

**Net sales
MSEK 58**

**EBIT margin
40%**

SECOND QUARTER 2022 ²⁾

- Net sales increased by 56% to MSEK 58.4 (37.5)
– Currency adjusted increase of 36%
- Operating profit (EBIT) increased to MSEK 23.5 (6.6)
- Operating margin (EBIT margin) increased to 40% (18)
- Net profit amounted to MSEK 15.1 (6.1)
- Earnings per share were SEK 1.21 (0.49)
- Operating cash flow decreased to MSEK 4.0 (7.2)

JANUARY - JUNE 2022 ²⁾

- Net sales increased by 56% to MSEK 107.5 (68.9)
– Currency adjusted increase of 39%
- Operating profit (EBIT) increased to MSEK 37.5 (7.3)
- Operating margin (EBIT margin) increased to 35% (11)
- Net profit amounted to MSEK 24.7 (2.9)
- Earnings per share were SEK 1.97 (0.23)
- Operating cash flow increased to MSEK 12.5 (0.3)

FORECAST - THIRD QUARTER 2022 ²⁾

The net sales forecast for the third quarter of 2022 is MSEK 58 - 63 (40.2).

CTT IN BRIEF

(MSEK)	2022 Apr-Jun	Change from previous year	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec	Rolling 12 months
Net sales	58.4	56 %	37.5	107.5	68.9	151.2	189.8
Operating profit (EBIT)	23.5	255 %	6.6	37.5	7.3	26.8	57.0
Profit (loss) this period	15.1	148 %	6.1	24.7	2.9	14.2	36.0
Earnings per share (SEK)	1.21	147 %	0.49	1.97	0.23	1.13	2.9
Operating cash flow	4.0	-44 %	7.2	12.5	0.3	30.3	42.5

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

¹⁾ 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.

²⁾ 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 forecast due to stronger aftermarket demand

The second quarter was better than anticipated due to stronger aftermarket demand and higher USD-rate that pushed net sales to MSEK 58, above the forecasted range of MSEK 50 – 55. We estimated a slower aftermarket in wake of a strong first quarter but aftermarket sales exceeded our expectations and increased MSEK 3 sequentially to MSEK 40 – the best quarter since 2019. As expected, booked revenues from Private jet projects rebounded from a low first-quarter-level and added MSEK 6. The operating margin (EBIT) climbed to 40% supported by volumes and currency, but we do not expect that level to sustain. Our most important target is to increase net profit, still far from pre-covid level. In order to succeed, CTT has to increase system sales with a lower margin compared to aftermarket sales. This will change the sales mix and dilute the margin but increase net profit and grow product population, that will drive aftermarket growth. Order intake in the quarter was lower than expected due to some delayed orders. I remain confident that in the third quarter we will have higher order intake particularly from Private jet customers, mainly driven by the partnership with Airbus Corporate Jets (ACJ). In July we reached a joint milestone when we received the first Inflight Humidification order for the ACJ TwoTwenty Business jet program. I am also pleased to conclude that we in the quarter added more sales opportunities and project prospects compared to any quarter since 2019. I am reassured that we are on-track to re-establish conditions for growth from system sales.

Forecasting MSEK 58 – 63 in third quarter net sales

I expect the third quarter to mirror the second with no big changes in segment sales. The net sales forecast is MSEK 58 – 63.

Aftermarket restored to 2019 level with fading potential from pandemic recovery

The underlying aftermarket is now restored to pre-pandemic level. We still foresee some pandemic recovery potential from normalized aircraft utilization (read: more flight hours) when intercontinental travel continues to resume. We also have more products in-service compared to 2019. The pandemic recovery effect will however gradually fade-away and the underlying aftermarket will instead then reflect changes in population, primarily short-term-driven by shipset on delivered newbuilt and retrofitted long-distance aircraft entering-into-service. As a result, the underlying growth rate in the aftermarket will be lower going forward compared to the past year.

Growth opportunities – but not without challenges

The aviation industry remained strong with airlines and airports struggling to scale capacity to meet surging travel demand. In parallel, the macro-outlook has deteriorated further in the quarter. The effects from higher inflation and measures from central banks to curb it are likely to lower travel demand and put pressure on airlines margins. We closely assess impacts in order to adapt.

