

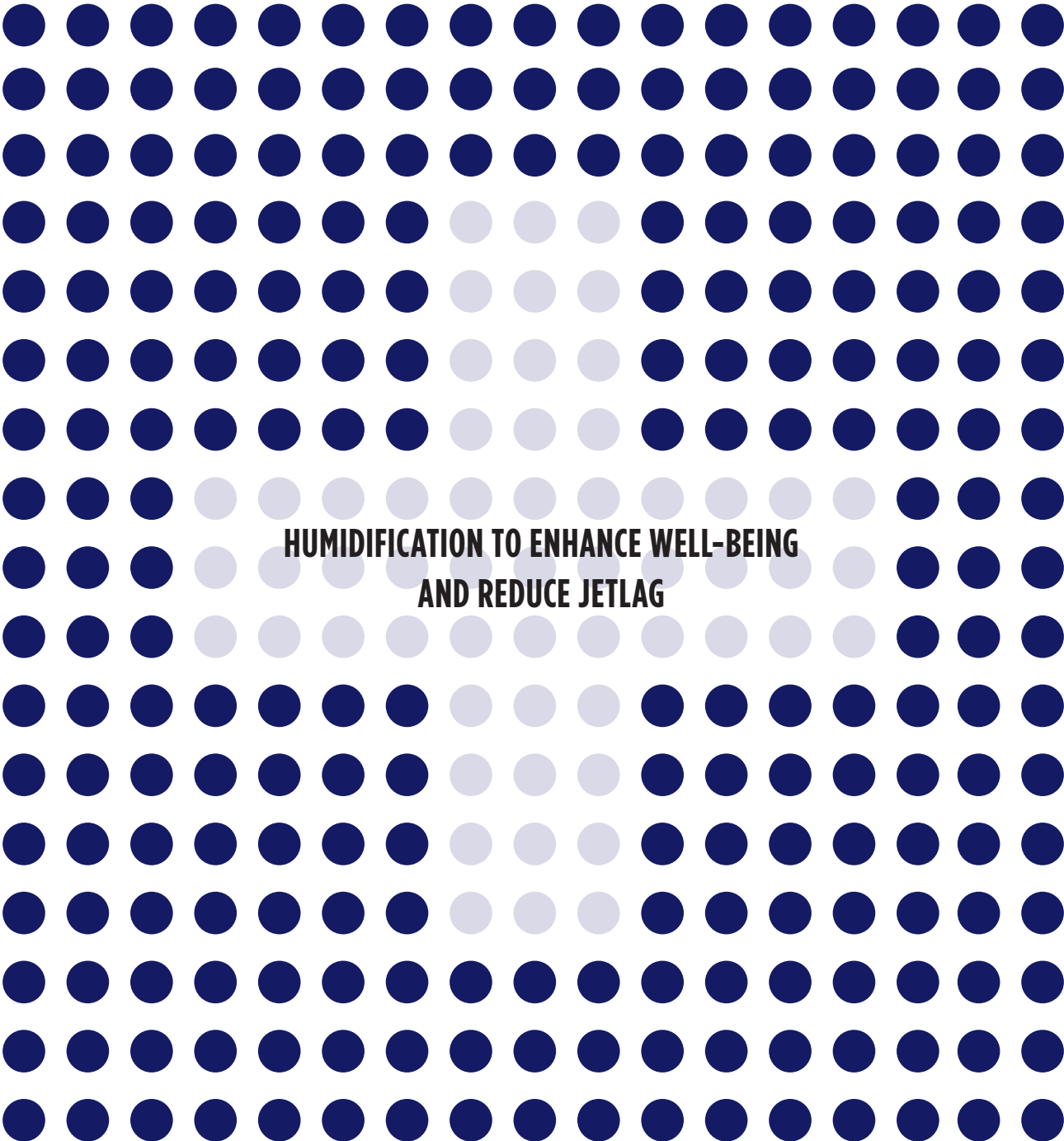
# ANNUAL REPORT

## 2024



**CTT**  
SYSTEMS

A350 flight deck without  
CTT humidification



HUMIDIFICATION TO ENHANCE WELL-BEING  
AND REDUCE JETLAG



INNEHÅLL

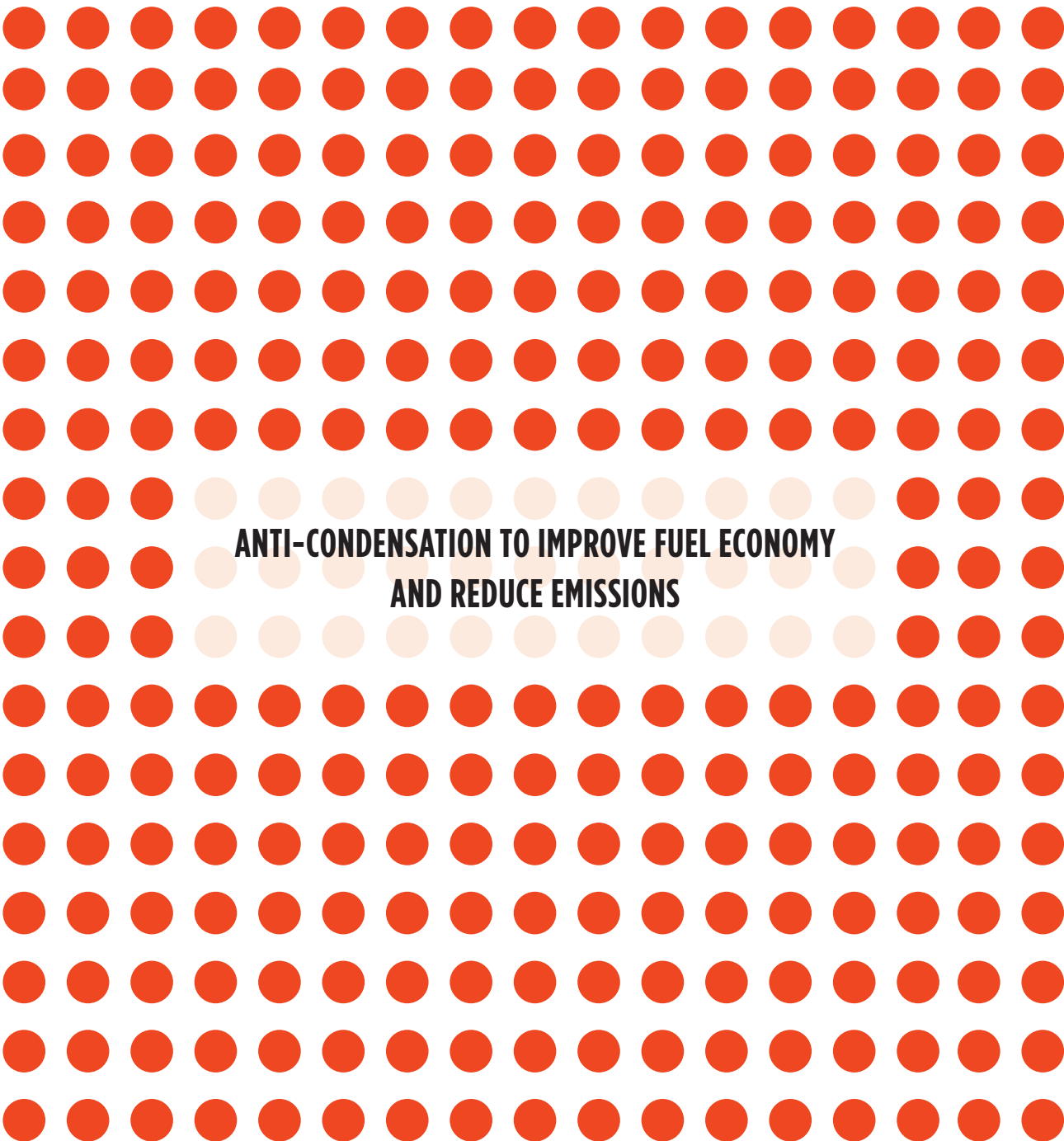
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ANTI-CONDENSATION TO IMPROVE FUEL ECONOMY  
AND REDUCE EMISSIONS



FINANCIAL CALENDAR

Interim report, Jan–Mar	25 April 2025
Interim report, Apr–Jun	18 July 2025
Interim report, Jul–Sep	24 October 2025
Year-end report 2025	6 February 2026

FOR FURTHER INFORMATION, PLEASE CONTACT

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ANNUAL GENERAL MEETING

The Annual General Meeting will take place at 5pm on Thursday, 8 May 2025 at the company's premises, Brukslagarvägen 5, Nyköping. Shareholders who wish to participate in the meeting in person or by postal vote must:

- be registered in the share register maintained by Euroclear Sweden AB on Tuesday 29 April 2025
- notify CTT of their participation by 2 May 2025, whether participating in person or by casting their postal vote according to the instructions in the invitation to attend

For further information, please see <https://www.ctt.se/investors/corporate-governance/annual-general-meeting/>

CTT Systems AB Co. reg. no. 556430-7741



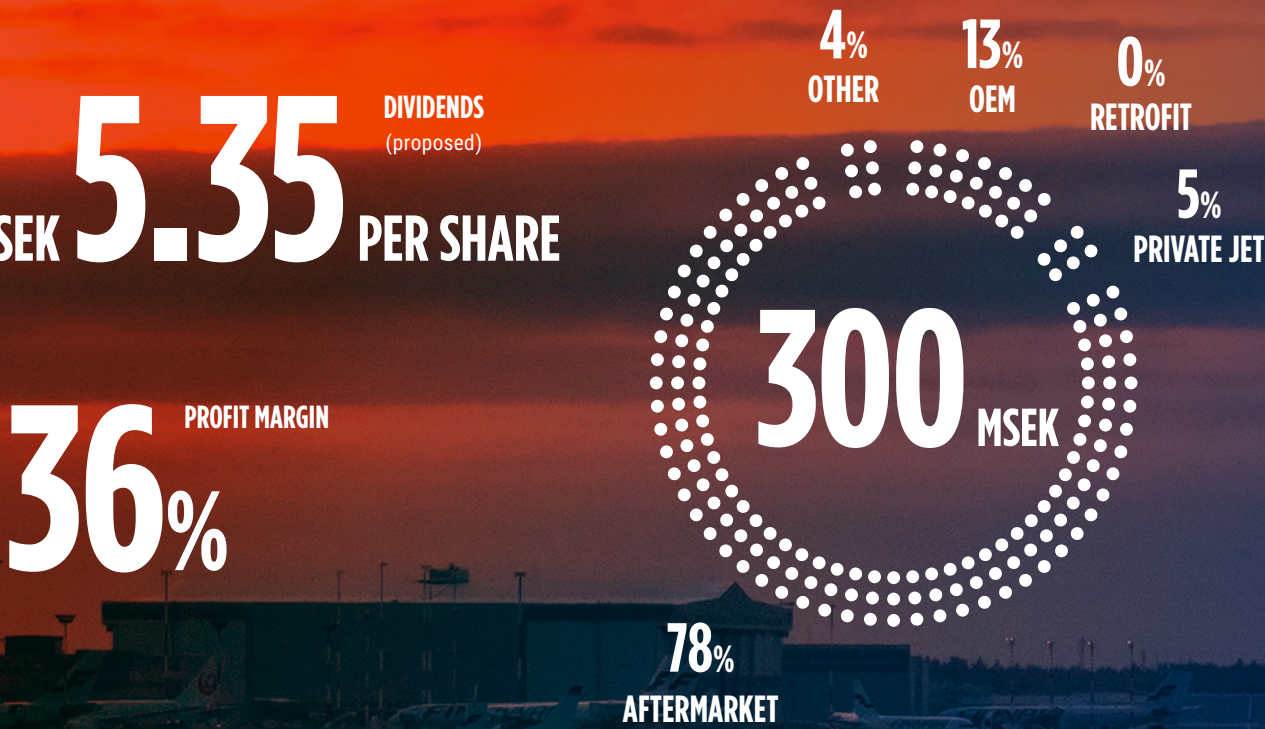
# THE YEAR IN BRIEF

- Net sales fell by **3%** to **SEK 300 million** (309) – a decline of **2%** in comparable currencies
- Operating profit (EBIT) fell to **SEK 113 million** (118)
- Operating margin (EBIT margin) amounted to **38%** (38)
- Profit for the year amounted to **SEK 85 million** (95)
- Earnings per share amounted to **SEK 6.82** (7.62)
- Cash flow from operating activities fell to **SEK 66 million** (117)
- The Board of Directors proposes an ordinary dividend of **SEK 5.35** per share (5.35), no extraordinary dividend (3.35), totalling **SEK 5.35** per share (8.70)

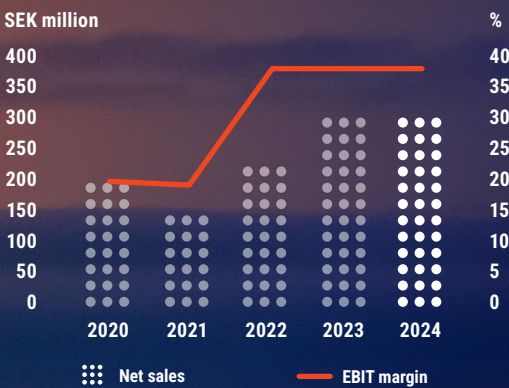
“In 2024, we failed to achieve expected growth despite the underlying market developing in the right direction. The year became unexpectedly turbulent, with delay effects on inventory levels in the aftermarket after two strong years and external disruptions within OEM”

“Particularly important, with gradual impact for years to come, CTT’s average product value in newly configured A350 aircraft batches, with production start in 2025 / 2026, has more than doubled.”

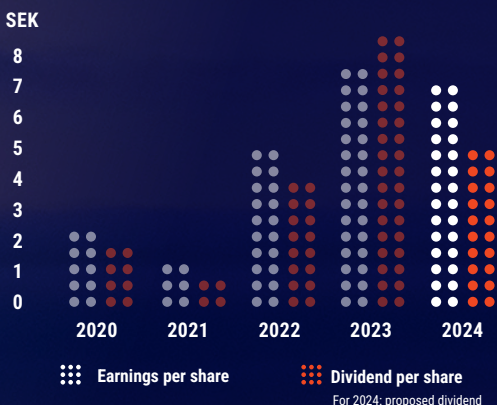
– Henrik Höjer, CEO



NET SALES AND EBIT MARGIN



EARNINGS AND DIVIDEND PER SHARE



KEY FIGURES	2020	2021	2022	2023	2024
Net sales	201	151	241	309	300
Operating profit (EBIT)	38	27	92	118	113
Operating margin (EBIT margin)	19%	18%	38%	38%	38%
Earnings per share	2.48	1.13	5.29	7.62	6.82
Dividend per share	1.74	0.79	4.05	8.70	5.35 <sup>1)</sup>

1) Refers to proposed dividend



# CTT MAKES AIR TRAVEL A LITTLE MORE SUSTAINABLE AND FAR MORE COMFORTABLE

- ACTIVE HUMIDITY CONTROL IN AIRCRAFT IS ALWAYS MORE SUSTAINABLE

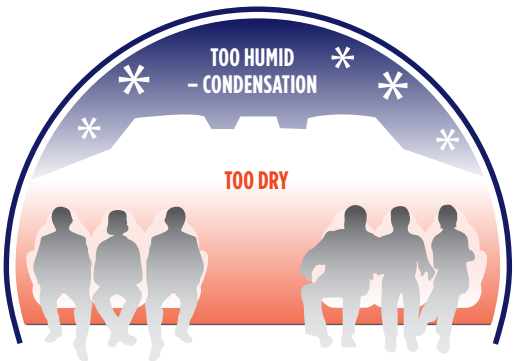
CTT is a market-leading supplier of systems that actively control humidity in aircraft. The company has two product groups: humidifiers and dehumidifiers. CTT has more than 60 major airlines as customers. CTT had a turnover of SEK 300 million in 2024, and 85 employees at the end of the year.

## CTT SOLVES THE MOISTURE PARADOX

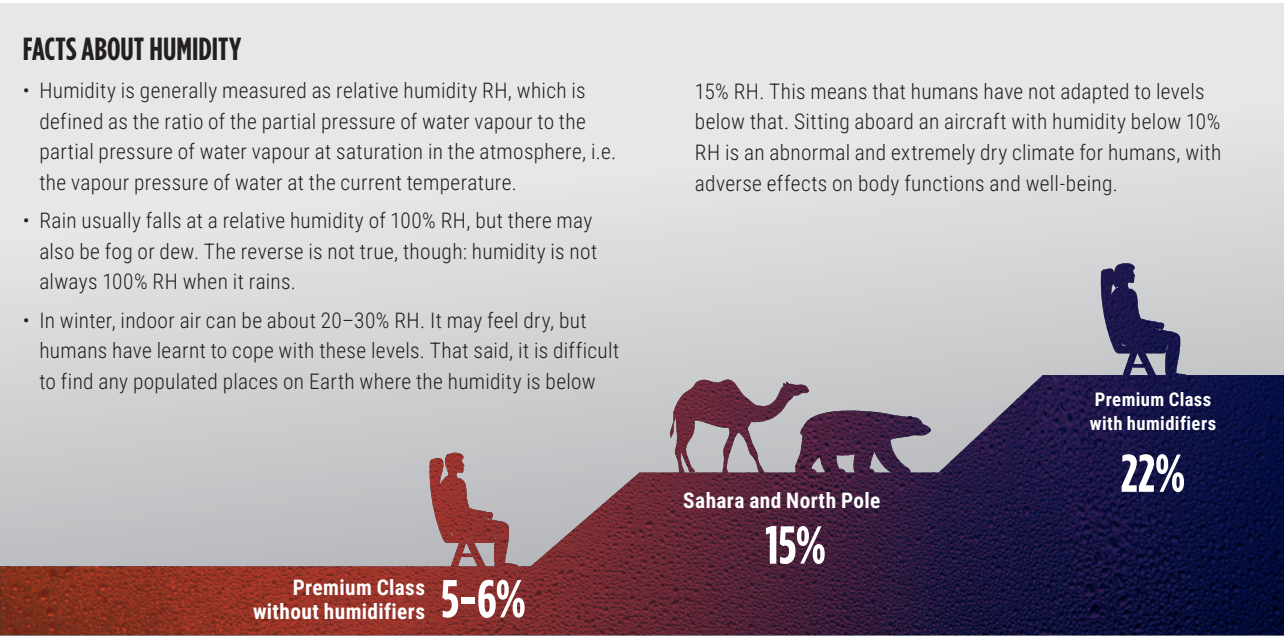
Although the air in an aircraft is too dry in the cabin, it is also too humid in peripheral parts of the fuselage. This is a paradox that has a negative impact on people on board, and on the environment. Aircraft equipped only with passive humidity systems do not solve the root causes of the humidity paradox.

**The dry problem:** The air on board aircraft is extremely dry. This impairs the well-being of passengers and crew; particularly in First and Business Class and in the flight deck, where the air is particularly dry, presenting an increased risk of dehydration and adverse impact on the immune system.

