

THE YEAR IN BRIEF
2019/2020

Sectra contributes to a healthier and safer society



SECTRA

Knowledge and passion

Delivering great value requires expertise, passion and teamwork

When our customers in the healthcare sector become more efficient in their daily work and can thus provide care for more people, or when society's vulnerability decreases through the use of our data security solutions, then we have also succeeded. It is deeply satisfying that our long-term efforts in creating real value for customers, patients and society at large have enabled us to report the best earnings year in Sectra's history.

Our future is an exciting one. Technological developments are providing us opportunities to add new value for our customers, and we operate in industries where the underlying societal trends are driving growth. These trends mean that society must both solve the problems of healthcare for a continually aging population, and must be protected against cybercriminality that threatens its foundations and human survival. What happens with crypto when quantum computers become a functional reality? Can we use AI to learn what we should do for a new patient from historical patient data, and what possibilities then open up? And how can we provide tools to improve the results for orthopaedic surgery, one of the most common surgical procedures for older people that is rapidly growing? How can we help healthcare personnel manage patients, providing them with the best possible treatment in a world where the rate at which medical knowledge doubles is measured in months instead of human lifetimes? These are areas where Sectra can help. But entirely new areas will also emerge, as well as problems where we can solve and translate our customers' needs into new products.

With our work and investments in the field, and innovation that has the potential to increase customer value, we are creating value for our customers and are thus helping to make society healthier and safer. This customer value is the foundation of our success, and also determines how we successfully create shareholder value and returns for our owners.

Linköping, June 2020

Torbjörn Kronander

President and CEO of Sectra AB

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



This is Sectra

Sectra's business operations have been formed with a passionate approach and a genuine belief that the company can change society for the better in the areas in which we work. Contributing to a healthier and safer society is our strongest incentive.

What we do

Sectra offers products and services in the medical IT and cybersecurity sectors. We are seeing growing synergies between these areas, since healthcare is increasingly becoming a target for organized cybercrime.

Why we exist—global social trends

The overall aim of our business operations is to solve major social problems that must be addressed in the foreseeable future. There are primarily two global trends that are driving the underlying growth in Sectra's niche areas:

- The aging population of the industrialized world. This entails a major challenge for healthcare. In order to take care of more patients, particularly more elderly patients, healthcare must become more efficient.
- A greater degree of digitalization throughout society, including in healthcare and critical social functions. Digitalization contributes to efficiency enhancements and simplifies companies' and people's everyday lives, but also leads to society becoming more vulnerable.

60+

Countries with
customers

800+

Employees

1,7 billion

Net sales, SEK

Value we created for
our shareholders 2019/2020

173.3

Dividend/redemption
program, SEK million

+30.4%

Share price trend

+31.8%

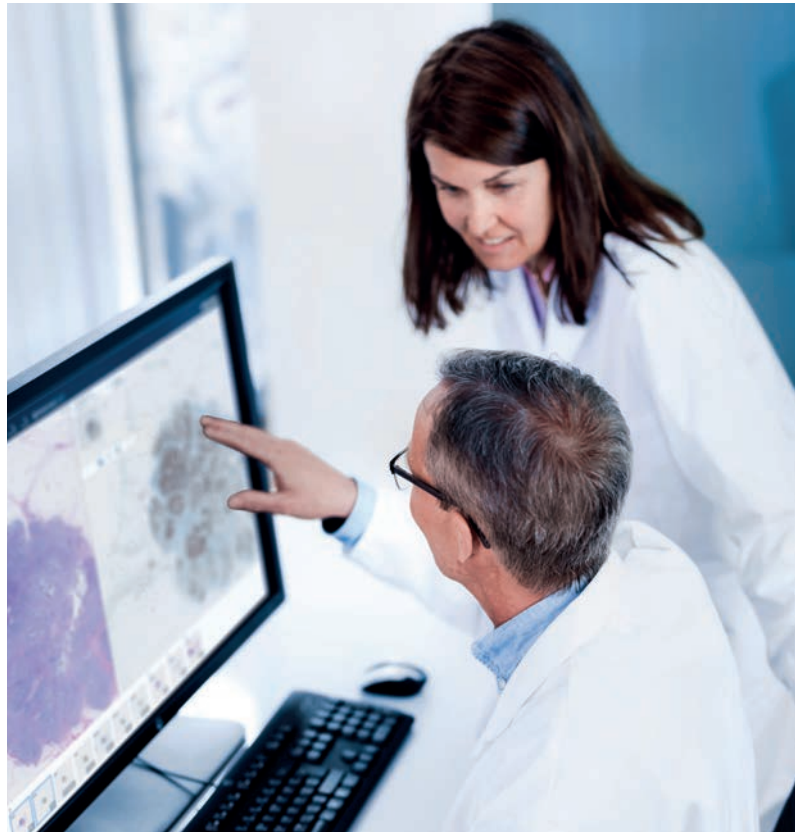
Total return on
the share



The year in brief

Imaging IT Solutions

- We are at the top of customer satisfaction surveys in Canada and the US—seventh consecutive year in the US, which is Sectra's fastest growing market.
- Increased demand for our offering in digital pathology, which was also approved for primary diagnostics and remote reading in the US.
- New partnership for easier and safer introduction of artificial intelligence (AI) into the healthcare sector creates conditions for better patient care.
- Operating profit for Imaging IT Solutions increased 23.6%, a result of many new customers putting Sectra's systems into operation.