Despite this, I want to underline that we remain confident in the long-term outlook for our businesses, supported by the megatrends in favor of our products that make flying a little more sustainable and far more pleasurable. Now more than ever, CTT is in a strong position to grow sales in all our segments. Private jet sales will primarily be near-term-driven by the partnership with Airbus Corporate Jets. The OEM business is currently widebody-centric where aircraft build-rates are likely to start a rebound next year. Finally, sales in the Retrofit market are poised to recover from pandemic lows, but as stated many times before, it is hard to predict lead-times from sales opportunity to order intake. OEM and Private jet projects are less impacted by normal cyclical variations in travel demand, new retrofit projects are more sensitive. Altogether, this provides some flexibility to our strategic plan that targets to re-accelerate revenue growth. I remain confident that we continue to navigate challenges and generate solid growth.



Henrik Höjer, CEO

EVENTS DURING THE QUARTER

- ✓ 23.05.2022: CTT Systems AB announces Inflight Humidification ("IFH") VIP system order from Fokker Techniek B.V., based in Holland, for one Airbus ACJ330 aircraft operated by their customer K5 Aviation. The system is scheduled to be delivered to Fokker in 2022/2023. This is CTT Systems' 102nd Inflight Humidification award for VIP aircraft (from Airbus ACJ and Boeing BBJ).
- ✓ 24.05.2022: CTT Systems AB signs a business agreement with Airbus Corporate Jets ("ACJ") to supply the humidification system for the ACJ TwoTwenty business jet. ACJ is launching humidification as part of its cabin catalogue for the TwoTwenty to be delivered as bolt-on-kit system with STC together with newbuilt TwoTwenty (green) aircraft.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- ✓ 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

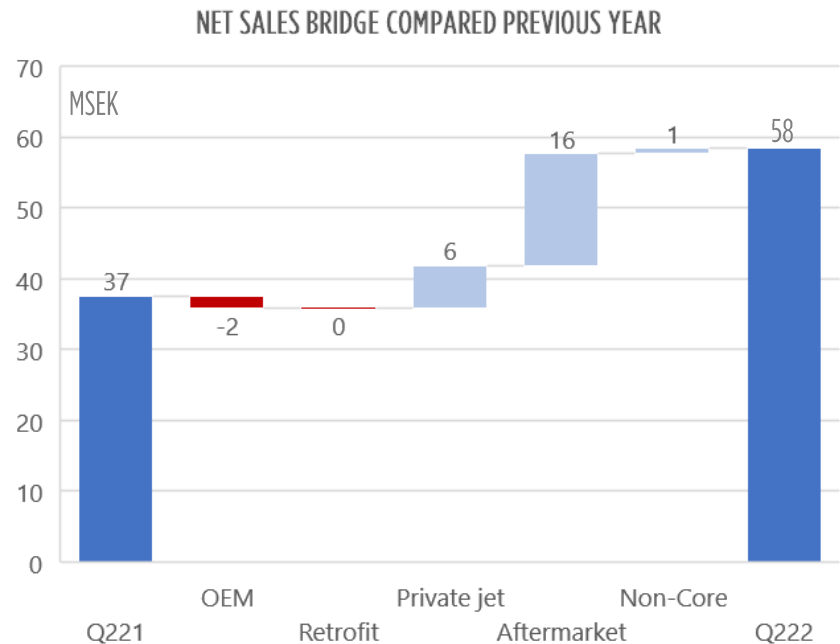
- ✓ 01.03.2022: CTT Systems AB stops all deliveries to Russia, according to current sanctions. Russia's share of 2021 revenues were 4%, mainly from the Retrofit segment. CTT has no employees nor suppliers in Russia, Belarus or Ukraine. No deliveries to Russia during 2022.
- ✓ 01.04.2022: CTT Systems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

EVENTS AFTER THE END OF THE REPORTING PERIOD

- ✓ CTT has been informed that Trulscom Förvaltning AB (TFAB) has undertaken to issue call options to the management team of CTT, conditional on purchasing shares in CTT. For every CTT share bought one is entitled to buy two call options from TFAB on market terms. The commitment is limited in time until July 2023 and maximized to 20,000 options per person. In total, this means that up to 140,000 options can be issued with an exercise price of SEK 225 and with a maturity until the end of 2025, beginning of 2026. The call options do not imply any dilution of the other shareholders in CTT.

