

Interim report for the May-July 2016 period:

Multiyear managed-services agreements contribute to Sectra's positive performance

SEK million	The quarter			12 months		
	Q1 2016/2017	Q1 2015/2016	Change %	Rolling	2015/2016	Change %
Order bookings	225.5	299.9	-24.8	1,247.6	1,322.0	-5.6
Net sales	230.5	224.9	2.5	1,079.2	1,073.6	0.5
Operating profit (EBIT)	32.1	31.4	2.2	166.3	165.5	0.5
Operating margin, %	13.9	14.0	-	15.4	15.4	-
Profit before tax (EBT)	31.2	34.5	-9.6	151.5	154.8	-2.1
Profit margin, %	13.5	15.3	-	14.0	14.4	-
Profit after tax	24.3	26.7	-9.0	123.3	125.7	-1.9
Earnings per share, SEK ¹	0.65	0.71	-8.5	3.28	3.35	-2.1
Cash flow ²	17.6	6.6	166.7	196.9	185.9	5.9
Number of employees ³	620	583	6.3	620	625	-0.8

¹ Prior to dilution. ² Ongoing operations after changes in working capital. ³ At the end of the period.



CEO'S COMMENTS

We reported a stable first quarter and the key figures for our financial goals remain above our target levels. Order bookings exceeded net sales on an annual basis, but were below the level recorded in the comparative quarter. Order volumes vary considerably between quarters, since individual multiyear customer contracts can be significant in size. Nevertheless, we must keep an eye on this trend. The Group's sales, operating profit and cash flow increased during the quarter, despite unfavorable currency fluctuations.

Within our largest business area – Imaging IT Solutions – sales and operating profit were lower than in the comparative period. During the early quarters of 2015/2016 and the preceding year, the business area experienced positive effects of an unusually high number of installations and deployments of medical IT solutions in the UK, where healthcare providers procured new systems as their previous contracts expired during this period. Consequently, the effect was of a nonrecurring nature. The increase in sales in the UK has resulted in a relatively large exposure to the British pound (GBP) for Sectra. The outcome of the UK Brexit referendum in June caused the GBP to fall, which had a negative impact on our earnings for the quarter.

The Business Innovation and Sectra Customer Financing business segments, the latter of which handles customer financing for managed-services agreements, reported sales growth. Our Secure Communications business area posted an operating profit for the quarter. To improve the business area's performance, we are making long-term investments in international expansion and our new product area within IT security for critical infrastructure.

Strategic choices

We continued to grow in Sectra's major geographic markets, in line with our focus on controlled expansion, and on being a leader in the areas and regions where our company operates. We are also supplementing this strategy with growth initiatives in a few carefully selected markets and product areas. For example, approximately five years ago, we increased our focus on expanding our presence in the UK healthcare market. This initiative had a significant impact and is now a contributing factor behind our positive performance.

During the first quarter, we opened an office for direct sales of medical IT systems in France, one of the largest countries in Europe where our market share to date has been modest. We believe that Sectra has the necessary prerequisites to help French healthcare providers achieve more efficient medical imaging management, and we have extensive experience and numerous customers in countries where similar changes have taken place, such as the UK and Scandinavia.

Outlook

We operate in niche markets where there is a growing need for the products and solutions offered by Sectra. Our order bookings are significantly higher than our net sales, and we have a growing number of customers with multiyear managed-services agreements, which provide long-term stability. The Group's financial position is favorable, and we have several exciting initiatives in the pipeline that we hope will contribute to future growth. Thanks to our high customer satisfaction, our long-term customer relationships, our dedicated employees, our high-quality and innovative products, and our strong financial position, we have the necessary prerequisites to continue delivering solutions that contribute to a healthier and safer society. This is how we create customer value, which in turn can lead to a favorable, long-term return for our shareholders.

Torbjörn Kronander, President and CEO

REPORT PRESENTATION

by telephone with President Torbjörn Kronander and CFO Simo Pykälistö The presentation will be held in English.

Time: September 5, 2016 at 10:00 a.m. (CET)

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THE PERIOD IN BRIEF

First quarter

- Order bookings amounted to SEK 225.5 million (299.9). The variation in order volumes between individual quarters can be significant due to the fact that certain multiyear agreements can be extremely large. Order bookings for the most recent 12-month period continued to exceed sales.
- Net sales totaled SEK 230.5 million (224.9), up 2.5%. Adjusted for currency fluctuations, sales increased 5.6%.
- Operating profit rose 2.2% to SEK 32.1 million (31.4), corresponding to an operating margin of 13.9% (14.0). Adjusted for currency fluctuations, operating profit increased 5.7%.
- Cash flow after changes in working capital increased to SEK 17.6 million (6.6).

Events during the first quarter

- For the 2015/2016 fiscal year, the Board has proposed that the Annual General Meeting (AGM) on September 6 resolve to distribute SEK 4.50 per share to the shareholders through a 2:1 share split in combination with a mandatory redemption process (see timetable on page 10). No ordinary dividend has been proposed.
- Sectra opened an office for direct sales of medical IT solutions in France. This will allow Sectra to extend sales and services of its full medical IT product portfolio to the French healthcare market.
- Alrijne Hospital in the Netherlands signed a multiyear agreement with Sectra. The order comprises Sectra's enterprise image management solution, including Sectra VNA, for handling different types of medical images.
- Kuopio University Hospital in Finland ordered Sectra's solution for digital pathology. The system was sold by Sectra's partner Commit Oy.
- Sectra entered into an agreement with the major US purchasing organization Premier Inc., which allows Premier members to take advantage of special pricing and terms pre-negotiated by Premier for Sectra DoseTrack, Sectra's solution for radiation dose monitoring.
- Mats Franzén was appointed as the company's new CFO and will assume his role in autumn 2016. He succeeds Simo Pykälistö, who was appointed President of Sectra's Secure Communications business area in April 2016. Mats Franzén has extensive experience from executive positions in the finance, audit and IT departments of various companies with international operations.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- No significant events took place after the balance-sheet date.

OUTLOOK

The world needs more efficient healthcare and increased security in society's communication and IT systems. Sectra plays a key role in meeting the needs in both of these areas, which also offer significant scope for expansion.

Offering for more efficient care

Due to the demographic trend of a population that is living longer while birth rates are declining, there is a growing need for greater healthcare efficiency in order to provide care for more patients. Sectra develops and sells IT solutions and services for medical diagnostic imaging and medical education that help to develop the healthcare sector while also making it more efficient. Society also needs to improve how it takes care of age-related diseases. Sectra offers several products and solutions that enhance the efficiency of care pathways for some of the most costly diseases primarily affecting older people. For example, the company's offering facilitates cancer diagnostics, as well as planning and monitoring of orthopaedic surgery. Sectra's work enables hospitals across the world to become more efficient, and thus take care of more patients and save more lives.

*Sectra's vision -
To contribute to a
healthier and
safer society.*

Offering for a safer society

Growing use of IT, global mobility and the connection of IT systems to the Internet are contributing to efficiency enhancements in society and simplifying everyday life. These developments also entail an increased risk of eavesdropping and unauthorized data access, and mean that disruptions to critical IT systems could result in serious negative consequences for society and the individual. Sectra has developed IT solutions and services for secure voice and data communications for many years. Sectra has been entrusted to deliver products that protect classified information at the very highest levels. Several of its products have been approved by the EU, NATO and national security authorities.