**The wet problem:** Condensation is present on all aircraft and increases the weight of a medium-sized passenger aircraft by 200–300 kg. This extra weight leads to increased fuel consumption, which increases costs for the airline and has an impact on the environment on account of unnecessary greenhouse gas emissions.



CTT has products that significantly increase the moisture content of air in the cabin and keep the fuselage dry. This means a more comfortable climate on board, and a more sustainable flight with a reduced carbon footprint.



## VISION

The company’s vision is that active humidity control systems are fitted in all aircraft. CTT is the pioneer and shall be the market-leading supplier.

## BUSINESS CONCEPT

CTT’s business concept is to develop, manufacture, supply and provide aftermarket services of active humidity control products that increase humidity to enhance well-being and reduce condensation for better reliability and lowered environmental impact.

## TWO PRODUCT GROUPS FOR ACTIVE HUMIDITY CONTROL

PRODUCT GROUPS	HUMIDIFIERS	ANTI-CONDENSATION
Product benefits	<b>KEEPS HUMIDITY AT COMFORT AND WELLNESS LEVEL</b> Elevates humidity from unhealthily dry to normal levels, reducing the risk of dehydration, fatigue and viral infections. Higher humidity also leads to better sleep, increased well-being and less jet lag, and keeps the immune system and taste buds intact without the impact of dehydration.	<b>CHECKMATES CONDENSATION AND MOISTURE PROTECTS AIRCRAFT</b> Reduces condensation and eliminates accumulated condensate water in the aircraft, cutting weight and hence fuel consumption and carbon footprint. Aircraft without condensation problems are always lighter and their maintenance costs are lower due to fewer electrical failures, no corrosion and longer service life for insulation materials. Anti-Condensation protected aircraft is always more sustainable.
Driving forces	<b>HEALTH AND WELL-BEING</b> Increased focus on air quality and better cabin climate drives attention to dry cabin air and its impact on the immune system.	<b>MORE SUSTAINABLE FLYING AND REDUCED CARBON FOOTPRINT</b> Increased demand to reduce the carbon footprint of passengers, investors and owners.
Trends	<b>THE PREMIUM EXPERIENCE PARADOX</b> Airlines are constantly improving their business class. The dry air in the cabin is counter-productive to premium efforts in gourmet dining, exclusive wines and interiors designed to maximise the experience. Elevated humidity normalises our senses such as taste and smell with less stress on the body. This improves passenger experience from the made premium investments.	<b>THE LOW COST EFFECT</b> More and more people are following the lead of the low-cost airlines, with increased seat density, higher load factor and shorter time on the ground. This means that the passive systems are inadequate and the condensation remains in the aircraft, leading to weight gain and greater environmental impact.
Availability	<b>OEM LIKELY TO DRIVE RETROFIT</b> OEM supplier of all humidifiers for newly manufactured long-range aircraft: Boeing 787, Airbus A350 and Boeing 777X. Can be retrofitted to all modern long-range aircraft.	<b>RETROFIT MUST DRIVE OEM</b> Can be Retrofitted in all Airbus and Boeing models. Not available as an OEM option in the narrowbody market.
Customers	<b>DIVERSIFIED CUSTOMER BASE – LARGE POPULATION DRIVING THE MARKET</b> <ul style="list-style-type: none"><li>CTT has humidifiers operating aboard about 1,500 aircraft with more than 60 airlines.</li></ul>	<b>SEVERAL LEADING AIRLINES IN NORTHERN EUROPE</b> <ul style="list-style-type: none"><li>Customers in Northern Europe, such as Sunclass, Jet2.com and Transavia.</li><li>More than 50 airlines with dehumidifiers operating aboard around 1,000 Boeing 787 aircraft, and a few A350 operators.</li></ul>



# CEO'S STATEMENT

- Turnover in 2024 failed to take-off
- Growth trends remain intact
- Strong strategic progress



## Revenue growth delayed in 2024

In 2024, we failed to achieve expected growth, despite tailwind in the underlying market. The year became unexpectedly turbulent, due to rippling effects on inventory levels in the aftermarket after two strong years, and due to external disruptions within OEM. It may seem contradictory that demand for our products continues to increase while net sales for the full year fell by 3% to SEK 300 million (309). This is mainly due to the fact that relatively small changes in the aftermarket have a large impact as it accounts for more than 3/4 of the company's turnover. The 4% decline in aftermarket sales is explained by unusually large one-off orders in 2022 and 2023. This affected stocks at airlines and distributors, rippling into 2024 with uneven demand to CTT. However, the underlying market driven by flight hours grew as expected compared to 2023. In OEM, turnover remained contracted at low absolute levels. The 14% increase to SEK 40 million (35) was well below the production forecasts that aircraft manufacturers guided their entire supply chain towards in early 2024. CTT's OEM demand was uneven throughout the year, as Airbus and Boeing had periods when they stopped their entire supply chain in order to align their stocks with actual aircraft delivery rates. However, 2025 has started well. Boeing increased the build-rate pace at the end of 2024, and in Q1 Boeing's orders to CTT once again reflect aircraft production rate.

## More strategic progress in 2024

The aircraft production rate has a major impact on CTT, but this is beyond the company's control. During the year, we focused on what we can influence in line with the company's long-term agenda. A top priority has been to ensure that airlines select humidifiers when configuring design in their new aircraft batches that will be built during several years to come. We are also working to broaden our sales to include more aircraft models and extend products availability. In 2024, we made significant progress with Airbus, with regard to increasing product selection rates on the A350 model, and extending our successful partnership with Airbus Corporate Jets (ACJ). Particularly important, with gradual impact for years to come, is the fact that CTT's average product value in newly configured A350 aircraft batches, with production start in 2025 / 2026, has more than doubled. We have also focused on gaining leverage on OEM to accelerate Retrofit sales. In 2024, we reached a milestone target as Airbus started to include our products in the A350 Retrofit catalogue. In Private Jet, we have extended and strengthened our partnership with ACJ. We have also made a strategic decision to cooperate with Liebherr Aerospace towards Bombardier. Finally, our long-term and systematic efforts in the Anti-Condensation market started to pay-off in Europe.

## Strong OEM trends

Order books for the Airbus A350, Boeing 787 and Boeing 777X are at record levels. The current production rate is too low, leading to excessive waiting times for airlines. Airbus and Boeing are working to increase production rates back to pre-pandemic levels (10–12 per model per month – around twice the rate from current levels). CTT will grow at an even faster rate by increasing shipset content value, mainly on the A350.

## Significant Retrofit opportunities

CTT is trying to leverage the installed base of humidifiers in flight deck and crew rest compartments by mitigating into the premium passenger cabin. With over 60 airline customers, where pilots and cabin crew confirm that higher humidity improves well-being both during and after flights, CTT has a good starting point and a strong argument in the discussions. The Retrofit market is expected to grow in the coming years as airlines face long waits for new aircraft, forcing them to use older aircraft for longer than they had previously planned. That is why more and more airlines consider to refurbish existing aircraft fleets alongside new aircraft. I am expecting to see an increase in sales opportunities, particularly linked to availability in the A350 Retrofit catalogue. Most of the A350s leaving the factory for new operators from 2025 onwards will have humidification in the flight deck and crew rest compartments; and in Business Class as well,

to some extent. Early on in the A350 programme, airlines did not choose our system for various reasons. By 2028, over 400 aircraft will have reached Retrofit age. Airbus is marketing our system, which gives airlines the opportunity to have a cabin climate on a par with modern A350s. We predict demand for retrofitting of cabin humidification in particular, but also for flight deck and crew rest modules.

## Private Jet takes off

During the year, Private Jet operations focused on developing our leading VIP position and establishing partnerships with manufacturers large-cabin business jets. CTT is the sole supplier of humidification systems in VIP aircraft market, but this is a fairly small market with no growth, generating a historic turnover of SEK 10–50 million per year. The only way to grow is through higher penetration, mainly on narrowbody VIP aircraft. One important step to accomplishing this in VIP segment is the partnership with Airbus Corporate Jets (ACJ), which markets and sells our pre-developed kit solutions. In 2024, we have taken our partnership with ACJ further to also include the ACJ330. Offering a bolt-on-kit system is more efficient than having unique projects for each VIP aircraft. The concept has been well received in the market. In the case of large-cabin business jets, the OEM market addressed is worth just over SEK 300 million per year (first sales - not including aftermarket). To succeed, CTT needs to work with OEMs such as Bombardier, Dassault and Gulfstream. In 2024, CTT took a strategic decision to enter into a partnership with Liebherr Aerospace, the supplier of the Environmental Control System (ECS) for the Bombardier Global 7500/8000. I expect Bombardier's decision in 2025 whether to include cabin humidification or not as part of its offering. We are also in advanced discussions with another private jet OEM.

## Resurgence for Anti-Condensation

The Anti-Condensation market improved in 2024. At the end of Q4, we had outstanding quotations for retrofit installation in approx. 500 aircraft. In January 2025, we won the first of these contracts when Jet2.com ordered retrofit systems for 146 A321s. In addition, we have a field trial together with a major low-cost airline. The objective is obtain optional equipment status in the OEM catalogues for new narrowbodies at Airbus and Boeing. Getting products into Airbus and Boeing is challenging as long as they struggle to ramp-up production. The push must come from major airline customers. Our focus is primarily on low-cost

airlines in Europe. We are convinced that Anti-Condensation system should be available optional equipment in new narrowbody aircraft. In my book, it should be part of a sustainability catalogue as another tool for airlines to come closer to achieve their climate goals.

## Aftermarket growing with the population

Product lifecycles are unusually long in the aviation industry. In order to maximise aftermarket revenues, CTT has to ensure that its products are used throughout the life of the aircraft and that the aircraft operator selects our CTT's aftermarket products. Over time, we aim to further increase customer benefit by adding new functions, integrating the products into other systems and ensuring market-leading quality and availability. This gives CTT unique competitive advantages and provides strong reasons for customers to continue using our original products.

The size of the aftermarket is determined by the number of products in operation and the age of the population. In 2024, the population of humidifiers increased by 5–10%. However, in line with financial reporting for Q4, CTT will have lower sales compared to underlying demand in Q1 and into Q2. Looking ahead, I expect that the annual growth rate of the humidifier population shall exceed 20% (assuming Airbus and Boeing achieve their production targets of 10 and 12 aircraft per month, respectively).

## Sustainability as part of operations

CTT has a value-based approach to sustainability in the company's strategy, and as an integral part of all its operations. In 2024, CTT has started working towards the upcoming reporting requirements under the Corporate Sustainability Reporting Directive (CSRD). Stakeholder dialogues are a key part of the process in order to get their perspective on significant aspects for CTT to focus on. CTT has also started reporting according to the EU Taxonomy. A GAP analysis and implementation plan has been established in order to deliver according to the regulatory schedule. In this context, I would also like to highlight the Profit Sharing Foundation where all employees receive an equal share of the company's profits regardless of salary and position. The Profit Sharing Foundation receives funds from CTT linked to the annual profit to buy CTT shares. At present, our staff – through the Foundation – are the 19th largest shareholder in CTT. An employee who has worked full-time since the start in 2015 has around 2,500 shares in CTT

## CEO'S STATEMENT

(worth about SEK 700,000 at year-end) and will also receive shares worth approximately SEK 94,000 for 2024. The fact that all staff have annual remuneration linked to the profit for the year and invested in CTT shares leads to increased engagement among staff and a greater interest in CTT as a company.

## Sustainability in our customer offering

Our humidifiers improve the working environment for around 64% of the world's pilots and crew aboard Boeing 787 and A350 aircraft. The company's Anti-Condensation systems reduce the carbon footprint by preventing unnecessary weight from condensation, thereby reducing fuel consumption and carbon emissions. CTT has products that make flying better, and that is something that provides additional motivation for me and my colleagues every day.

## Resilient growth trends

We live in a world of low predictability and major geopolitical uncertainty, but our baseline scenario is that most of our growth trends are well founded and resilient to normal cyclical fluctuations. Nevertheless, there are several factors that are difficult to assess, such as tariffs and trade barriers, that could negatively impact air traffic. However, our main scenario is that Boeing's supply chain will not be subject to tariffs to the US. Another factor is CTT's sensitivity to strong fluctuations in the US dollar against the Swedish krona. A good thing in volatile times is that the aviation industry has long processes that create larger cycles that bridge shorter economic fluctuations. In 2024, CTT has further strengthened its market position and moved forward with several new opportunities in Retrofit or business jet, with possibilities to breakthrough in coming years. Thus, CTT is facing a long period where we will contribute to make air travel more sustainable for both passengers and crew while bringing airlines one step closer to their sustainability goals. Finally, I would like to thank all CTT staff for your hard work and commitment. Together, we will help to make flying even better and enable good return to shareholders.

Nyköping, March 2025

Henrik Höjer, CEO



# VISION, BUSINESS CONCEPT AND STRATEGY

As a pioneer in active humidity control in aircraft, CTT can contribute to make aviation more sustainable.

CTT has a vision, a mission and a strategy that aims to increase penetration of humidity control products in global aircraft fleet and thereby make air travel a little better. Active humidity control is always more sustainable!

## VISION

The company's vision is that active humidity control systems are fitted in all aircraft. CTT is the pioneer and will be the market-leading supplier.

## STRATEGY

The company's strategy aims to create competitive, profitable and sustainable growth by increasing the installed base of products in-service, focusing on the aftermarket, aiming for operational excellence and pursuing technical leadership and innovation.

## BUSINESS CONCEPT

CTT's business concept is to develop, manufacture, supply and provide aftermarket services of active humidity control products that increase humidity to enhance well-being and reduce condensation for better reliability and lowered environmental impact.

# BUSINESS MODEL WITH SIGNIFICANT AFTERMARKET

Moisture control systems are designed to remain in the aircraft for its entire lifetime. A few parts have to be replaced every year, and repairs are required over time. This creates a significant aftermarket.

The company's products are based on an active technologies that shall together with strategic partnerships allow CTT to provide reliable, safe, efficient and sustainable systems that eliminate the root causes of moisture problems in aircraft. The products are designed to be in-service during the entire aircraft lifetime.

The business model is based on revenues from the sale of products and systems; either installed by aircraft manufacturers in new aircraft or retrofitted in existing aircraft; and from a significant aftermarket business.

For CTT to reach its full revenue potential, the products must be in-service throughout the life of the aircraft and the operators must select CTT's original aftermarket parts.

## BUSINESS MODEL FOR SUSTAINABLE SHAREHOLDER VALUE



The business model is based on retaining a leading OEM position, with long-term contracts and strong relationships with airlines and other aircraft operators. Being a supplier to OEMs places stringent demands on the organisation, such as delivery capacity and quality. This gives CTT a competitive advantage and the

opportunity to define the agenda for active humidity control in the aviation industry. As OEMs have long product life cycles and high barriers, CTT can achieve niche dominance for a long time to come. The business model creates conditions for sustainable profit growth by gradually increasing the low market penetra-

tion of the company's products and steadily growing the aftermarket. Shareholder value will be created by generating strong cash flows, driven by more products in operations and full utilisation throughout the lifetime of aircraft, and CTT will remain the dominant supplier in the aftermarket.



# STRATEGY FOR PROFITABLE GROWTH

The strategy aims to leverage its leading position to create profitable and sustainable growth by increasing market penetration of products for cabin air humidification and aircraft anti-condensation.

The company's strategy is to leverage its leading OEM supplier position, driving the market to obtain higher penetration and consolidating aftermarket share. The mission is for the company's operations to help bring about a more sustainable development for aviation. Being an OEM supplier is key element in the strategy

that provides legitimacy and has major market impact. OEMs place stringent demands on operations and demand constant optimisation. CTT is a pioneer and so must single-handedly ensure market awareness of the benefits of active humidity control. An increasingly important driving force for selecting the company's

products for OEM or Retrofit is the fact that they contribute to airlines sustainability efforts and goals. CTT has extensive application know-how and strategic partnerships, which favour the company when it comes to leading development and maintaining its aftermarket dominance.



## POPULATION GROWTH

The main strategic focus is to drive the market and create conditions for growth. The ultimate goal is to generate a larger installed base of the company's products. The market potential is huge as penetration is very low. There are strong forces for population growth in place, driven by efforts to make air travel more sustainable, and also to obtain healthier cabin climate. CTT is a pioneer and the market-leading supplier of both anti-condensation and humidifier systems. However, critical penetration is a key element of our strategy if we are to drive the market and availability among OEMs. Positive growth momentum is achieved when more and more airlines realise the benefits of active humidity control. Successful OEM programmes are an enabler to obtain this.

The growth strategy has two basic elements:

**Line-fit drives population growth**  
The OEM channel is fundamental in order to achieve high and sustainable growth in the population. Having the company's products available for installation in newly manufactured aircraft is a fundamental prerequisite for scalable growth. CTT supplies either directly to aircraft manufacturers or indirectly to air system suppliers, for example. This means that the company's products are more or less integrated into other major systems, which requires a good general understanding of aircraft systems. Successful aircraft models such as the Boeing 787 reinforce the company's goodwill and drive additional sales

on other aircraft models. A large installed base also drive other growth opportunities such as when operators install the systems in existing aircraft (Retrofit).

**Awareness among operators**  
Selling the OEM options and driving the Retrofit market requires systematic and methodical marketing to operators, such as airlines and charter operators of private aircraft. CTT strives to achieve close market partnerships in order to achieve a global market presence.

## FOCUS ON THE AFTERMARKET

The aftermarket is an important part of the business model, and a cornerstone in the company's strategy. CTT has a very strong position as a pioneer, with strong OEM relationships and world-leading partners. This provides a good foundation for CTT to maintain its dominant position in the aftermarket.

At a general level, the strategy aims at activities and investments that enable total lifetime utilisation and ensure that the company's original aftermarket parts are selected. Besides spare parts and service activities, it comprises two different consumables, one for the anti-condensation system and one for the humidifier. Both are replaced annually.

**CTT has four cornerstones in its aftermarket strategy:**

- 1. Distribution through aircraft manufacturers**
- 2. De-standardisation**
- 3. Customer benefit**
- 4. IP and innovation**

A key part of the strategy involves implementing distribution via aircraft manufacturers. This further strengthens ties with OEMs and provides an incentive for them to sell the systems.

Another cornerstone is de-standardisation (read: to counteract standardisation and seek to achieve unique size and features between different models).

Perhaps the most vital part of the strategy is to always offer the greatest customer benefit and value. The aviation industry may be conservative, but the world never stands still. CTT should not stand still either, but must utilise its leading market position to improve customer benefit by adding new features, integrating the products into other systems and securing market-leading availability.