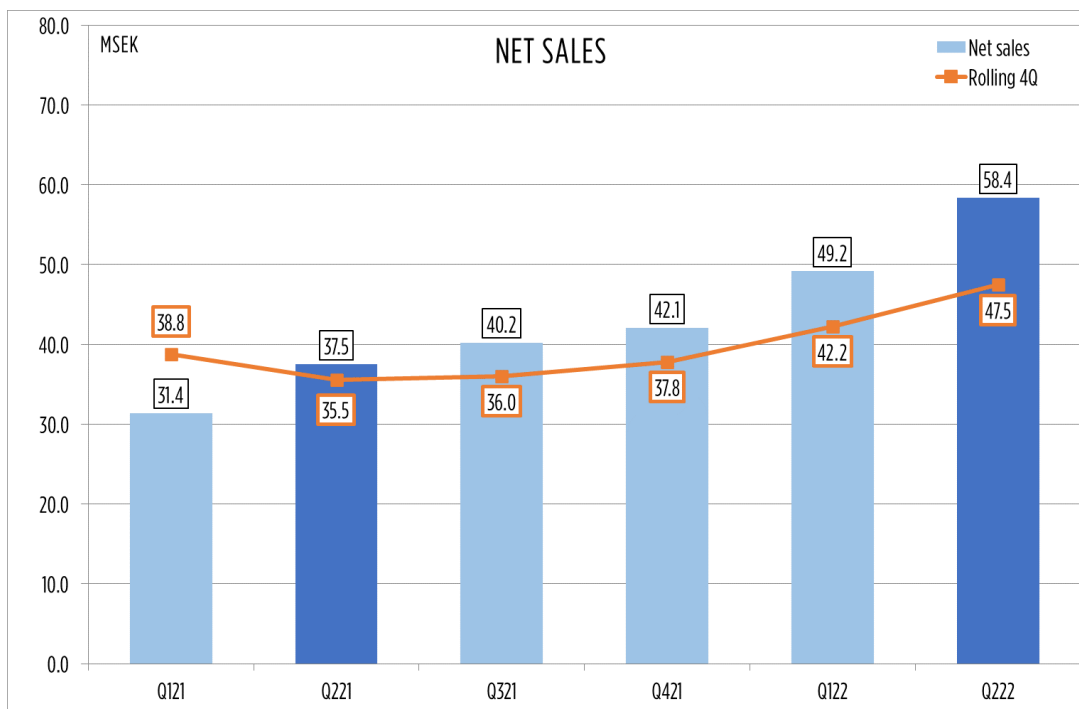
SALES

Net sales increased by 56% in the second quarter to MSEK 58.4 (37.5). Adjusted for currency, sales increased by 36%, driven by the gradual improvement in the aftermarket and revenue growth from Private jet projects. The second quarter was the best aftermarket quarter since 2019 and sales were restored to the average quarterly level delivered in 2019. OEM revenues decreased to MSEK 6.4 (8.0), mainly due to the decreased aircraft production rate by Boeing in the 787-program. Private jet revenues increased as expected to MSEK 8.5 (2.5).



Net sales in the first six months of 2022 increased by 56% to MSEK 107.5 (68.9). Adjusted from currency, sales increased by 39%, driven mainly by gradual improvement in the aftermarket.