In addition to these operations, Sectra expanded its market during the preceding fiscal year through the launch of products and monitoring services for society's critical functions, such as electricity and water distribution. By helping customers to provide increased security for society's most critical communication and control systems, Sectra contributes to a more stable and safer society.

GROUP

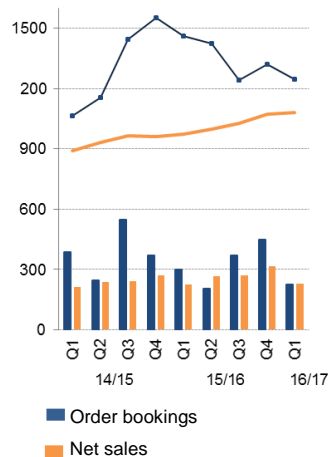
Order bookings, sales and earnings

Results in SEK million

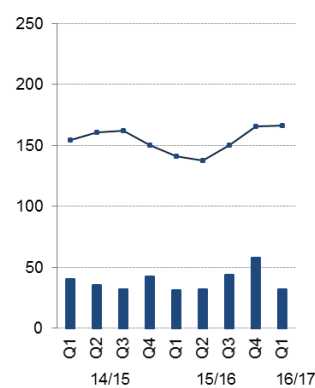
Bar – per quarter

Line – rolling 12 months

Order bookings and sales, Group

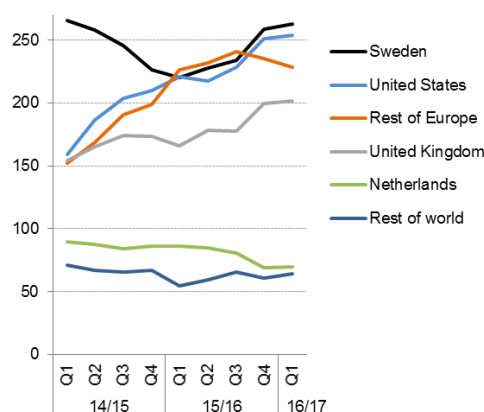


Operating profit, Group

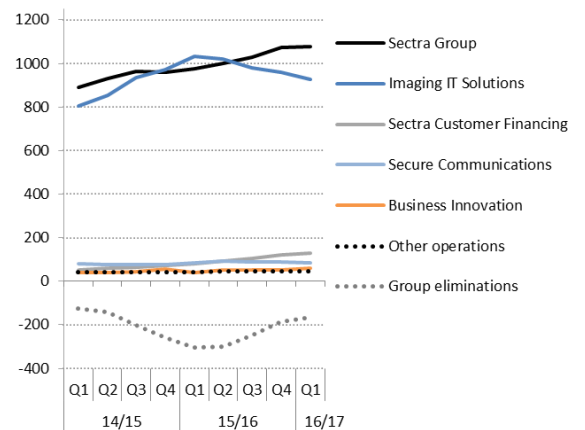


Order bookings continued to exceed sales.

Sales trend per geographic market



Sales trend per segment



First quarter

The Group's order bookings for the quarter amounted to SEK 225.5 million, which is lower than in the comparative period. The operations in Norway reported a significant decline in order bookings compared with the comparative quarter, when Sectra renewed an extensive agreement with Curato Röntgen AB, one of the largest healthcare providers in the Nordic region. However, order bookings for the 12-month period exceeded net sales by a considerable

margin. The Imaging IT Solutions business area's operations in the US and the Netherlands reported the highest order bookings during the quarter.

While the variation in sales between quarters has declined somewhat as a result of the higher proportion of long-term managed-services agreements in recent years, the variation in order bookings has increased for the same reason. When Sectra signs a multiyear managed-services agreement, for example, the entire order amount is recognized when the agreement is signed, while the Group's sales are distributed over the duration of the agreement when the systems have been deployed at the customer's site. Also refer to the information on Sectra's seasonal variations on page 5.

Net sales rose 2.5% to SEK 230.5 million. The increase was mainly attributable to Sectra Customer Financing, which finances managed-services agreements with healthcare customers, and the Business Innovation business segment. Geographically, Sectra is growing in its major markets, while sales in Rest of Europe were lower than in the comparative period.

Group eliminations related to sales amounted to negative SEK 54.1 million (neg: 73.3). These eliminations mainly pertained to Group-financed managed-services agreement with customers in the Imaging IT Solutions business area. Within Imaging IT Solutions, most of the revenue and earnings from managed-services agreements are recognized in conjunction with installation and deployment at the customer's site. At the same time, these agreements are eliminated at the Group level, with external revenue and earnings instead recognized over the duration of the managed-services agreements, which is normally five to ten years. As projects move to the operational phase, they are taken over by Sectra Customer Financing and contribute to a stable long-term trend.

The Group's operating profit rose 2.2% to SEK 32.1 million. The operating margin was 13.9% (14.0). The Secure Communications business area reported stronger operating profit compared with the year-earlier period as well as implementing initiatives related to the new product area within IT security for critical infrastructure and to international expansion.

The Group's net financial items amounted to an expense of SEK 1.0 million (income: 3.1). Currency fluctuations had a negative impact of SEK 0.7 million (pos: 3.0) on the Group's financial items. Changes in the GBP accounted for the largest currency effects. Profit before tax amounted to SEK 31.2 million, corresponding to a profit margin of 13.5% (15.3).

Sectra's financial goals

The purpose of Sectra's Group-wide goals and strategies is to build financially sound operations that provide the company with opportunities to create customer value and thereby contribute to long-term growth in shareholder value. Sectra's financial focus is to increase its operating profit per share, while maintaining its operating margin. All of the financial goals had been achieved as of the balance-sheet date. The financial goals are (in order of priority):

1. Stability: The equity/assets ratio is to be at least 30%.
2. Profitability: The operating margin (EBIT) is to be at least 15%.
3. Growth: Operating profit (EBIT) per share is to grow by at least 50% over a five-year period.

Managed-services agreements generate stable invoicing for many years.

Equity/assets ratio

52.7%

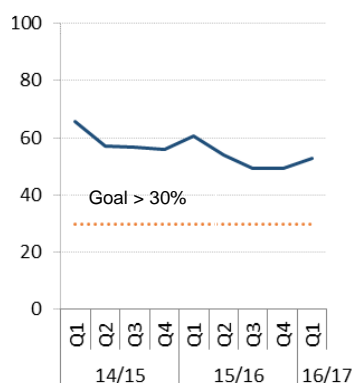
Operating margin (EBIT), rolling 12-month basis

15.4%

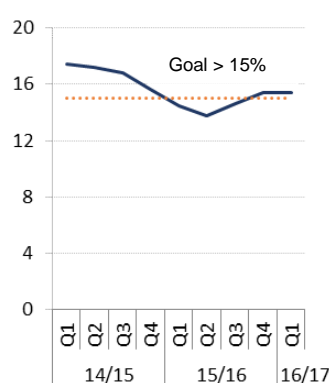
Growth in operating profit per share over a five-year period

113.7%

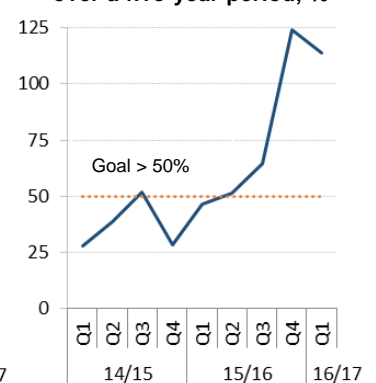
Equity/assets ratio, %



Operating margin, %



Growth in operating profit/share over a five-year period, %



Sectra is focusing on expanding its presence in the French healthcare market.

