

**Net sales  
MSEK 40**

**EBIT  
margin  
29%**

## THIRD QUARTER 2021 <sup>2)</sup>

- Net sales increased by 5% to MSEK 40.2 (38.3)
  - Currency adjusted, a growth of 10%
- Operating profit (EBIT) increased to MSEK 11.5 (6.4)
- Operating margin (EBIT margin) increased to 29% (17)
- Net profit amounted to MSEK 7.0 (5.0)
- Earnings per share were SEK 0.56 (0.40)
- Operating cash flow increased to MSEK 9.6 (-4.7)

## JANUARY - SEPTEMBER 2021 <sup>2)</sup>

- Net sales decreased by 34% to MSEK 109.1 (165.9)
  - Currency adjusted, a decline of 27%
- Operating profit (EBIT) decreased to MSEK 18.8 (39.0)
  - Including items affecting comparability of MSEK +4.8 (0.0)
- Operating margin (EBIT margin) decreased to 17% (23)
  - Adjusted for items affecting comparability, declining to 13% (23)
- Net profit amounted to MSEK 9.9 (29.2)
- Earnings per share were SEK 0.79 (2.33)
- Operating cash flow increased to MSEK 9.9 (-9.7)
  - Including items affecting comparability of MSEK +9.1 (0.0)

## FORECAST - FOURTH QUARTER 2021 – FULL YEAR 2021 <sup>2)</sup>

The net sales forecast for the fourth quarter of 2021 is MSEK 40 - 45 (34.9), and MSEK 149 – 154 (200.8) for the full year.

## CTT IN BRIEF

(MSEK)	2021	Change from	2020	2021	2020	2020	Rolling
	Jul-Sep	previous year	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	12 months
Net sales	40.2	5%	38.3	109.1	165.9	200.8	144.1
Operating profit (EBIT)	11.5	80%	6.4	18.8	39.0	38.4	18.2
Profit (loss) this period	7.0	39%	5.0	9.9	29.2	31.1	11.7
Earnings per share (SEK)	0.56	40%	0.40	0.79	2.33	2.48	0.9
Operating cash flow	9.6	304%	-4.7	9.9	-9.7	-10.8	8.8

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

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.

<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****Third-quarter net sales in upper-end of forecasted range – stronger EBIT-margin aided by high aftermarket mix**

To begin with, I am pleased to conclude yet another quarter with positive momentum in aviation, particularly for domestic and continental travel. Business sentiment was also encouraged by the fact that the world is finally getting ready to resume intercontinental travel. During the quarter, several key markets have taken steps to open for vaccinated travelers in November and December. This is all good news for CTT. Although not materialized into orders, the healthier business environment during the quarter is reflected in our airline retrofit prospect log and in stronger private jet demand.

Third-quarter net sales were MSEK 40, an increase of 7% compared to the previous quarter, driven by higher aftermarket demand, now logging 76% compared to the average quarter in 2019, and by increased retrofit deliveries. This was offset primarily by declined OEM-sales, caused by the expected and temporary 787-production-rate-cut at Boeing. Aftermarket sales accounting for approximately 70% of total net sales aided a stronger EBIT-margin.

**The fourth-quarter net sales forecast is MSEK 40 – 45**

Fourth-quarter net sales are forecasted to be MSEK 40 – 45 (implying FY2021 net sales of MSEK 149 – 154). Retrofit is heading for the highest quarterly deliveries since first quarter 2019. OEM will face another weak quarter, impacted by the already mentioned temporary 787-production-rate-cut by Boeing.

**Order intake expected to pick-up in retrofit and private jet**

I expect that we will soon start to convert prospects into orders, primarily in retrofit and private jet. That will drive our sales in 2022 and enable higher growth rate.

Retrofit outlook has improved in the quarter, especially for the anti-condensation system. Our weight saving system gains traction when sustainability is getting more important to airlines, pushed by rescue financiers, governments and passengers. Investment decisions in our green technology is backed by longer pay-off time for sustainability projects and with oil price at a 7-year high. Spurred by better business sentiment and with sustainability as top priority at many airlines in Europe, we have resumed pre-pandemic discussions with some airlines, restarted trials and also renewed airline contacts. Besides winning new customers, we also have opportunities among existing ones, such as jet2.com that recently placed an order for 51 A321 aircraft with deliveries from 2023. In addition, we have a sales opportunity with Pobeda if pursuing plans to add 40 aircraft.

Another growth segment is private jet, short-term driven by VIP. The huge opportunity is in large business jets that significantly shall increase our addressable market (compared to pre-covid size). But this is conditional on availability at the OEM's. First, we target to be selected by Airbus Corporate Jets and Bombardier.

