

**Net sales  
MSEK 65**

**EBIT margin  
51%**

### THIRD QUARTER 2022 <sup>2)</sup>

- Net sales increased by 62% to MSEK 65.3 (40.2)  
– Currency adjusted increase of 34%
- Operating profit (EBIT) increased to MSEK 33.5 (11.5)
- Operating margin (EBIT margin) increased to 51% (29)
- Net profit amounted to MSEK 23.9 (7.0)
- Earnings per share were SEK 1.90 (0.56)
- Operating cash flow increased to MSEK 30.8 (9.6)

### JANUARY - SEPTEMBER 2022 <sup>2)</sup>

- Net sales increased by 58% to MSEK 172.9 (109.1)  
– Currency adjusted increase of 37%
- Operating profit (EBIT) increased to MSEK 71.0 (18.8)
- Operating margin (EBIT margin) increased to 41% (17)
- Net profit amounted to MSEK 48.5 (9.9)
- Earnings per share were SEK 3.87 (0.79)
- Operating cash flow increased to MSEK 43.3 (9.9)

### FORECAST - FOURTH QUARTER 2022 – FULL YEAR 2022 <sup>2)</sup>

The net sales forecast for the fourth quarter of 2022 is MSEK 65 – 70 (42.1), and MSEK 238 – 243 (151.2) for the full year.

### CTT IN BRIEF

| (MSEK)                    | 2022<br>Jul-Sep | Change from<br>previous year | 2021<br>Jul-Sep | 2022<br>Jan-Sep | 2021<br>Jan-Sep | 2021<br>Jan-Dec | Rolling<br>12 months |
|---------------------------|-----------------|------------------------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| Net sales                 | 65.3            | 62 %                         | 40.2            | 172.9           | 109.1           | 151.2           | 214.9                |
| Operating profit (EBIT)   | 33.5            | 191 %                        | 11.5            | 71.0            | 18.8            | 26.8            | 79.0                 |
| Profit (loss) this period | 23.9            | 241 %                        | 7.0             | 48.5            | 9.9             | 14.2            | 52.8                 |
| Earnings per share (SEK)  | 1.90            | 239 %                        | 0.56            | 3.87            | 0.79            | 1.13            | 4.21                 |
| Operating cash flow       | 30.8            | 220 %                        | 9.6             | 43.3            | 9.9             | 30.3            | 63.7                 |

#### CTT – WORLD LEADER IN ACTIVE HUMIDITY CONTROL IN AIRCRAFT

CTT is the leading supplier of active humidity control systems in aircraft. We solve the aircraft humidity paradox - with far too dry cabin air - and too much moisture in the fuselage - causing dehydration for people onboard and excess weight in the aircraft inducing larger environmental footprint. CTT offers humidifiers and dehumidifiers available for retrofit and line-fit on commercial aircraft as well as private jets. For more information about CTT and how active humidity control products make air traveling a little more sustainable and far more pleasurable, please visit: [www.ctt.se](https://www.ctt.se)

<sup>1)</sup> This Interim report is a translation of the original report published in Swedish. In the event of any deviations between the two reports, the Swedish version prevails.

<sup>2)</sup> Unless otherwise stated, outcome comparisons with a previous period in this Interim report refer to the corresponding period of the preceding year, and the value is given in brackets.

## COMMENTS FROM THE CEO

### Net sales beat forecasted range – boosted by strong currency tailwind – profit margin at all-time-high

Third quarter net sales increased for the sixth consecutive quarter to MSEK 65. The better than forecasted outcome is primarily explained by positive impact from currency. In our operations we had record-high aftermarket demand. Net profit increased to MSEK 24, the third best quarterly profit ever. Operating cash flow was also stronger and amounted to MSEK 31.

We reported the highest EBIT-margin (51 %) in CTT history, but this can be derived mainly from extraordinary factors, primarily currency tailwind and aftermarket dominated sales mix. CTT has all revenues in USD and has benefitted from USDSEK at record-high level. If comparing with the same period last year, net sales would currency adjusted be MSEK 54 instead of 65 and EBIT profit MSEK 24 instead of 33. This coupled with an extreme sales mix, where aftermarket in the third quarter accounted for 86 % of net sales, drove our profit margin to record-highs. At some point in time, currency effect may be less favorable and / or aftermarket share of total revenues will decline when system sales increase. This will result in a lowered, more normal profit margin.

In addition to our financial performance, I am particularly pleased to inform that Airbus in September confirmed that a new undisclosed A350 operator has selected humidifiers for both first and business class as well as in flight deck and two crew rest compartments. This is not in the books yet since entry-into-service is scheduled for late 2025.

### Forecasting MSEK 65 – 70 in fourth-quarter net sales

Net sales in the fourth quarter are forecasted to be in the range of MSEK 65 – 70, pointing to MSEK 238 - 243 (151) for FY2022. I calculate with sequentially higher revenues from Private jet projects and lower from aftermarket activities.

### Aftermarket sales at all-time-high – driven by inventory build-up at distributors

The aftermarket in the third quarter was exceptionally strong, explained by large demand when distributors placed orders to restore inventory to support higher fleet utilization. This pushed aftermarket sales to a new all-time-high of MSEK 56, a quarter-to-quarter increase of 40 %. The third quarter will clearly be a tough comparable quarter for some upcoming quarters, as it included unusually large spares orders.

Looking further ahead, we still have some pandemic recovery potential remaining, mainly due to under-utilized population in Asia and in the Pacific. This rebound effect will however gradually fade and aftermarket growth will then track the increase in the installed base. Notably, medium-term growth will be higher than our system deliveries, driven by resumed Boeing deliveries to airlines of ready-built 787s - representing approx. 10 % growth in our installed base.

### System sales at record-low – but predicted to start a rebound next year

In contrast to the strong momentum in the aftermarket, CTT's system sales remain at pandemic lows. CTT is in a good position to grow sales in all product areas. But these opportunities must be counterbalanced by risk for global recession. We calculate with increased risk for delays in some retrofit prospects. On the other hand, we still believe in the structural recovery of our OEM business from 2023, driven mainly by gradual normalization of Boeing 787 aircraft production rate. In addition, we are confident that many of our prospects in the Private jet area can endure a normal recession. We also expect that aftermarket demand will be resilient and do not foresee any major negative impact.

Altogether, I foresee a few quarters with low or no growth in currency adjusted net sales, driven by initial rebound in system deliveries that partly will be offset by a consolidation of aftermarket revenues between Q2 and Q3 sales level. Looking further ahead, I remain convinced that CTT will have the business model, team and market position to deliver accordingly with our long-term strategy.



Henrik Höjer, CEO

**EVENTS DURING THE QUARTER**

- ✓ 07.07.2022: CTT Systems AB receives an Inflight Humidification ("IFH") VIP system order from PMV Engineering to be installed by Comlux Completion Center on an Airbus ACJ220 aircraft. The system consists of four humidifiers and one anti-condensation unit and is scheduled to be delivered in the first quarter of 2023.
- ✓ 24.08.2022: CTT Systems AB receives an Inflight Humidification ("IFH") VIP system order from Jet Aviation to be installed on a Boeing BBJ737MAX aircraft. The system consists of three humidifiers and one anti-condensation unit and is scheduled to be delivered in the first quarter of 2023.