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

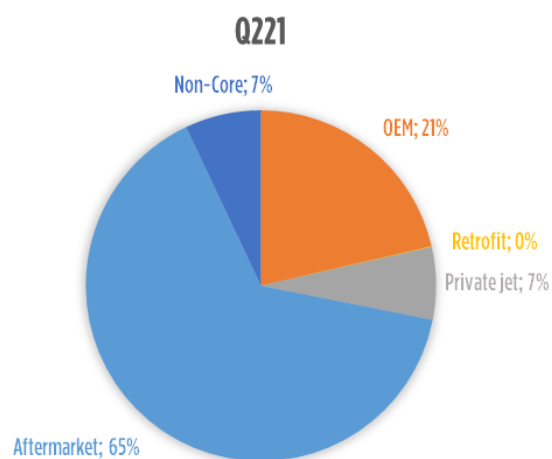
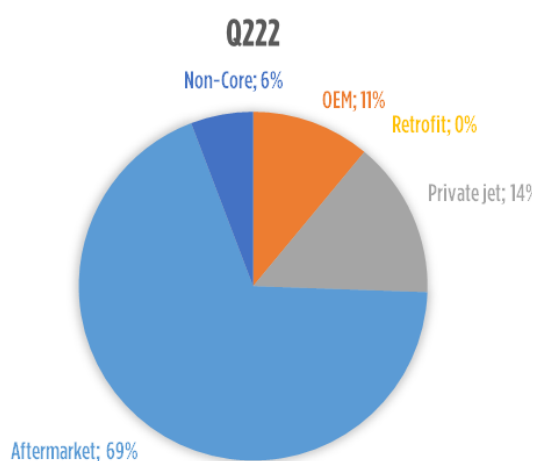
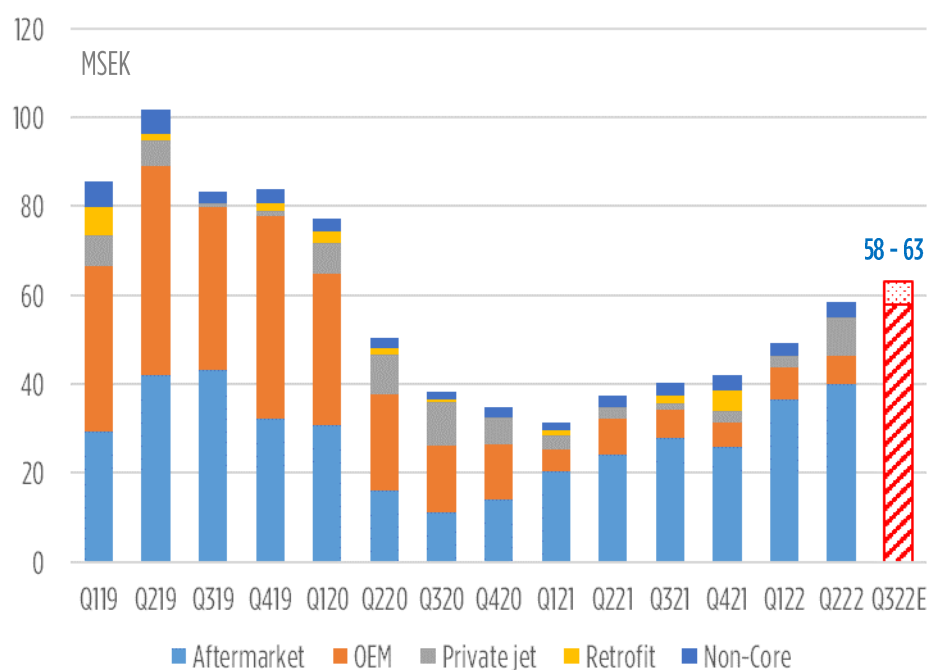


The graph above shows quarterly net sales and rolling four quarters average.

¹ The average USD currency rate in the second quarter was 9.68 (8.52).

BREAKDOWN OF NET SALES

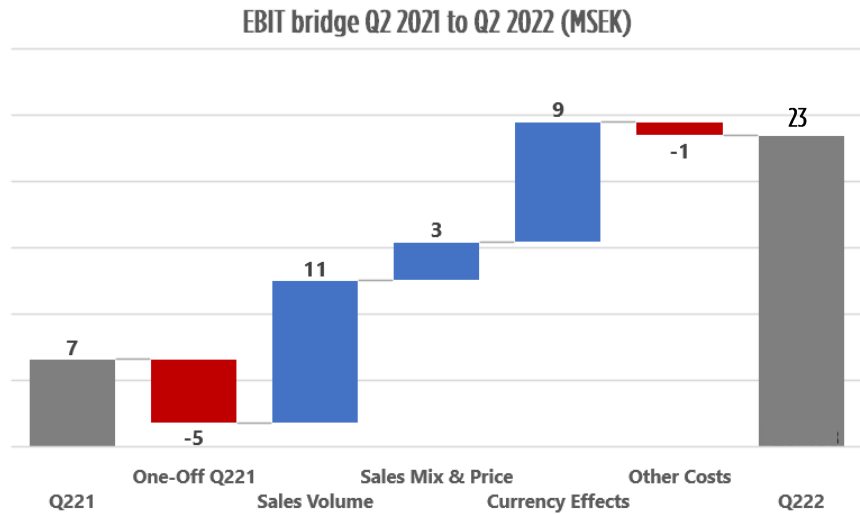
NET SALES (MSEK)	Q320	Q420	Q121	Q221	Q321	Q421	Q122	Q221
System Sales								
OEM	15.1	12.4	4.8	8.0	6.3	5.5	7.2	6.4
Retrofit	0.6	0.0	1.3	0.0	1.7	4.5	0.0	0.0
Private jet	9.8	6.2	3.2	2.5	1.4	2.6	2.5	8.5
Total	25.5	18.6	9.3	10.5	9.5	12.6	9.7	14.9
Aftermarket	11.1	14.0	20.5	24.3	27.8	25.9	36.7	40.1
Sales in addition to the core business activities	1.7	2.3	1.7	2.6	2.9	3.5	2.8	3.4
TOTAL	38.3	34.9	31.4	37.5	40.2	42.1	49.2	58.4
Of which projects where there is recognition of profits that is reported as revenue over time. (Other income is recognised at a defined point in time, i.e. upon delivery.)	9.9	6.5	3.2	0.3	1.5	2.6	2.5	8.5