OEM is bottoming-out and next year it is likely that we will start the recovery. I calculate with a ramp-up of our deliveries to Airbus A350, MC-21 and the Boeing 777X program. Our deliveries to the Boeing 787 are scheduled to increase in the first-quarter 2022 (when Boeing plans to resume 5 aircraft per month production rate). Looking further ahead, long-term growth outlook remains strong in our OEM business. When airlines replace their older widebody aircraft with new, CTT is the provider of humidifiers.

**Well-positioned to benefit from a recovery in intercontinental traffic and megatrends**

The aviation industry has left the deepest point of the crisis behind. While serious issues remain, the path to recovery is now in focus. People have not lost their desire to travel. But currently passengers are being held back from international travel by restrictions, uncertainty and complexity. When those showstoppers are eased and removed, modern widebody aircrafts with our products onboard will be utilized for long-haul again, which will lift aftermarket revenues accordingly above 2019.

To conclude with, I am confident that we now can resume our growth. We will benefit, short-term and long-term, when demand is driven by megatrends that require solutions for healthier cabin climate and reduced environmental footprint. This puts us in a good to position to execute on our strategic agenda and expand our business many years ahead.

**Torbjörn Johansson, CEO**

## EVENTS DURING THE QUARTER

- ✓ 17.08.2021: CTT Systems AB announces a White paper on the importance of aircraft cabin humidity, from a scientific point of view. ([www.ctt.se/downloads](http://www.ctt.se/downloads))

## SIGNIFICANT EVENTS DURING THE FIRST AND SECOND QUARTER

- ✓ 08.02.2021: CTT Systems AB announces that the company CEO, Torbjörn Johansson, has informed the board of directors that he intends to retire on April 1<sup>st</sup>, 2022.
- ✓ 07.04.2021: CTT Systems AB announces the appointment of Markus Berg as new CFO to take office on July 1<sup>st</sup>, 2021. Markus will succeed Daniel Ekstrand, who on his own initiative has decided to leave CTT to transfer to his own business. Daniel will support and ensure a structured and seamless handover, which includes book closing and Interim report for the second quarter 2021.
- ✓ 05.05.2021: CTT Systems AB announces order to retrofit the Anti-Fuselage-Condensation-system in 10 Boeing Next Generation 737-800 aircraft at an existing airline customer that already has the system installed in its entire fleet of 34 Boeing 737 aircraft. Based on list price, the total order value is approx. MSEK 6.5. System deliveries are scheduled to begin in Q3 and to be completed in Q4 2021.
- ✓ 10.06.2021: CTT Systems AB informs that the board of directors of CTT has appointed Henrik Höjer as new CEO to succeed Torbjörn Johansson when he retires on April 1 2022. Henrik Höjer is currently Senior Vice President at RUAG Simulation & Training.

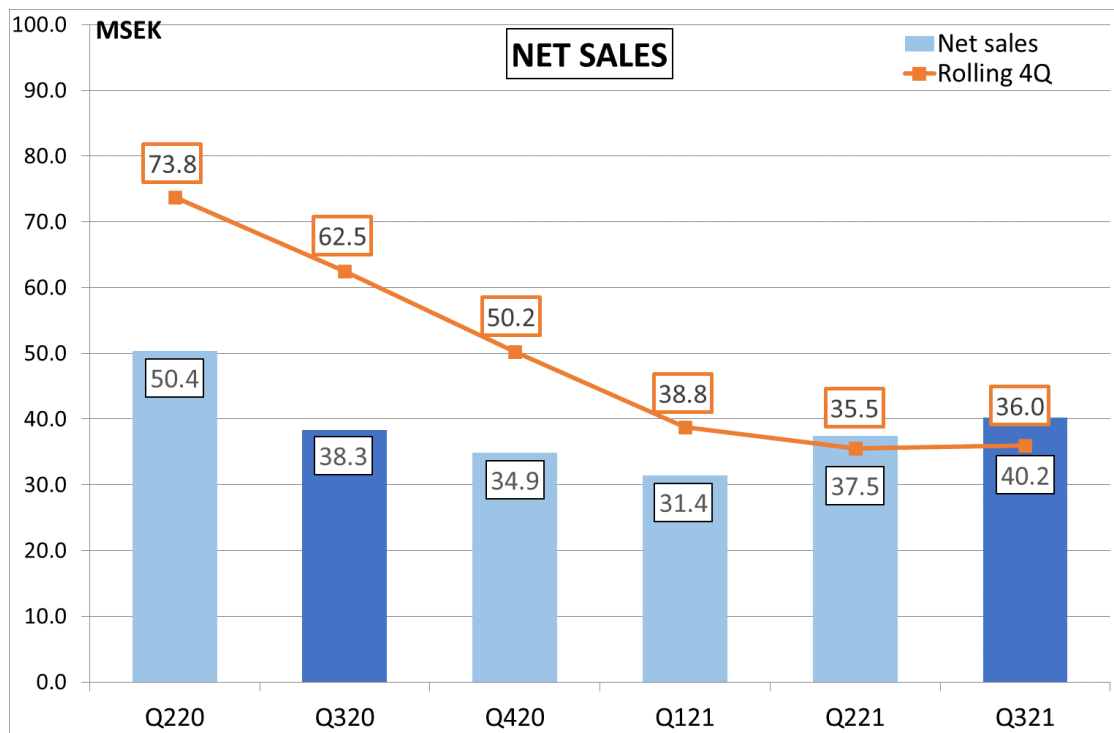
## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

CTT Systems AB's third largest owner Swedbank Robur Fonder divested October 19<sup>th</sup> 2021 their entire holding of 1 000 000 shares, corresponding to 8.0% of votes. SEB Investment Management increased their holdings to 1 098 188 shares, corresponding to 8.8% of votes and thereby became new third largest owner in CTT.