**SIGNIFICANT EVENTS DURING THE YEAR**

- ✓ 17.03.2022: CTT Systems AB signs a development agreement with Airbus Corporate Jets ("ACJ") regarding Inflight Humidification (IFH) system for the ACJ TwoTwenty Xtra large business jet. Under the partnership CTT and ACJ will design the system together and CTT will develop the humidification system consisting of four humidifiers and one anti-condensation unit.

**OTHER EVENTS DURING THE YEAR**

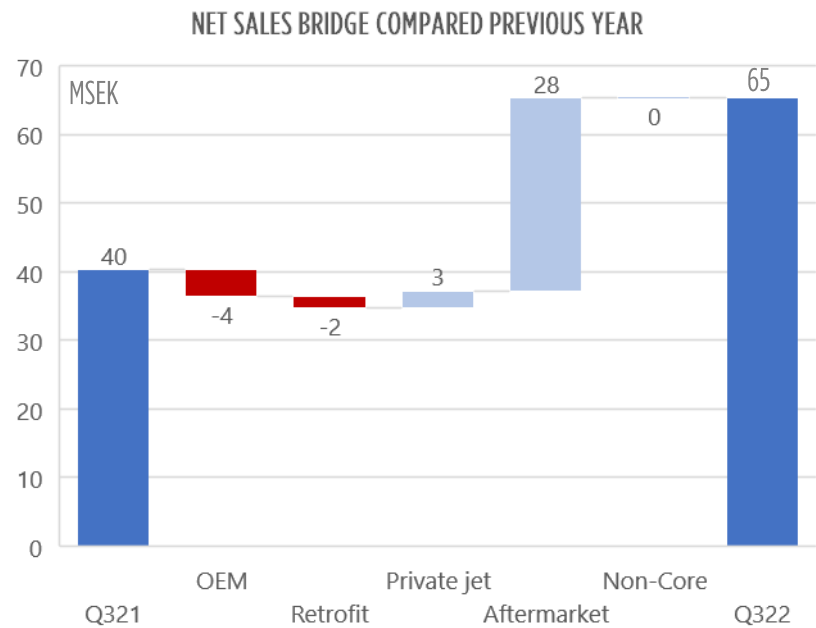
- ✓ 01.03.2022: CTT Systems AB stops all deliveries to Russia, according to current sanctions. Russia's share of 2021 revenues were 4%, mainly from the Retrofit area. CTT has no employees nor suppliers in Russia, Belarus or Ukraine. No deliveries to Russia during 2022.
- ✓ 01.04.2022: CTT Systems ABs new CEO Henrik Höjer takes office as planned.

**EVENTS AFTER THE END OF THE REPORTING PERIOD**

- ✓ No significant events have occurred after the end of the reporting period.

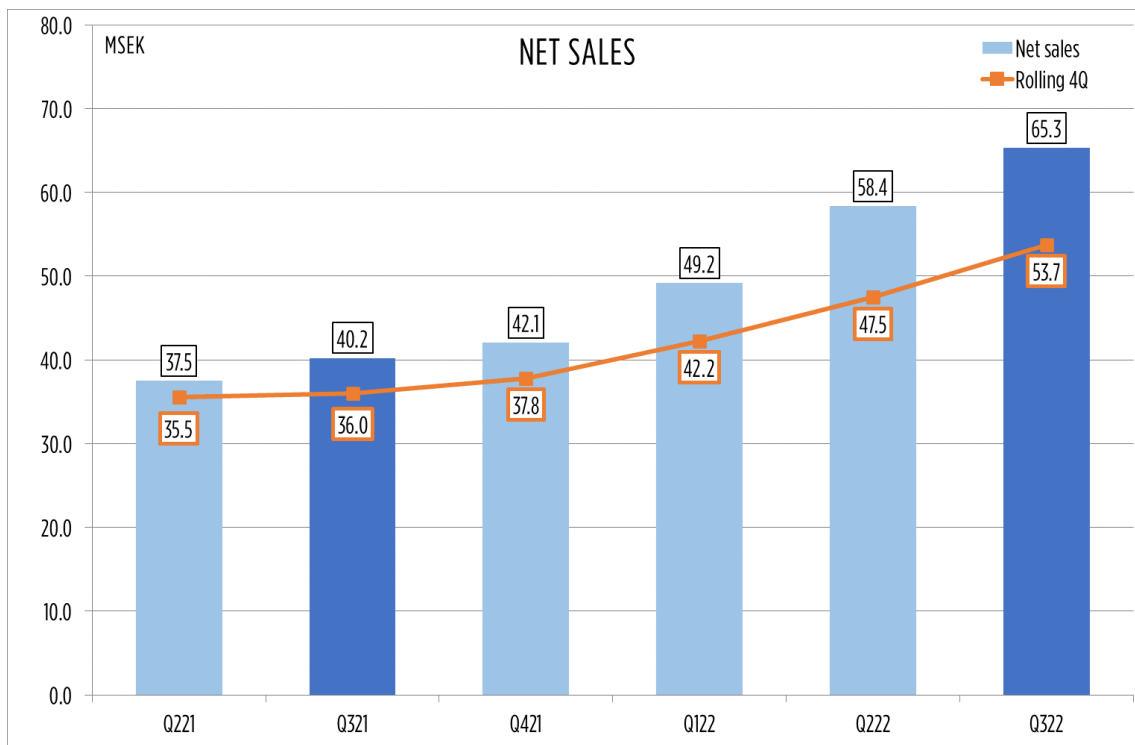
## SALES

Net sales increased by 62% in the third quarter to MSEK 65.3 (40.2). Adjusted for currency, sales increased by 34%<sup>1</sup>, driven by the gradual improvement in the aftermarket and revenue growth from Private jet projects. The third quarter was the best aftermarket quarter ever. OEM revenues decreased to MSEK 2.5 (6.3), mainly due to the decreased aircraft production rate by Boeing in the 787-program. Private jet revenues increased to MSEK 4.0 (1.4). No Retrofit deliveries during the quarter.



Net sales in the first nine months of 2022 increased by 58% to MSEK 172.9 (109.1). Adjusted for currency, sales increased by 37%, driven mainly by gradual improvement in the aftermarket.

CTT has reported six consecutive quarters with net sales growth, from pandemic low point in the first quarter of 2021, mainly driven by the recovery and growth in the aftermarket.