There are a number of advantages favouring CTT to maintain its strong aftermarket position: Firstly, there are a large number of airlines that choose only original aftermarket parts. Secondly, there are product-specific advantages stemming from the fact that CTT developed and customised the OEM products together with Airbus and Boeing. Therefore, CTT has unique application expertise and aftermarket products that are compliant with all specifications. To achieve this, CTT has – for example – developed a specific and unique pad-material for the humidifier, which was qualified together with Airbus and Boeing. The company's original part meets all the requirements for the humidifier to be supplied together with the new aircraft. This gives CTT a competitive advantage and is a strong reason for many customers to select the company's original parts. Third-party products that rely on pad materials available on the open market will offer lower performance and quality as they are not customised for aircraft nor the application.

Overall, as the original equipment manufacturer, enforced by strong partnership, CTT is well positioned to maintain its market dominance.

## OPERATIONAL EXCELLENCE

The company's strategy shall with sustainability guidelines focus on optimising and developing its operations, such as by improving quality in everything CTT does and safeguard highest standard in its delivery capacity. This will primarily be implemented by means of continuous improvement work where the company will streamline processes in all areas of operation.

As far as development is concerned, there are activities in progress aimed at facilitating and improving processes for testing and verification, for example, as well as project methodology.

In production, there is continuous improvement in order to optimise manufacturing costs, but also to improve the working environment and minimise environmental impact.

In sales, as the market grows it is becoming more important to take steps to improve processes with support from a dedicated customer relationship management system. Another important part of the business involves access to strategic key components, highlighted

during the turbulence of recent years stressing the value of strong partnerships and reliable supply chains. CTT places great emphasis on relationships with partners and suppliers to comply and meet stringent demands in terms of deliverability and quality. In some cases, CTT can therefore take over the supply of strategic input goods and elements of the manufacturing process or extend its cooperation with sub-contractors. In the service and repair business, processes and procedures must continuously be adapted to provide a high level of service.

## TECHNOLOGICAL LEADERSHIP AND INNOVATION

CTT must continue developing and adapting its products to new aircraft types and projects. Functionality and performance have to be improved in the longer term. This may involve weight-reducing efforts or requirements of

down-sizing products to fit in applications with less space available. Other areas include technology and product integration of to reach out to new markets or increase penetration. Investments in research and development are

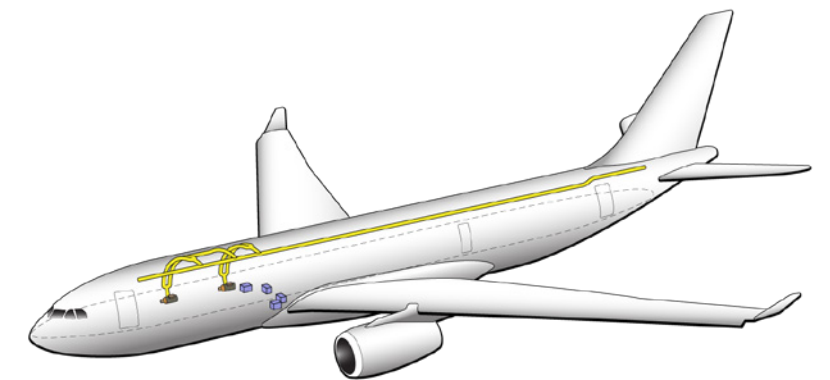
ongoing, with emphasis on new product generations and integration. In the aftermarket CTT continuously invest to improve performance, reliability and by adding features.



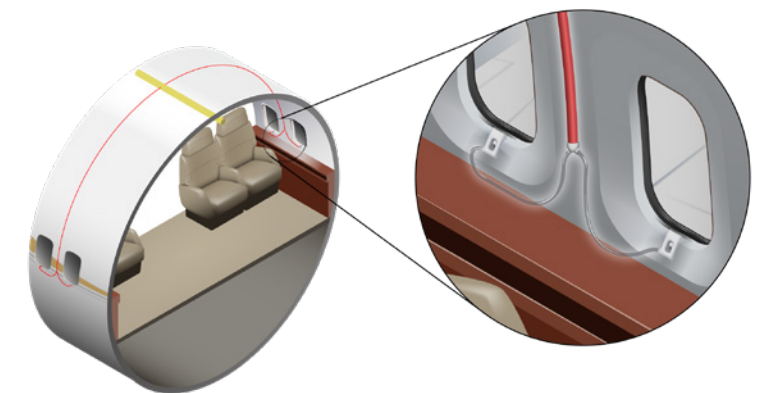
# CTT EXTENDS ITS SUCCESSFUL PARTNERSHIP WITH AIRBUS CORPORATE JETS WITH THE ACJ330



Window Defrosting tests were carried out in the CTT test lab on part of an aircraft structure where the structure and windows were cooled to about -40 degrees and dehumidifiers were connected. In the photo, Christian Karp, Rickard Ohlén and Henrik Andersson can be seen adjusting the test installation.



System installation. The kit solution for the ACJ330 consists of 2 dehumidifiers with associated ducts and 4 or 6 humidifiers.



Window Defrosting. ACJ has asked CTT to develop a system to prevent frost from forming on the windows. CTT complements the anti-condensation system with a hose system where some of the dry air is fed out to all the aircraft's windows and blown in between the outer and inner glass, thereby removing condensation and frost.

CTT is continuing its successful cooperation with Airbus Corporate Jets (ACJ) and expanding its product portfolio to include a kit solution for the larger ACJ330 wide-body aircraft as well. In the past, ACJ and CTT, together with the design organisation PMV, which holds an STC (certificate of airworthiness), have developed kit solutions for the ACJ320 and ACJ Twenty narrow-body aircraft.

ACJ is continuing its success and in 2024 has received orders for two ACJ330s. ACJ believes that humidification is important if they are to deliver a product that fulfils their customers' high expectations of comfort and well-being, and so it has chosen to develop a

standard solution (kit) together with CTT and PMV for the ACJ330 as well. The ACJ330 is based on the Airbus A330 neo, which is the "smallest" Airbus wide-body aircraft. The A330 has become an increasingly popular aircraft among airlines in recent years and is also a popular choice among ACJ customers. The market is estimated to be one to two aircraft per year.

For CTT, the partnership with ACJ and the kit solutions is very important as it means that ACJ markets and sells the humidification system to end customers as an important part of the finished product. CTT is also able to supply identical systems for all aircraft of the

developed model without customisation for each Completion Centre, where the humidification system is installed at the same time as the interior and other custom options.

CTT started the project together with ACJ in October, and the final delivery of CTT's system to ACJ is planned for the second half of 2025. The technical system solution builds on the previous systems we delivered for the ACJ330 aircraft, but is optimised for performance and production. One very interesting development of the system is that ACJ asked CTT to develop a Window Defrosting solution. Frost often forms on the windows on aircraft, making it impossible for passengers to see out,

which is obviously not appreciated. This is why CTT complements our anti-condensation system with a "hose system" where some of the dry air produced is fed out to all 140 windows on the aircraft and blown in between the outer and inner glass, thereby removing condensation and frost.

Other interesting developments include the addition to the system of the new generation of humidifiers, with all valves integrated into the units. These new units also have improved capacity to handle the high airflows which can occur as the ACJ330neo family allows more customised airflows for individual zones. In addition to increased performance and

production, there has also been emphasis on increased ease of integration and reduced complexity during installation, i.e. more "Bolt-On".

CTT project manager and Lead Engineer Henrik Andersson thinks that the system is very interesting on a technical level, and that the partnership with ACJ works very well.

"I reckon the project has got off to a very positive start thanks to the availability of good 3D models from Airbus. This is needed in order to make our design as optimal as possible, given both the limited space and the very limited opportunities to alter the existing environment."

"This is our third project collaboration with ACJ and PMV, and with the same team members as well. This has created a good climate of cooperation where everyone works in harmony, with momentum towards our common goals."

"I look forward with great confidence to completing the development of the system, and it will be great to see operators of ACJ330 aircraft benefiting from the latest technology developments that CTT is able to supply today."



# STRATEGIC OBJECTIVES 2024–2025

## / FOLLOW-UP 2024

OEM	Follow-up 2024	
<b>Boeing 787:</b> Humidifiers available as catalogue options for First/Business Class on the Boeing 787	<input type="checkbox"/>	CTT has continued discussions with Boeing and several interested airlines.
<b>Boeing 777X:</b> At least 5 (2) airlines have specified humidifiers in First and Business for the Boeing 777X	<input type="checkbox"/>	During the year, Boeing postponed deliveries until 2026. CTT regularly engages with the airlines that have ordered the 777X.
<b>Airbus A350F:</b> At least 5(1) companies have specified humidifiers in the flight deck / in the crew rest	<input type="checkbox"/>	Airbus has confirmed 3 companies that have chosen CTT humidifiers. CTT is continuing to market humidification to freight airlines that have ordered the A350F.
<b>New OEM opportunities:</b>		
<b>Boeing 737 MAX:</b> Anti-condensation systems available as an option when purchasing an aircraft	<input type="checkbox"/>	The target has not been met, and work is ongoing.
<b>Airbus A320neo:</b> Anti-condensation systems available as catalogue options	<input type="checkbox"/>	The target has not been met, and work is ongoing.
<b>Private Jet (OEM):</b>		
<b>Bombardier:</b> The humidifier system available as catalogue option for Global 7500 / 8000	<input type="checkbox"/>	In 2024, CTT signed a cooperation agreement with Liebherr and held joint technical and commercial discussions with Bombardier that will continue into 2025.
<b>Gulfstream:</b> The humidifier system available as catalogue option for G700 / G800	<input type="checkbox"/>	The G700 was certified in Q1 of 2024, and CTT has since resumed marketing to Gulfstream.

Airline sales		Follow-up 2024
Humidifier systems:		
Humidifier Onboard First / Business Class: At least 10 (3) airlines operating aircraft with premium class cabin humidification	<input type="checkbox"/>	In early 2024, Air India started operating A350s with humidifiers in the premium cabin, becoming the fourth airline to do so.
Dehumidifiers:		
Airbus A320: At least 5 (2) active airline customers with Anti-Condensation <sup>1)</sup>	<input type="checkbox"/>	No additional customers have been added, but CTT received an order for 146 A321 systems after the end of the financial year. Additionally, tests are in progress on aircraft belonging to a major European low-cost airline.
Boeing B737: At least 5 (2) active airline customers with Anti-Condensation <sup>1)</sup>	<input type="checkbox"/>	No further customers have been added, but dialogue is ongoing with a number of 737 operators.
Airbus A220: At least 3 (0) active airline customers with Anti-Condensation <sup>1)</sup>	<input type="checkbox"/>	No customers have been added

1) Test customers excluded  
Results in brackets refer to 2023

Focus on the aftermarket	Follow-up 2024	
<b>Distribution:</b> At least one contract integrated into a Total Component Support (TCS) solution	<input checked="" type="checkbox"/>	CTT has signed an agreement for the distribution of aftermarket products with a TCS supplier.
<b>IP and innovation:</b> At least one customer operating a humidifier system with integrated VOC filter	<input type="checkbox"/>	CTT is holding discussions with OEMs for the introduction of an integrated VOC filter solution.
Operational excellence	Follow-up 2024	
Maintain both delivery reliability and 100% quality performance for Airbus and Boeing	<input checked="" type="checkbox"/>	Objective achieved
Technological leadership and innovation	Follow-up 2024	
At least one approved STC (Supplementary Type Certificate) for Retrofitting cabin humidifier systems on the Boeing 787, 777 Classic, Airbus A350, A380 or A330 for at least one airline customer.	<input type="checkbox"/>	During the financial year, CTT succeeded in including cabin humidification as part of the Airbus retrofit programme for the A350. Efforts to attract an initial customer are ongoing.



# CTT SOLVES TWO MOISTURE PROBLEMS IN AIRCRAFT – BENEFITING PEOPLE ON BOARD AND THE ENVIRONMENT

CTT is the market leader supplier of systems that actively combat both extremely dry air in the cabin and moisture in the fuselage and structure. Active systems that address the root causes are needed to solve these moisture problems for the benefit of people onboard and the environment.

Condensation forms in all aircraft. Historically, the aviation industry has applied passive methods in order to mitigate condensation problems. These are inadequate for a number of reasons. This causes condensation to accumulate and remain in the aircraft. This is not sustainable. Another problem lies in the paradoxical fact that air in the cabin is far too dry. Secondly, the fact that aircraft have an unhealthy dry climate must no longer be a necessary evil for premium travel. CTT is a pioneer in the field, using active methods to tackle the root causes of moisture problems in aircraft.

## Moisture problems in aircraft – a brief description

Condensation occurs when air in the cabin cools towards the freezing cold aircraft skin. The weight increases as ice and water from condensation accumulate in the aircraft, causing increased fuel consumption, higher operating costs and increased carbon dioxide emissions. When an aeroplane reaches cruising altitude, the humidity in the cabin drops rapidly as the air is replaced by fresh outside air that is extremely dry. This causes gradual dehydration among passengers and flight crew, with adverse effects on their health and well-being.

## Onboard climate – a brief description

Technical system solutions are required to deal with the extreme differences in the atmosphere at cruising altitude and the preferred climate inside the cabin, which should ideally match climate on the ground in terms of fresh air, temperature and air pressure. The outside temperature is below -40 °C, the outside pressure

is around a quarter of the normal pressure, and humidity is zero.

**Air pressure:** Air pressure at cruising altitude is around 25% of regular atmospheric pressure. In the cabin, the air pressure must be at least 75%, which is equivalent to a perceived altitude of 2400 m. The pressure selected is a compromise between adequate passenger comfort and the weight of the aircraft. Modern aircraft containing more composite have allowed higher pressures, giving a perceived altitude of around 1,800 m.

**Air treatment:** The air on board must contain sufficient oxygen. However, there is a great difference in temperature between the air in the cabin and the air outside, which means that some of the air is recirculated. The air in the cabin is changed completely at two to three-minute intervals aboard an Airbus. The recirculated air passes through highly efficient HEPA filters and is mixed with the heated outdoor air. All modern passenger aircraft are equipped with highly efficient HEPA filters.

**Temperature control in zones:** Each aircraft is divided into climate zones. Each zone has its own supply and exhaust air and temperature control.

**Fresh air at cruise lacks humidity:** There is no humidity in (outside) air at cruising altitude, so the air in the aircraft cabin quickly becomes dry. The people on board add humidity in the aircraft cabin. The air and climate system is divided into zones, so the driest sections are the

least occupied ones. In practice, the air is driest in the zones where passengers are prepared to pay most for the best possible experience.

## Humidity – a brief description

- Humidity is usually measured as relative humidity RH, which is defined as the ratio of the partial pressure of water vapour to the partial pressure of water vapour at saturation in the atmosphere, i.e. the vapour pressure of water at the current temperature. In simple terms, relative humidity is the ratio, expressed as a percentage, of the amount of moisture in the atmosphere to the amount that the air can hold at a given temperature.

- 100% relative humidity means that the air is completely saturated with water and cannot hold any more water vapour. This means that the additional water vapour added to the air condenses into liquid or accumulates in the air as mist. It can be said that the chances of rain are higher if the relative humidity is high. Rain usually falls at a relative humidity of 100% RH, but there may also be fog or dew. The reverse is not true, though: humidity is not always 100% RH when it rains.

- Indoor air is usually classified as dry to humans when the humidity level is below 30% RH. The humidity level indoors can be down to 20% RH when it is cold outside. It is difficult to find anywhere on Earth where the humidity is below 20% RH. This means that our bodies are not used nor adapted to extremely dry air. This makes the humidity on board an aircraft an extreme environment.



## THE PROBLEM WITH DRYNESS – FOCUS ON PEOPLE

### Extremely dry air on board

The humidity in the aircraft cabin gradually drops and reaches a level of 5 to 15% RH after about three hours. The dry air has significant adverse effects on passengers and crew on long-range flights. The lowest humidity is in the flight deck and crew rest areas, where it can be down to 0%. The humidity is only 5% RH in First Class, where there are few passengers, and the level is only marginally higher in Business Class. So the air on board aircraft is drier than anywhere else on earth. This is an extreme environment which has adverse effects on the body. The negative dehydration effects take some time to recover from upon arrival and contribute to jet lag.

### Problems with dry cabin air

A comfortable indoor climate is more than just temperature. Adequate humidity is also an important condition to obtain it. Humidity between 40 and 60% RH is optimal. Levels around 20–25 % RH are normal indoors in winter when the weather is cold. It may feel quite dry, but the body can handle that level well. But if the humidity drops further, the impact increases significantly. This manifests itself in how we feel, although it can be hard to pinpoint exactly what is wrong. It affects well-being, impairs taste and smell and the ability to relax and recover. People have problems sleeping, and they are at greater risk of catching a cold.

The effects of extremely low humidity levels – below 10% RH – are severe and more apparent, with dehydrated mucous membranes, skin and eyes. This has an adverse impact on our immune systems, making us more receptive to viral infections, for example.

### Dry air defeats the object of premium ambitions

Airlines are constantly investing to improve the Business Class experience. The trend is towards greater flexibility for better rest and relaxation. Many airlines focus on food and drink experiences. Dry air is counter-productive to such premium ambitions. Increasing humidity to comfort zone will reduce dehydration and normalise taste and smell.



## THE PROBLEM WITH WETNESS – FOCUS ON THE ENVIRONMENT

### Problems with condensation

Condensation that is not managed will increase the weight of the aircraft. Condensation is a recognised problem. It occurs in the space above the passenger compartment on all flights. The air that comes into contact with the very cold inside of the fuselage condenses and freezes into ice. The condensation impact is largely determined by the number of passengers. The ice turns into water during the approach and on the ground.

### Remains in isolation

On ground, most of this condensate water should be drained out through ducts: this is known as passive anti-condensation. However, some condensate water remains in the fuse-

lage, mainly in the insulation. This water dries out if the aircraft is on the ground long enough, but this rarely happens. Instead, more and more water accumulates in the fuselage.

### Condensation creates problems

An increase in aircraft weight results in higher fuel consumption, and thus increased operating costs and unnecessary carbon emissions. This is at odds with the aviation industry's ambitions and sustainability goals.

Condensation can increase the weight of a narrowbody aircraft by up to 200–300 kg. Water also causes corrosion, failure of electronic components and systems. Condensation also destroys insulation so that it needs to be replaced more often.

Dedicated airline trials show that aircraft weight can be reduced by 200–300 kg, which cuts carbon dioxide emissions by between 65 and 100 tonnes per year. Although the aviation industry accounts for a small percentage of global greenhouse gas emissions, this problem is increasingly accentuated by the world's growing demand for more sustainable air transport.



# THE LEADING SUPPLIER OF AIRCRAFT HUMIDIFIERS

CTT is the world's leading supplier of aircraft humidifiers. CTT has the most efficient, energy-saving and reliable systems on the market.



**How it works:** Humidity is added in the air duct to the cabin (blue arrows), providing a comfortable humidity level in the premium cabin. Dry air (red arrows) from the Anti-Condensation system prevents moisture problems.