**SALES**

Net sales increased by 5% in the third quarter to MSEK 40.2 (38.3). Adjusted for currency effects sales increased by 10%. The USD currency rate in the third quarter was in average 8.47 (9.05). The increase compared to the third quarter 2020 is mainly explained by the recovering aftermarket after the Covid-19 pandemic. Aftermarket sales in the third quarter were 75% compared to the average quarter 2019. The recovery is much slower for the OEM segment. The Private jet segment is not to the same extent affected by the pandemic, the decrease is rather due to natural fluctuations in the demand.

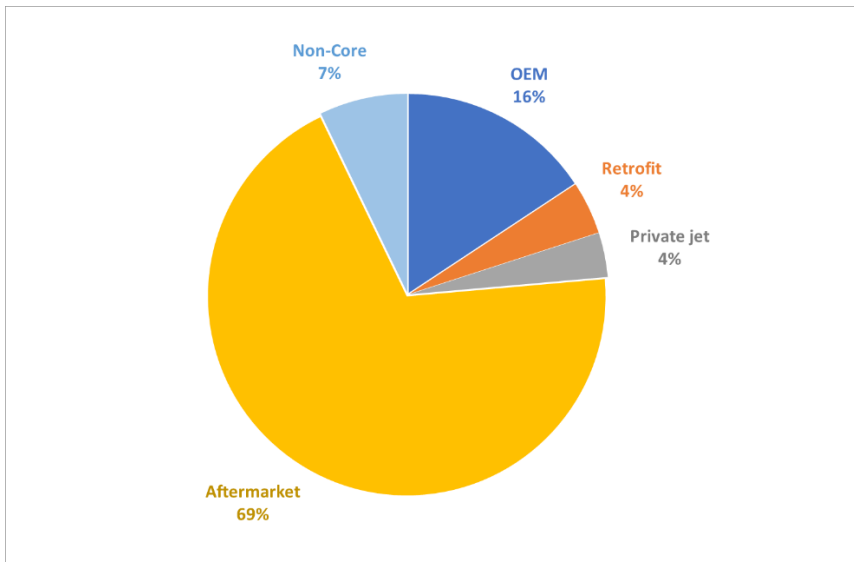
Net sales in the first nine months of 2021 declined by 34% to MSEK 109.1 (165.9). Adjusted for currency effects sales declined by 27%. The decrease was larger in the beginning of the year, mainly since Q1 2020 was not affected by the pandemic.