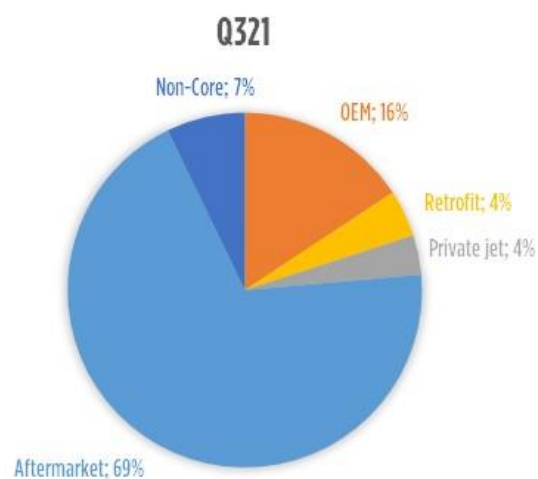
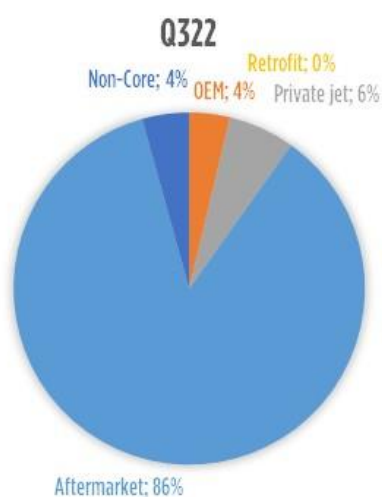
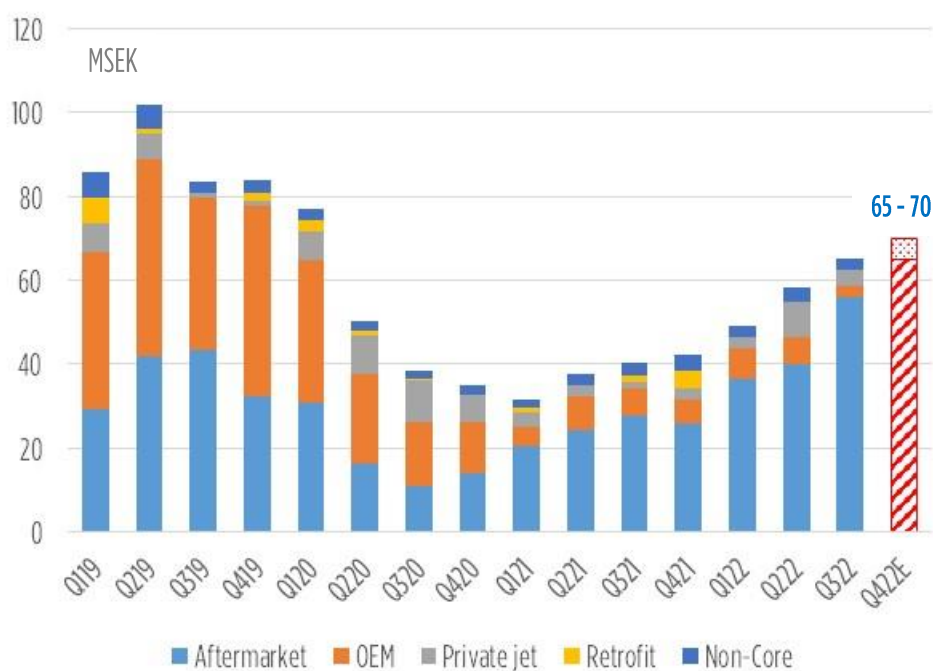


The graph above shows quarterly net sales and rolling four quarters average.

<sup>1</sup> The average USD currency rate in the third quarter was 10,40 (8.61).

**BREAKDOWN OF NET SALES**

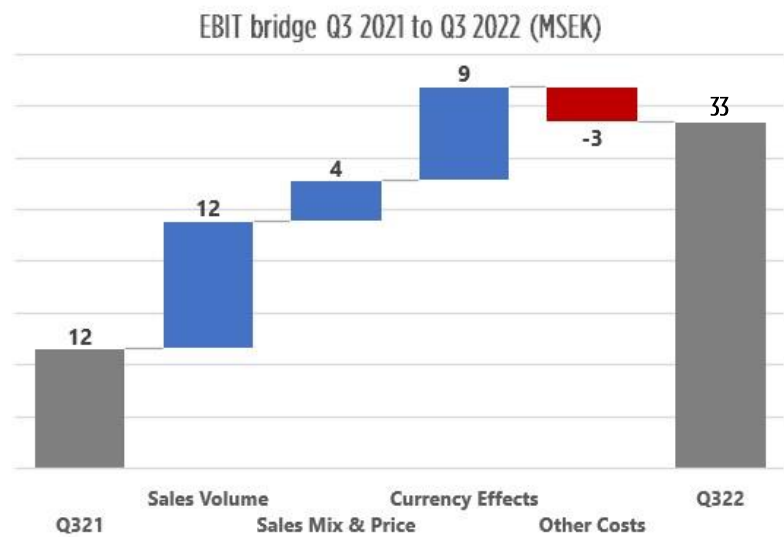
| NET SALES (MSEK)   | Q420        | Q121        | Q221        | Q321        | Q421        | Q122        | Q222        | Q322        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>System Sales</b>  |             |             |             |             |             |             |             |             |
| OEM  | 12.4        | 4.8         | 8.0         | 6.3         | 5.5         | 7.2         | 6.4         | 2.5         |
| Retrofit   | 0.0         | 1.3         | 0.0         | 1.7         | 4.5         | 0.0         | 0.0         | 0.0         |
| Private jet  | 6.2         | 3.2         | 2.5         | 1.4         | 2.6         | 2.5         | 8.5         | 4.0         |
| <b>Total</b>   | <b>18.6</b> | <b>9.3</b>  | <b>10.5</b> | <b>9.5</b>  | <b>12.6</b> | <b>9.7</b>  | <b>14.9</b> | <b>6.4</b>  |
| <b>Aftermarket</b>   | <b>14.0</b> | <b>20.5</b> | <b>24.3</b> | <b>27.8</b> | <b>25.9</b> | <b>36.7</b> | <b>40.1</b> | <b>56.1</b> |
| <b>Sales in addition to the core business activities</b>   | <b>2.3</b>  | <b>1.7</b>  | <b>2.6</b>  | <b>2.9</b>  | <b>3.5</b>  | <b>2.8</b>  | <b>3.4</b>  | <b>2.8</b>  |
| <b>TOTAL</b>   | <b>34.9</b> | <b>31.4</b> | <b>37.5</b> | <b>40.2</b> | <b>42.1</b> | <b>49.2</b> | <b>58.4</b> | <b>65.3</b> |
| Of which projects where there is recognition of profits that is reported as revenue over time.<br>(Other income is recognised at a defined point in time, i.e. upon delivery.) | 6.5         | 3.2         | 0.3         | 1.5         | 2.6         | 2.5         | 8.5         | 3.6         |