Office opened in France

During the first quarter, Sectra opened a direct sales office in France. This will allow Sectra to extend its sales of medical IT solutions in the French market to include the company's entire portfolio of medical products and services.

Sectra has been active in the French market via a partner since 2006 and already has a large number of minor installations of IT systems for mammography throughout the country. In the preceding fiscal year, Sectra also acquired RxEye AB, which sells cloud-based IT services for remote viewing of medical images and has an established network in France. This gives Sectra a solid foundation for further expansion into the French healthcare market.

The President of Sectra in France, Audrey Boulinguez, joined the company from Philips Medical Systems, where she served as Senior Market Manager International. Audrey Boulinguez also worked for Sectra's former partner in France between 2006 and 2013, serving as Regional Director for three years with responsibility for Sectra's products.

Financial position

Sectra has a strong cash balance and balance sheet. After adjustment for exchange-rate differences, the Group's cash and cash equivalents at the end of the reporting period amounted to SEK 248.1 million (302.4). The Group's interest-bearing liabilities totaled SEK 66.1 million (46.9) and pertained to convertible loans held by employees and Board members. The equity/assets ratio was 52.7% (60.8).

The Group's cash flow from operations after changes in working capital amounted to SEK 17.6 million (6.6). This change is mainly attributable to increased invoicing pertaining to Group-financed customer projects as a result of more projects entering the operational phase. Cash flow per share amounted to SEK 0.47 (0.18) for the period.

Cash flow from investing activities was a negative SEK 12.0 million (neg: 11.1) for the period. These investments mainly pertained to assets in long-term Group-financed customer projects and development projects. The Group's total cash flow was SEK 5.6 million (neg: 4.5).

Investments, depreciation and amortization

Group investments during the period amounted to SEK 12.0 million (11.1). Investments primarily pertained to customer projects in the Group's financing activities and capitalized development costs. Depreciation/amortization for the period amounted to SEK 14.4 million (9.8).

Hardware-related investments in Group-financed customer projects during the period amounted to SEK 1.0 million (9.8), of which a negative SEK 3.3 million (pos: 5.9) was attributable to currency fluctuations. At the end of the period, the net carrying amount for Group-financed customer projects totaled SEK 144.8 million (67.9). This increase pertained to the deployment of additional Group-financed managed-services agreements.

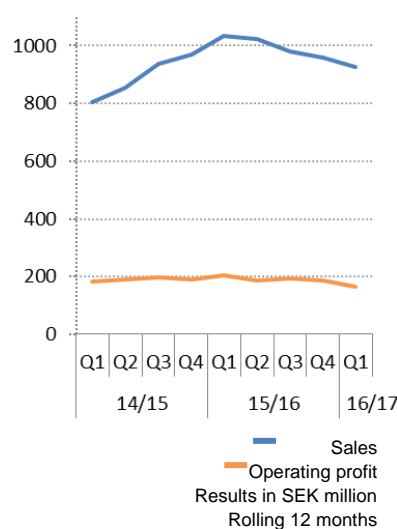
Capitalization of development costs during the period amounted to SEK 5.7 million (4.8). Amortization of capitalized development projects during the period amounted to SEK 4.2 million (2.8). At the end of the period, capitalized development costs totaled SEK 87.1 million (67.2).

Large long-term managed-services agreements help to reduce seasonal variations.

Seasonal variations

Sectra's seasonal variations entail that most of the company's invoicing and earnings are traditionally generated at the end of the fiscal year. However, these seasonal variations have diminished somewhat in recent years since a major portion of sales is derived from pay-per-use or pay-by-month agreements with long durations. The equalization effect resulting from long-term managed-services agreements that are financed internally within the Group does not impact the business areas; instead it is essentially managed through the Parent Company's financing activities.

The variations in order volumes in individual quarters can be substantial when customers sign extensive, multiyear agreements with the company, for example, for medical IT projects or for the development of encryption systems.



IMAGING IT SOLUTIONS

	Q1 May-Jul 2016	Q1 May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Sales, SEK million	210.8	240.6	928.0	957.8
Operating profit, SEK million	22.7	44.0	164.1	185.4
Operating margin, %	10.8	18.3	17.7	19.4
Number of employees at end of period	468	437	468	470

Sales and earnings

Imaging IT Solutions' sales amounted to SEK 210.8 million, down 12.4% compared with the year-earlier period. This decline was mainly attributable to higher sales in the comparative period from the deployment of Group-financed customer projects in the UK.

Operating profit totaled SEK 22.7 million, 48.4% lower than in the comparative period. This change was primarily the result of the lower sales level and a higher proportion of third-party products in the sales mix.

The market

The market for medical IT systems and services is continuing to grow as a result of the population trend and the increased use of medical diagnostic imaging. To enable healthcare providers to provide better, faster and more patient-centered care, Sectra offers systems and services for the management and archiving of all types of medical images. Medical imaging management in cancer diagnosis is a key part of the business area's strategy for the future. Most users are currently active in the fields of radiology and mammography, areas that make extensive use of medical images. The use of medical images in other areas, such as pathology, is growing, partly as a result of more customers implementing systems for consolidated imaging management for integrated diagnostics. During the first quarter, Sectra secured an order for its IT solution for pathology from Kuopio University Hospital in Finland. The system was sold by Sectra's partner Commit Oy.

More than 1,700 healthcare providers worldwide use Sectra's systems and services, and the company is one of the world's leading suppliers of IT systems for managing medical images (PACS) and patient information (RIS). Sectra commands a market-leading position in these product segments in Sweden, Norway, the Netherlands and Portugal, and is growing rapidly in the UK and the US. Sectra is also the market leader in a number of other countries in the niche of mammography imaging management.

During the first quarter, the business area signed a multiyear agreement with Alrijne Hospital in the Netherlands. The order comprises Sectra's enterprise image management solution, including Sectra VNA, for handling different types of medical images. In the US, Sectra entered into an agreement with the major US purchasing organization Premier Inc., which allows Premier members to take advantage of special pricing and terms pre-negotiated by Premier for Sectra DoseTrack, Sectra's solution for radiation dose monitoring.

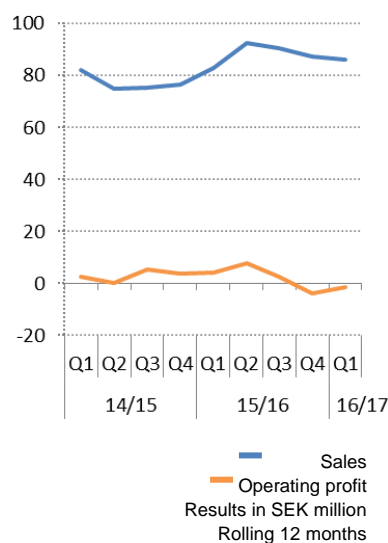
The way forward

The business area is focusing on offering customers stable, efficient and future-proof solutions for managing and communicating all types of medical images. Examples of focus activities:

- Grow within radiology and other areas of medical imaging management by adding new customers in regions where Sectra already has an established presence. This includes an increased focus on the US, where Sectra has a very high level of customer satisfaction, but a relatively small market share.
- Assess individual new markets for direct sales.
- Develop partnerships with existing customers through which Sectra's existing products and services can contribute to further efficiency enhancements. For example, sales of the solution for digital pathology.
- Continued product development and broadening of the product portfolio. Special focus on medical imaging management in cancer diagnosis, an area that is a key part of the business area's strategy for the future.
- Greater internal efficiency. Partly by establishing a service-oriented organization that can support the sale of cloud solutions and increased centralization to ensure optimal utilization of specialist expertise.
- Increased customer satisfaction by continuously measuring and monitoring customer opinions about Sectra's support and products.