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

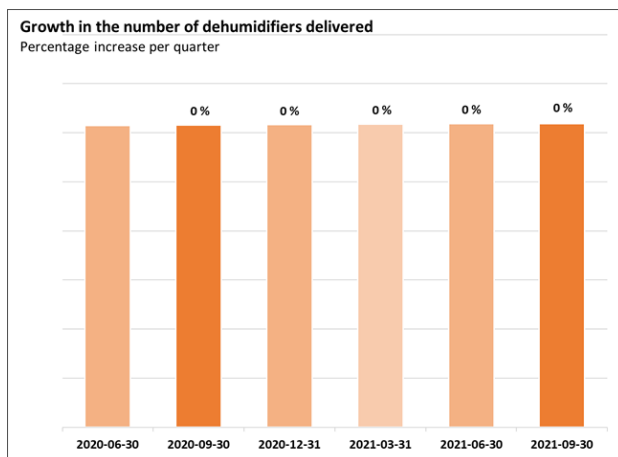
**BREAKDOWN OF NET SALES**

NET SALES (MSEK)	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321
<b>System Sales</b>								
OEM	45.7	34.1	21.7	15.1	12.4	4.8	8.0	6.3
Retrofit	1.8	2.7	1.3	0.6	0.0	1.3	0.0	1.7
Private jet	1.0	6.9	9.0	9.8	6.2	3.2	2.5	1.4
<b>Total</b>	<b>48.4</b>	<b>43.7</b>	<b>32.0</b>	<b>25.5</b>	<b>18.6</b>	<b>9.3</b>	<b>10.5</b>	<b>9.5</b>
<b>Aftermarket</b>	<b>32.3</b>	<b>30.7</b>	<b>16.1</b>	<b>11.1</b>	<b>14.0</b>	<b>20.5</b>	<b>24.3</b>	<b>27.8</b>
<b>Sales in addition to the core business activities</b>	<b>3.3</b>	<b>2.7</b>	<b>2.2</b>	<b>1.7</b>	<b>2.3</b>	<b>1.7</b>	<b>2.6</b>	<b>2.9</b>
<b>TOTAL</b>	<b>84.0</b>	<b>77.2</b>	<b>50.4</b>	<b>38.3</b>	<b>34.9</b>	<b>31.4</b>	<b>37.5</b>	<b>40.2</b>
<i>Of which projects where there is recognition of profits that is reported as revenue over time.</i>	<i>1.1</i>	<i>7.0</i>	<i>9.9</i>	<i>9.9</i>	<i>6.5</i>	<i>3.2</i>	<i>0.3</i>	<i>1.5</i>
<i>(Other income is recognised at a defined point in time, i.e. upon delivery.)</i>								

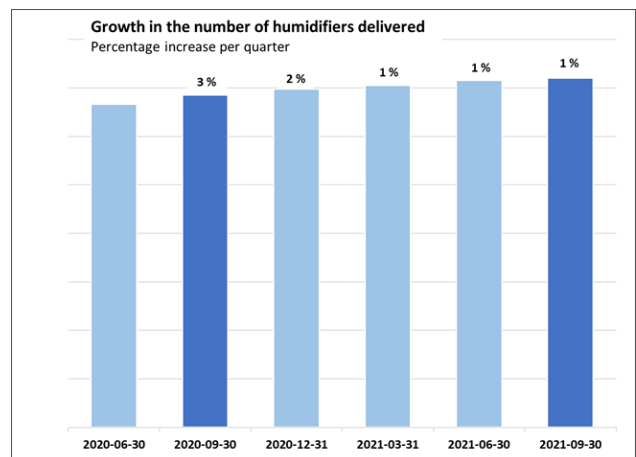


The breakdown of net sales for the quarter is presented above.

**GROWTH IN NUMBER OF UNITS DELIVERED**



The growth in the historical number of delivered units of dehumidifiers is reported above.



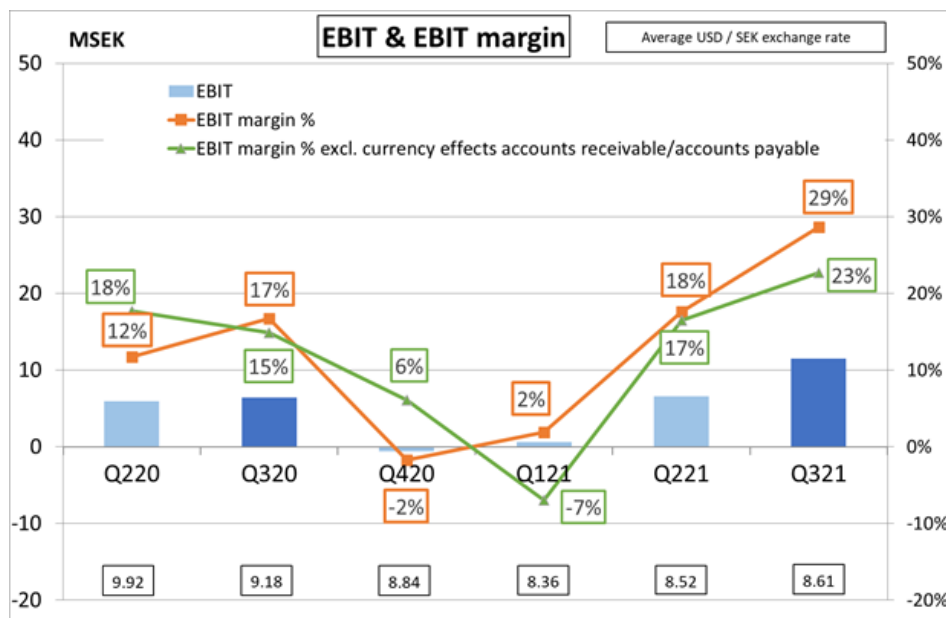
The growth in the historical number of delivered units of humidifiers is reported above.

## FINANCIAL RESULTS

The Company's operating profit (EBIT) for the third quarter was MSEK 11.5 (6.4), corresponding to an operating margin of 29% (17). Net profit was MSEK 7.0 (5.0). The EBIT increase compared to the third quarter last year is mainly explained by increased aftermarket sales. The currency effects relating to accounts receivable and accounts payable positively impacted operating profit by MSEK 2.4 (0.7), while currency effects on sales decreased the operating profit by MSEK 1.7 compared to previous year. The third quarter 2020 had positive effects from a one-time adjustment within other operating income amounted to MSEK 3.4.