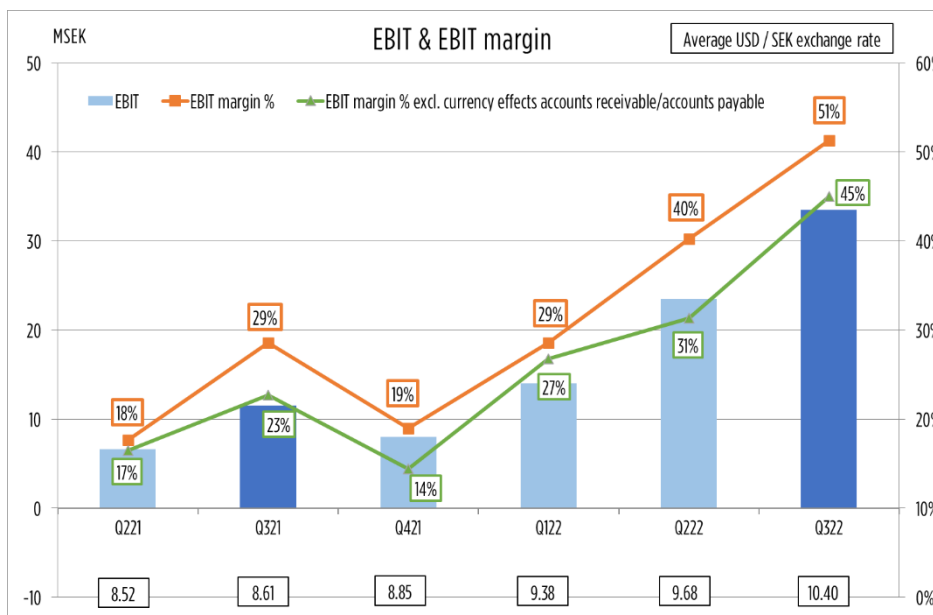
The breakdown of net sales for the quarters is presented above.

## FINANCIAL RESULTS

The operating profit (EBIT) increased to MSEK 33.5 (11.5), corresponding to a margin of 51% (29). The EBIT increase was driven by increased aftermarket sales and positive impact from currency. Finance net was negatively affected by currency effects of MSEK 4.1 (-2.2) from USD loans. Higher result leads to increased allocation for variable remuneration to the employees with MSEK 3.1 (1.1), mainly explaining the increased costs. Profit for the period was MSEK 23.9 (7.0). Earnings per share increased to SEK 1.90 (0.56).



For the period January – September the operating profit (EBIT) was MSEK 71.0 (18.8), corresponding to a margin of 41% (17). The EBIT increase was mainly driven by gradual improvement in the aftermarket and from a stronger USD rate. Profit for the period was MSEK 48.5 (9.9). Earnings per share increased to SEK 3.87 (0.79).



The earnings trend since Q2 2021 is presented to the left, where the green line shows the EBIT margin adjusted for currency effects directly linked to accounts receivable and accounts payable valuation.

Average USD / SEK exchange rate according to Riksbanken

## FORECAST - FOURTH QUARTER 2022 – FULL YEAR 2022

The net sales forecast for the fourth quarter of 2022 is MSEK 65 – 70 (42.1), and MSEK 238 – 243 (151.2) for the full year.

## THIRD QUARTER 2022 FORECAST AND ACTUAL OUTCOME

In the second quarter report (2022), CTT made the following forecast for the third quarter of 2022: "The net sales forecast for the third quarter of 2022 is MSEK 58 – 63 (40.2)."

The actual net sales amounted to MSEK 65.3.

## ORDER INTAKE AND ORDER BACKLOG

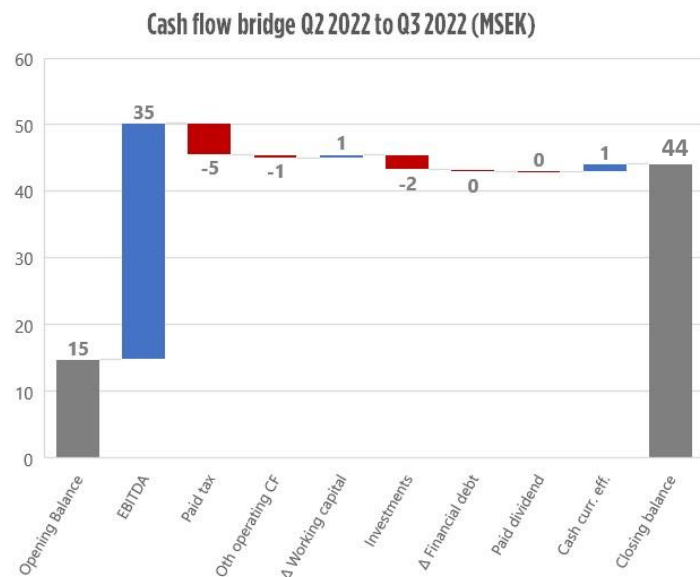
During the third quarter, the Company's order intake amounted to MSEK 99 (40). The stronger order intake compared to previous year is mainly explained by the recovery and growth in the aftermarket, where the order intake was record high. OEM order intake was low due to lower build-rate by Boeing in the 787 program. CTT received two new Private jet orders during the quarter, to be delivered during the first quarter 2023, with revenue recognition over time.

As of 30 September 2022, the order book totaled MSEK 94 (53), based on USD exchange rate of 11.19 (8.66).

## CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital increased to MSEK 30.3 (10.3) in the third quarter, driven by better EBITDA (MSEK 35.5 compared to 13.3). The cash flow from operating activities increased to MSEK 30.8 (9.6). Changes in working capital was in total MSEK 0.5 (-0.7), where the inventory temporally increased by MSEK 7.1, offset by positive changes in account receivables and account payables by MSEK 7.6 in total. Net cash flow in the reporting period was MSEK 28.1 (8.1). The change in the quarter is described in the graph on the right.

Cash flow before changes in working capital increased to MSEK 66.3 (19.6) during January – September. The cash flow from operating activities increased to MSEK 43.3 (9.9), mainly driven by the improved financial performance (EBITDA). Dividend and variable remuneration affected cash flow with MSEK 12.2.



See Cash flow analysis on page 12

Long-term interest-bearing loan liabilities decreased to MSEK 47 (69). The decline from previous year is mainly related to an amortization of a USD credit facility in the first quarter.

Overall, CTT has a strong financial position, with its equity ratio at 30 September 2022 amounting to 71% (65). Cash and cash equivalents amounted to MSEK 44 (32), and in addition CTT has available credit facilities of MSEK 49. Net debt as of 30 September 2022 amounted to MSEK 5 (39), and equity to MSEK 252 (209).

## INVESTMENTS

Investments in the third quarter amounted to MSEK 2.3 (1.2) and during January – September MSEK 6.5 (6.3) related to ongoing development projects, many in the final stage which explains the relative low investment level.

## PERSONNEL

The number of employees at the end of the third quarter amounted to 72 (76). For the period January – September the average number of employees were 74 (82).



## RISKS AND UNCERTAINTIES

The risks in the Company's business operations can generally be divided into operational risks related to its business operations and financial risks related to its financial activities. No significant changes in material risks or uncertainties have arisen during the period, but CTT, as before, has an unusually one-sided currency impact since basically all sales are made in USD. The company has chosen not to use forward hedging of USD, however, purchases and bank loans in USD are sought. Since the quarter has a particularly strong USD/SEK exchange rate, the currency effects are unusually large. A detailed account of CTT's risks, uncertainties and their management can be found on pages 54 - 58 of the Company's Annual Report for 2021.