Business Innovation

- New functionality for radiologists and orthopaedists simplifies time-consuming measurements and planning for joint replacement surgery.
- Sapienza University of Rome was one of many customers who used Sectra's cloud-based education portal to conduct remote medical training during the COVID-19 pandemic.

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Secure Communications

- Approval of Sectra's quantum secure crypto in the Netherlands—protects national security and society's most crucial functions.
- Acquisitions strengthened Sectra's offering to government authorities and private enterprises, and established Secure Communications in the US.
- Capital Markets Day focused on growth potential in cybersecurity; view recorded presentations here: » investor.sectra.com/cmd26sep



Business model, goals and strategies

- We grow by making our customers successful.
- All of the financial goals have been achieved.
- Top 3 among Sweden's best employers 2019, in a survey by Universum.
- Sustainable corporate culture with focus on customer value and innovation—this benefits our shareholders over time.

Financial performance measures

1,661.1

Net sales
SEK million

295.3

Operating profit
SEK million

1,816.0

Order bookings
SEK million

7.69

Cash flow per share
SEK

6.18

Earnings per share
SEK

4.50

Share redemption
program per share SEK



The foundation for Sectra's sustainable value creation

Vision

To contribute to a healthier and safer society.

Mission statements and operating areas

Medical IT

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

Cybersecurity

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

Imaging IT
Solutions

Business
Innovation

Secure
Communications

Corporate culture and values

Our strong corporate culture revolves around customer needs and a long-term approach to everything we do. It lays the foundation for how we create value.

Goals

Our ambition is for the benefit we create in a society with Sectra's offering to broadly exceed the price our customers pay. At the same time, the remuneration we receive must be sufficient for us to achieve our financial goals and thereby enable long-term growth. To accomplish this, we must have satisfied customers, motivated and innovative employees, and efficient processes.

Our success is monitored through our Group-wide financial goals and operational targets pertaining to these three areas:

- customers
- innovation and new business
- employees, culture and processes

In addition, there are also business-specific goals in each operating area and business unit. This ensures that our operations create value and contribute to sustainable business development.

» Are you curious about our strategies and the outcome 2019/2020? Read our annual report: investor.sectra.com/annual-reports

Examples of the values we create for our stakeholders

Customers

- More efficient diagnosis and selection of treatment for patients.
- Increased productivity, high quality and security in the healthcare sector, particularly in use and management of medical images.
- Easier planning and monitoring of orthopaedic procedures.
- Virtual education that increases understanding of human anatomy and how it is affected by illness.
- Protection against eavesdropping, unauthorized data access and cyber-attacks.

Patients

- Faster diagnosis and treatment, especially in areas related to illnesses among the elderly.
- More reliable diagnoses yield better care outcomes.
- Avoidance of unnecessary revision surgeries of orthopaedic implants.
- Increased access to specialists, regardless of where care is sought.
- Increased security regarding patient data.

Society and citizens

- Products and services that contribute to increased efficiency and quality in medical diagnostic imaging and patient care.
- Increased cybersecurity in critical social functions.
- Job opportunities and tax payments in the countries where we operate.
- Research results that could contribute to a healthier and safer society.

Distribution partners and suppliers

- Promote better, more effective patient care or increased cybersecurity by partnering with Sectra.
- Expanded business opportunities.
- Revenue and job opportunities.

Shareholders

- Return generated by the increased social benefit Sectra creates.
- Initiatives and investments in growing niche markets and growth areas that could contribute to returns over a long period.

Employees

- Possibilities for making society healthier and safer.
- Employment at a meaningful, equal-opportunity workplace with dedicated and competent colleagues.
- Different career paths and personal development.
- Competitive employment terms and benefits.
- Safe and healthy work environment.

Examples of values in 2019/2020

859

Total number of employments in 14 countries

> 150 million

Total number of patients whose diagnostic imaging information is stored in Sectra's systems

12.4%

Percentage of sales re-invested in R&D for increased customer value

248.3

Purchase of goods for resale from suppliers, SEK million

597.1

Salaries and other remuneration of the President and employees, SEK million

Annual General Meeting 2020

Date: September 8, 2020

Time: 3.30 p.m.

Place: Collegium, Teknikringen 7,
Linköping, Sweden

The Board and the President propose that the Annual General Meeting resolve that SEK 4.50 per share be transferred to the shareholders through a share redemption program. No ordinary dividend is proposed.

Notice and other information will be available not later than four weeks before the General Meeting on our website:

» investor.sectra.com/agm2020

Follow Sectra's progress

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» investor.sectra.com/subscribe

Let us know what you think

We would like to know why you chose to buy shares in Sectra and what you think of your investment and confidence in the company. We would be grateful if you could answer the nine questions in Sectra's shareholder survey. Your feedback is important to us!

» investor.sectra.com/irsurvey

Annual report

As a Sectra shareholder, you receive this printed summary version of the fiscal year 2019/2020. We encourage you to read the Annual Report on our website.

» investor.sectra.com/annual-reports

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Sectra AB (publ)



SECTRA

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