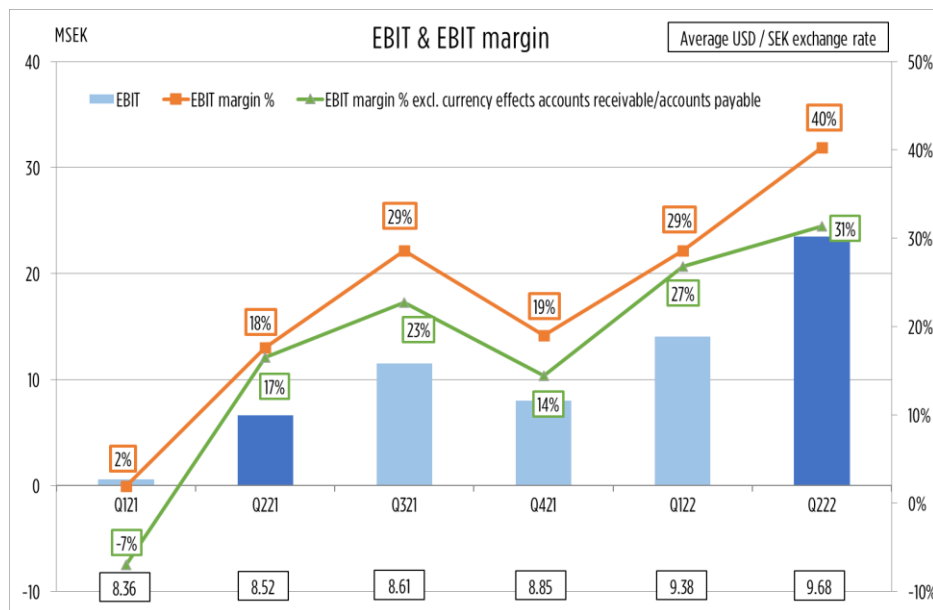
The breakdown of net sales for the quarters is presented above.

FINANCIAL RESULTS

The operating profit (EBIT) increased to MSEK 23.5 (6.6²), corresponding to a margin of 40% (18). The EBIT increase was driven by increased aftermarket sales and positive impact from currency. Finance net was negatively affected by currency effects of MSEK 4.0 (+1.7) from USD loans. Higher result leads to increased cost for variable remuneration to the employees with MSEK 2.5 (0.5). Profit for the period was MSEK 15.1 (6.1). Earnings per share increased to SEK 1.21 (0.49).



For the period January – June the operating profit (EBIT) was MSEK 37.5 (7.3), corresponding to a margin of 35% (11). The EBIT increase was mainly driven by gradual improvement in the aftermarket and from a stronger USD rate.



The earnings trend since Q1 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 - THIRD QUARTER 2022

The net sales forecast for the third quarter of 2022 is MSEK 58 – 63 (40.2).

SECOND QUARTER FORECAST AND ACTUAL OUTCOME

In the first quarter report (2022), CTT made the following forecast for the second quarter of 2022: "The net sales forecast for the second quarter of 2022 is MSEK 50 – 55 (37.5)."

The actual net sales amounted to MSEK 58.4.

² The comparable quarter last year had positive impact from one-off items in the OEM segment with a net EBIT effect of MSEK +4.8.

ORDER INTAKE AND ORDER BACKLOG

During the second quarter, the Company's gross order intake amounted to MSEK 44 (52). The weaker order intake compared to prior year is mainly explained by lower build-rate by Boeing in the 787 program. Net order intake was MSEK 30 (52) due to elimination of orders (MSEK 14) to the Russian market.

As of 30 June 2022, the order book totaled MSEK 52 (53), based on USD exchange rate of 10.10 (8.51).