## SHAREHOLDERS

| CTT's five largest shareholders as at 30/09/2022 | Number<br>of shares | Capital | Votes  |
|--|---------------------|---------|--------|
| Tomas Torlöf                                     | 1 678 336           | 13.4 %  | 13.4 % |
| SEB Funds  | 1 176 959           | 9.4 %   | 9.4 %  |
| ODIN Funds                                       | 1 150 000           | 9.2 %   | 9.2 %  |
| Collins Aerospace                                | 1 133 154           | 9.0 %   | 9.0 %  |
| Nya Jorame Holding AB                            | 540 000             | 4.3 %   | 4.3 %  |

For information about the Company's 20 largest shareholders, please refer to the company's website [www.ctt.se](http://www.ctt.se).

## RELATED PARTY TRANSACTIONS

There have been no significant transactions with related parties during the quarter or the year.

To the extent that transactions and agreements for services with related parties are entered into, these are always entered into and performed under market conditions.

## ACCOUNTING AND VALUATION POLICIES

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, taking into account the exceptions and additions to IFRS as set out in the Swedish Financial Reporting Board's Recommendation RFR 2 – Accounting for Legal Entities. Unless stated otherwise below, the accounting policies applied correspond with the accounting policies applied in the preparation of the most recent annual financial statements.

### New and amended accounting policies 2022

No new or updated standards issued by the IASB and interpretative statements by the IFRIC have had any material effect on the Company's financial position, profits or disclosures.

## FINANCIAL CALENDAR

Year-End Report 2022  
Publishing the Annual Report 2022 ([www.ctt.se](http://www.ctt.se))  
Interim Report Q1 2023  
Interim Report Q2 2023  
Interim Report Q3 2023

07/02/2023 at 08:00 (CET)  
31/03/2023  
28/04/2023 at 08:00 (CEST)  
21/07/2023 at 08:00 (CEST)  
27/10/2023 at 08:00 (CEST)



The Board of Directors and the Chief Executive Officer represent and warrant that this interim report provides a true and fair view of the Company's business operations, position and performance and describes the material risks and uncertainties facing the Company. This information is such as CTT Systems AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading (Market Abuse Penalties) Act. The information was submitted for publication at 8:00 (CEST) on 28 October 2022.

Nyköping, 27 October 2022

**CTT Systems AB (publ.)**

**Tomas Torlöf**

Chairman of the Board

**Steven Buesing**

Board Member

**Annika Dalsvall**

Board Member

**Per Fyrenius**

Board Member

**Anna Carmo E Silva**

Board Member

**Björn Lenander**

Board Member

**Henrik Höjer**

CEO

**FURTHER INFORMATION**

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Company reg. no.: 556430-7741  
Website: [www.ctt.se](http://www.ctt.se)

**CTT IN BRIEF**

CTT is a market-leading manufacturer of equipment for active control of humidity in aircraft. CTT's dehumidifier and humidifier products minimize fuselage condensation issues and increase cabin air humidity. CTT is a supplier to Boeing and Airbus and has many of the world's largest airlines as its customers.

CTT has been traded on Nasdaq Stockholm since March 1999, currently on the Mid Cap list and has its registered offices in Nyköping.

| CTT SYSTEMS AB<br>INCOME STATEMENT in brief (MSEK)                                   | 2022<br>Jul-Sep | 2021<br>Jul-Sep | 2022<br>Jan-Sep | 2021<br>Jan-Sep    | 2021<br>Jan-Dec     |
|--|-----------------|-----------------|-----------------|--------------------|---------------------|
| <b>Operating income</b>  |                 |                 |                 |                    |                     |
| Net sales  | 65.3            | 40.2            | 172.9           | 109.1              | 151.2               |
| Change in stocks of work in progress and stocks of finished goods                    | 0.2             | 0.4             | 1.7             | 0.2                | 1.9                 |
| Own work capitalised   | 0.7             | 0.4             | 2.9             | 2.2                | 3.0                 |
| Other operating income   | 5.0             | 2.6             | 14.1            | 17.3 <sup>1)</sup> | 20.1 <sup>1)</sup>  |
| <b>Total operating income</b>  | <b>71.2</b>     | <b>43.6</b>     | <b>191.5</b>    | <b>128.8</b>       | <b>176.2</b>        |
| <b>Operating expenses</b>  |                 |                 |                 |                    |                     |
| Raw materials and consumables  | -11.1           | -9.5            | -35.0           | -27.7              | -37.7               |
| Other external costs   | -8.7            | -7.5            | -25.1           | -25.5              | -35.6               |
| Employee benefit expense   | -15.1           | -13.2           | -50.9           | -44.7              | -61.5               |
| Depreciation and amortisation of property, plant and equipment and intangible assets | -2.0            | -1.7            | -6.0            | -9.6 <sup>1)</sup> | -11.3 <sup>1)</sup> |
| Other operating expenses   | -0.9            | -0.2            | -3.5            | -2.5               | -3.3                |
| <b>Total operating expenses</b>  | <b>-37.7</b>    | <b>-32.1</b>    | <b>-120.5</b>   | <b>-110.0</b>      | <b>-149.4</b>       |
| <b>Operating profit (EBIT)</b>   | <b>33.5</b>     | <b>11.5</b>     | <b>71.0</b>     | <b>18.8</b>        | <b>26.8</b>         |
| Net gain/loss on financial items   | -3.4            | -2.7            | -9.8            | -6.3               | -8.9                |
| <b>Profit before tax</b>   | <b>30.1</b>     | <b>8.8</b>      | <b>61.2</b>     | <b>12.4</b>        | <b>17.9</b>         |
| Tax  | -6.2            | -1.8            | -12.6           | -2.6               | -3.7                |
| <b>Profit (loss) this period</b>   | <b>23.9</b>     | <b>7.0</b>      | <b>48.5</b>     | <b>9.9</b>         | <b>14.2</b>         |
| Other comprehensive income   | -               | -               | -               | -                  | -                   |
| <b>Comprehensive income for the period</b>   | <b>23.9</b>     | <b>7.0</b>      | <b>48.5</b>     | <b>9.9</b>         | <b>14.2</b>         |
| Earnings per share, SEK  | 1.90            | 0.56            | 3.87            | 0.79               | 1.13                |

<sup>1)</sup> One-off items from OEM segment have effected other operating income positively with MSEK 9.1 and amortisation negatively with MSEK 4.3. Net EBIT effect amounted to MSEK +4.8.

| CTT SYSTEMS AB                | 2022   | 2021   | 2021   |
|-------------------------------|--------|--------|--------|
| BALANCE SHEET in brief (MSEK) | 30 Sep | 30 Sep | 31 Dec |