The use of medical images for cancer diagnosis is a common thread that runs through Imaging IT Solutions' offering.





SECURE COMMUNICATIONS

	Q1 May-Jul 2016	Q1 May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Sales, SEK million	18.0	19.1	86.1	87.2
Operating profit/loss, SEK million	1.9	-0.4	-1.4	-3.7
Operating margin, %	10.5	-2.1	-1.6	-4.2
Number of employees at end of period	64	56	64	64

Sales and earnings

Secure Communications' sales amounted to SEK 18.0 million, down 5.8% compared with the corresponding quarter in the preceding year. At the same time, operating profit rose to SEK 1.9 million from a loss in the comparative quarter. Higher product sales to existing customers contributed to this increase in earnings. The results were charged with activities to broaden the business area's offering to include new customer segments and expand into new geographic markets.

The market

The ability to safely and efficiently transmit sensitive information is central to the stability and security of society, particularly when it comes to critical social functions and infrastructure, government contacts or national security. Sectra has extensive experience of protecting society's most critical communication and is a strong brand in the area of encryption and secure mobile communication. In the preceding fiscal year, the business area entered the fast-growing market for IT security for customers in the area of critical infrastructure. Sectra's critical infrastructure operations are still in the establishment phase but show considerable potential.

Customers include government authorities, companies in critical social sectors and defense organizations. Sweden and the Netherlands comprise the business area's largest markets. As a result of the business area's close, long-lasting partnerships with customers as well as national security authorities in many countries, its products for secure mobile communication are used in most European countries, and by the EU and NATO. Being trusted to protect a nation's most sensitive information requires a high degree of confidence in the provider.

The business area's growth strategy includes activities to broaden its offering to additional customer segments, mainly in the area of critical infrastructure, and expand into new geographic markets. One such market is Finland, where Sectra opened a subsidiary and acquired the security consulting company EXP Analytics Oy in the preceding fiscal year. These activities could help to reduce the company's dependency on its principal customer in Sweden, where the market situation for encryption systems in the Secret segment has been sluggish for several years.

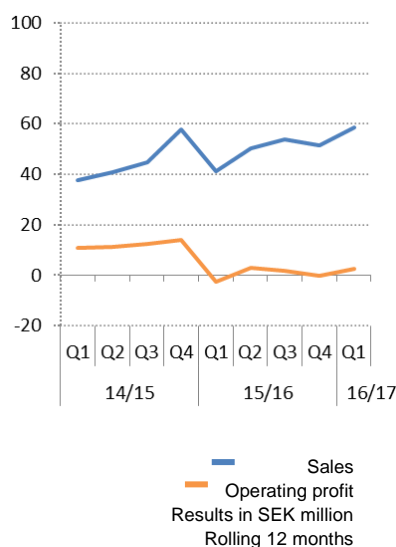
The way forward

The business area is focusing on offering customers stable, accessible and easy-to-use IT security solutions for control systems and communication systems for sensitive information. Examples of the business area's focus activities:

- Increase sales of security-approved communication solutions in the Netherlands, Finland and the rest of Europe. This is facilitated by the company's offering of a complete system concept with solutions for various security levels able to handle multiple security domains (groups of uses with a regulatory right to access classified information) in a single unit, which simplifies user management.
- Partnership with Samsung to further develop the Sectra Tiger/R secure mobile telephony solution and enable the company's operations to be expanded into new customer segments for government authorities and private businesses.
- Grow in the area of critical infrastructure by offering security analyses and system monitoring services for operating and control systems. Primarily focusing on the energy sector in the Nordic region and other areas of Northern Europe.

Future focus on security analysis and monitoring services for the energy sector.

BUSINESS INNOVATION



	Q1 May-Jul 2016	Q1 May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Sales, SEK million	14.5	7.2	58.6	51.3
Operating profit/loss, SEK million	1.4	-1.5	2.6	-0.3
Operating margin, %	9.6	-20.8	4.4	-0.6
Number of employees at end of period	32	30	32	29

The Business Innovation segment comprises the Medical Education and Orthopaedics business units, as well as Sectra's research department. Sectra's patent portfolio is managed and developed within Business Innovation.

Sales and earnings

Business Innovation's sales increased to SEK 14.5 million, which represents a two-fold increase compared with the year-earlier period. Operating profit rose to SEK 1.4 million.

Reorganization

On May 1, 2016, a reorganization was carried out within Business Innovation, incorporating the Osteoporosis business unit into the Orthopaedics business unit. Accordingly, a single business unit was formed for products and services related to skeletal diseases and injuries, which is expected to generate certain synergy effects.

The market

Business Innovation is Sectra's incubator for early-stage business units, projects and ideas that are not yet large enough to become independent business areas. This is where Sectra evaluates and utilizes opportunities to commercialize new technologies and new segments in the Group's main and related areas. Through Business Innovation, Sectra participates in research that can lead to a better quality of life for the individual, increased customer value and cost savings for healthcare and society.

The way forward

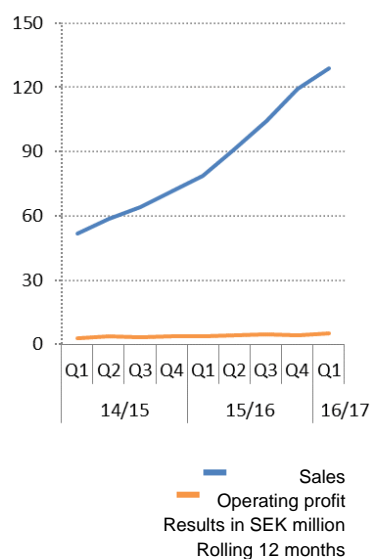
Examples of focus activities in Business Innovation:

- *Medical Education* – grow in key markets, such as the US and China, and expand into new markets. Essentially all sales outside of Sweden are conducted through distributors.
- *Orthopaedics* – grow in the countries where the business unit has its own sales organization, increase sales of cloud-based services for planning joint replacement surgeries through collaboration with implant suppliers, and grow in the trauma segment through sales of new solutions for 3D image planning of acute surgical procedures. An increasing proportion of deliveries take place through cloud-based solutions.
- *Research* – responsible for research projects in product areas and technology with the potential to generate sales within three to five years. The team is also responsible for key research partnerships with universities and colleges.



More than one in five people in Europe and North America are currently over the age of 60 and the proportion of older individuals continues to rise. One of the results of this trend is that the number of orthopaedic surgical procedures is increasing. Sectra's new solution for surgical planning using 3D images could revolutionize the work of orthopaedists and lead to better surgical results. Watch a film recorded at the Royal London Hospital that shows the advantages of the new solution: www.sectra.com/ar_3dortho

SECTRA CUSTOMER FINANCING



	Q1 May-Jul 2016	Q1 May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Sales, SEK million	30.7	20.8	129.1	119.2
Operating profit, SEK million	1.8	0.9	5.2	4.3
Operating margin, %	5.9	4.3	4.0	3.6
Number of employees at end of period	0	0	0	0

Sectra Customer Financing is Sectra's unit for the financing of major managed-services agreements with healthcare customers and asset management.