For the period January – September the Company's operating profit (EBIT) was MSEK 18.8 (39.0), corresponding to an operating margin of 17% (23). Net profit was MSEK 9.9 (29.2). The decline is mainly explained by that the first quarter of 2020 was not affected by the pandemic. This was partly offset by the one-off items (+4.8), the cost savings program and the recovery in the aftermarket.

The earnings trend since Q2 2020 is presented below, where the green line shows the EBIT margin adjusted for currency effects directly linked to accounts receivable and accounts payable.



## FORECAST FOR THE FOURTH QUARTER OF 2021 – FULL YEAR 2021

The net sales forecast for the fourth quarter of 2021 is MSEK 40 - 45 (34.9), and MSEK 149 – 154 (200.8) for the full year.

## THIRD QUARTER FORECAST AND ACTUAL OUTCOME 2021

In the second quarter report (2021), CTT made the following forecast for the third quarter of 2021: "The net sales forecast for the third quarter of 2021 is MSEK 35 - 40 (38.3). MSEK 140 – 160 (200.8) for the full year."

The actual net sales amounted to MSEK 40.2.

## ORDER INTAKE

During the third quarter, the Company's order intake amounted to MSEK 40 (13). The stronger order intake compared to previous year is due to a general increase in flight hours, increasing the demand for the Company's aftermarket products, as well as an improved orderbook for retrofit systems and Private jet. As of 30 September 2021, the order book totaled MSEK 53 (48), based on USD exchange rate of 8.66 (8.99).

## CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital increased to MSEK 10.3 (-1.6) in the third quarter. The cash flow from operating activities increased to MSEK 9.6 (-4.7). The improved cash flow is mainly driven by the higher earnings and lower paid income tax. Cash flow from change in working capital was MSEK -0.7 (-3.1).

Cash flow before changes in working capital increased to MSEK 19.6 (-0.8) during January – September. The cash flow from operating activities increased to MSEK 9.9 (-9.7). Lower earnings during the beginning of 2021 had a negative effect on cash flow, which was mainly offset by a larger tax payment of income tax for previous years made in Q1 2020, amounting to MSEK 23.3. In addition, one-off items in the OEM segment improved cash flow by MSEK 9.1 in Q2 2021. Paid dividend during the second quarter was MSEK 21.8 (50.7).

Long-term interest-bearing loan liabilities amounted to MSEK 69.2 (39.4). The increase from previous year is mainly related to use of a credit facility, during the first quarter to strengthen the company's liquidity. The increase in interest-bearing loan liabilities has been partly offset by a weaker USD/SEK exchange rate, which has reduced the carrying value of the Company's borrowings in USD.

Overall, CTT has a strong financial position, with its equity ratio at 30 September 2021 amounting to 65% (68). Cash and cash equivalents amounted to MSEK 31.9 (30.4), and in addition available credit facilities of MSEK 52. Net debt as of 30 September 2021 amounted to MSEK 39 (10), and equity to MSEK 209 (219).

## PERSONNEL

The average number of employees during the third quarter were 76 (95). For the period January – September the corresponding number was 82 (98). The decrease compared previous year is due to the cost savings programs that was implemented during the pandemic.

## INVESTMENTS

Investments in the third quarter amounted to MSEK 1.2 (13.4) and during January – September MSEK 6.3 (26.6) related to ongoing development projects.

## 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. The ongoing COVID-19 pandemic, which has led to a massive standstill of the world's airlines, has had a negative financial impact on CTT during the first, second and third quarter. This impact is expected to continue in the coming quarters, but will decrease gradually as commercial flight hours pick up. Other than this, 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 2020.

## SIGNIFICANT SHAREHOLDERS

CTT's three largest shareholders as at 30/09/2021	Number of shares	Capital	Votes
Tomas Torlöf	1 678 336	13.4%	13.4%
Rockwell Collins / Collins Aerospace	1 133 154	9.0%	9.0%
Swedbank Robur Fonder	1 000 000	8.0%	8.0%

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 previous quarters this 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 2021

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 2021	08/02/2022 at 08:00 (CET)
Publishing the Annual Report 2021 ( <a href="http://www.ctt.se">www.ctt.se</a> )	31/03/2022
Interim Report Q1 2022	29/04/2022 at 08:00 (CEST)
Interim Report Q2 2022	22/07/2022 at 08:00 (CEST)
Interim Report Q3 2022	28/10/2022 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 2021.