**Assets**

|                               |       |       |       |
|-------------------------------|-------|-------|-------|
| Intangible assets             | 79.7  | 74.1  | 75.9  |
| Property, plant and equipment | 44.5  | 49.2  | 48.1  |
| Financial assets              | 2.0   | 1.9   | 1.9   |
| Other current assets          | 185.7 | 161.6 | 153.4 |
| Cash at bank and in hand      | 44.1  | 31.9  | 49.3  |

|                     |              |              |              |
|---------------------|--------------|--------------|--------------|
| <b>Total assets</b> | <b>356.1</b> | <b>318.6</b> | <b>328.5</b> |
|---------------------|--------------|--------------|--------------|

**Equity and liabilities**

|   |       |       |       |
|---|-------|-------|-------|
| Equity                                    | 251.5 | 208.6 | 212.9 |
| Provisions                                | 3.9   | 4.7   | 3.8   |
| Non-current liabilities, interest-bearing | 47.0  | 69.2  | 70.8  |
| Current liabilities, interest-bearing     | 1.7   | 1.3   | 1.4   |
| Current liabilities, non-interest-bearing | 52.0  | 34.9  | 39.7  |

|                                     |              |              |              |
|-------------------------------------|--------------|--------------|--------------|
| <b>Total equity and liabilities</b> | <b>356.1</b> | <b>318.6</b> | <b>328.5</b> |
|-------------------------------------|--------------|--------------|--------------|

| CTT SYSTEMS AB                   | 2022    | 2021    | 2021    |
|----------------------------------|---------|---------|---------|
| CHANGE IN EQUITY in brief (MSEK) | Jan-Sep | Jan-Sep | Jan-Dec |

|                           |              |              |              |
|---------------------------|--------------|--------------|--------------|
| Opening equity            | 212.9        | 220.5        | 220.5        |
| Share dividend            | -9.9         | -21.8        | -21.8        |
| Profit (loss) this period | 48.5         | 9.9          | 14.2         |
| <b>Closing equity</b>     | <b>251.5</b> | <b>208.6</b> | <b>212.9</b> |

**CTT SYSTEMS AB**  
**CASH FLOW ANALYSIS (MSEK)**

|  | 2022<br>Jul-Sep | 2021<br>Jul-Sep | 2022<br>Jan-Sep | 2021<br>Jan-Sep    | 2021<br>Jan-Dec    |
|--|-----------------|-----------------|-----------------|--------------------|--------------------|
| <b>Operating activities</b>  |                 |                 |                 |                    |                    |
| Operating profit (EBIT)  | 33.5            | 11.5            | 71.0            | 18.8 <sup>1)</sup> | 26.8 <sup>1)</sup> |
| <b>Adjustment for items not included in cash flow</b>                        |                 |                 |                 |                    |                    |
| Depreciation and amortisation  | 2.0             | 1.7             | 6.0             | 9.6 <sup>1)</sup>  | 11.3 <sup>1)</sup> |
| Other  | -0.3            | -0.3            | -0.1            | -1.5               | -2.4               |
| Financial receipts   | 0.0             | -               | 0.3             | -                  | -                  |
| Financial payments   | -0.3            | -0.3            | -0.9            | -0.9               | -1.2               |
| Income tax paid  | -4.6            | -2.4            | -10.1           | -6.3               | -6.8               |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>30.3</b>     | <b>10.3</b>     | <b>66.3</b>     | <b>19.6</b>        | <b>27.7</b>        |
| <b>Cash flow from changes in working capital</b>                             |                 |                 |                 |                    |                    |
| Change in inventories  | -7.1            | 1.0             | -13.9           | 2.6                | 0.9                |
| Change in operating receivables  | 3.0             | -6.1            | -21.0           | -3.0               | 6.2                |
| Change in operating liabilities  | 4.6             | 4.4             | 11.9            | -9.3               | -4.4               |
| <b>Cash flow from changes in working capital</b>                             | <b>0.5</b>      | <b>-0.7</b>     | <b>-23.0</b>    | <b>-9.7</b>        | <b>2.6</b>         |
| <b>Operating cash flow</b>   | <b>30.8</b>     | <b>9.6</b>      | <b>43.3</b>     | <b>9.9</b>         | <b>30.3</b>        |
| <b>Investment activities</b>   |                 |                 |                 |                    |                    |
| Acquisition of intangible assets   | -1.7            | -1.2            | -5.5            | -6.3               | -8.4               |
| Acquisition of property, plant and equipment                                 | -0.4            | 0.0             | -0.8            | 0.0                | -0.2               |
| Acquisition of financial assets  | -0.2            | -               | -0.2            | -                  | -                  |
| Sale of property, plant and equipment  | -               | 0.1             | 0.2             | 0.1                | 0.1                |
| <b>Cash flow from investment activities</b>                                  | <b>-2.3</b>     | <b>-1.2</b>     | <b>-6.3</b>     | <b>-6.3</b>        | <b>-8.6</b>        |
| <b>Financing activities</b>  |                 |                 |                 |                    |                    |
| Proceeds from borrowings   | -               | -               | -               | 29.7               | 29.7               |
| Repayments of borrowings   | -0.4            | -0.3            | -33.3           | -0.9               | -1.3               |
| Dividends paid   | -               | -               | -9.9            | -21.8              | -21.8              |
| <b>Cash flow from financing activities</b>                                   | <b>-0.4</b>     | <b>-0.3</b>     | <b>-43.2</b>    | <b>7.0</b>         | <b>6.6</b>         |
| <b>Cash flow for the period</b>  | <b>28.1</b>     | <b>8.1</b>      | <b>-6.1</b>     | <b>10.6</b>        | <b>28.4</b>        |
| Cash and cash equivalents at the beginning of the period                     | 14.7            | 23.9            | 49.3            | 21.6               | 21.6               |
| Exchange gains/losses on cash and cash equivalents                           | 1.2             | -0.2            | 0.9             | -0.4               | -0.7               |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>44.1</b>     | <b>31.9</b>     | <b>44.1</b>     | <b>31.9</b>        | <b>49.3</b>        |

<sup>1)</sup> One-off items from OEM segment have effected other operating income and cash flow positively with MSEK 9.1 and amortisation negatively with MSEK 4.3. Net EBIT effect amounted to MSEK +4.8.