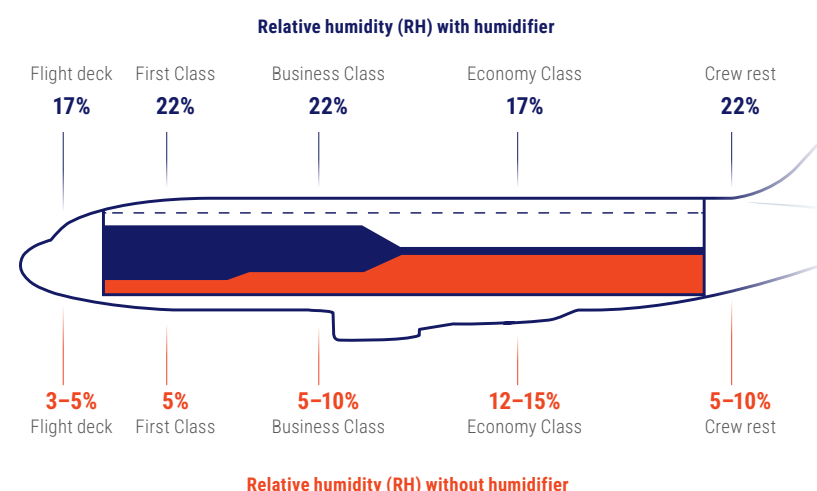
**System:** Humidification for business class in the Boeing 777. A dedicated humidifier is installed in the supply air ducts for a particular cabin zone, and the water is taken from the aircraft's regular water system.

## Humidifiers for passengers, pilots and other crew members

CTT is the leading supplier of aircraft humidifiers, ensuring that humidity remains at levels familiar to humans (around 20 to 25% RH) in an energy-efficient way. This allows the body to function normally throughout the flight. CTT has products for different aircraft types, with adaptation for the flight deck, crew rest areas and the passenger cabin. The humidifiers are mainly installed as an OEM option in newly manufactured long-range aircraft. It is also possible to retrofit humidifiers during maintenance or a cabin upgrade. These humidifiers are based on evaporative technology that CTT has adapted and developed for the specific requirements of the aviation industry in general, and specifically the demands of aircraft manufacturers.

## Significant aftermarket

These humidifiers are designed to operate for the service life of the aircraft. The humidifier's humidity pad needs to be replaced about once a year.



# SUCCESSFUL OEM PROGRAMMES – MORE THAN 60 AIRLINE CUSTOMERS

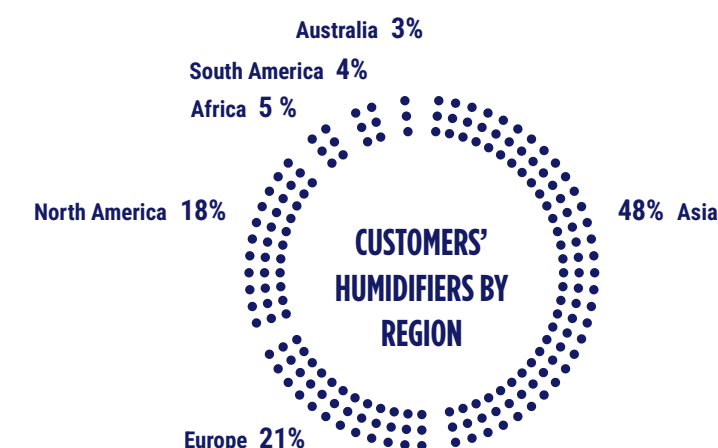
CTT is the sole supplier of humidifiers to Boeing and Airbus for factory installation in their latest long-range aircraft models. CTT's customers include more than 60 of the world's airlines. CTT is also a supplier of humidifiers for private aircraft. More information about business jets and VIP can be found on pages 24–25.

## OEM programmes drive penetration

The company's products are in operation globally in a well-diversified customer base with over 60 different airlines, including the largest and most well-known airlines in the world. The biggest customer account for approx. 6% of the population, and the ten biggest account for around 40%. Most of the population is at the start of its estimated 15 to 20-year life cycle. CTT has been selected as the sole supplier of humidifiers for the three modern long-range Airbus and Boeing models – the Boeing 787, the Airbus A350 and the Boeing 777X. This creates opportunities for good growth and chances to influence the industry's long-term requirements specification for aircraft humidity control.

## Opportunities of more business increase with the number of customers and the size of the population

CTT is gaining more and more airline customers, with the company's humidifiers as a popular option when buying the leading long-range aircraft. Increased experience with the products spreads information on the benefits of active humidity control, creating more opportunities for more business such as mirroring on other new models or retrofitting to existing aircraft. It is common for airlines that have chosen humidifiers for the A380 or Boeing 787, for example, to continue to choose the same equipment for new models. For instance, China Southern began fitting its A380s with humidifiers in the Crew rest area (which was the only option available on the



A380). When specifying the Boeing 787, they chose to mirror their choice on the A380 and equip the cockpit accordingly. When it came to the A350, a choice was made once again not just to mirror its predecessor, the Boeing 787, but also to extend to the passenger cabin. Air China, Air France, ANA, China Eastern Airlines, Emirates, Etihad and Turkish Airlines are all mirroring their previous choices of humidifier options. These market dynamics are expected to strongly drive the market for humidifiers.

## Competition

CTT is in a strong position as the sole supplier to Airbus and Boeing, and also given its dominant position in the VIP market. There are lower

barriers to entry for competitors in the VIP and Retrofit sectors, although OEM suppliers have a special position when it comes to retrofitting in commercial aircraft. Our main competitor is Liebherr Aerospace when it comes to humidifiers, but it has chosen a market focus in the Business Jet sector. There is also competition in a broader sense from completely different cabin products and innovations that affect the on-board experience, such as passenger WiFi. These products all compete for airlines' budgets for purchases and timeframes for retrofit projects. There is competition as regards aftermarket sales. Consumables produced by third party manufacturers are authorised for use in the company's OEM products.



## STRONG TRENDS DRIVING THE MARKET

CTT is the sole supplier of humidifiers for the latest long-range models. A number of airlines are expected to have new aircraft with humidifiers in the passenger cabin from 2025 onwards. This will create a market dynamic with opportunities for new customers and Retrofitting.

### MORE AND MORE ...

#### ... PEOPLE ARE EXPERIENCING THE BENEFITS OF HUMIDIFICATION

CTT has humidifiers installed on around 1,450 long-range Airbus and Boeing aircraft operated by more than 60 airlines. Every month, a total of ten to 15 new Airbus A350 and Boeing 787 aircraft are delivered with our humidifiers on board. CTT often meets pilots and crew who testify to the benefits. Airlines have good experience with outstanding performance and excellent reliability. This is evidenced by the fact that airlines continue to mirror their configurations by selecting humidifiers for new models as well. In 2025, a number of new airlines will receive aircraft with humidifiers in Business or First Class. This is expected to create an interesting market dynamic.

### ... AIRCRAFT ARE FLYING FURTHER AND FURTHER

Flight routes and flight behaviour have changed in favour of direct connections rather than feeding traffic into and out of major airport hubs. There are more and more direct routes between locations on different continents, resulting in a shorter total travelling time, but a longer uninterrupted time in the air. This is resulting in an increased demand for humidifiers, and thus a larger market for CTT.

### ... PEOPLE ARE SEEING THE BENEFITS OF A BETTER CABIN CLIMATE

Aircraft manufacturers are continuing to introduce cabin climate improvements in new aircraft models that enhance on-board comfort. This means increased cabin pressure, for example, so that the perceived altitude corresponds to the pressure at around 1,800 metres above sea level, compared with 2,400 metres above sea level aboard older aircraft. Furthermore, temperature control has been expanded to include more zones, and noise and vibration have been reduced. The next step in efforts to improve the cabin climate is to increase humidity, which is offered as an option on the two latest models: the Airbus A350 and the Boeing 777X. The fact that the two leading aircraft manufacturers are including humidification as part of the cabin climate package is driving the market for CTT.

### ... AIRLINES ARE FOCUSING ON EXPERIENCES AND WELL-BEING

As airlines invest in better, more comfortable business class interior and flight routes become longer, they are searching for innovations and products that enhance passengers experience with focus on greater comfort, wellness and wellbeing. With business travellers in mind, the aim is to create a travel experience that meets stringent demands in terms of flexibility, tasty, healthy food and the opportunity to work and rest. Airlines are trying to differentiate the experience by more effectively influencing and engaging our senses such as smell and taste. More and more airlines are realising that dry air in the cabin is a negative factor that impairs smell, taste and rest. The aviation industry focuses more closely on air quality issues in the wake of the pandemic. In this context, more and more people are perceiving the importance of higher humidity in order to prevent the immune system being weakened. This means that more decision makers are seeing an increased need for significantly higher humidity, which is driving the market for CTT.

## GROWTH THROUGH REPEAT BUSINESS AND HIGHER PENETRATION

While the humidifier market for flight deck is established and the market for crew rest is widespread, the market for premium passengers is still emerging. Growth will be achieved through repeat business when mirroring previous configurations and adding passenger cabin coverage.

### THE WORLD'S DRIEST OFFICE



#### Positive market trend

Flight deck humidifiers have a high market share. The company's market plan is based on taking advantage of the success with the Boeing 787, with more than 60 major airline customers. More and more airlines are requesting similar equipment on new aircraft. Many airlines have mirrored the choices they have made for the Boeing 787 when buying the Airbus A350. New models such as the A350 and Boeing 777X also provide the option of selecting humidifiers for the passenger cabin. CTT currently has a large population, with good operational data in respect of reliability and performance. This significantly reduces the step to equip the passenger cabin with humidifiers as well. CTT is seeing a positive market trend driven by positive experiences and commonality experiences, guiding airlines when they select humidifiers for their various aircraft.

#### The market is expanding to include more aircraft types and more applications

One cornerstone of the growth strategy is that the company's humidifiers will be available as

an option in the flight deck, crew rest area and passenger cabin. The production rate of wide-body aircraft where CTT's systems are available is driving market potential and is expected to increase significantly in 2025 compared to 2024. Production of the first 777X aircraft is in progress, and delivery to customers is planned to take place in 2026. CTT's products are optional, and sales are driven by penetration (read: how many airlines choose our options). The aim is to achieve the same humidifier penetration level in cockpits and crew areas on the Airbus A350 and Boeing 777X as on the Boeing 787. Moreover, the market has to be gradually extended to include the passenger cabin.

#### Milestone in growth plan occurs as more airlines have humidifiers in Business Class

Only three airlines currently offer humidification in Business Class aboard their A350s (China Southern, Turkish Airlines and Air India). Additional airlines have chosen to equip their A350-1000 aircraft with humidifiers for their Business Class cabins, with delivery expected from 2025. Boeing

is also expected to start deliveries of the Boeing 777X in 2026. CTT has two airline customers, Emirates and ANA, who will have humidifiers in Premium Class.

#### OEM success to drive Retrofit market for cabin air humidification

The objective is to obtain commonality demand when airlines that have fitted new A350s/777Xs with humidifiers in Business and First Class also retrofit humidifiers when upgrading existing aircraft. The market potential is huge, with cockpit humidifiers currently fitted in more than 1,100 aircraft. These aircraft are dedicated for long-range flights, and those operators already have accepted the humidifier cost-level for its pilots. At CTT, we believe their most premium passengers are worth the same climate (at similar cost).



# PRIVATE JET: VIP DOMINANCE, WITH SIGHTS SET ON LARGE BUSINESS JETS

Private Jet is divided into VIP aircraft, which are redesigned commercial passenger aircraft, and business jets, which are smaller and dedicated to private aviation.

## Large VIPs have strategic value

CTT has a dominant market position in the VIP segment. There is a strategic value in proving the technology to aircraft manufacturers and airlines (such as Retrofit on the Boeing 787). Blocking competitors from entering commercial aircraft models and manufacturers via VIP is also of importance to CTT.

VIP aircraft are purchased without any interior (green aircraft) and delivered for cabin completion at special completion centres. End customers are often government/royal families, VIP charter companies or ultra-high-net-worth individuals. Historically, CTT has developed unique systems together with the

interior design company that is CTT's customer and certifies the system. Airbus and Boeing have supplied around 450 VIP aircraft in total. Total VIP aircraft deliveries in recent years has been between five and ten per year. CTT's net sales from VIP projects have been between USD 1.5 million and USD 5 million per year.

## Partnership with Airbus Corporate Jets to achieve higher narrowbody VIP penetration

In 2019, CTT has maintained a partnership with Airbus Corporate Jets (ACJ) with a view to offering an optimised humidifier system for the ACJ320 family for higher efficiency and performance. Airbus sells the system together

with the aircraft. The system has been received positively by the market.

## CTT addresses larger business jets – first contract with Airbus Corporate Jets

Historically, CTT has had no market presence in Business Jet. Liebherr Aerospace is the leading supplier of humidifier systems in this sector. Aircraft manufacturers include Cessna (Textron), Bombardier, Gulfstream (General Dynamics) and Falcon (Dassault).

The business jet market is changing, with new models that are larger than before, offering longer range and higher speed (large-cabin, long-range). Market leaders Bombardier, Falcon

and Gulfstream have introduced new aircraft models. Bombardier has enjoyed great market success with its Global 7500 and Global 8000 (first delivery in 2025). Gulfstream has a number of new models such as the G700 and G800, which are competitors to the Global 7500/8000. Dassault's Falcon 6X is in the process of developing a completely new model, the Falcon 10X (certification scheduled for late 2027).

Airbus delivered its first business jet, the Airbus ACJ TwoTwenty, in 2023. CTT has supplied humidifier systems as an option when buying aircraft. The partnership has evolved and now also includes the ACJ330.

## Demand is increasing with longer flight range

Large-cabin, long-range business jet aircraft are expected to increase demand for humidification and require more efficient humidifier systems

that can maintain humidity levels above 20% in the entire cabin. The challenge is to achieve efficient systems that maintain good, consistent performance throughout the cabin without causing condensation problems. The business jet market differs from the VIP market in that manufacturers supply turnkey aircraft in most cases. Only a small number of these aircraft pass via independent completion centres.

## OEM cooperation essential for volumes

The business jet market is unexploited and has its own cyclical behaviour, with low correlation to normal economic cycles. Airbus is leading the way by marketing our systems together with its ACJ aircraft. The growth strategy for private jets is aiming to convince other manufacturers to follow suit.

## Competition

The main competitor of humidifiers is Liebherr Aerospace. However, CTT has dominated the VIP sector for the last decade, particularly for the very largest models (widebody aircraft).

Liebherr have been the market leader in business jets, with a strong position among most manufacturers. But the latest aircraft (large cabin, long-range) from Bombardier and Gulfstream have no humidifier systems. This creates an opportunity for CTT. The growth opportunity is significant in the larger business jet sector, with market potential for CTT totaling around USD 30 million per year. In addition, there are also aftermarket revenues that depend on the installed base and flight hours. In 2024, Liebherr and CTT signed a cooperation agreement to jointly offer CTT's humidification system for the Bombardier Global 7500/8000.



The ACJ TwoTwenty is the world's largest business jet, with first delivery to customers taking place in 2023. Airbus Corporate Jets promotes and sells CTT's humidifier systems.



The picture shows an Airbus ACJ319neo. Airbus Corporate Jets sells the optimised humidifier system, which is supplied with STC together with the aircraft for cabin completion.



## CASE: NEW DRIVERS AND OPPORTUNITIES



# OEM – THE GROWTH ENGINE AGAIN

### Positive drivers

CTT's OEM-deliveries remain at low level and have not recovered from the pandemic. This is due to ramp-up issues at Airbus and Boeing. Demand is there with large order backlogs for both Airbus A350 and Boeing 787. A number of positive factors are now converging that will benefit CTT's sales for several years to come. Boeing is aiming to build ten 787 aircraft per month from 2026, compared to 4–5 in 2024. Airbus has similar targets for the A350, planning to go from the current 5–6 aircraft per month to 12 from 2028. Moreover, the Boeing 777X programme is targeting to start delivering to customers from 2026.

Another driving force is that we expect to increase shipset content in newly manufactured aircraft, due to higher selection rate but also from adding new content.

The markets for flight deck and crew rest areas are established. In total, the company's humidifiers are fitted in flight deck and crew

rest areas in approx. 1,500 aircraft at more than 60 airlines. One positive trend is that many airlines mirror the 787 selection when specifying their A350s.

### Cabin humidification next growth area

The next growth phase is when airlines start to install humidifiers in passenger cabins. This is an important part of our growth strategy. Today cabin humidification is available as catalogue options when buying newbuilt A350s and Boeing 777Xs. We are promoting this to become optional for the 787 as well.

Currently three airlines operate A350s with humidification in Business class. During the next few years, more airlines will start to take deliveries with passenger cabin humidification. This is expected to create positive momentum and dynamics into commonality efforts and competition through differentiation.

### More aircraft will be retrofitted

In parallel, the retrofit market is predicted to grow, driven by long order-to-delivery lead-time for new aircraft. Airlines have to adapt fleet planning and use older aircraft for longer. As part of this opportunity, CTT extended its cooperation with Airbus to be included in the A350 retrofit catalogue and part of the promotion package. This is a significant market, estimated by Airbus to some 400 aircraft up to 2028.

Overall, this means that CTT is well placed to increase sales in line with higher production rates, higher selection rates and more selectable products available from OEMs.

## CASE: RETROFIT SALES



### Harmonisation

CTT expects many new business opportunities when airlines upgrade their cabins. Particularly when airlines strive to obtain commonality by maintaining a consistent experience on a given type of flight, regardless of the aircraft type. This is usually called harmonising the offering. For CTT, this relates to airlines that have selected cabin humidification on the A350-1000 and Boeing 777X, for instance. In 2026, more airlines are expected to take delivery of their first A350-1000 / 777X aircraft with humidifiers in the premium cabins. This will lead to Retrofit projects where humidification is likely to be considered.

### Increased competition for premium pax

Competition for premium passengers is another driver. Competition between airlines is increasing as more airlines want to compete for the market created by Emirates, Ethiad and Qatar. One example is Air India, which is aiming to transform its brand and become a premium airline. Turkish Airlines is another airline with similar model and ambitions.

CTT predicts that intensifying competition is driving the need to stand out, which favours the emergence of the cabin humidification market.

This will become increasingly evident as more airlines start using aircraft with humidifiers on board in First and Business Class.



# PIONEER IN ACTIVE CONDENSATION CONTROL

CTT is a pioneer and the only company with products that master condensation in aircraft. Aircraft are equipped as standard with passive systems designed to remove condensation. CTT's anti-condensation systems solves the root-cause and reduces fuel consumption, CO<sub>2</sub> emissions and lowers the environmental impact of aviation.



**How it works:** CTT products blow dry air into the Crown Area (red arrows), which reduces condensation against the cold outer shell and drying insulation blankets and areas containing moisture-sensitive electrical systems via directional pipe systems.



**System:** Zonal Drying™ for the Airbus A320. The dehumidifier is situated under the cabin floor at the front of the aircraft. A ducting system distributes the dry air to areas affected by condensation.