Nyköping, 27 October 2021

**CTT Systems AB (publ.)**

Tomas Torlöf  
*Chairman of the Board*

Steven Buesing  
*Board Member*

Annika Dalsvall  
*Board Member*

Per Fyrenius  
*Board Member*

Anna Höjer  
*Board Member*

Björn Lenander  
*Board Member*

Torbjörn Johansson  
*CEO*

## FURTHER INFORMATION

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## CTT IN BRIEF

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<b>CTT SYSTEMS AB</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>PROFIT &amp; LOSS STATEMENT in brief (MSEK)</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Dec</b>
<b>Operating income</b>					
Net sales	40.2	38.3	109.1	165.9	200.8
Change in stocks of work in progress and stocks of finished goods	0.4	-2.8	0.2	6.9	4.3
Own work capitalised	0.4	0.8	2.2	3.8	5.9
Other operating income	2.6	7.7	17.3 <sup>1)</sup>	20.5	22.2
<b>Total operating income</b>	<b>43.6</b>	<b>44.0</b>	<b>128.8</b>	<b>197.1</b>	<b>233.1</b>
<b>Operating expenses</b>					
Raw materials and consumables	-9.5	-11.9	-27.7	-54.7	-61.8
Other external costs	-7.5	-8.7	-25.5	-32.4	-40.5
Employee benefit expense	-13.2	-12.2	-44.7	-52.1	-68.1
Depreciation and amortisation of property, plant and equipment and intangible assets	-1.7	-1.5	-9.6 <sup>1)</sup>	-5.2	-6.8
Other operating expenses	-0.2	-3.4	-2.5	-13.8	-17.5
<b>Total operating expenses</b>	<b>-32.1</b>	<b>-37.6</b>	<b>-110.0</b>	<b>-158.2</b>	<b>-194.8</b>
<b>Operating profit (EBIT)</b>	<b>11.5</b>	<b>6.4</b>	<b>18.8</b>	<b>39.0</b>	<b>38.4</b>
Net gain/loss on financial items	-2.7	0.1	-6.3	-1.8	1.2
<b>Profit before tax</b>	<b>8.8</b>	<b>6.4</b>	<b>12.4</b>	<b>37.2</b>	<b>39.6</b>
Tax	-1.8	-1.4	-2.6	-8.0	-8.5
<b>Profit (loss) this period</b>	<b>7.0</b>	<b>5.0</b>	<b>9.9</b>	<b>29.2</b>	<b>31.1</b>
Other comprehensive income	-	-	-	-	-
<b>Comprehensive income for the period</b>	<b>7.0</b>	<b>5.0</b>	<b>9.9</b>	<b>29.2</b>	<b>31.1</b>
Earnings per share, SEK	0.56	0.40	0.79	2.33	2.48

<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.

<b>CTT SYSTEMS AB</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>BALANCE SHEET</b> in brief (MSEK)	<b>30 Sep</b>	<b>30 Sep</b>	<b>31 Dec</b>
<b>Assets</b>			
Intangible assets	74.1	67.8	73.0
Property, plant and equipment	49.2	53.4	53.6
Financial assets	1.9	1.9	1.9
Other current assets	161.6	170.5	157.4
Cash at bank and in hand	31.9	30.4	21.6
<b>Total assets</b>	<b>318.6</b>	<b>323.9</b>	<b>307.5</b>
<b>Equity and liabilities</b>			
Equity	208.6	218.7	220.5
Provisions, guarantee commitments	4.7	6.1	6.1
Non-current liabilities, interest-bearing	69.2	39.4	35.7
Current liabilities, interest-bearing	1.3	1.4	1.2
Current liabilities, non-interest-bearing	34.9	58.3	44.0
<b>Total equity and liabilities</b>	<b>318.6</b>	<b>323.9</b>	<b>307.5</b>

<b>CTT SYSTEMS AB</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>CHANGE IN EQUITY</b> in brief (MSEK)	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Dec</b>
<b>Opening equity</b>	<b>220.5</b>	<b>240.2</b>	<b>240.2</b>
Share dividend	-21.8	-50.7	-50.7
Profit (loss) this period	9.9	29.2	31.1
<b>Closing equity</b>	<b>208.6</b>	<b>218.7</b>	<b>220.5</b>