| CTT SYSTEMS AB  | 2022   |        |        | 2021   |        |        |        | 2020   |        |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| KEY FIGURES – INDIVIDUAL QUARTERS                           | Q3     | Q2     | Q1     | Q4     | Q3     | Q2     | Q1     | Q4     | Q3     |
| Sales & Financial result                                    |        |        |        |        |        |        |        |        |        |
| Net sales, MSEK   | 65.3   | 58.4   | 49.2   | 42.1   | 40.2   | 37.5   | 31.4   | 34.9   | 38.3   |
| Operating profit (EBIT), MSEK                               | 33.5   | 23.5   | 14.0   | 8.0    | 11.5   | 6.6    | 0.6    | -0.6   | 6.4    |
| Operating margin, %   | 51     | 40     | 29     | 19     | 29     | 18     | 2      | -2     | 17     |
| Profit margin, %  | 46     | 33     | 24     | 13     | 22     | 21     | -13    | 7      | 17     |
| Profit (loss) this period, MSEK                             | 23.9   | 15.1   | 9.6    | 4.3    | 7.0    | 6.1    | -3.2   | 1.9    | 5.0    |
| Return on capital employed, %                               | 12     | 9      | 5      | 3      | 4      | 2      | 0      | 0      | 3      |
| Return on equity, %   | 10     | 7      | 4      | 2      | 3      | 3      | -1     | 1      | 2      |
| Return on total capital, %                                  | 9      | 6      | 4      | 2      | 3      | 3      | -1     | 1      | 2      |
| Share data  |        |        |        |        |        |        |        |        |        |
| Earnings per share, SEK                                     | 1.90   | 1.21   | 0.76   | 0.34   | 0.56   | 0.49   | -0.26  | 0.15   | 0.40   |
| Equity per share, SEK                                       | 20.07  | 18.17  | 17.75  | 16.99  | 16.65  | 16.09  | 17.34  | 17.60  | 17.45  |
| Operating cash flow per share, SEK                          | 2.46   | 0.32   | 0.68   | 1.63   | 0.77   | 0.58   | -0.55  | -0.09  | -0.38  |
| Dividend per share, SEK                                     |        |        |        | 0.79   | -      | -      | -      | 1.74   | -      |
| Number of shares, end of reporting period, thousands        | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 |
| Average number of shares in the period, thousands           | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 | 12 529 |
| Market price at the close of the reporting period, SEK      | 199.00 | 198.00 | 191.60 | 216.50 | 210.00 | 216.50 | 153.60 | 152.20 | 123.20 |
| Cash flow & Financial position                              |        |        |        |        |        |        |        |        |        |
| Operating cash flow, MSEK                                   | 30.8   | 4.0    | 8.6    | 20.4   | 9.6    | 7.2    | -6.9   | -1.1   | -4.7   |
| Quick ratio, %  | 267    | 239    | 228    | 305    | 323    | 320    | 304    | 218    | 195    |
| Interest Coverage ratio, times                              | 59     | 69     | 26     | 21     | 32     | 27     | -7     | 12     | 32     |
| Debt-equity ratio, times                                    | 0.2    | 0.2    | 0.2    | 0.3    | 0.3    | 0.3    | 0.3    | 0.2    | 0.2    |
| Equity ratio, %   | 71     | 70     | 71     | 65     | 65     | 66     | 66     | 72     | 68     |
| Personnel & Investments                                     |        |        |        |        |        |        |        |        |        |
| Number of employees, (average for the period) <sup>1)</sup> | 72     | 74     | 75     | 76     | 76     | 78     | 85     | 88     | 95     |
| Income (valued at full year) per employee, MSEK             | 4.0    | 3.6    | 2.9    | 2.5    | 2.3    | 2.5    | 1.8    | 1.6    | 1.9    |
| Investments, MSEK   | 2.3    | 2.4    | 1.8    | 2.3    | 1.2    | 2.4    | 2.7    | 7.1    | 13.4   |
| FINANCIAL HIGHLIGHTS – ACCUMULATED                          |        |        |        |        |        |        |        |        |        |
|   | Q1-Q3  |        |        | Q1-Q3  |        |        |        | Q1-Q3  |        |
| Sales & Financial result                                    |        |        |        |        |        |        |        |        |        |
| Net sales, MSEK   | 172.9  |        |        | 109.1  |        |        |        | 165.9  |        |
| Operating profit (EBIT), MSEK                               | 71.0   |        |        | 18.8   |        |        |        | 39.0   |        |
| Operating margin, %   | 41     |        |        | 17     |        |        |        | 23     |        |
| Profit margin, %  | 35     |        |        | 11     |        |        |        | 22     |        |
| Profit (loss) this period, MSEK                             | 48.5   |        |        | 9.9    |        |        |        | 29.2   |        |
| Return on capital employed, %                               | 25     |        |        | 7      |        |        |        | 15     |        |
| Return on equity, %   | 21     |        |        | 5      |        |        |        | 13     |        |
| Return on total capital, %                                  | 19     |        |        | 4      |        |        |        | 11     |        |
| Share data  |        |        |        |        |        |        |        |        |        |
| Earnings per share, SEK                                     | 3.87   |        |        | 0.79   |        |        |        | 2.33   |        |
| Operating cash flow per share, SEK                          | 3.46   |        |        | 0.79   |        |        |        | -0.77  |        |
| Cash flow & Financial position                              |        |        |        |        |        |        |        |        |        |
| Operating cash flow, MSEK                                   | 43.3   |        |        | 9.9    |        |        |        | -9.7   |        |
| Quick ratio, %  | 267    |        |        | 323    |        |        |        | 195    |        |
| Interest Coverage ratio, times                              | 49     |        |        | 12     |        |        |        | 40     |        |
| Debt-equity ratio, times                                    | 0.2    |        |        | 0.3    |        |        |        | 0.2    |        |
| Equity ratio, %   | 71     |        |        | 65     |        |        |        | 68     |        |
| Personnel & Investments                                     |        |        |        |        |        |        |        |        |        |
| Number of employees, (average for the period) <sup>1)</sup> | 74     |        |        | 82     |        |        |        | 98     |        |
| Income (valued at full year) per employee, MSEK             | 3.5    |        |        | 2.1    |        |        |        | 2.7    |        |
| Investments, MSEK   | 6.5    |        |        | 6.3    |        |        |        | 26.6   |        |

<sup>1)</sup> The average of employees for the period is an approximation where a calculation is made by taking the average of the number of employees at closing balance and opening balance respectively during the period. The exact calculation is only made for the Company's annual report.