## Condensation problems grow and counteract sustainability ambitions

Condensation occurs on all aircraft. Passive systems are available as standard to drain condensate water on ground. This approach is becoming increasingly ineffective as more aircraft seats are deployed, aircraft are operated almost full and longer and longer routes are travelled with less time on the ground. This results in accumulation of condensate water

and ice, thereby increasing the weight of the aircraft. This leads to increased fuel consumption, higher operating costs and unnecessary carbon dioxide emissions.

The problems are greatest in countries with periods where the climate is cold and wet. Calculations show that condensation can increase the weight of a narrowbody aircraft by up to 300 kg. CTT is the only supplier of an dehumidifiers that prevents and dries out water

from condensation. A typical anti-condensation system consists of one or two units that blow dry air into the Crown Area via ducts.

## Aftermarket

The dehumidifier requires repairs and filter changes after around 12–18 months. This generates a sizeable aftermarket over-time.

# THE TARGET MARKET IS NARROWBODIES – OEM AVAILABILITY IS THE KEY FOR GROWTH

Narrowbody aircraft where condensation problems are more prevalent, partly due to having more passengers in less space, is the target market for anti-condensation. Airbus and Boeing need to offer the system in order to achieve greater legitimacy and scalability.

## OEM availability is a prerequisite for growth

Being a supplier to aircraft manufacturers enables conditions for steady demand and extends the market, as well as increasing the chances of Retrofit sales. Airbus and Boeing dominate the narrowbody sector. The CTT Anti-Condensation products are not available in manufacturers' options catalogues for narrowbody aircraft at present.

## Target market

CTT targets airlines with narrowbody fleets in northern Europe, where the climate reinforces problems with condensation.

## Anti-condensation on widebody models

Dehumidifiers are available in the Airbus A350 catalogue as standalone or as a mandatory part of the passenger cabin humidification system. The anti-condensation system was also standard on the Boeing 787 until the end of 2019. Around 2,000 anti-condensation systems are installed at around 1,000 Boeing 787s in total, which will generate aftermarket revenues many years ahead. CTT is absolutely certain that all aircraft types will be equipped with anti-condensation systems in the future. This will be demanded of the aviation industry. Every kilogram counts. Widebody is not a target market in the short term.

## Competitors

All aircraft face condensation and are fitted with passive means to drain condensate water from the aircraft when parked on ground. CTT is the only provider of active anti-condensation systems. The competition offers passive systems that leads away condensation when the aircraft is on the ground. Biggest competition is to do nothing at all.

CTT needs to encourage airlines to request active moisture control when purchasing new aircraft in order to convince manufacturers to be listed in the OEM catalogue.

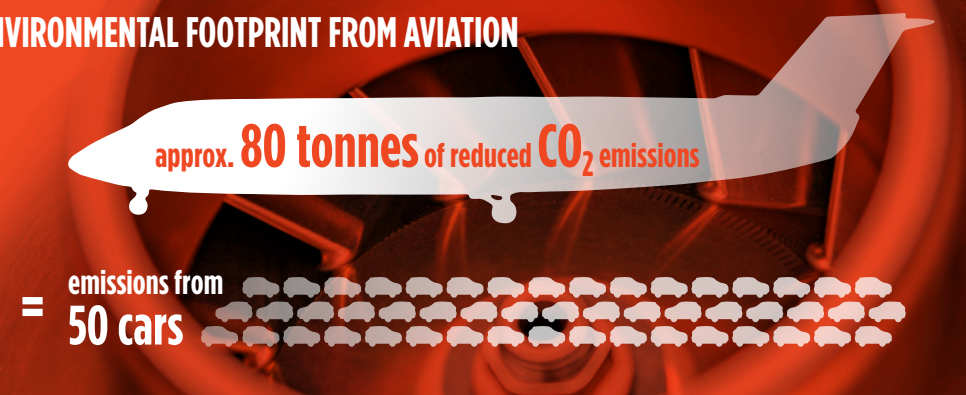
## MAJOR AIRLINE CUSTOMERS



**Jet2.com** and **Transavia** are CTT's two biggest narrowbody customers. Airlines have the dehumidifier on their Boeing 737s. CTT is aiming for them to continue with the system when they started to introduce Airbus aircraft from 2023 (they have orders for approx. 200 aircraft in the A320 family). In January 2025, Jet2.com placed an order for the anti-condensation system for all 146 of the Airbus A321s it has ordered.

## REDUCING ENVIRONMENTAL FOOTPRINT FROM AVIATION

A narrowbody aircraft (e.g. the Airbus A320) with the CTT dehumidifier installed reduces CO<sub>2</sub> emissions by up to 65–100 tonnes per year. The effect is even greater on a widebody aircraft.





# CLIMATE CHANGE PRESURE TO **REDUCE CO<sub>2</sub>** – HIGH LOAD FACTOR INCREASES DEMAND

The industry is actively striving to increase productivity by adding more passengers per aircraft, which is increasing condensation problems. At the same time, airlines are facing increasing demands – not least from their stakeholders – to reduce their environmental impact, which is driving demand for anti-condensation systems.



**“CTT MAKES FLYING BETTER  
– A LITTLE MORE SUSTAINABLE  
AND FAR MORE COMFORTABLE”**

## INCREASED SEAT CAPACITY AND HIGH OCCUPANCY

Airlines are actively working to increase the productivity of their fleets, driven in part by the growth of low-cost air travel. Ultimately, they are aiming to get more passengers into each aircraft. This is being done by increasing passenger load factor by selling every seat (i.e. attractive prices), and also by fitting more seats. The problem of condensation increases with more passengers on board.

Aircraft are also spending more time in the air, which means they have shorter turnaround (less time to dry out). All in all, more condensate water accumulate in the fuselage.

## MORE ELECTRONICS ON BOARD INCREASE SENSITIVITY TO MOISTURE

The trend in society towards more connected devices – among passengers, crew and the aircraft's own systems – is driving the development of more sensitive electronics on board aircraft. Electronics are sensitive to moisture, which makes actively tackling condensation a more interesting prospect for airlines.

## MORE SUSTAINABLE AIR TRAVEL REQUIRED – EMISSIONS MUST BE CONTINUOUSLY REDUCED

One of the most important measures is to reduce aircraft weight, where lots of small measures can have a major impact. Excess weight from condensation is an area in such, improving sustainability. With a penetration rate of just a few percent in current global narrowbody fleets, there is high growth potential for CTT products. Active anti-condensation reduces fuel consumption by 0.4–0.6% by reducing aircraft weight by 200–300 kg. This affects the environmental impact by reducing emissions at a level of around 65–100 tonnes of CO<sub>2</sub> per year.





# QUALITY AT THE HEART OF THE BUSINESS STRATEGY

Quality considerations define our production strategy, providing plants with clear roles. Our Nyköping plant carries out final assembly and testing, while the Nybro plant focuses on serial production of aluminium and stainless steel components and assembles volume products.

MARIA WESTER  
Head of Quality & HR

"Requirements from customers and public authorities are gradually increasing in the aviation industry with a view to further improving aviation safety. At CTT, we take responsibility for our part by further developing our processes and ensuring compliance with CTT's various operating licences thanks to the daily efforts of our staff, who work diligently, communicate openly and cooperate in-house, as well as with suppliers, customers and partners."



Own production

CTT performs final assembly, testing and quality approval of all systems and products at its plant in Nyköping in order to ensure delivery quality and compliance with requirements before delivery to the customer. Proximity to the development department is particularly important for low-volume products, for testing or at the start of an OEM programme. The PAD product group (humidity pads), which is delivered directly to customers from Nybro by specifically qualified personnel, is an exception to this.

The Nybro plant is otherwise a pure production facility that CTT is developing to handle more advanced manufacturing processes. The plant focuses on series production of aluminium and stainless steel components and assembles volume products and complete humidity pad assemblies. We have a modern machine fleet that we are continuing to update to the latest technology, and we are looking at the possibility of robotising parts of production as volumes increase. At the same time, we can improve the working environment for our employees by eliminating monotonous tasks that can lead to occupational injuries in the event of prolonged exposure. We have outsourced all service maintenance etc. to external suppliers in recent years so that we can focus on production, our core business. Retaining

talented staff so as to continue the optimisation of our production is a crucial part of efficient production, and CTT attaches great importance to this. This is of particular importance in a growth phase.

Selected subcontractors

CTT works with selected subcontractors for technically complex product parts and components for which the aviation industry has defined special requirements, such as fans, valves, control units and special air ducts and hoses. Particular specifications and drawings are devised for products of this kind. Long-term contracts form the basis for this type of cooperation.

Quality and reliability

The aviation industry involves a high level of control and regulation. It is also capital-intensive, making delays and downtime costly. As a consequence, therefore, most parts and systems are built to last the lifetime of the aircraft. All processes at the company are defined in the company's own management system, and regular checks are performed in order to ensure that the processes are being followed and that new processes are developed when necessary.

The management system fulfils the requirements of public authorities to manufacture

(Part 21 POE) and repair (Part 145 MOE) parts for the aviation industry. CTT is certified according to ISO9001 and the AS9100D standard applicable in the aviation industry. CTT works in partnership with design organisations approved by aviation authorities, such as Lufthansa Technik and PMV, in order to certify aircraft retrofit systems.

Development

CTT conducts two types of development work. One aims to develop products to fit specific aircraft models. When major aircraft manufacturers develop new models, as Boeing is currently doing with the 777X, it means that CTT also carries out extensive work that includes developing technology and processes, with multiple qualification rounds involving the aircraft manufacturer and authorities. The second type of development takes place at an earlier stage, before specific contracts are signed. This development involves devising new concepts and ideas for future products, as well as patenting the progress made. One such example is a partnership entered into by CTT and air filter manufacturer Camfil in 2020 in order to integrate ozone and VOC filtration into flight deck, crew rests and cabin humidifiers.

## MANAGEMENT SYSTEM IMPROVED TO MEET NEW REQUIREMENTS

C	CUSTOMER SATISFACTION	CTT's primary focus is to meet or exceed its customers' expectations
T	TECHNICAL EXCELLENCE	Products and systems must be designed, produced and maintained so that they meet or surpass specified requirements
T	TRUST	We build trust and relationships between leaders, staff, customers and other stakeholders
S	SAFETY	Operations and activities must be safe for customers, users, staff, the environment, information and property. This includes compliance with all applicable legal, regulatory and customer requirements and reporting of incidents and product non-conformances according to the company's processes
A	AWARENESS	Risk management is critical for CTT. We promote our safety culture by identifying hazards and opportunities and training all staff
F	FOCUS	All decisions must be based on the prioritisation of risks; 1. Safety/security    2. CTT Policies    3. Financial aspects Leaders assess human factors and performance before making decisions
E	EVERYONE	Every employee has the responsibility and right to follow rules and procedures, to report errors, to cooperate with auditors and to participate in the continuous improvement of the company and its operations, with the assurance of being treated according to Just Culture principles



# SUSTAINABILITY REPORT

CTT prepares a sustainability report in accordance with the Swedish Annual Accounts Act. The Board of Directors is responsible for the statutory sustainability report, which can be found in the annual report under the items below and covers the reporting requirements in the fields of environment, social conditions, personnel, business ethics and human rights according to the UN’s ten principles and Agenda 2030. Attempts are made to achieve full transparency and focus in this regard. The Sustainability Report has been reviewed, and an opinion has been issued by the company’s auditors.

In 2024, CTT has started working towards the upcoming reporting requirements under the Corporate Sustainability Reporting Directive (CSRD). A double materiality analysis has been initiated in order to map the company’s impact on the environment and people along the value chain, and to identify sustainability-related financial risks and opportunities. Stakeholder dialogues are a key part of the process in order to get their perspective on material aspects for CTT to focus on. CTT has also started to prepare for reporting according to the EU taxonomy. A GAP analysis and implementation plan has been established in order to deliver according to the regulatory timeline in 2025 and 2026.

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# SUSTAINABLE DEVELOPMENT AND RESPONSIBLE ENTERPRISE

CTT has a value-based approach to sustainability and strives to integrate sustainable thinking in everything it does, in both the short and the long term. Sustainability is an important driving force for CTT’s product development and its efforts to minimise the environmental impact of its operations. Conducting business ethically in all regards alongside offering attractive, responsible workplaces are other essential elements of CTT’s sustainability initiatives. Creating a sustainable, value-creating business is based on integrating the entire chain into sustainability efforts, from supplier to customer.



CTT’s vision is for the aviation industry to use CTT products to actively regulate humidity aboard aircraft in order to provide a better climate in the aircraft and on the ground. In 2024, our anti-condensation systems reduced airline CO<sub>2</sub> emissions by the equivalent of 85,000 cars (83,000), higher than in the previous year when flight hours and the installed base increased. At the same time, CTT humidifiers created an improved working environment for around 64% (64) of the world’s pilots of widebody Boeing 787 and A350 aircraft by increasing humidity. To achieve the vision, we conduct responsible enterprise based on our business concept, strategic agenda and sustainability policy. The framework for CTT’s sustainability work is based on the Sustainable Development Goals of Agenda 2030, stakeholder and significance analyses carried out and dialogue with our stakeholders, who influence and are influenced by our operations to varying degrees.

**Sustainability policy forms the starting point for sustainability efforts**

CTT is constantly working to reinforce sustainability in its operations. We are steering towards increased sustainability on the basis of our sustainability policy, which describes

the fact that the company has to work to integrate social, economic and environmental sustainability throughout everything it does. This means that CTT has to operate in a financially sustainable manner that ensures its survival and evolution over time. The company must respect human rights and promote good working conditions throughout the value chain. CTT must also work actively to reduce its environmental impact and combat corruption.

The CEO and the management team bear operational responsibility for conducting ongoing sustainability work. A review and evaluation of the previous year’s performance is carried out at the start of each year, and a review of the sustainability goals and risks related to each focus area is then conducted on the basis of the outcomes and stakeholder and significance analyses. Specific activities are then defined, with responsibilities and key figures for the coming year. A mid-year review of ongoing activities is carried out at the management strategy meeting after the summer.

At the end of the year, the outcomes of the year’s goals and activities are compiled and form a basis for the review at the start of the next year, and the circle is closed.

**Certifications and licences form part of CTT’s sustainability efforts**

CTT has a number of certifications, licences and customer approvals which mainly govern the operation of the business, but which also form an important part of the company’s sustainability efforts; by ensuring that working methods and practices relating to a number of different sustainability issues are in place, for example. CTT has a number of different licences/approvals:

- AS9100D certification, the aviation industry’s quality standard that includes ISO9001:2015
- Six different administrative approvals under the Swedish Transport Agency, including:
  - Production Organisation Approval (POA)
  - Four Maintenance Organisation Approvals (MOA) covering the EU, the US and Canada which are generally accepted globally. As the UK has left the EU, CTT has needed additional certification of its repair operations with a single licence under CAA UK, as the UK has stopped accepting EASA licences in 2022.
- Known originator, air freight (Swedish Transport Agency)
- Customer approvals (e.g. from Boeing and Airbus)

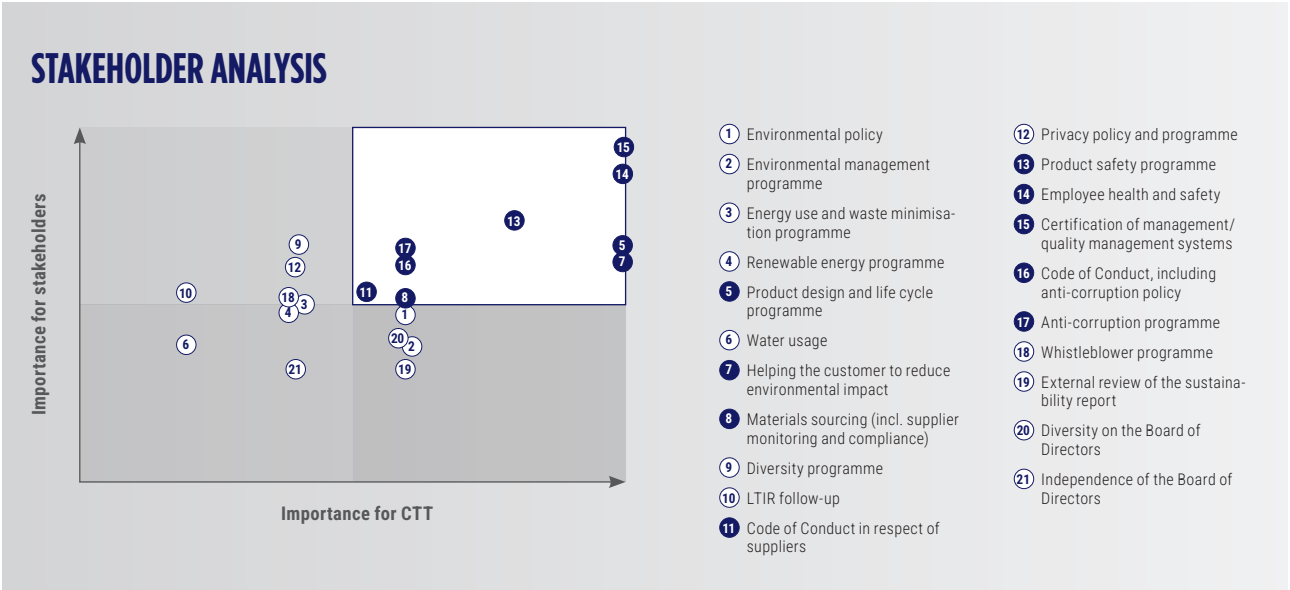
**Stakeholder and materiality analysis**

The stakeholder and materiality analyses conducted by CTT are an important part of the annual management review, where activities related to sustainability work for the coming year are decided upon. CTT’s primary stakeholders are employees, owners/investors, the community, customers, suppliers and regulatory counterparties. Customers also include

airlines, which are sometimes indirect customers, and end-users, which are the passengers and crew aboard aircraft.