Sales and earnings

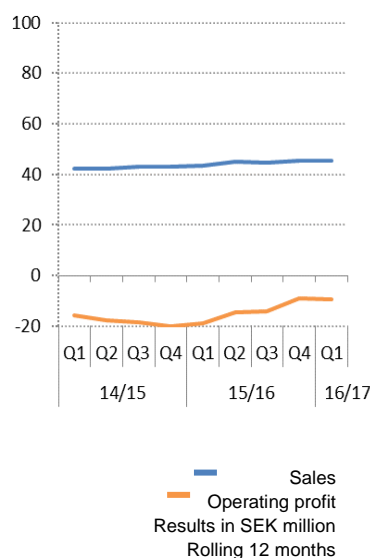
Sales in this unit rose 47.6% to SEK 30.7 million during the period. Operating profit increased to SEK 1.8 million. This positive trend was linked to Imaging IT Solutions' successful sales of multiyear managed-services agreements for medical IT systems in recent years. The financing of extensive managed-services agreement is usually handled by Sectra Customer Financing, which takes over projects after deployment and thereafter recognizes revenue and earnings over the duration of the managed-services agreement. Within Imaging IT Solutions, most of the revenue and expenses for managed-services agreements are recognized in conjunction with installation and deployment at the customer's site, which are then eliminated at the Group level.

Quarterly key figures

As of the fourth quarter of the 2015/2016 fiscal year, the operations within Sectra Customer Financing are recognized as a separate segment.

	2014/2015				2015/2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales, SEK million	13.5	19.5	18.0	20.2	20.8	32.0	31.1	35.2
Operating profit, SEK million	1.1	1.1	0.6	1.1	0.9	1.4	1.2	0.7
Operating margin, %	8.1	5.6	3.3	5.4	4.3	4.4	3.9	2.0

OTHER OPERATIONS



	Q1 May-Jul 2016	Q1 May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Sales, SEK million	10.6	10.5	45.3	45.2
Operating profit, SEK million	-2.7	-2.3	-9.4	-9.0
Operating margin, %	-25.5	-21.9	-20.8	-20.0
Number of employees at end of period	56	60	56	62

Other Operations pertain to Sectra's joint functions for administration, Group finances, IT, regulatory affairs, marketing communication and investor relations activities.

Sales and earnings

Sales and operating profit from Other Operations were essentially on par with the comparative period.

PARENT COMPANY

The Parent Company, Sectra AB, includes the operating segments Business Innovation and Sectra Customer Financing as well as the head office's functions for Group finances, IT, regulatory affairs, marketing communication and investor relations activities. The Parent Company's income statement and balance sheet are reported on page 17.

Sales in the Parent Company totaled SEK 25.1 million (17.6) for the quarter. Operating profit amounted to SEK 0.2 million (loss: 2.8) and profit after net financial items totaled SEK 3.6 million (10.1). Currency fluctuations had an impact of SEK 1.7 million (11.6) on financial items for the period.

THE SHARE

Share-based incentive programs

During the first quarter, holders of convertibles redeemed convertibles (2011/2016 and 2012/2016 programs) totaling SEK 9.0 million, corresponding to 182,770 Class B shares.

On the balance-sheet date, Sectra's share capital totaled SEK 37,686,105 distributed among 37,686,105 shares. Of these shares, 2,620,692 are Class A shares and 35,065,413 are Class B shares. On full exercise of outstanding convertibles, the number of Class B shares will increase by 655,641, corresponding to 1.7% of the share capital and 1.1% of the voting rights in the company.

Authorization

The 2015 AGM authorized the Board, for the period until the next AGM, to decide on the new issue of not more than 3,700,000 Class B shares for consideration in the form of cash payment, offsetting of debt or contribution in kind, whereby offsetting of debt and contribution in kind may deviate from shareholders' preferential rights. If the authorization is fully exercised, the dilution effect will be approximately 10% of the share capital and approximately 6% of the voting rights.

The AGM also resolved to authorize the Board, on one or more occasions, during the period until the next AGM, to make decisions on the acquisition and transfer of Class B treasury shares. 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 interim report, the Board had not utilized this authorization.

AGM AND PROPOSED SHARE REDEMPTION PROGRAM/DIVIDEND

The AGM will be held at 4:00 p.m. on September 6, 2016, at Collegium in Linköping, Sweden. Notice of the Meeting was published on August 5 by way of a press release and on Sectra's website (www.sectra.com/agm2016), where full proposals and other documents are also available. The notice was published in *Post och Inrikes Tidningar* on August 9, 2016, and an announcement that notice had been given was published in *Svenska Dagbladet* on the same date.

Proposed share redemption program/dividend for 2016

As Sectra has previously announced in conjunction with the publication of the year-end report, the Board and the President have proposed that the 2016 AGM resolve to distribute SEK 4.50 per share to the shareholders through a 2:1 share split in combination with a mandatory redemption process. No ordinary dividend has been proposed.

The proposal is in line with Sectra's dividend policy. At the end of the fiscal year, the Group's equity/assets ratio was 49.5%. The dividend policy and Sectra's financial goals state that the equity/assets ratio is to exceed 30%, and it will continue to do so, by a healthy margin, following a resolution in favor of the Board's proposed redemption process. The Board deems that the company's current balance sheet and cash flow are of adequate strength to secure the development of the business, while providing the shareholders with a high return.

Timetable for the redemption process 2016:

- Sep 6: Resolution by AGM
- Oct 3: Final day of trading in the Sectra share before the split, including redemption shares
- Oct 4: First day of trading in the Sectra share after the split, excluding redemption shares
- Oct 5: Record date for the share split. Each share to be divided into two shares, one of which is a redemption share
- Oct 6-17: Trading in redemption shares

Increase in the number of shares during the quarter.

Timetable for 2016 share redemption program.

- Oct 19: Record date to revoke redemption shares
- Oct 24: Preliminary date for payment of redemption settlement from Euroclear

For more information about the share redemption program, refer to the brochure on Sectra's website: www.sectra.com/agm2016.

FINANCIAL STATEMENTS

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 consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and statements from the International Financial Reporting Interpretations Committee (IFRIC) as approved by the EU Commission for application within the EU.

The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board has amended RFR 2 in respect of the application of IAS 21. This amendment entails that exchange-rate differences arising on monetary items comprising part of a net investment in a foreign operation are to be recognized in profit and loss and not in other comprehensive income as they were in the past. The amendment applies to fiscal years starting January 1, 2016 or later. The amendment impacts financial income and expenses in the Parent Company. The 2015/2016 comparative year has been restated due to this amendment. As in the past, exchange-rate differences in the consolidated financial statements are recognized in the translation reserve under equity.