<b>CTT SYSTEMS AB</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>CASH FLOW STATEMENT (MSEK)</b>	<b>Jul-Sep</b>	<b>Jul-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>Jan-Dec</b>
<b>Operating activities</b>					
Operating profit (EBIT)	11.5	6.4	18.8 <sup>1)</sup>	39.0	38.4
<b>Adjustment for items not included in cash flow</b>					
Depreciation and amortisation	1.7	1.5	9.6 <sup>1)</sup>	5.2	6.8
Miscellaneous	-0.3	-4.1	-1.5	-5.7	-9.1
Financial receipts	-	-	-	0.0	0.0
Financial payments	-0.3	-0.2	-0.9	-0.8	-1.1
Income tax paid	-2.4	-5.2	-6.3	-38.5	-34.6
<b>Cash flow from operating activities before changes in working capital</b>	<b>10.3</b>	<b>-1.6</b>	<b>19.6</b>	<b>-0.9</b>	<b>0.5</b>
<b>Cash flow from changes in working capital</b>					
Change in inventories	1.0	-5.2	2.6	-34.0	-27.9
Change in operating receivables	-6.1	15.0	-3.0	24.1	23.5
Change in operating liabilities	4.4	-12.9	-9.3	1.1	-6.9
<b>Cash flow from changes in working capital</b>	<b>-0.7</b>	<b>-3.1</b>	<b>-9.7</b>	<b>-8.8</b>	<b>-11.2</b>
<b>Operating cash flow</b>	<b>9.6</b>	<b>-4.7</b>	<b>9.9</b>	<b>-9.7</b>	<b>-10.8</b>
<b>Investment activities</b>					
Acquisition of intangible assets	-1.2	-3.5	-6.3	-15.0	-20.5
Acquisition of property, plant and equipment	0.0	-9.9	0.0	-11.7	-13.2
Sale of property, plant and equipment	0.1	-	0.1	-	0.1
<b>Cash flow from investment activities</b>	<b>-1.2</b>	<b>-13.4</b>	<b>-6.3</b>	<b>-26.6</b>	<b>-33.6</b>
<b>Financing activities</b>					
Proceeds from borrowings	-	9.8	29.7	9.8	9.8
Repayments of borrowings	-0.3	-	-0.9	-	-0.3
Dividends disbursed	-	-	-21.8	-50.7	-50.7
<b>Cash flow from financing activities</b>	<b>-0.3</b>	<b>9.8</b>	<b>7.0</b>	<b>-40.9</b>	<b>-41.2</b>
<b>Cash flow for the period</b>	<b>8.1</b>	<b>-8.3</b>	<b>10.6</b>	<b>-77.2</b>	<b>-85.6</b>
Cash and cash equivalents at the beginning of the period	23.9	40.1	21.6	110.0	110.0
Exchange gains/losses on cash and cash equivalents	-0.2	-1.4	-0.4	-2.3	-2.7
<b>Cash and cash equivalents at the end of the period</b>	<b>31.9</b>	<b>30.4</b>	<b>31.9</b>	<b>30.4</b>	<b>21.6</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 KEY FIGURES – INDIVIDUAL QUARTERS		2021			2020				2019	
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Sales &amp; Profit (loss) Financial result</b>										
Net sales, MSEK	40.2	37.5	31.4	34.9	38.3	50.4	77.2	84.0	83.4	
Operating profit (EBIT), MSEK	11.5	6.6	0.6	-0.6	6.4	5.9	26.7	24.2	38.8	
Operating margin, %	29	18	2	-2	17	12	35	29	47	
Profit margin, %	22	21	-13	7	17	15	30	30	44	
Profit (loss) this period, MSEK	7.0	6.1	-3.2	1.9	5.0	6.0	18.2	19.4	29.0	
Return on capital employed, %	4	2	0	0	3	2	9	9	16	
Return on equity, %	3	3	-1	1	2	3	7	8	14	
Return on total capital, %	3	3	-1	1	2	2	6	7	11	
<b>Share data</b>										
Earnings per share, SEK	0.56	0.49	-0.26	0.15	0.40	0.48	1.45	1.55	2.31	
Equity per share, SEK	16.65	16.09	17.34	17.60	17.45	17.05	20.62	19.17	17.62	
Operating cash flow per share, SEK	0.77	0.58	-0.55	-0.09	-0.38	-0.78	0.38	2.71	2.81	
Dividend per share, SEK	-	-	-	1,74	-	-	-	4.05	-	
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	210.00	216.50	153.60	152.20	123.20	155.80	155.80	176.80	157.20	
<b>Cash flow &amp; Financial position</b>										
Operating cash flow, MSEK	9.6	7.2	-6.9	-1.1	-4.7	-9.8	4.8	33.9	35.2	
Quick ratio, %	321	320	304	218	195	192	276	259	239	
Coverage ratio, times	32	27	-7	12	32	22	64	64	106	
Debt-to-equity ratio, times	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.2	
Equity ratio, %	65	66	66	72	68	66	68	66	63	
<b>Personnel &amp; Investments</b>										
Number of employees, (average for the period) <sup>1)</sup>	76	78	85	88	95	104	107	110	110	
Income (valued at full year) per employee, MSEK	2.3	2.5	1.8	1.6	1.9	2.5	3.3	3.2	3.4	
Investments, MSEK	1.2	2.4	2.7	7.1	13.4	8.3	4.9	4.0	8.0	
<b>FINANCIAL HIGHLIGHTS – ACCUMULATED</b>		<b>Q1-Q3</b>			<b>Q1-Q4</b>		<b>Q1-Q3</b>		<b>Q1-Q4</b>	
<b>Sales &amp; Profit (loss) Financial result</b>										
Net sales, MSEK	109.1			200.8	165.9		354.9		270.9	
Operating profit (EBIT), MSEK	18.8			38.4	39.0		119.6		95.4	
Operating margin, %	17			19	23		34		35	
Profit margin, %	11			20	22		33		34	
Profit (loss) this period, MSEK	9.9			31.1	29.2		92.6		73.2	
Return on capital employed, %	7			14	15		48		39	
Return on equity, %	5			13	13		42		35	
Return on total capital, %	4			12	11		35		28	
<b>Share data</b>										
Earnings per share, SEK	0.79			2.48	2.33		7.39		5.85	
Operating cash flow per share, SEK	0.79			-0.86	-0.77		8.67		5.99	
<b>Cash flow &amp; Financial position</b>										
Operating cash flow, MSEK	9.9			-10.8	-9.7		108.6		75.1	
Quick ratio, %	321			218	195		259		239	
Coverage ratio, times	12			35	40		79		84	
Debt-to-equity ratio, times	0.3			0.2	0.2		0.1		0.2	
Equity ratio, %	65			72	68		66		63	
<b>Personnel &amp; Investments</b>										
Number of employees, (average for the period) <sup>1)</sup>	82			98	98		108		109	
Income (valued at full year) per employee, MSEK	3.1			2.4	2.7		3.5		3.5	
Investments, MSEK	6.3			33.8	26.6		22.7		18.9	