CTT’s stakeholder analysis is based on a number of issues related to the company’s three main areas: Environmental responsibility, Responsible employer and Business ethics and human rights. These issues are used to assess the impact of a specific issue on CTT’s ability

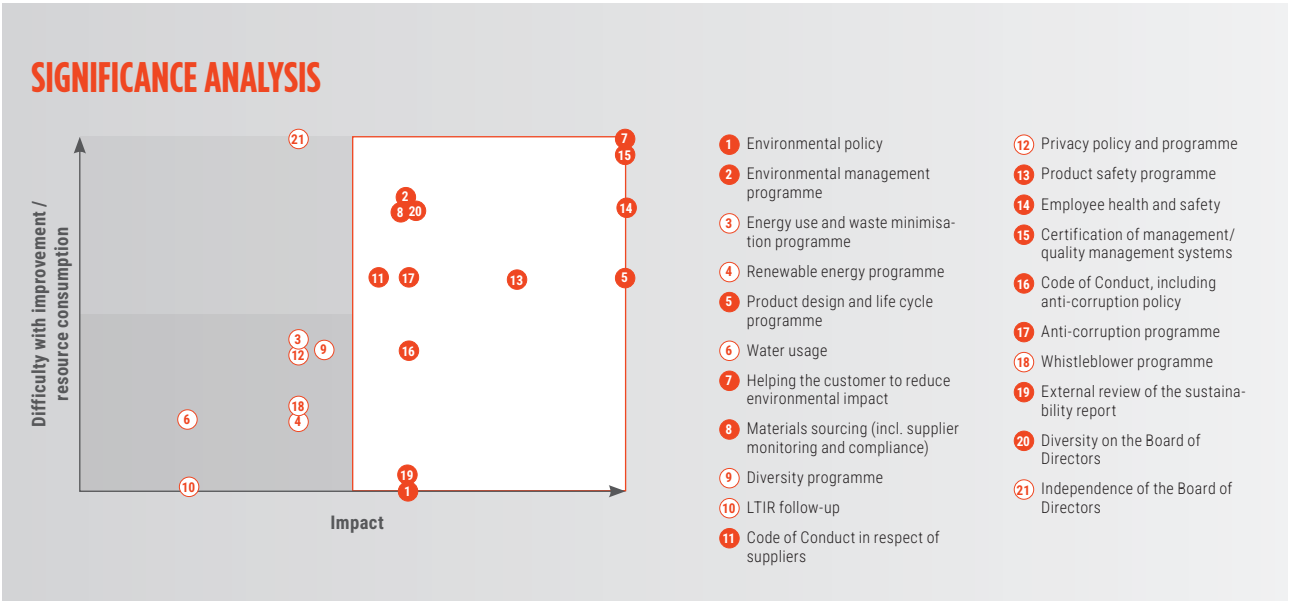
to create value for its primary stakeholders and the impact of a specific issue on CTT’s ability to go on evolving as a company profitable in the long term. An illustration of the company’s stakeholder analysis is presented below, the white area marking the issues that are of major importance to both CTT and its stakeholders, making these priority issues.



CTT’s significance analysis compares the positive impact a specific issue is deemed to be capable of having with CTT’s ability to positively influence that issue. An illustration

of the company’s significance analysis is presented below. The significance analysis is one of the tools used to decide on activities for the coming year, the balance of impact versus

opportunity to influence forming the basis for value-based decisions on which activities to prioritise.





# THREE AREAS THAT CAPTURE CTT'S KEY SUSTAINABILITY ISSUES

UN Agenda 2030 and related Sustainable Development Goals have provided guidance in efforts to identify the most relevant sustainability issues for CTT to deal with, monitor and report. CTT has chosen to group these under three areas: Environmental responsibility, Responsible employer and Business ethics and human rights.

## SUSTAINABILITY AT CTT

### ENVIRONMENTAL RESPONSIBILITY

Climate change is one of the world's most pressing challenges, which is why CTT is making every effort to significantly reduce its climate impact and contribute to the 1.5-degree target under the Paris Agreement. For CTT, it is essential to continuously identify and implement activities that reduce the environmental impact of our operations, but also to regularly check our suppliers' environmental work and environmental certification. A third area of importance for CTT is how the company can influence its customers, airlines, to reduce their environmental impact. Offering anti-condensation systems that reduce condensation in aircraft means that CTT is indirectly contributing to airlines' ability to reduce its emissions by offering CTT's weight-reducing and hence fuel-saving anti-condensation/de-humidification products. These products helped to reduce global CO<sub>2</sub>

emissions by around 137,000 tonnes in 2024, compared to 134,000 tonnes in 2023. Examples of activities for reducing the company's own environmental impact include the introduction of a renewable energy programme to ensure that all the electricity and heating we buy comes from fossil-free sources, and the installation of solar panels at our production plant in Nybro and, in the long term, in Nyköping. When renovating and altering company premises, the company strives to reduce energy consumption on the basis of earlier conducted energy mapping. CTT also has an action programme aimed at a sustainable travel policy, increasing the percentage of environmentally classified company cars and providing electric car charging at each work site. To help customers to reduce their environmental impact, CTT is developing an improved



anti-condensation system and has highlighted how consumables can be recycled in order to achieve greater sustainability throughout the product life cycle. Moreover, CTT carbon-off-sets all its travel through the Fly Green Fund, where funds are used to develop biofuels for the aviation industry.



The solar panels at CTT Nybro were commissioned at the end of 2021 and produced around 200,000 kWh in 2024. According to expectations of 200,000 kWh.



### RESPONSIBLE EMPLOYER

As an employer, CTT is responsible for providing equal, safe and healthy workplaces where staff enjoy their work and feel that there are good opportunities for personal development and career paths. CTT is committed to working proactively on gender equality, diversity and equal opportunities. CTT developed an updated sustainability policy in 2023 for further clarification of this. At the same time, CTT's various regulatory and customer requirements involve specific security clearances and checks of personnel records. CTT's responsibilities include ensuring that training initiatives are in line with both skills needs and employees' individual career and skills development plans. A well-established occupational health service means that employees receive regular health checks, and

wellness allowances and company-sponsored exercise activities are offered in order to promote movement and exercise. CTT is working actively to reduce work-related injuries and maintains statistics on accidents and incidents, where all accidents and serious incidents are reported to the Swedish Work Environment Authority and the Social Insurance Agency. CTT is a member of the Association of Swedish Engineering Industries and the Confederation of Swedish Enterprise and is therefore affiliated to collective agreements. It goes without saying that, as far as CTT is concerned, employees have the right to join a trade union, and the company maintains good cooperation with its trade union counterparts. It is also important to ensure good financial conditions for employees in the form of the profit-sharing foundation, which gives all

employees an equal share of the company's profits in relation to hours worked. CTT also strives to maintain the highest possible percentage of permanent positions, offering regular and flexible working hours during the day. It is also important for CTT to contribute to a sustainable local community. CTT has increased its involvement in 2024, including increasing its sponsorship in Nyköping and Nybro.



### BUSINESS ETHICS AND HUMAN RIGHTS

CTT's operations must be characterised by high business ethics, and the company must uphold good business practice in all relationships. Backhanders, bribery and other forms of corruption are not accepted under any circumstances. CTT developed and implemented a new Code of Conduct in 2020 which clearly sets out the company's guidelines for combating all forms of corruption. This policy was communicated internally in 2021, and in 2022 it began to be followed up with suppliers and customers. The company has also previously introduced and provided training for a whistleblowing function that is open to internal and external parties. The Code of Conduct and the whistleblower function can both be found

on the company's website at [www.ctt.se](http://www.ctt.se). CTT also follows and operates in compliance with the codes of conduct defined by our main customers, Airbus and Boeing, as requirements for supplier partnerships. These include anti-corruption measures and human rights. CTT is working constantly with external counterparties to ensure that contracts are formulated in a manner that minimises the risk of bribery and other forms of corruption. The company has also conducted a control and risk assessment regarding the use of conflict minerals. The outcome of this was that no evidence of the presence of conflict minerals was found in either the company's components or its finished products.



CTT also strives to achieve full transparency in its sustainability reporting. The company became a Nasdaq Transparency Partner in 2022, which is clear evidence that we openly report what the market wants to see. For other governance issues relating to sustainability work, see the corporate governance report on pages 70-.





# OUR STAFF ARE THE KEY TO OUR SUCCESS

The skills, experience and commitment of our employees are key to CTT’s ability to achieve its vision. Together, we are building a company that is characterised throughout by high business ethics, solid competence and – not least – a healthy working environment where everyone has equal opportunities. Together, we are creating a sustainable organisation.

CTT does its best to be an attractive employer and wants both current and potential employees to feel that we offer good opportunities for an interesting future. The aviation industry is generally characterised by a high degree of accuracy and well-developed procedures in order to meet the requirements and expectations of customers and authorities. Always offering staff opportunities to develop and extend their skills is therefore business-critical and a key element in HR work. This work has had an impact and have contributed to many of CTT’s employees staying with the company for a long time: 76% of CTT’s employees have been employed for more than five years and 51% for more than ten years. This also means that CTT only needs to hire contractors in exceptional cases. We adjusted staffing levels in 2020 and 2021 on account of the pandemic after many

years of continuous growth and recruitment, and short-time working on a fair-wage basis without government funding was implemented for our remaining staff. It is gratifying to see that we started to reinstate staff in 2022, 2023 and 2024 so that we can grow again, with several people who had to leave choosing to come back.

**An attractive overall package**

CTT offers collective agreements, competitive salaries and reduced working hours which give all staff additional time off over Christmas and New Year, for instance, as well as a number of working days between two holidays. Annual deposits have been made to a profit-sharing foundation since 2016. Wellness allowances and occupational health services with voluntary health checks are offered in order to pro-

mote good health. The company also strives to make it easier for employees to combine work and parenthood.

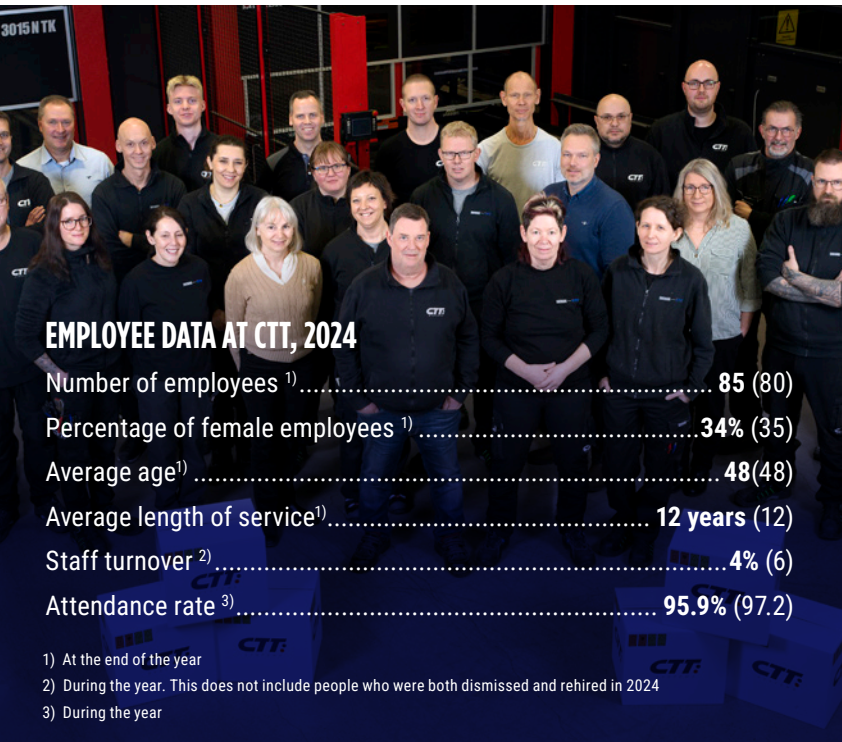
CTT also encourages an inclusive climate with good cohesion. The organisation is relatively flat and staff maintain close relationships with the CEO, who is often involved in day-to-day work. Development opportunities are good in terms of work content and opportunities to apply for new roles. The long lead times in the industry also mean that work can be planned so that excessive workloads can normally be avoided.

**Great Place to Work – an inclusive workplace where staff enjoy working**

CTT works actively to create an equal opportunities workplace characterised by teamwork, a sense of community, well-being and mutual respect for one another. CTT conducts regular employee surveys in order to monitor employees’ perception of the workplace with a view to supporting the continuous development of the working environment. New since 2023, the staff survey was conducted via Great Place to Work. CTT achieved 74% in the weighted index for the whole model at the first time of asking. A score of over 70% is required for certification. The results for 2024 improved to 80%. When asked whether they agreed with the statement “All in all, this is a very good place to work”, 87% agreed strongly. The camaraderie index was a high 88%, showing that most people are satisfied or very satisfied with the sense of community and well-being at the company.

The HR department received no cases related to victimisation, harassment or discrimination in 2024. Nor have any cases been received through the whistleblowing function.





**EMPLOYEE DATA AT CTT, 2024**

Number of employees <sup>1)</sup>	85 (80)
Percentage of female employees <sup>1)</sup>	34% (35)
Average age <sup>1)</sup>	48(48)
Average length of service <sup>1)</sup>	12 years (12)
Staff turnover <sup>2)</sup>	4% (6)
Attendance rate <sup>3)</sup>	95.9% (97.2)

1) At the end of the year  
2) During the year. This does not include people who were both dismissed and rehired in 2024  
3) During the year



- INCLUDES ALL EMPLOYEES, EACH EMPLOYEE RECEIVING AN EQUAL SHARE IN RELATION TO THE HOURS WORKED
- EACH EMPLOYEE WITH A FULL SHARE OWNS APPROX. 2,500 SHARES IN CTT VIA THE FUND, AS AT 31 DECEMBER 2024
- AS AT 31 DECEMBER 2024, THE PROFIT-SHARING FUND WAS THE 20TH BIGGEST SHAREHOLDER IN CTT ACCORDING TO THE SHARE REGISTER
- MORE THAN SEK 94,000 PER ELIGIBLE EMPLOYEE WAS ALLOCATED FOR 2024

# STAFF PROFIT-SHARING FOUNDATION

**Allocation for the profit-sharing foundation**

CTT has had an independent profit-sharing foundation in place since 2015 that gives all employees a share in CTT’s financial success. The purpose of this foundation is to create a clearer link between the collective performance of employees, their remuneration and the company’s results and, in the long term, to reinforce employee engagement through share ownership. Each CTT employee who has worked full-time since the start owns the equivalent of around 2,500 shares in CTT through the profit-sharing foundation. In total, the profit-sharing foundation – which has been in place for nine years – owned 1.0% of CTT’s share capital at the end of the year.

7.5% of the company’s profit before tax is allocated to the foundation each year, up to a maximum of 22.5% of the declared dividend. The award can be up to 25% of the total basic salary of all of the company’s employees. The funds are invested in CTT shares, which are acquired on the market following the Annual General Meeting each year.

All employees, regardless of their salary and position, are allocated equal shares in relation to their annual working hours, as long as they have been employed for at least three months and have not left in the year in which they started. Payments to employees may be made no earlier than four years after the financial year on which the allocation to the foundation is based. Employees themselves decide whether the funds are to be paid out or remain in the foundation.

In 2024, a value of just over SEK 94,000 per eligible employee was set aside, to be invested in May 2025 following a decision by the General Meeting. The profit-sharing foundation was the owner of 123,149 shares as at 31 December 2024.



## CTT INVESTS MORE IN SUSTAINABILITY AND BEGIN IMPLEMENTATION OF CSRD

Fanny Söderberg is a business controller specialising in sustainability at CTT Systems. Fanny joined the company in August 2024 and is looking forward to a year of ambitious implementation of the new sustainability directive CSRD.

Although Fanny still feels she is new to the job, CTT Systems was nothing new to her when she was employed. Fanny came into contact with CTT Systems while she was studying industrial engineering and management.

**"I looked around for a suitable company when I was writing my thesis. That was when I first came into contact with CTT Systems. I was really pleased and excited when I found out there was a small company based in Nyköping that had major global customers. It seemed really unique!"**

After completing her thesis, Fanny was offered a position as business controller specialising in sustainability at CTT Systems.

**"I received a wonderful welcome at the company. CTT Systems has a clear familial atmosphere with a strong team spirit."**

At the moment, Fanny's work is focused on the implementation of the EU's sustainability directive CSRD. The directive requires companies to report on their environmental, social and governance (ESG) impacts throughout their value chain. The aim is to provide consistent, comparable and reliable sustainability information that can help stakeholders make informed decisions. The sustainability directive will come into force for CTT Systems from 2026. The preparatory work includes a double materiality analysis to determine the company's focus areas, as well as a GAP analysis and an action plan to identify what needs to be implemented in order to meet the reporting requirements.

**"We are already doing a lot in the field of sustainability, but we will need to do even more. CSRD is new to all of us at the company, but we are all learning together. The directive will affect all parts of the company, so I am very grateful that all departments are very willing to help us succeed."**

Although CSRD involves extensive processes and complex documentation, Fanny believes that it will drive positive change for CTT Systems in the long run.

**"Once the reporting is in place, I think we will make more effort to improve even more. We will be able to develop and improve our focus areas to report better figures each year, and thus make progress in our sustainability efforts."**

## QUALITY REQUIREMENTS INCREASE FURTHER

Jonas Hertz has been part of CTT Systems for 22 years. He has been working in the quality department since 2008, where auditing the systems supplied by CTT is an important part of his job. In the coming years, Jonas anticipates a development where the quality department will grow as the number of deliveries is expected to increase and a new regulatory framework introduced for all companies operating in the aviation industry will mean more work for the quality department and other parts of CTT.

Jonas started working at CTT Systems with manufacturing, testing, maintenance and repairs back in 2003. The company was much smaller at that time and there were not as many systems in operation as there are now, which meant that the same people who manufactured and tested new humidifiers and anti-condensation systems also carried out maintenance and repairs on delivered systems.

**"I had read a few articles about CTT in the local paper and thought it seemed like an interesting company, with a good product that solved the problem of moisture in aircraft. Then, when a friend told me that a job was available, I sent in an application and got the job."**

Since then, CTT has evolved into a much larger company, with production and maintenance operations now being two separate divisions. Nowadays, Jonas works with a variety of tasks

related to inspections of the products that CTT Systems supplies and other tasks within the quality department.

**"My quality department colleagues and I review all products that CTT Systems sends out, including all documentation. This involves us checking the products against drawings, checking Work Sheets (operation lists), reviewing test reports to make sure the products have passed all tests, etc."**

However, reviewing products is only one part of the work done by the quality department at CTT Systems. The work also includes creating checklists for the inspections, audits both in-house and at suppliers' premises, handling various types of deviations, and much more. At the moment, CTT is working on implementing new parts of the EASA regulations.

**"The changes to the EASA regulatory framework should further improve aviation safety."**

Jonas sees a positive future for both the quality department and for CTT Systems as a company. He expects the company to continue to grow and for more people to recognise the benefit of the products manufactured by CTT Systems.