The new rule in the Swedish Annual Accounts Act concerning the capitalization of development costs will impact the Parent Company and other Swedish legal entities in the Group as of the fiscal year starting May 1, 2016. The rule entails that when development costs are capitalized, the corresponding amount must be transferred from unrestricted equity to restricted equity under the "Development expenses fund, and is to be recognized separately in the balance sheet. In all other respects, the accounting policies and calculation methods remain unchanged compared with those applied in the 2015/2016 Annual Report. Any other new policies and amendments that have come into effect as of the 2016/2017 fiscal year have not had any material impact on the financial statements.

Risks and uncertainties

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of exchange rates 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 Report for the 2015/2016 fiscal year and in Note 30 on page 67. No significant events have occurred that would alter the conditions reported therein.



Did you miss Sectra's 2015/2016 Annual Report when it was published in June? Download the report by clicking on the following link:

www.sectra.com/annual_report

Fill in your name and e-mail address at the following link to subscribe to news from Sectra:

www.sectra.com/subscribe

ASSURANCE

The Board of Directors and the President of Sectra AB (publ) hereby assure that the interim report for the period May to July 2016 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.

This interim report has not been reviewed by the company's auditors.

Linköping, September 5, 2016

Torbjörn Kronander
President, CEO
and Board member

Carl-Erik Ridderstråle
Chairman

Erika Söderberg Johnson
Board member

Anders Persson
Board member

Christer Nilsson
Board member

Jakob Svärdröm
Board member

Jan-Olof Brüer
Board member

Deborah Capello
Board member,
employee representative

Fredrik Häll
Board member,
employee representative

FOR FURTHER INFORMATION

Contact Sectra's CEO Torbjörn Kronander, telephone +46 (0)13 23 52 27 or e-mail info.investor@sectra.se.

Presentation of the interim report

A teleconference will be held by Torbjörn Kronander, President and CEO of Sectra AB, and Simo Pykälistö, President of Secure Communications and CFO and Executive Vice President of Sectra AB. The presentation will be held in English.

Time: September 5, 2016 at 10:00 a.m. (CET).

To participate, call:

Sweden +46 856642690

UK: +44 2030089801

US: +1 8557532235

The report presentation can also be followed live online: www.sectra.com/irwebcast. You can also click on this link to listen to a recorded version after the conference.

Financial calendar

2016 AGM	September 6, 2016 at 4:00 p.m. in Linköping, Sweden
Six-month report	December 7, 2016
Nine-month report	March 7, 2017
Year-end report	May 30, 2017

This information constitutes information that Sectra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 a.m. CET on September 5, 2016.

GROUP FINANCIAL SUMMARY

Consolidated income statements

SEK thousand	3 months May-Jul 2016	3 months May-Jul 2015	12 months Aug 2015- Jul 2016	Full-year May-Apr 2015/2016
Net sales	230,482	224,865	1,079,177	1,073,560
Capitalized work for own use	5,740	4,768	34,808	33,836
Other operating income	368	1,027	2,793	3,452
Goods for resale	-30,440	-20,065	-164,173	-153,798
Personnel costs	-120,090	-123,363	-518,582	-521,855
Other external costs	-39,543	-46,073	-211,655	-218,185
Depreciation/amortization and impairment	-14,378	-9,757	-56,114	-51,493
Operating profit	32,139	31,402	166,254	165,517
Net financial items	-965	3,075	-14,788	-10,749
Profit after net financial items	31,174	34,477	151,466	154,768
Taxes	-6,859	-7,759	-28,171	-29,071
Profit for the period	24,315	26,718	123,294	125,697
Profit for the period attributable to:				
Parent Company owners	24,315	26,718	123,294	125,697
Non-controlling interest	0	0	0	0
Earnings per share				
Before dilution, SEK	0.65	0.70	3.28	3.35
After dilution, SEK	0.63	0.71	3.22	3.29
No. of shares				
Before dilution	37,686,105	37,503,335	37,686,105	37,503,335
After dilution ¹	38,341,746	38,202,927	38,341,746	38,341,746
Average, before dilution	37,625,182	37,425,896	37,533,797	37,483,975
Average, after dilution	38,341,746	38,202,931	38,283,905	38,249,201

¹ Dilution of the number of shares is based on the convertible programs issued in 2012/2013 (43,495), 2013/2014 (245,798), 2014/2015 (153,329) and 2015/2016 (213,012). On full exercise of convertibles, the number of shares will increase by 655,641.

Consolidated statement of comprehensive income

SEK thousand	3 months May-Jul 2016	3 months May-Jul 2015	12 months Aug 2015- Jul 2016	Full-year May-Apr 2015/2016
Profit for the period	24,315	26,718	123,294	125,697
Items that may be reclassified to profit and loss				
Change in translation differences for the period from translating foreign subsidiaries	161	15,513	-42,088	-26,736
Total other comprehensive income for the period	161	15,513	-42,088	-26,736
Total comprehensive income for the period	24,476	42,231	81,206	98,961

Consolidated balance sheets

SEK thousand	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
Assets			
Intangible assets	186,572	154,209	187,439
Tangible assets	106,780	78,562	112,565
Financial assets	1,799	1,766	1,798
Deferred tax assets	36,188	28,073	36,489
Total fixed assets	331,339	262,610	338,291
Other current assets	518,922	525,619	524,789
Cash and cash equivalents	248,050	302,354	239,768
Total current assets	766,972	827,973	764,557
Total assets	1,098,311	1,090,583	1,102,848
Equity and liabilities			
Equity (incl. profit for the period)	579,052	663,033	545,603
Provisions	39,955	8,707	49,140
Deferred tax liabilities	45,737	40,093	45,906
Long-term liabilities	50,095	37,968	52,565
Current liabilities	383,472	340,782	409,634
Total equity and liabilities	1,098,311	1,090,583	1,102,848

No changes have occurred in pledged assets and contingent liabilities since the 2015/2016 Annual Report.

Consolidated statement of changes in equity

SEK thousand	3 months May-Jul 2016	3 months May-Jul 2015	Full-year May-Apr 2015/2016
Equity at start of period	545,603	611,775	611,775
Comprehensive income for the period	24,476	42,231	98,961
Share-related payments	0	60	140
Dividend/redemption of shares	0	0	-168,765
Settlement of share-related payments	8,973	8,968	3,492
Equity at end of period	579,052	663,033	545,603

Consolidated cash-flow statements

SEK thousand	3 months May-Jul 2016	3 months May-Jul 2015	Full-year May-Apr 2015/2016
Cash flow from operations before changes in working capital	40,912	37,855	163,838
Cash flow from operations after changes in working capital	17,600	6,583	185,853
Investing activities	-11,981	-11,065	-108,668
Financing activities	0	0	-146,626
Total cash flow for the period	5,619	-4,483	-69,441
Change in cash and cash equivalents			
Cash and cash equivalents, opening balance	239,768	307,076	307,076
Exchange-rate difference in cash and cash equivalents	2,663	-240	2,133
Cash and cash equivalents, closing balance	248,050	302,354	239,768
Unutilized credit facilities	15,000	15,000	15,000