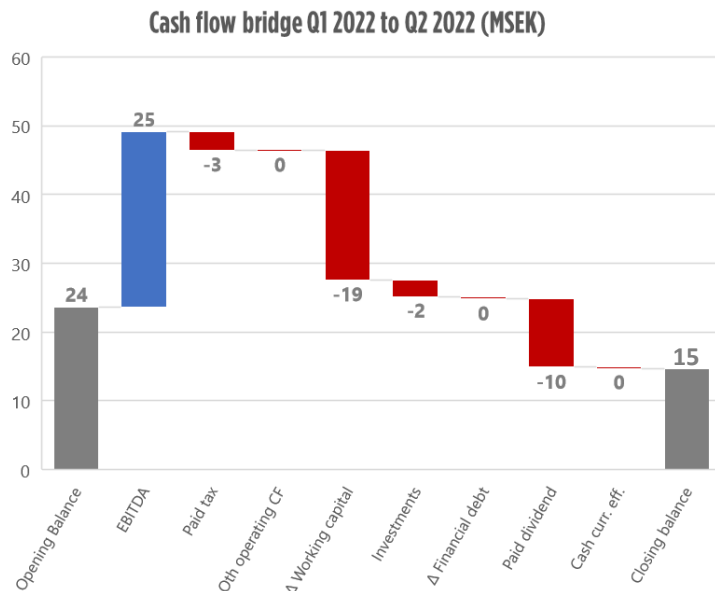
CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital increased to MSEK 22.7 (9.1) in the second quarter, driven by better EBITDA (MSEK 25.5 compared to 12.7). The cash flow from operating activities decreased to MSEK 4.0 (7.2). The weaker cash flow is mainly explained by a high increase in account receivables with MSEK 19.3, due to higher sales and some customer payments slipping into the next quarter. During July, additionally payments of MSEK 5 has been made. Outstanding amount is expected to be received in the third quarter. Cash flow from change in working capital was MSEK -18.8 (-1.9), where also the inventory temporally increased by MSEK 1.8. Dividend and variable remuneration affected cash flow with MSEK 12.2. Net cash flow in the reporting period was MSEK -8.7 (-17.3).

Cash flow before changes in working capital increased to MSEK 36.0 (9.4) during January – June. The cash flow from operating activities increased to MSEK 12.5 (0.3), mainly driven by the improved financial performance (EBITDA).

Long-term interest-bearing loan liabilities amounted to MSEK 43 (67). 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 June 2022 amounting to 70% (66). Cash and cash equivalents amounted to MSEK 15 (24), and in addition CTT has available credit facilities of MSEK 51. Net debt as of 30 June 2022 amounted to MSEK 30 (45), and equity to MSEK 228 (202).



See Cash flow analysis on page 12

INVESTMENTS

Investments in the second quarter amounted to MSEK 2.4 (2.4) and during January – June MSEK 4.2 (5.1) related to ongoing development projects, many in the final stage which explains the decrease compared to last year.

PERSONNEL

The average number of employees during the second quarter were 74 (78). For the period January – June the corresponding number was 75 (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. 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 30/06/2022	Number 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%
Catron Design AB	544 533	4.3%	4.3%

For information about the Company's 20 largest shareholders, please refer to the company's website www.ctt.se.

RELATED PARTY TRANSACTIONS

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

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

Interim Report Q3 2022
Year-End Report 2022

28/10/2022 at 08:00 (CEST)
07/02/2023 at 08:00 (CET)

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 22 July 2022.

Nyköping, 21 July 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

This report has not been audited by the Company's auditors.

FURTHER INFORMATION

For additional information, please contact:

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Company reg. no.: 556430-7741

Website: 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 INCOME STATEMENT in brief (MSEK)	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating income					
Net sales	58.4	37.5	107.5	68.9	151.2
Change in stocks of work in progress and stocks of finished goods	0.1	-0.6	1.5	-0.3	1.9
Own work capitalised	1.4	0.8	2.2	1.8	3.0
Other operating income	5.9	10.4 ¹⁾	9.1	14.7 ¹⁾	20.1 ¹⁾
Total operating income	65.7	48.0	120.3	85.2	176.2
Operating expenses					
Raw materials and consumables	-12.6	-9.5	-23.9	-18.3	-37.7
Other external costs	-8.0	-9.4	-16.5	-18.0	-35.6
Employee benefit expense	-19.0	-15.5	-35.8	-31.4	-61.5
Depreciation and amortisation of property, plant and equipment and intangible assets	-2.0	-6.0 ¹⁾	-4.0	-7.9 ¹⁾	-11.3 ¹⁾
Other operating expenses	-0.7	-0.9	-2.6	-2.4	-3.3
Total operating expenses	-42.2	-41.4	-82.8	-77.9	-149.4
Operating profit (EBIT)	23.5	6.6	37.5	7.3	26.8
Net gain/loss on financial items	-4.4	1.1	-6.4	-3.6	-8.9
Profit before tax	19.1	7.7	31.1	3.6	17.9
Tax	-3.9	-1.6	-6.4	-0.7	-3.7
Profit (loss) this period	15.1	6.1	24.7	2.9	14.2
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	15.1	6.1	24.7	2.9	14.2
Earnings per share, SEK	1.21	0.49	1.97	0.23	1.13