**"I have worked at CTT Systems for many years, and I have always felt that we have owners who really believe in us. Being part of a small company based in Nyköping that supplies global companies in the aviation industry all over the world is very special."**



# FOLLOW-UP ON PRIMARY ACTIVITIES AND KEY FIGURES FOR 2024

ENVIRONMENTAL  
RESPONSIBILITY

Activity / Key figures	Results, 2024 (2023)	Comment
CO <sub>2</sub> savings from anti-condensation systems supplied	137,000 tonnes (134,000)	Equivalent to emissions from 85,000 passenger cars in a year
Developing an improved anti-condensation system with at least 5% improved energy efficiency	Ongoing	Postponed due to prioritisation of customer projects
Percentage of green company cars	100% (86)	Electric or plug-in hybrid cars. The target is 100%
Electricity produced from solar panels, target 200,000 kWh	199,686 kWh (205,024)	Equivalent to about 50% of direct consumption and 95 tonnes of CO <sub>2</sub> reduction
Continued inspection of suppliers of chemicals and coatings in respect of certification and compliance with laws and regulations	Implemented	
Streamlining of water consumption and heat recovery	Ongoing	Only renewable energy is used for electricity . For heat, more than 99% comes from fossil-free sources
Start implementation of CSRD and ISO certification 14001 and 45001	Ongoing	CSRD – Double materiality analysis and GAP analysis completed, implementation ongoing
Humidified flight deck, percentage	63.6% (64.2)	Refers to Boeing 787 and Airbus A350
Humidified flight deck, hours	5,065,726 (4,681,709)	Refers to Boeing 787 and Airbus A350
Fewer discarded products	0.91% (0.30)	Outcome in relation to total cost of materials
Increased waste recycling	95% (93)	Total 49 tonnes (43)

Key figures and activities, 2025

CO <sub>2</sub> savings from anti-condensation systems supplied
Developing an improved dehumidifier with at least 5% improved energy efficiency
Percentage of green company cars
Electricity produced from solar panels, target 200,000 kWh
Continued inspection of suppliers of chemicals and coatings in respect of certification and compliance with laws and regulations
Streamlining of water consumption and heat recovery
Continue implementation of CSRD and ISO certification 14001 and 45001
Humidified flight deck, percentage
Humidified flight deck, hours
Fewer discarded products
Increased waste recycling



RESPONSIBLE  
EMPLOYER

Activity / Key figures	Results, 2024 (2023)	Comment
Job security – Percentage of permanent staff	99% (100)	The target is 100%
Fair pay – Percentage of employees above the minimum wage	100% (100)	The target is 100%
Fair pensions – Percentage of employees with occupational pensions	100% (100)	The target is 100%
Compliance with collective agreements – Number of observed deviations from collective agreements	0 (0)	The target is 0
Equal workplace – Employees are treated equally regardless of gender	91% (90)	Great Place to Work survey
Equal opportunities workplace – Percentage of women in the company	34% (35)	The target is >40% by the end of 2026
Employee health in health survey – Percentage of staff satisfied or very satisfied in respect of the "self-assessed health" question	76% (73)	
Exercise and movement – Percentage of employees using their wellness allowance	81% (74)	Fitness allowance changed to wellness allowance and increased from SEK 4,000 to SEK 5,000 in 2023
Regular working hours – Percentage of employees working only during the day	100% (100)	The target is 100%
Carrying out at least one joint health activity for each work site	Partially implemented	Implemented at just one of two sites
Continued development of e-learning tools for all employees	Implemented	
Percentage of employees with strain injuries	2% (0)	The target is 0%
Accidents resulting in absence, zero tolerance	0 (0)	
Sustainable cities – increasing local engagement and sponsorship	Implemented	

Key figures and activities, 2025

Job security – Percentage of permanent staff
Fair pay – Percentage of employees above the minimum wage
Fair pensions – Percentage of employees with occupational pensions
Compliance with collective agreements – Number of observed deviations from collective agreements
Equal workplace – Employees are treated equally regardless of gender
Equal opportunities workplace – Percentage of women in the company, develop a gender equality plan
Employee health in health survey – Percentage of staff satisfied or very satisfied in respect of the "self-assessed health" question
Exercise and movement – Percentage of employees using their wellness allowance
Regular working hours – Percentage of employees working only during the day
Carrying out at least one joint health activity for each work site
Continued development of e-learning tools for all employees
Percentage of employees with strain injuries
Accidents resulting in absence, zero tolerance
Sustainable cities – increasing local engagement and sponsorship



BUSINESS  
ETHICS AND  
HUMAN RIGHTS

Activity / Key figures	Results, 2024 (2023)	Comment
Completion of communication/training on ethics and anti-corruption policy for suppliers	Ongoing	Included in all tenders and contracts
Complete implementation of sanctions policy and code of conduct for customers	Ongoing	Included in all tenders and contracts

Key figures and activities, 2025

Completion of communication/training on ethics and anti-corruption policy for suppliers
Complete implementation of sanctions policy and code of conduct for customers



# SUSTAINABILITY PRIORITIES 2025

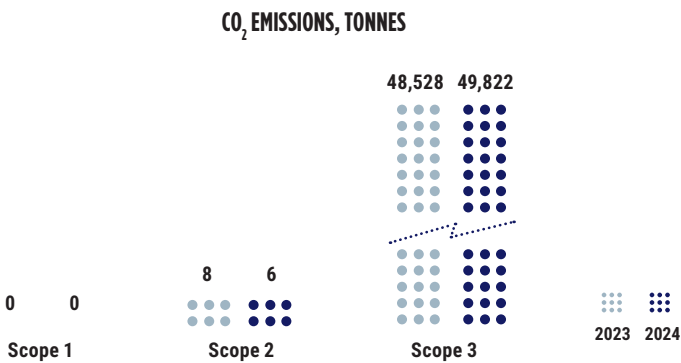


# SCOPE 1, 2 AND 3 CLIMATE ACCOUNTING – DIRECT AND INDIRECT CONSUMPTION

CTT aims to become more energy efficient and thereby reduce its CO<sub>2</sub> emissions. All electricity comes from renewable sources, and about 99% of heat comes from fossil-free sources. In 2024, self-generated electricity from solar panels has accounted for 46% (56) of total electricity consumed directly. The consumption of direct district heating has increased from 275 MWh to 305 MWh during the period. The proportion of green company cars was 100% (86) at the end of the year. Indirect electricity consumption has increased mainly due to the fact that more people are using chargers for electric cars, which is positive from a sustainability perspective. In total, the CTT anti-condensation systems has saved 137,424 tonnes (134,589) of CO<sub>2</sub> for our customers, with the flight hours recorded in 2024 according to statistics from Boeing. In total, CO<sub>2</sub> Scope 1 and 2 emissions have decreased by 2 tonnes compared to the previous year. CTT has no emissions for Scope 1 and only emissions from district heating in Nyköping for Scope 2, amounting to 6 tonnes

for 2024 as a whole. (Scope 2 relates to market-based emissions). In 2024, CTT has set science-based emission targets through the Science Based Targets initiative (SBTi). The company has thus committed to reducing Scope 1 and 2 emissions by 42% by 2030, using 2023 as the

base year. Additionally, CTT aims to achieve net zero emissions by 2050 by reducing Scope 1, 2 and 3 emissions by 90% as of 2023. As part of this work, the company has started to map its Scope 3 emissions, which account for over 90% of the company's total emissions, with the ambition to gradually gather more primary data.



REPORTING OF KEY FIGURES

	Results, 2024	Per employee	Results, 2023	Per employee
Direct own consumption:				
Electricity consumed, kWh <sup>1)</sup>	430,861	4,896	369,384	4,450
Electricity produced from solar panels, kWh	199,686	2,269	205,024	2,470
Heat, kWh	304,930	3,674	275,050	3,315
Water, cubic metres	1,325	15	981	12
Percentage of green company cars	100%	-	86%	-
Waste recycling	95%	-	93%	-
Waste mass, kg	48,664	553	43,016	518
Indirect consumption:				
Electricity, kWh <sup>1)</sup>	227,130	2,581	219,427	2,644
Heat, kWh	371,100	4,217	432,130	5,206
Water, cubic metres	838	10	881	11
The customer perspective:				
CO <sub>2</sub> savings from anti-condensation systems supplied, tonnes <sup>2)</sup>	-137,424	-1,562	-134,589	-1,622
Flight deck humidification, percentage <sup>3)</sup>	63.6%		64.2%	-
Flight-deck humidification, annual flight hours <sup>3)</sup>	5,065,726		4,681,709	-

1) Electricity consumption from electric vehicle charging was 33,830 kWh in 2024 and 18,501 kWh in 2023  
2) Based on statistics and key figures from Boeing and calculation by CTT of weight savings of 200 kg for narrowbody aircraft and 300 kg for widebody aircraft  
3) Of modern widebody fleet (Boeing 787 and A350)

# OBJECTIVES AND LONG-TERM PLAN

## CTT HAS SHORT, MEDIUM AND LONG-TERM SUSTAINABILITY OBJECTIVES FOR DEVELOPMENT AND INTEGRATION INTO OPERATIONS AND REPORTING

AREA	IMPLEMENTED IN 2024	PLAN 2025–2027	LONGER TIME HORIZON
E	Develop a science-based target and join the SBTi	Develop a transition plan in order to reach the targets	Become climate neutral / reach Net Zero Target
E	Map and report the company's Scope 3 emissions	Collect more primary data for Scope 3 emissions	
ESG	Start implementing the CSRD and the EU taxonomy	CSRD reporting, including the EU taxonomy, must be in place for the 2026 financial year	
EG	Devise a plan for environmental certification	ISO-14001 certification	Continued work with environmental standards, ISO-14040-44
SG	Develop a workplace certification plan, Great Place to Work certification	ISO-45001 certification	
S	Devise a plan for a more gender-equal workplace, percentage of women >30%	Implement measures, percentage of women >40%	Percentage of women 40– 60%
ES	Develop a plan for local community engagement, sustainable cities and ecosystems	Implement a plan for local community engagement, sustainable cities and ecosystems	
E	Plan for expansion of solar panels in Nyköping and Nybro	Implement expansion of solar panels in Nyköping and Nybro	
G	Evaluate Nasdaq Green Equity Transition / Designation	Become part of Nasdaq Green Equity Transition / Designation	

E = Environmental      S = Social      G = Governance

## AUDITOR’S OPINION ON THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of CTT Systems AB (publ), co. reg. no. 556430-7741

Mission and responsibilities

The Board of Directors is responsible for the sustainability report for 2024 on pages 34–47 and for ensuring that it has been prepared in accordance with the Annual Accounts Act in accordance with the previous version that applied before 1 July 2024.

Opinion

A sustainability report has been prepared.  
  
Stockholm, 27/03/2025  
(exact time stamp indicated by electronic signature)

Focus and scope of the audit

Our audit was conducted in accordance with FAR recommendation RevR 12 Auditor's opinion on the statutory sustainability report. This means that our audit of the sustainability report has a different focus and a significantly smaller scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this audit provides us with a reasonable basis for our opinion.

Öhrlings PricewaterhouseCoopers AB

Andreas Skogh  
Authorised Public Accountant



# FINANCIAL STATEMENTS

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## CFO's STATEMENT

### Introduction

The last few years have been characterised by a troubling global and security situation. Financially, this has resulted in higher inflation and higher interest rates. CTT has been affected by this, but has managed to compensate for higher costs with price increases, mainly in the aftermarket, and benefited from the fact that most of its sales are in USD. It is worth highlighting that despite global challenges, CTT managed to maintain its high operating margin of 38% during the year, partly thanks to its active streamlining efforts with regard to both fixed and variable costs.

CTT's revenue has shown growth in 12 out of 15 quarters since the pandemic low in the first quarter of 2021. Everything indicates that the company is capable of continuing on its journey of growth, even though there is always a risk of less favourable results in a single quarter. The company already has both the capacity and the capability for the coming years, so we have good leverage to maintain a high level of profitability. However, it is important to bear in mind that a weaker USD/SEK exchange rate will have a negative impact on profitability. Moreover, increasing system sales will result in a decrease in the very profitable aftermarket share in the total sales mix from the extreme level of 78% in 2024. OEM looks set to be the engine driving growth again next year. The progression of Retrofit and Private Jet is more binary, while the Aftermarket trend will revert to reflecting the increase in the number of systems in operation (underlying demand) after the inventory effects have subsided in Q1 & a bit into Q2 (see graph below).

### Currency

2024 was an eventful year in the foreign exchange markets. CTT has an unusually one-sided currency exposure because practically all sales take place in USD. The company has chosen not to use USD forward hedging. On the other hand, purchases and bank loans in USD are actively sought. Over the year, the USD/SEK exchange rate has remained at about the same level on average, ranging from USD/SEK 10.61 to 10.56 (average rate over the years). This had a marginal impact on operating profit in 2024. However, the exchange rate has varied greatly during the year and the closing price in 2024 was 11.00, compared with 10.04 in 2023. The higher closing price meant that our loans in USD were valued higher and led to negative net financial items during the year.

### Cash flow and financial position

Operating cash flow decreased to SEK 66 million (117), mainly as a consequence of negative changes in working capital, the comparison year 2023 being unusually strong partly due to non-recurring effects. The inventory value increased from SEK 109 million to SEK 125 million in 2024, mainly due to price increases, a weaker SEK and lower deliveries than planned in system sales. The turnover rate has decreased during the year, from 3.0 to 2.6. For CTT, it is important to maintain a resilient stock in order to always be able to fulfil customer delivery requirements. This, together with relatively long lead times and many items, is driving relatively high stock levels in relation to turnover.



Markus Berg, CFO

CTT's financial position remains strong, with net debt of SEK -25 million (-76), a high equity ratio of 74% (75) and cash and cash equivalents of SEK 69 million (118) and also credit/loan facilities of SEK 53 million. This means that CTT is able to continue to provide good returns to shareholders without sacrificing its growth ambitions. The Board of Directors proposes that the ordinary dividend be maintained at SEK 5.35 per share (5.35), but that no extra dividend be paid (3.35), totalling SEK 5.35 per share (8.70).

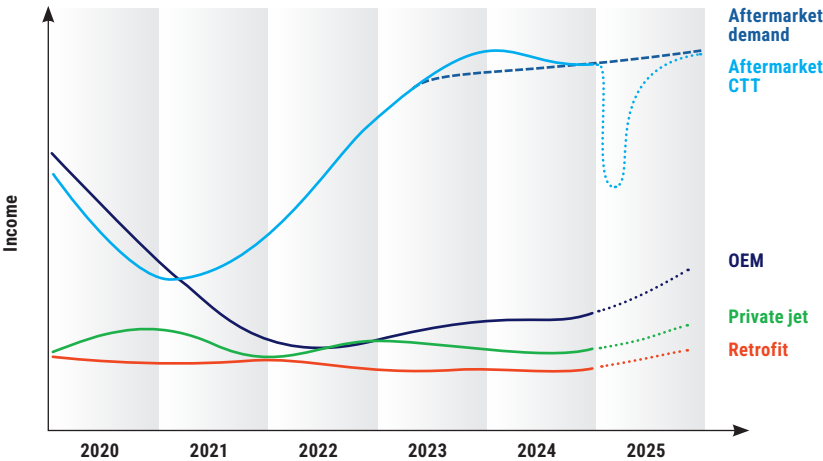
### Sustainability and IT

I am also responsible for sustainability and IT. CTT has a value-based approach to sustainability, which means that the company selects the activities that have the greatest impact based on the effort when prioritising what to implement. It is particularly noteworthy that during the year, CTT joined SBTi, began its implementation of CSRD and continued our journey towards climate neutrality throughout the value chain. More information about this can be found in the sustainability report.

In society, there has been a focus on cyber security during the past year, which has also been the case at CTT. The company has developed a new business continuity plan, updated its IT policies, conducted training and further strengthened the IT platform during the year, all with a view to preventing intrusions into CTT's IT environment. Going forward, the company will continue to improve and develop our IT platform, not only in terms of security but also to improve collaboration and support for our business.

Finally, I would like to take this opportunity to sum up by saying that CTT has strong finances and good prospects for sustainable economic growth.

TRENDS PER PRODUCT AREA





# OPERATIONS & OTHER

**General information about operations**

CTT Systems AB (publ.) ("CTT") is a market-leading developer and manufacturer of systems for the active control of humidity in aircraft. There are two main problems with humidity in an aircraft: excessive dryness in the cabin where passengers and crew are located, and the accumulation of moisture in the fuselage due to condensation. CTT humidifiers increase the humidity in the cabin for an improved environment for the people on board. At the same time, the company's anti-condensation systems counteract condensation, resulting in lighter aircraft, lower fuel consumption and therefore less environmental impact. Our operations can be briefly described as follows:

- CTT has two product areas – anti-condensation systems and humidifier systems
- As a supplier, CTT is the sole supplier of humidifier systems for the manufacturers Airbus and Boeing's modern long-range aircraft models
- CTT benefits from the fact that the aviation industry tends to have high barriers to entry with strong regulation. In addition, the industry has long lead times and long product life cycles that are ultimately governed by the long model programmes of aircraft manufacturers
- CTT's aftermarket sales are an important part of the business, of great value if CTT receives their full value throughout the product life cycle
- CTT is based in Nyköping, was listed on Nasdaq Stockholm's Small Cap list in 1999 and has been on the Nasdaq Stockholm Mid Cap list since 2021

**Significant events during the year and after its end**

- 28/01/2025: CTT Systems AB announces an order for 146 anti-condensation systems for the A321neo from a European low-cost airline, with options for a further 9 anti-condensation systems. The first delivery is planned to take place in Q3 2025. The total order value based on list price amounts to around SEK 120 million.

**Research and Development**

In 2024, CTT has continued to run a number of parallel development projects. Capitalised assets for the year amounted to SEK 2.5 million (4.2) and consisted of development work primarily linked to the New Zonal Dryer and Boeing 777X projects.

CTT's other OEM platforms (A350, Boeing 787 and A380) along with the Private Jet business generate continuous engineering work and will do so throughout the life cycle of the products, even if to an increasingly lesser extent for OEMs as time goes on. This expenditure has not been deemed to qualify as expenses that can be recognised as an asset. Expenses for testing and development expensed during the financial year amounted to SEK 3.4 million (2.1). See also Note 9 "Capitalised expenses for development work".

**Employees**

CTT has many employees with key expertise in areas strategically important to the company. The company employed a total of 85 people as of 31 December 2024, of whom 29 were women. The age of the staff is evenly spread from about 25 to 67, with an average age of 48 and an average length of service of 12 years. The attendance rate during the year was 95.9%. For further information on employees, see the sustainability report that begins on page 34.

**Sustainability**

CTT develops, certifies, manufactures and markets products that actively regulate the humidity in aircraft, reducing the impact of the aviation industry on both people and the environment. In 2024, CTT updated its sustainability policy establishing the strategic direction of CTT's sustainability work on an overall level. Based on this, CSRD and the 17 Sustainable Development Goals of the 2030 Agenda, the company works continuously on developing its sustainability work. For further information on CTT's sustainability work, see the sustainability report that begins on page 34.

CTT has no activities requiring a permit under the Swedish Environmental Code and its environmental impact is insignificant.

**Remuneration to senior executives**

The objective of CTT's remuneration policy for senior executives is to offer compensation that aims to attract, motivate and retain qualified expertise at CTT. Remuneration to the CEO and other senior executives shall be market-based and consist of a fixed basic salary, variable remuneration, a pension and in some cases other benefits and remuneration. For more information, see the corporate governance report starting on page 70.

**Transactions with related parties**

Transactions with related parties are described in Note 28.

**Approval of financial statements**

The financial statements were approved for issuance by the Board on 27/03/2025.

# DEFINITIONS OF KEY FIGURES

**Return on equity**

Profit for the year 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**

Profit after net financial items 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**

Operating profit (EBIT) 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 on the balance sheet date.