Key figures for the period and full-year

	3 months Jul 31, 2016	3 months Jul 31, 2015	12 months Jul 31, 2016	Full-year Apr 30, 2016
Order bookings, SEK million	225.5	299.9	1,247.6	1,322.0
Operating margin, %	13.9	14.0	15.4	15.4
Profit margin, %	13.5	15.3	14.0	14.4
Average number of employees	612	561	597	587
Cash flow per share, SEK	0.47	0.18	5.22	4.96
Cash flow per share after full dilution, SEK	0.46	0.17	5.13	4.85
Value added, SEK million	152.2	154.8	684.8	687.4
P/E ratio, multiple	n/a	n/a	40.5	33.0
Share price at end of period, SEK	133.0	119.0	133.0	110.75
Return on equity, %	4.1	4.2	20.7	21.7
Return on capital employed, %	4.8	5.1	23.3	24.2
Return on total capital, %	2.9	3.2	14.0	14.2
Equity/assets ratio, %	52.7	60.8	52.7	49.5
Liquidity, multiple	2.0	2.5	2.0	1.9
Equity per share, SEK	15.37	17.68	15.37	14.55
Equity per share after full dilution, SEK	15.10	17.36	15.10	14.23

Quarterly consolidated income statement and key figures

SEK million	2016/2017		2015/2016				2014/2015			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net sales	230.5	315.1	268.9	264.7	224.9	268.3	241.6	239.0	212.4	
Capitalized work for own use	5.7	10.8	12.8	5.4	4.8	9.0	12.0	7.4	3.8	
Other operating income	0.4	1.5	0.4	0.4	1.0	0	0	0	0	
Operating expenses	-190.1	-254.7	-224.4	-225.1	-189.5	-225.5	-211.8	-200.0	-163.5	
Depreciation/amortization and impairment	-14.4	-14.7	-13.7	-13.3	-9.8	-9.4	-9.9	-10.9	-12.2	
Operating profit	32.1	58.0	44.0	32.1	31.4	42.4	31.9	35.5	40.5	
Net financial items	-0.9	-9.3	-7.1	2.5	3.1	-2.8	11.6	1.8	3.5	
Profit after net financial items	31.2	48.7	36.9	34.6	34.5	39.6	43.5	37.3	44.0	
Tax on earnings for the period	-6.9	-5.4	-8.1	-7.8	-7.8	-5.0	-15.2	-8.3	-9.9	
Profit for the period	24.3	43.3	28.8	26.8	26.7	34.6	28.3	29.0	34.1	
Order bookings, SEK million	225.5	447.8	369.0	205.3	299.9	368.6	549.4	244.3	388.1	
Operating margin, %	13.9	18.4	16.4	12.1	14.0	15.8	13.2	14.9	19.0	
Cash flow per share, SEK	0.47	1.65	1.74	1.39	0.18	1.42	-0.63	0.75	0.75	
Cash flow per share after full dilution, SEK	0.46	1.62	1.70	1.36	0.17	1.39	-0.62	0.73	0.74	
Earnings per share, SEK	0.65	1.15	0.77	0.72	0.71	0.93	0.76	0.78	0.92	
Return on equity, %	4.1	7.5	5.1	4.8	4.2	5.7	4.8	5.1	5.3	
Return on capital employed, %	4.8	7.7	5.9	5.7	5.1	6.0	6.8	6.1	6.5	
Equity/assets ratio, %	52.7	49.5	49.5	54.1	60.8	56.1	56.7	57.0	65.8	
Equity per share, SEK	15.37	14.55	13.74	13.61	17.68	16.44	15.28	14.27	17.86	

Five-year summary

	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
Order bookings, SEK million	1,322.0	1,550.4	925.7	916.0	701.1
Net sales, SEK million	1,073.6	961.4	853.8	817.0	823.1
Operating profit, SEK million	165.5	150.3	128.1	85.9	103.5
Profit after net financial items, SEK million	154.8	164.4	141.5	86.6	127.9
Profit for the period after tax from remaining operations, SEK million	125.7	126.1	103.9	62.2	92.8
Operating margin, %	15.4	15.6	15.0	10.5	12.6
Profit margin, %	14.4	17.1	16.6	10.6	15.5
Earnings per share before dilution, SEK	3.35	3.38	2.80	1.68	2.52
Earnings per share after dilution, SEK	3.29	3.31	2.73	1.64	2.46
Dividend/redemption program per share, SEK	4.50	4.50	4.50	4.50	5.00
Share price at end of year, SEK	110.75	119.5	77.75	53.0	43.0
P/E ratio, multiple	33.0	35.3	27.8	31.5	17.1
Including discontinued operations					
Profit for the period after tax, SEK million	125.7	126.1	103.9	62.2	385.8
Return on equity, %	21.7	20.6	16.3	8.6	58.0
Return on capital employed, %	24.2	25.1	21.1	11.6	59.7
Return on total capital, %	14.2	15.8	13.7	7.9	40.8
Equity per share before dilution, SEK	14.55	16.44	16.49	17.94	21.37
Equity per share after dilution, SEK	14.23	16.01	16.05	17.53	20.77
Equity/assets ratio, %	49.5	56.1	60.7	61.4	69.4

OPERATING SEGMENTS

Sales by business segment

SEK million	3 months May-Jul 2016	3 months May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Imaging IT Solutions	210.8	240.6	928.0	957.8
Sectra Customer Financing	30.7	20.8	129.1	119.2
Secure Communications	18.0	19.1	86.1	87.2
Business Innovation	14.5	7.2	58.6	51.3
Other Operations	10.6	10.5	45.3	45.2
Group eliminations	-54.1	-73.3	-167.9	-187.1
Total	230.5	224.9	1,079.2	1,073.6

Operating profit by business segment

SEK million	3 months May-Jul 2016	3 months May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Imaging IT Solutions	22.7	44.0	164.1	185.4
Sectra Customer Financing	1.8	0.9	5.2	4.3
Secure Communications	1.9	-0.4	-1.4	-3.7
Business Innovation	1.4	-1.5	2.6	-0.3
Other Operations	-2.7	-2.3	-9.4	-9.0
Group eliminations	7.0	-9.3	5.2	-11.2
Total	32.1	31.4	166.3	165.5

Sales by geographic market

SEK million	3 months May-Jul 2016	3 months May-Jul 2015	Rolling 12 months	Full-year May-Apr 2015/2016
Sweden	57.0	53.5	262.4	258.9
US	53.2	50.4	253.5	250.7
UK	38.6	36.5	201.3	199.2
Netherlands	15.5	15.0	69.7	69.2
Rest of Europe	51.9	58.6	228.3	235.0
Rest of world	14.3	10.9	64.0	60.6
Total	230.5	224.9	1,079.2	1,073.6

PARENT COMPANY

Parent Company income statements

SEK thousand	3 months May-Jul 2016	3 months May-Jul 2015	12 months Aug 2015- July 2016	Full-year May-Apr 2015/2016
Net sales	25,081	17,610	103,085	95,614
Capitalized work for own use	753	547	3,830	3,624
Other operating income	365	202	1,198	1,035
Personnel costs	-9,684	-3,991	-44,577	-38,884
Other external costs	-15,406	-17,059	-64,614	-66,267
Depreciation/amortization	-879	-99	-2,787	-2,007
Operating profit	230	-2,790	-3,865	-6,885
Net financial items ¹	3,346	12,907	42,566	52,127
Profit after net financial items	3,576	10,117	38,700	45,242
Appropriations	0	0	88,097	88,097
Profit before tax	3,576	10,117	126,798	133,339
Tax on earnings for the period	-238	-11	-19,657	-19,430
Profit for the period	3,338	10,106	107,141	113,909
Comprehensive income for the period	3,338	10,106	107,141	113,909

¹ Comparative figures have been restated due to an amendment of the accounting policies in RFR 2 with respect to IAS 21. This amendment had a positive impact of SEK 10,069 thousand on net financial items and profit for the period for May-July 2015 and a negative impact of SEK 15,577 thousand on net financial items and profit for full-year May-April 2015/2016. Refer to "Accounting policies" on page 11.