| CTT SYSTEMS AB  | 2022        | 2021        | 2020        |
|---|-------------|-------------|-------------|
| RELEVANT RECONCILIATIONS OF KEY FIGURES (MSEK)  | Q1-Q3       | Q1-Q3       | Q1-Q3       |
| <b>Operating margin</b>   |             |             |             |
| Operating profit (EBIT)   | 71.0        | 18.8        | 39.0        |
| / Net sales   | 172.9       | 109.1       | 165.9       |
| <b>= Operating margin</b>   | <b>41%</b>  | <b>17%</b>  | <b>23%</b>  |
| <b>Profit margin</b>  |             |             |             |
| Profit before tax   | 61.2        | 12.4        | 37.2        |
| / Net sales   | 172.9       | 109.1       | 165.9       |
| <b>= Profit margin</b>  | <b>35%</b>  | <b>11%</b>  | <b>22%</b>  |
| <b>Return on capital employed</b>   |             |             |             |
| (Operating profit, EBIT)  | 71.0        | 18.8        | 39.0        |
| + Finance income)   | 0.3         | 0.0         | 0.0         |
| / Average capital employed  |             |             |             |
| Average total capital (total assets)  | 334.3       | 313.1       | 343.4       |
| Total capital at the beginning of the period  | 312.5       | 307.5       | 362.8       |
| Total capital at the end of the period  | 356.1       | 318.6       | 323.9       |
| - Average non-interest-bearing liabilities including deferred taxes                         | -45.9       | -42.5       | -77.3       |
| Non-interest-bearing liabilities including deferred taxes, beginning of the period          | -39.7       | -50.1       | -90.2       |
| Non-interest-bearing liabilities including deferred taxes, end of the period                | -52.0       | -34.9       | -64.5       |
| Total average capital employed  | 288.4       | 270.6       | 266.1       |
| <b>= Return on capital employed</b>   | <b>25%</b>  | <b>7%</b>   | <b>15%</b>  |
| <b>Return on equity</b>   |             |             |             |
| Profit (loss) this period   | 48.5        | 9.9         | 29.2        |
| / Average equity  | 232.2       | 214.5       | 229.4       |
| Equity at the beginning of the period   | 212.9       | 220.5       | 240.2       |
| Equity at the end of the period   | 251.5       | 208.6       | 218.7       |
| <b>= Return on equity</b>   | <b>21%</b>  | <b>5%</b>   | <b>13%</b>  |
| <b>Return on total capital</b>  |             |             |             |
| (Profit before tax  | 61.2        | 12.4        | 37.2        |
| - Finance costs)  | -1.3        | -1.1        | -0.9        |
| / Average total capital (for the calculation, see "Return on capital employed")             | 334.3       | 313.1       | 343.4       |
| <b>= Return on total capital</b>  | <b>19%</b>  | <b>4%</b>   | <b>11%</b>  |
| <b>Quick ratio</b>  |             |             |             |
| (Current assets, i.e. other current assets plus cash & bank deposits                        | 229.8       | 193.4       | 200.9       |
| - Inventories   | 114.2       | 98.6        | 107.3       |
| + Granted unutilised line of credit)  | 28.0        | 22.2        | 22.6        |
| / Current liabilities   | 53.7        | 36.2        | 59.7        |
| <b>= Quick ratio</b>  | <b>267%</b> | <b>323%</b> | <b>195%</b> |
| <b>Interest Coverage ratio</b>  |             |             |             |
| (Profit before tax  | 61.2        | 12.4        | 37.2        |
| - Finance costs)  | -1.3        | -1.1        | -0.9        |
| / Finance costs   | -1.3        | -1.1        | -0.9        |
| <b>= Interest Coverage ratio, times</b>   | <b>49</b>   | <b>12</b>   | <b>40</b>   |
| <b>Debt-equity ratio</b>  |             |             |             |
| Interest-bearing liabilities i.e. total interest-bearing items on balance sheet's debt side | 48.6        | 70.5        | 40.8        |
| / Equity  | 251.5       | 208.6       | 218.7       |
| <b>= Debt-equity ratio, times</b>   | <b>0.2</b>  | <b>0.3</b>  | <b>0.2</b>  |
| <b>Income per employee</b>  |             |             |             |
| Operating income (calculated to full year)  | 255.4       | 171.7       | 262.8       |
| / Number of employees, (average for the period) <sup>1)</sup>                               | 74          | 82          | 98          |
| <b>= Income per employee</b>  | <b>3.5</b>  | <b>2.1</b>  | <b>2.7</b>  |

<sup>1)</sup>The average of employees for the period is an approximation where a calculation is made by taking the average of the number of employees at closing balance and opening balance respectively during the period. The exact calculation is only made for the Company's annual report.

## DEFINITIONS OF KEY FIGURES<sup>1)</sup>

### RETURN ON EQUITY (ROE)

Profit for the period as % of average equity.

Return on equity is a measurement that the Company considers important for an investor who wants to be able to compare their investment with alternative investments.

### RETURN ON TOTAL CAPITAL (ROTC)

Profits after net financial items with a reversal of financial expenses, as % of average total assets.

Return on total capital is a measurement that the Company considers important for an investor who wants to see how efficiently the use of total capital in the Company is used and what return it produces.

### RETURN ON CAPITAL EMPLOYED (ROCE)

Operating profit (EBIT) plus finance income as % of average capital employed. The capital employed is defined as the total assets less non-interest-bearing liabilities including deferred taxes.

Return on capital employed is a measure that the Company considers important for investors who want to understand earnings generation in relation to capital employed.

### EQUITY PER SHARE

Equity in relation to the number of shares on the balance sheet day.

The Company regards the key financial figure equity per share as relevant to investors since it describes the amount of capital (equity) belonging to the shareholders of the Company.

### INCOME PER EMPLOYEE

Operating income divided by the number of employees (annualised average of full-time equivalents).

The Company regards income per employee as a relevant measure for investors who want to understand how effectively the Company is using its human capital.

### CASH FLOW PER SHARE

Operating cash flow divided by the average number of shares.

The Company regards cash flow per share as relevant to investors since it describes the amount of cash flow directly attributable to the shareholders of the Company.

### QUICK RATIO

Current assets excluding inventories but including granted unutilised lines of credit, divided by current liabilities.

The Company regards the quick ratio (cash liquidity) as important for creditors who want to understand the Company's short-term ability to pay.

### EARNINGS PER SHARE (EPS)

Financial measure (key figure) according to IFRS

Profit for the period divided by the average number of shares.

### INTEREST COVERAGE RATIO

Profit after net financial items with reversal of financial expenses divided by finance costs.

The coverage ratio is a key figure that shows how much the result can decrease without risking interest payments. The Company regards the key financial figures as relevant for investors who want to assess the Company's financial resilience.

### OPERATING PROFIT (EBIT)

Operating profit before financial items and taxes.

The Company considers that the key financial figure operating profit (EBIT) is relevant for investors who want to understand the Company's financial results without the influence of how the business operations are financed.

### OPERATING PROFIT EXCL. DEPRECIATION AND AMORTISATION (EBITDA)

Operating profit before financial items and taxes (EBIT) with reversal of depreciation and amortization of tangible and intangible fixed assets

The Company considers that the key financial figure operating profit excluding depreciation and amortisation (EBITDA) is relevant for investors who want to understand the Company's financial results without the influence of how the business operations are financed or from what depreciation principles the Company has for its investments.

### OPERATING MARGIN

Operating profit (EBIT) as % of net sales.

The Company regards the operating margin (operating profit margin) as a relevant key figure for investors who want to understand the extent of the revenue left over to cover interest, tax and profit.

### DEBT-EQUITY RATIO

Interest-bearing liabilities divided by equity.

The debt-to-equity ratio shows the relationship between the borrowings (total debt) and equity and thus the leverage effect of the borrowings. The Company regards this key financial figure as relevant for investors' assessment of the financial strength of the Company.

### EQUITY RATIO

Equity as % of the total assets.

The equity ratio is a measure that the Company considers important for creditors/lenders who want to understand the Company's long-term ability to pay.

### PROFIT MARGIN

Profit after financial items as % of net sales.

The Company regards the profit margin as relevant to investors because it shows the amount of revenue remaining when all costs excluding tax are covered, and thus compares the profit with the scope of the Company's activities.

<sup>1)</sup> A description of industry/company-specific words can be found on page 90 of the Company's Annual Report for 2021.