<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	2021	2020	2019
RELEVANT RECONCILIATIONS OF KEY FIGURES (MSEK)	Q3	Q3	Q3
<b>Operating margin</b>			
Operating profit (EBIT)	11.5	6.4	38.8
/ Net sales	40.2	38.3	83.4
<b>= Operating margin</b>	<b>29%</b>	<b>17%</b>	<b>47%</b>
<b>Profit margin</b>			
Profit before tax	8.8	6.4	36.8
/ Net sales	40.2	38.3	83.4
<b>= Profit margin</b>	<b>22%</b>	<b>17%</b>	<b>44%</b>
<b>Return on capital employed</b>			
(Financial results after amortisation/depreciation	11.5	6.4	38.8
+ Finance income)	0.0	0.0	0.0
/ Average capital employed			
Average total capital (total assets)	312.1	323.0	333.1
<i>Total capital at the beginning of the period</i>	305.5	322.1	318.4
<i>Total capital at the end of the period</i>	318.6	323.9	347.7
- Average non-interest-bearing liabilities including deferred taxes	-32.7	-70.2	-93.5
<i>Non-interest-bearing liabilities including deferred taxes, beginning of the period</i>	-30.4	-75.9	-94.3
<i>Non-interest-bearing liabilities including deferred taxes, end of the period</i>	-34.9	-64.5	-92.8
Total average capital employed	279.4	252.8	239.5
<b>= Return on capital employed</b>	<b>4%</b>	<b>3%</b>	<b>16%</b>
<b>Return on equity</b>			
Profit (loss) this period	7.0	5.0	29.0
/ Average equity	205.1	216.1	206.3
<i>Equity at the beginning of the period</i>	201.6	213.6	191.9
<i>Equity at the end of the period</i>	208.6	218.7	220.8
<b>= Return on equity</b>	<b>3%</b>	<b>2%</b>	<b>14%</b>
<b>Return on total capital</b>			
(Profit before tax	8.8	6.4	36.8
- Finance costs)	-0.3	-0.2	-0.4
/ Average total capital (for the calculation, see "Return on capital employed")	312.1	323.0	333.1
<b>= Return on total capital</b>	<b>3%</b>	<b>2%</b>	<b>11%</b>
<b>Quick ratio</b>			
(Current assets, i.e. other current assets plus cash & bank deposits	193.4	200.9	248.7
- Inventories	98.6	107.3	70.9
+ Granted unutilised line of credit)	21.5	22.6	24.7
/ Current liabilities	36.2	59.7	84.8
<b>= Quick ratio</b>	<b>321%</b>	<b>195%</b>	<b>239%</b>
<b>Coverage ratio</b>			
(Profit before tax	8.8	6.4	36.8
- Finance costs)	-0.3	-0.2	-0.4
/ Finance costs	-0.3	-0.2	-0.4
<b>= Coverage ratio, times</b>	<b>32</b>	<b>32</b>	<b>106</b>
<b>Debt-to-equity ratio</b>			
Interest-bearing liabilities, i.e. total interest-bearing items on balance sheet's debt side	70.5	40.8	34.1
/ Equity	208.6	218.7	220.8
<b>= Debt-to-equity ratio, times</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>
<b>Income per employee</b>			
Operating income (calculated to full year)	174.5	175.9	368.9
/ Number of employees, (average for the period) <sup>1)</sup>	76	95	110
<b>= Income per employee</b>	<b>2.3</b>	<b>1.9</b>	<b>3.4</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 a percentage 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 gain or loss on finance costs with a reversal of financial expenses, as a percentage 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)

Profits after depreciation plus finance income as a percentage 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 at the close of the reporting period, (book value per share).

*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.

### COVERAGE RATIO

Profit after net gain or loss on 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

Profit after amortisation/depreciation as a percentage of net sales for the period.

*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-TO-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 a percentage 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 a percentage 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 2020 (in Swedish).