¹⁾ 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 Jun	30 Jun	31 Dec

Assets

Intangible assets	78.6	73.2	75.9
Property, plant and equipment	45.5	50.6	48.1
Financial assets	1.9	1.9	1.9
Other current assets	183.2	155.9	153.4
Cash at bank and in hand	14.7	23.9	49.3

Total assets	324.0	305.5	328.5
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Equity and liabilities

Equity	227.7	201.6	212.9
Provisions, guarantee commitments	4.2	4.9	3.8
Non-current liabilities, interest-bearing	43.3	67.3	70.8
Current liabilities, interest-bearing	1.5	1.3	1.4
Current liabilities, non-interest-bearing	47.2	30.4	39.7

Total equity and liabilities	324.0	305.5	328.5
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CTT SYSTEMS AB	2022	2021	2021
CHANGE IN EQUITY in brief (MSEK)	Jan-Jun	Jan-Jun	Jan-Dec

Opening equity	212.9	220.5	220.5
Share dividend	-9.9	-21.8	-21.8
Profit (loss) this period	24.7	2.9	14.2

Closing equity	227.7	201.6	212.9
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CTT SYSTEMS AB
CASH FLOW ANALYSIS (MSEK)

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating activities					
Operating profit (EBIT)	23.5	6.6 ¹⁾	37.5	7.3 ¹⁾	26.8 ¹⁾
Adjustment for items not included in cash flow					
Depreciation and amortisation	2.0	6.0 ¹⁾	4.0	7.9 ¹⁾	11.3 ¹⁾
Other	0.1	-0.9	0.2	-1.2	-2.4
Financial receipts	-	-	0.2	-	-
Financial payments	-0.2	-0.3	-0.5	-0.7	-1.2
Income tax paid	-2.7	-2.4	-5.4	-4.0	-6.8
Cash flow from operating activities before changes in working capital	22.7	9.1	36.0	9.4	27.7
Cash flow from changes in working capital					
Change in inventories	-1.8	5.3	-6.8	1.6	0.9
Change in operating receivables	-19.3	0.2	-23.9	3.1	6.2
Change in operating liabilities	2.3	-7.4	7.2	-13.7	-4.4
Cash flow from changes in working capital	-18.8	-1.9	-23.5	-9.0	2.6
Operating cash flow	4.0	7.2	12.5	0.3	30.3
Investment activities					
Acquisition of intangible assets	-2.2	-2.4	-3.8	-5.1	-8.4
Acquisition of property, plant and equipment	-0.2	-0.1	-0.4	0.0	-0.2
Sale of property, plant and equipment	-	-	0.2	-	0.1
Cash flow from investment activities	-2.4	-2.4	-4.0	-5.1	-8.6
Financing activities					
Proceeds from borrowings	-	-	-	29.7	29.7
Repayments of borrowings	-0.4	-0.3	-32.9	-0.6	-1.3
Dividends paid	-9.9	-21.8	-9.9	-21.8	-21.8
Cash flow from financing activities	-10.3	-22.1	-42.8	7.3	6.6
Cash flow for the period	-8.7	-17.3	-34.3	2.5	28.4
Cash and cash equivalents at the beginning of the period	23.6	41.6	49.3	21.6	21.6
Exchange gains/losses on cash and cash equivalents	-0.2	-0.3	-0.3	-0.2	-0.7
Cash and cash equivalents at the end of the period	14.7	23.9	14.7	23.9	49.3

