precision medicine.

### Radiology

A health science discipline and medical specialty that uses technologies for imaging the human body, such as X-ray, magnetic resonance imaging (MRI) and ultrasound.

### Sectra One/Sectra One Cloud

A subscription for Sectra's enterprise imaging solution. Under the new model, customers pay a more evenly distributed subscription fee every year instead of paying a higher license fee for software at the start of the contract and a lower rolling service fee. The fee is determined based on the functionality used and the number of different services are utilized. When Sectra One is sold as fully cloud-based services, it is referred to as Sectra One Cloud.

### High assurance/High assurance products

Cryptographic methods and other measures designed to prevent unauthorized parties from accessing or influencing information in telecom and IT systems. The high assurance products that Sectra provides are approved by one or more nations and, for certain products, by the EU and NATO.

### VPN

A technology used to create a secure connection or "tunnel" between two points along an unsecured data network.

## ABOUT SECTRA

### Vision

To contribute to a healthier and safer society.

### Mission statements

To increase the effectiveness of healthcare, while maintaining or increasing the quality of care.

To strengthen the stability and efficiency of society's most important functions through solutions for critical IT security.

### Operating areas/business models

**Imaging IT Solutions** helps hospitals across the world to become more efficient, enabling them to care for more patients and save more lives. Increased use of medical images and aging populations that are living longer pose huge challenges to healthcare. Sectra's IT solutions and services for medical diagnostic imaging enable greater efficiency and contribute to healthcare advancements. Sectra has exceeded 2,000 installations of medical IT systems, and customers include some of the largest healthcare providers in the world.

**Secure Communications** helps society's critical functions, government officials and diplomats to use modern technology to exchange information securely, thereby contributing to a stable and secure society. Sectra's solutions and services increase cybersecurity by protecting some of society's most sensitive information and communications. Several of the business area's products are approved by the EU, NATO, and national security authorities.

**Business Innovation** gathers smaller activities that could eventually lead to major growth in Sectra's main areas or related niches.

### Group-wide strategies for value creation and sustainable business development

#### Customer value is the top priority

Customers and customer satisfaction are always assigned top priority to enable long-term growth. Close relationships with demanding customers ensure that Sectra's solutions meet market demands for quality, functionality and usability.

#### A motivating corporate culture

A corporate culture that motivates and inspires the company's employees to solve customer problems and constantly drive improvement. All so we can meet—and in many cases exceed—customer expectations.

#### Constant innovation

Close cooperation with customers, universities and industrial partners in order to identify needs and ideas, combined with a corporate culture where management encourages the employees to test out new ideas and projects.

#### Geographic expansion

International expansion mainly in areas and regions where Sectra holds an established position. This expansion will primarily be achieved through organic growth, in certain cases supplemented by acquisitions that strengthen the Group's organic growth.

For more information, visit <https://investor.sectra.com>



### 7 good reasons to invest in Sectra

#### International niche markets with strong growth

IT for healthcare, cybersecurity and critical infrastructure are rapidly evolving markets. This creates major growth opportunities for companies such as Sectra.

#### Stability, profitability and long-term growth

Sectra has a more than 40-year history of growth and profitability. Over 50% of the company's sales comprise recurring revenue from long-term customer contracts.

#### Customer-focused corporate culture

A strong corporate culture clearly focused on customer value and employees who are passionate about making a difference lead to satisfied customers.

#### Strong brand with multinational reach

Sectra is an established brand in niche areas where trust and stable products are highly important success factors. We have a multinational reach, with thousands of customers worldwide.

#### Innovation

We maintain a high pace of innovation and continuously invest in new and ongoing development. We also have a self-financed portfolio of exciting projects with the potential to add significant value for customers and for Sectra.

#### Sustainable business model

Contributing to healthier and safer societies is the foundation of Sectra's operations and business model. Helping our customers improve the efficiency and quality of patient care and increase cybersecurity in critical social functions is our most significant contribution to a sustainable society.

#### Long-standing owners and dedicated management

The principal owners, who have been part of the company since the 1980s, have firm dedication to the long-term development of the company, and all members of Group Management are shareholders.