Parent Company balance sheets

SEK thousand	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
Assets			
Intangible assets	8,170	5,332	7,692
Tangible assets	13,700	6,814	9,627
Financial assets	288,111	308,279	285,591
Total fixed assets	309,981	320,425	302,910
Other current assets	398,376	263,164	474,223
Cash and cash equivalents	203,647	275,169	202,177
Total current assets	602,023	538,333	676,400
Total assets	912,004	858,758	979,310
Equity and liabilities			
Equity (incl. profit for the period)	448,333	506,385	436,021
Untaxed reserves	168,351	149,505	168,351
Long-term liabilities	51,833	37,968	52,565
Current liabilities	243,487	164,900	322,373
Total equity and liabilities	912,004	858,758	979,310

Pledged assets and contingent liabilities

SEK thousand	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
Chattel mortgages	11,000	11,000	11,000
Total pledged assets	11,000	11,000	11,000
Guarantees on behalf of Group companies	232,379	349,016	321,544
Total contingent liabilities	232,379	349,016	321,544

DEFINITION OF KEY FIGURES

Adjusted equity	Reported shareholders' equity plus 78% of untaxed reserves.
Capital employed	Total assets reduced by non-interest-bearing liabilities.
Cash flow per share	Cash flow from operations after changes in working capital divided by the number of shares at the end of the period.
Earnings per share	Profit/loss after tax divided by the average number of shares.
Equity per share	Adjusted equity divided by the number of shares at the end of the period.
Equity/assets ratio	Adjusted equity as a percentage of total assets.
Liquidity	Current assets divided by current liabilities.
Operating margin	Operating profit after depreciation as a percentage of net sales.
P/E ratio	Share price at the end of the period in relation to the latest 12-month period's earnings per share.
Profit margin	Profit after net financial items as a percentage of net sales.
Return on capital employed (ROCE)	Profit before tax plus financial expenses as a percentage of average capital employed.
Return on equity	Profit after tax as a percentage of average adjusted equity.
Return on total capital	Profit after net financial items plus financial expenses as a percentage of average total assets.
Value added	Operating profit plus labor costs.

GLOSSARY

Osteoarthritis

Also referred to as arthrosis. A disease resulting from the breakdown (degeneration) of joint cartilage, primarily affecting older and overweight individuals. Strain and movement causes pain. Most commonly affects the wrist, hip, knee and toe joints. Common cause of joint replacement surgery.

Cloud

From the term cloud computing, meaning that computer power is distributed over the Internet or company-specific intranets and not on individual computers.

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. In order to read encrypted information, the recipient must have the correct key and algorithm.

Integrated diagnostics

Diagnostic collaboration between different medical specialties, for example, between pathologists and radiologists for diagnosing, treating and monitoring cancer patients.

Mammography

Mammography is an examination procedure used to detect breast cancer at an early stage in asymptomatic women.

Orthopaedics

A surgical specialty for disorders affecting the musculoskeletal system.

Osteoporosis

Commonly referred to as "brittle bone disease," a skeletal disease that causes increased brittleness of the bones and a risk for fractures.

PACS (Picture Archiving and Communication System)

A system for managing medical images, primarily digital radiology images.

Pathology/histopathology/microscopy

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

Radiology

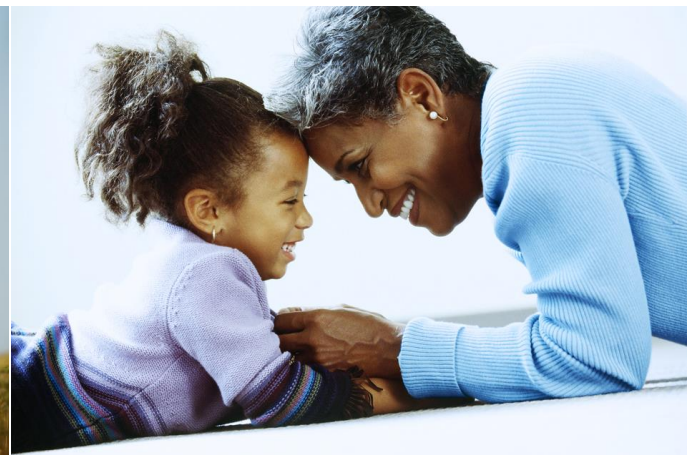
A health science discipline and medical specialty that uses technologies for imaging the human body, such as X-ray, magnetic resonance imaging (MRI) and ultrasound.

RIS (Radiology Information System)

An IT system for managing radiology patient data, such as appointment bookings and patient information at radiology clinics.

VNA (Vendor-Neutral Archive)

IT solution for managing and archiving files such as medical images, audio files and film sequences in a shared multimedia archive.



ABOUT SECTRA

Mission statement

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.

Niche areas

Imaging IT Solutions helps healthcare providers care for more patients, while retaining the same, or higher, level of quality through efficient image management. Increased use of medical images and aging populations that are living longer pose huge challenges to healthcare. Sectra's IT solutions and services enable greater efficiency throughout the entire care chain and contribute to healthcare advancements. Sectra has more than 1,700 installations of medical IT systems, and customers include some of the largest healthcare providers in the world.

Secure Communications helps society's critical functions safely and efficiently transmit sensitive information. Sectra's solutions and services protect the most sensitive and confidential information handled by its customers. Several of the 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. This area includes methods and products that contribute to more efficient and effective care for osteoporosis and the effects of osteoarthritis, which are some of society's most costly diseases, and medical education.

Are you a Sectra shareholder?

Your feedback is important to Sectra! We would like to thank you for taking the time to answer eight questions in Sectra's shareholder survey at:

www.sectra.com/shareholder2016

Group-wide strategies

- Customers and customer satisfaction are always assigned top priority in order to enable long-term growth.
- International expansion mainly in areas and regions where Sectra holds an established position. This will primarily be achieved through organic growth, supplemented by acquisitions that also strengthen the Group's organic growth.
- Expansion into new geographic markets following thorough analysis and at controlled pace as Sectra achieves a strong position in existing markets.
- Close relationships with demanding customers to ensure that Sectra's solutions meet market demands for quality, functionality and usability.
- A strong, innovative corporate culture to attract and retain talented employees with the ability to solve our customers' problems and meet – in many cases, to exceed – their expectations.
- Close collaboration with universities and research institutions to capture ideas and new product areas that Sectra's customers may find useful.

Ten good reasons to invest in Sectra

- Growth potential in the healthcare, secure communications and critical infrastructure sectors.
- Established brand in niche areas, where customer confidence is a critical success factor.
- Stable, profitable company, with more than 50% of sales comprising recurring revenue from long-term customer contracts.
- Multinational reach and thousands of customers worldwide.
- High level of customer satisfaction and the aim to make customers even more satisfied.
- Products and services that contribute to improved quality of life and a safer society.
- Self-financed portfolio of exciting innovation projects with reported and controlled costs. While some of these projects are unlikely to succeed, a single success story would be sufficient to add significant value.
- Members of management are shareholders.
- Principal owner dedicated to the long-term development of the company.
- A very strong corporate culture based on the employees' expertise and attitudes and their drive to solve customer problems.