¹⁾ 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	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Sales & Financial result									
Net sales, MSEK	58.4	49.2	42.1	40.2	37.5	31.4	34.9	38.3	50.4
Operating profit (EBIT), MSEK	23.5	14.0	8.0	11.5	6.6	0.6	-0.6	6.4	5.9
Operating margin, %	40	29	19	29	18	2	-2	17	12
Profit margin, %	33	24	13	22	21	-13	7	17	15
Profit (loss) this period, MSEK	15.1	9.6	4.3	7.0	6.1	-3.2	1.9	5.0	6.0
Return on capital employed, %	9	5	3	4	2	0	0	3	2
Return on equity, %	7	4	2	3	3	-1	1	2	3
Return on total capital, %	6	4	2	3	3	-1	1	2	2
Share data									
Earnings per share, SEK	1.21	0.76	0.34	0.56	0.49	-0.26	0.15	0.40	0.48
Equity per share, SEK	18.17	17.75	16.99	16.65	16.09	17.34	17.60	17.45	17.05
Operating cash flow per share, SEK	0.32	0.68	1.63	0.77	0.58	-0.55	-0.09	-0.38	-0.78
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	198.00	191.60	216.50	210.00	216.50	153.60	152.20	123.20	155.80
Cash flow & Financial position									
Operating cash flow, MSEK	4.0	8.6	20.4	9.6	7.2	-6.9	-1.1	-4.7	-9.8
Quick ratio, %	239	228	305	321	320	304	218	195	192
Interest Coverage ratio, times	69	26	21	32	27	-7	12	32	22
Debt-equity ratio, times	0.2	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Equity ratio, %	70	71	65	65	66	66	72	68	66
Personnel & Investments									
Number of employees, (average for the period) ¹⁾	74	75	76	76	78	85	88	95	104
Income (valued at full year) per employee, MSEK	3.6	2.9	2.5	2.3	2.5	1.8	1.6	1.9	2.5
Investments, MSEK	2.4	1.8	2.3	1.2	2.4	2.7	7.1	13.4	8.3
FINANCIAL HIGHLIGHTS – ACCUMULATED	Q1-Q2			Q1-Q2				Q1-Q2	
Sales & Financial result									
Net sales, MSEK	107.5				68.9				127.5
Operating profit (EBIT), MSEK	37.5				7.3				32.6
Operating margin, %	35				11				26
Profit margin, %	29				5				24
Profit (loss) this period, MSEK	24.7				2.9				24.2
Return on capital employed, %	13				3				13
Return on equity, %	11				1				11
Return on total capital, %	10				1				9
Share data									
Earnings per share, SEK	1.97				0.23				1.93
Operating cash flow per share, SEK	1.00				0.03				-0.40
Cash flow & Financial position									
Operating cash flow, MSEK	12.5				0.3				-5.0
Quick ratio, %	239				320				192
Interest Coverage ratio, times	42				5				43
Debt-equity ratio, times	0.2				0.3				0.2
Equity ratio, %	70				66				66
Personnel & Investments									
Number of employees, (average for the period) ¹⁾	75				82				105
Income (valued at full year) per employee, MSEK	3.2				2.1				2.9
Investments, MSEK	4.2				5.1				13.2

¹⁾ 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-Q2	Q1-Q2	Q1-Q2
Operating margin			
Operating profit (EBIT)	37.5	7.3	32.6
/ Net sales	107.5	68.9	127.5
= Operating margin	35%	11%	26%
Profit margin			
Profit before tax	31.1	3.6	30.8
/ Net sales	107.5	68.9	127.5
= Profit margin	29%	5%	24%
Return on capital employed			
(Operating profit, EBIT)	37.5	7.3	32.6
+ Finance income)	0.2	0.0	0.0
/ Average capital employed			
Average total capital (total assets)	326.2	306.5	342.5
Total capital at the beginning of the period	328.5	307.5	362.8
Total capital at the end of the period	324.0	305.5	322.1
- Average non-interest-bearing liabilities including deferred taxes	-43.5	-40.3	-83.1
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	-47.2	-30.4	-75.9
Total average capital employed	282.8	266.2	259.4
= Return on capital employed	13%	3%	13%
Return on equity			
Profit (loss) this period	24.7	2.9	24.2
/ Average equity	220.3	211.0	226.9
Equity at the beginning of the period	212.9	220.5	240.2
Equity at the end of the period	227.7	201.6	213.6
= Return on equity	11%	1%	11%
Return on total capital			
(Profit before tax	31.1	3.6	30.8
- Finance costs)	-0.8	-0.8	-0.7
/ Average total capital (for the calculation, see "Return on capital employed")	326.2	306.5	342.5
= Return on total capital	10%	1%	9%
Quick ratio			
(Current assets, i.e. other current assets plus cash & bank deposits	198.0	179.8	211.0
- Inventories	107.2	99.6	102.1
+ Granted unutilised line of credit)	25.6	21.5	23.6
/ Current liabilities	48.7	31.7	69.1
= Quick ratio	239%	320%	192%
Interest Coverage ratio			
(Profit before tax	31.1	3.6	30.8
- Finance costs)	-0.8	-0.8	-0.7
/ Finance costs	-0.8	-0.8	-0.7
= Interest Coverage ratio, times	42	5	43
Debt-equity ratio			
Interest-bearing liabilities i.e. total interest-bearing items on balance sheet's debt side	44.9	68.6	32.6
/ Equity	227.7	201.6	213.6
= Debt-equity ratio, times	0.2	0.3	0.2
Income per employee			
Operating income (calculated to full year)	240.6	170.3	306.3
/ Number of employees, (average for the period) ¹⁾	75	82	105
= Income per employee	3.2	2.1	2.9

¹⁾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 FIGURES¹⁾**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 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.

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