*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 overdraft facilities, 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**

Financial measure (key figure) according to IFRS

Profit for the year 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 interest 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 to investors who want to assess the company's financial resilience.*

**Operating profit (EBIT)**

Operating profit before financial items and taxes.

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

**Operating profit excluding depreciation and amortisation (EBITDA)**

Operating profit before financial items and taxes (EBIT) with reversal of depreciation, amortisation and impairment of tangible and intangible assets

*The company believes that the operating profit excluding depreciation and amortisation (EBITDA) key figure is relevant for investors who want to understand the company's results without the influence of how the business is financed or the company's depreciation policies for its investments.*

**Operating margin**

Operating profit (EBIT) as a percentage of net sales.

*The company regards the operating 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-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 to 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.*



# INCOME STATEMENT

(SEK million)	Note	01/01/2024 – 31/12/2024	01/01/2023 – 31/12/2023
<b>Operating income</b>			
Net sales	3	300.1	308.9
Change in stocks of work in progress and stocks of finished goods		2.0	-5.4
Own work capitalised		2.2	2.0
Other operating income	3	14.6	6.7
<b>Total operating income</b>		<b>319.0</b>	<b>312.1</b>
<b>Operating expenses</b>			
Raw materials and consumables		-62.6	-57.8
Other external costs	4	-50.3	-41.8
Employee costs	5	-79.1	-74.3
Depreciation of property, plant and equipment and intangible assets		-7.5	-9.3
Other operating expenses	4	-7.0	-10.5
<b>Total operating expenses</b>		<b>-206.4</b>	<b>-193.7</b>
<b>Operating profit (EBIT)</b>		<b>112.6</b>	<b>118.4</b>
<b>Profit from financial items</b>			
Other interest income and similar items	6	2.2	3.2
Interest expenses and similar items		-7.1	-1.2
<b>Net financial items</b>		<b>-4.9</b>	<b>2.0</b>
<b>Profit before tax</b>		<b>107.6</b>	<b>120.4</b>
Tax	7	-22.2	-25.0
<b>Profit for the year</b>		<b>85.5</b>	<b>95.5</b>
Other comprehensive income		-	-
<b>Comprehensive income for the year</b>		<b>85.5</b>	<b>95.5</b>
Earnings per share, SEK	8	6.82	7.62

The company's operating profit (EBIT) for the full year 2024 decreased to SEK 113 million (118), corresponding to an operating margin of 38% (38). The year-on-year decline in earnings is mainly a consequence of the weaker performance in the third quarter, affected by inventory effects in the aftermarket. Profit was SEK 85.5 million (95.5) and amounted to SEK 6.82 (7.62) per share.

Sales and operating profit

For the full year 2024, net sales decreased by 3% to SEK 300 million (309). The decrease in

comparable currencies was 2%, mainly negatively impacted by the fact that the comparison year (2023) included larger one-off orders for aftermarket products, driven by a small number of airlines.

OEM revenue increased by 14% from SEK 35 million to SEK 40 million in 2024, mainly driven by production increases for the Boeing 787 and Airbus A350. Penetration for the A350 has also increased. Private jet sales decreased from SEK 18 million to SEK 14 million, or -22%, mainly due to delayed orders from end customers. Retrofit revenue unfortunately remained at

zero during the year, but orders are now contracted for delivery in 2025. Aftermarket was unusually strong in 2023, the outcome in 2024 of SEK 233 million (243) being more reflective of the underlying demand of SEK 50–60 million per quarter.

The operating profit in 2024 was SEK 113 million, an decrease of SEK 6 million from SEK 118 million in 2023. The operating margin was 38%, the same level as in 2023. The profit margin was 36%, compared with 39% in the previous year. The decrease in profits is mainly a consequence of reduced aftermarket volumes.

Currency and other items

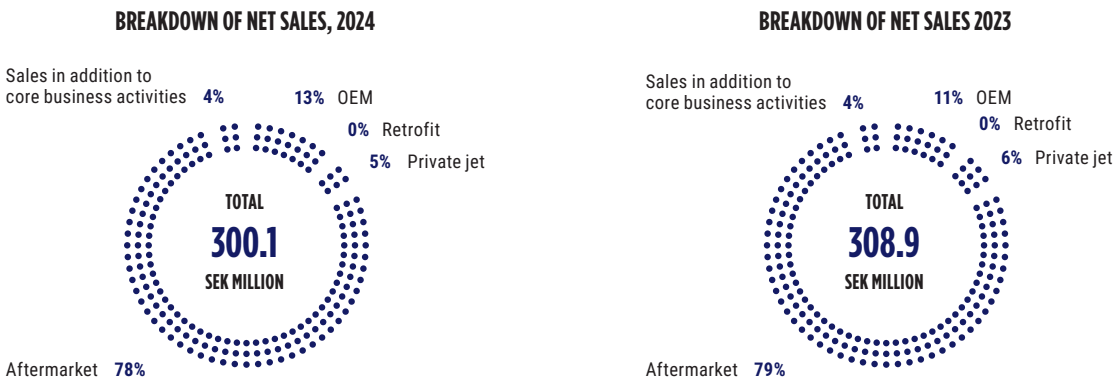
Over the year, the USD/SEK exchange rate has remained at about the same level on average, ranging from USD/SEK 10.61 to 10.56 (average rate over the years). This had a marginal impact on operating profit in 2024. However, the exchange rate has varied greatly during the year and the closing price in 2024 was

11.00, compared with 10.04 in 2023. The higher closing price meant that our loans in USD were valued higher and led to negative net financial items during the year.

Developments in costs

The company increased its workforce from 80 to 85 employees in 2024. CTT has also

chosen to invest more in sales and marketing during the year in order to eventually increase growth in the population even more. Inflation and wage increases have added to CTT's costs, but despite this the company has managed to maintain its high operating margin of 38% throughout the year.



FIVE-YEAR SUMMARY OF THE INCOME STATEMENT

INCOME STATEMENT (MSEK)	2024	2023	2022	2021	2020
Operating income	319.0	312.1	263.3	176.2	233.1
Operating expenses excluding depreciation	-198.9	-184.4	-163.6	-138.1	-187.9
Depreciation	-7.5	-9.3	-7.9	-11.3	-6.8
<b>Operating profit (EBIT)</b>	<b>112.6</b>	<b>118.4</b>	<b>91.8</b>	<b>26.8</b>	<b>38.4</b>
Finance income	2.2	3.2	1.0	-	2.4
Financial expenses	-7.1	-1.2	-9.0	-8.9	-1.2
<b>Profit before tax</b>	<b>107.6</b>	<b>120.4</b>	<b>83.8</b>	<b>17.9</b>	<b>39.6</b>
Tax	-22.2	-25.0	-17.5	-3.7	-8.5
<b>Profit for the year</b>	<b>85.5</b>	<b>95.5</b>	<b>66.3</b>	<b>14.2</b>	<b>31.1</b>



BALANCE SHEET

(SEK million)	Note	31/12/2024	31/12/2023
<b>ASSETS</b>			
<b>Property, plant and equipment</b>			
<i>Intangible assets</i>			
Capitalised expenses for development work	9	80.5	80.2
Other intangible assets	10	0.2	0.5
		80.7	80.7
<i>Property, plant and equipment</i>			
Land and buildings	11	24.6	24.5
Machinery and other technical facilities	12	9.3	11.4
Equipment, tools and installations	13	4.8	5.2
		38.7	41.1
<i>Financial assets</i>			
Shares in group companies	14	0.0	0.0
Other non-current receivables		1.9	2.3
		1.9	2.3
<b>Total fixed assets</b>		<b>121.2</b>	<b>124.0</b>
<b>Current assets</b>			
<i>Inventories</i>			
	15		
Raw materials and consumables		75.2	64.0
Semi-finished products		15.4	12.3
Work in progress		5.7	6.7
Finished goods		28.7	25.6
		125.0	108.6
<i>Short-term receivables</i>			
Accounts receivable	16, 17	65.0	48.7
Earned but not invoiced income	3	5.6	1.0
Other receivables	18	2.2	11.6
Prepayments and accrued income	19	5.5	5.5
		78.2	66.8
<i>Cash at bank and in hand</i>			
	16, 20, 21, 22	68.7	117.9
<b>Total current assets</b>		<b>271.9</b>	<b>293.3</b>
<b>TOTAL ASSETS</b>		<b>393.2</b>	<b>417.3</b>

BALANCE SHEET, CONT.

(SEK million)	Note	31/12/2024	31/12/2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity <sup>1)</sup></b>			
	23		
<i>Restricted equity</i>			
Share capital		12.5	12.5
Restricted reserves		82.5	81.2
		95.0	93.7
<i>Unrestricted equity</i>			
Balanced results		110.0	124.9
Profit for the year		85.5	95.5
		195.4	220.3
<b>Total equity</b>		<b>290.5</b>	<b>314.0</b>
<b>Provisions</b>			
Provisions for warranty commitments	24	1.4	2.5
Other provisions for pensions and similar obligations		-	0.4
<b>Total provisions</b>		<b>1.4</b>	<b>2.9</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions, interest-bearing	16, 20, 25, 26	42.5	40.3
<b>Total long-term liabilities</b>		<b>42.5</b>	<b>40.3</b>
<b>Current liabilities</b>			
Overdraft facility	20, 21	-	-
Liabilities to credit institutions, interest-bearing	16, 20, 25, 26	1.6	1.5
Advance payment from customers	3	4.5	-
Accounts payable	16, 25	21.9	13.9
Tax liabilities		1.8	14.4
Other liabilities	16, 25	8.4	10.9
Accrued expenses and prepaid income	27	20.6	19.4
<b>Total short-term liabilities</b>		<b>58.8</b>	<b>60.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>393.2</b>	<b>417.3</b>

1) See the section Change in equity for more information.



CHANGE IN EQUITY

CTT's financial position remains strong, with net debt of SEK -25 million (-76), a high equity ratio of 74% (75) and cash and cash equivalents of SEK 69 million (118) and also credit/loan facilities of SEK 53 million. The biggest changes affecting cash and cash equivalents during the year are the strong operating profit (see the cash flow analysis for further details), increase in trade receivables and operating liabilities, increase in inventories, dividends and taxes paid.

Inventories

For CTT, it is important to maintain a resilient stock level which means the company is always able to fulfil customer delivery requirements. This, together with relatively long lead times and many items, is driving relatively high stock levels in relation to turnover. The inventory increased from SEK 109 million to SEK 125

million in 2024, mainly due to price increases, a weaker SEK and lower deliveries than planned in system sales. The turnover rate has decreased during the year, from 3.0 to 2.6.

Investments

In 2024, CTT has continued to run a number of parallel development projects. Capitalised intangible assets for the year amounted to SEK 2.5 million (4.2) and consisted of development work primarily linked to the New Zonal Dryer and Boeing 777X projects. Investments in tangible fixed assets for the year totalled SEK 2.6 million (3.5).

Financial position

CTT's overall financial position is strong, with its equity ratio being 74% (75) as of 31 December 2024 and cash, including non-utilised financing, amounting to SEK 122 million

(171). Net debt as of 31 December 2024 amounted to SEK -25 million (-76), and equity to SEK 290 million (314). For the 2025 Annual General Meeting, the company believes that the ordinary dividend can be maintained at 5.35 per share, as cash and financing are sufficient and the future outlook is deemed to be very favourable. Together, this means that the Board of Directors' overall assessment is that the company is in a strong financial position that will be maintained in the coming year.

(SEK million)	Restricted equity					Unrestricted equity					
	Restricted reserves					Balanced results					
	Share capital	Reserve fund	Fund for development expenditure	Total	Total	Share premium reserve	Balanced results	Total	Profit for the year	Total	Total equity
Equity 31/12/2022	12.5	6.5	72.8	79.3	91.8	28.9	82.3	111.2	66.3	177.5	269.3
Dividend to shareholders	-	-	-	-	-	-	-50.7	-50.7	-	-50.7	-50.7
Provision for development expenditure fund	-	-	4.2	4.2	4.2	-	-4.2	-4.2	-	-4.2	-
Reversal of provision for development expenditure fund	-	-	-2.4	-2.4	-2.4	-	2.4	2.4	-	2.4	-
Profit distribution	-	-	-	-	-	-	66.3	66.3	-66.3	-	-
Profit for the year	-	-	-	-	-	-	-	-	95.5	95.5	95.5
Equity 31/12/2023	12.5	6.5	74.6	81.2	93.7	28.9	96.0	124.9	95.5	220.3	314.0
Dividend to shareholders	-	-	-	-	-	-	-109.0	-109.0	-	-109.0	-109.0
Provision for development expenditure fund	-	-	2.5	2.5	2.5	-	-2.5	-2.5	-	-2.5	-
Reversal of provision for development expenditure fund	-	-	-1.2	-1.2	-1.2	-	1.2	1.2	-	1.2	-
Profit distribution	-	-	-	-	-	-	95.5	95.5	-95.5	-	-
Profit for the year	-	-	-	-	-	-	-	-	85.5	85.5	85.5
Equity, 31/12/2024	12.5	6.5	76.0	82.5	95.0	28.9	81.1	110.0	85.5	195.4	290.5

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

	SEK
Profits available:	
Balanced profits	81,131,634
Share premium reserve	28,856,978
Profit for the year	85,453,106
Total	195,441,718
Dividend to shareholders of SEK 5.35 per share (12,529,443 shares)	67,032,520
Profit/loss carried forward	128,409,198
Total	195,441,718

In 2024, CTT paid an ordinary dividend of SEK 67,333 thousand (50,744), (SEK 5.35 per share) and an extraordinary dividend of SEK 41,974 thousand (0), (SEK 3.35 per share) to shareholders. This corresponds to a total dividend of SEK 109,006 thousand (50,744) (SEK 8.70 per share). In 2025, the Board of Directors proposes an ordinary dividend of SEK 67,033 thousand (SEK 5.35 per share) but no extraordinary dividend. This corresponds to a total dividend of SEK 67,033 thousand (SEK 5.35 per share). The Board of Directors considers that the proposed amount of the dividend to shareholders is justified in view of the demands placed on the company by the nature, scope and risks of its activities in terms of the size of its equity capital and also in view of its consolidation needs, liquidity and position in general. Our financial position will remain strong after the proposed dividend and is deemed to be fully sufficient for the company to be able to fulfil its obligations in both the short and long term, and have the opportunity to make any necessary investments. As CTT's dividend must be approved by the Annual General Meeting, no liabilities in this respect are reported in the company's 2024 financial statements. There is not expected to be an effect on income tax for CTT as a result of this transaction.

BALANCE SHEET, FIVE-YEAR OVERVIEW

BALANCE SHEET (SEK million)	31/12/2024	31/12/2023	31/12/2022	31/12/2021	31/12/2020
Assets					
Intangible assets	80.7	80.7	80.2	75.9	73.0
Property, plant and equipment	38.7	41.1	43.2	48.1	53.6
Financial assets	1.9	2.3	2.1	1.9	1.9
Other current assets	203.2	175.4	191.6	153.4	157.4
Cash at bank and in hand	68.7	117.9	60.1	49.3	21.6
Total assets	393.2	417.3	377.1	328.5	307.5
Equity and liabilities					
Equity	290.5	314.0	269.3	212.9	220.5
Provisions, warranty commitments	1.4	2.9	3.4	3.8	6.1
Non-current liabilities, interest-bearing	42.5	40.3	43.9	70.8	35.7
Current liabilities, interest-bearing	1.6	1.5	1.6	1.4	1.2
Current liabilities, non-interest-bearing	57.2	58.6	59.0	39.7	44.0
Total equity and liabilities	393.2	417.3	377.1	328.5	307.5



CASH FLOW ANALYSIS

(SEK million)	Note	01/01/2024 –31/12/2024	01/01/2023 –31/12/2023
Operating activities			
Operating profit (EBIT)		112.6	118.4
Adjustment for items not included in cash flow			
Depreciation and amortisation		7.5	9.3
Other		-1.7	-0.9
Interest deposits		2.6	2.5
Interest disbursements		-3.1	-3.4
Tax paid		-28.5	-33.0
Cash flow from operating activities before changes in working capital		89.3	92.9
Cash flow from changes in working capital			
Change in inventories		-16.4	7.7
Change in operating receivables		-20.7	17.6
Change in operating liabilities		14.0	-1.4
Cash flow from changes in working capital		-23.1	23.9
Operating cash flow		66.3	116.8
Investment activities			
Acquisition of intangible assets	10	-2.5	-4.2
Acquisition of property, plant and equipment	11, 12, 13	-2.6	-3.5
Acquisition of financial assets		0.4	-0.2
Sale of property, plant and equipment		0.2	0.4
Cash flow from investment activities		-4.5	-7.5
Financing activities			
Repayments of borrowings	26	-1.6	-1.5
Dividends paid		-109.0	-50.7
Cash flow from financing activities		-110.6	-52.2
Cash flow for the year		-48.8	57.1
Cash and cash equivalents at the start of the year	16, 22	117.9	60.1
Exchange rate difference in cash and cash equivalents		-0.5	0.7
Cash and cash equivalents at the end of the year	16, 22	68.7	117.9

Results, 2024

Cash flow before changes in working capital amounted to SEK 89.3 million (92.9) for the full year 2024. Cash flow from operating activities fell to SEK 66.3 million (116.8), mainly as a consequence of negative changes in working capital, the comparison year 2023 being unusu-

ally strong partly due to non-recurring effects. Cash and cash equivalents at the end of the period totalled SEK 69 million (118). Cash flow for the year was also affected by a dividend of SEK 109 million (51).

FIVE-YEAR SUMMARY OF KEY FIGURES

KEY FIGURES	2024	2023	2022	2021	2020
Sales & Profits					
Net sales, SEK million	300	309	241	151	201
Operating profit (EBIT), MSEK	113	118	92	27	38
Operating margin, %	38	38	38	18	19
Profit margin, %	36	39	35	12	20
Profit for the year, SEK million	85	95	66	14	31
Return on capital employed, %	33	36	30	10	14
Return on equity, %	28	33	28	7	13
Return on total capital, %	27	31	24	6	12
Share data					
Earnings per share, SEK	6.82	7.62	5.29	1.13	2.48
Equity per share, SEK	23.18	25.06	21.49	16.99	17.60
Operating cash flow per share, SEK	5.29	9.32	4.89	2.42	-0.86
Dividend per share, SEK <sup>1)</sup>	5.35	8.70	4.05	0.79	1.74
Number of shares on the balance sheet date	12,529,443	12,529,443	12,529,443	12,529,443	12,529,443
Average number of shares during the period	12,529,443	12,529,443	12,529,443	12,529,443	12,529,443
Market price on the balance sheet date, SEK	281.0	229.0	213.5	216.5	152.2
Cash flow & Financial position					
Cash flow from operating activities, SEK million	66	117	61	30	-11
Quick ratio, %	297	349	267	305	218
Interest coverage ratio, times	34	36	44	14	35
Debt-equity ratio, times	0.2	0.1	0.2	0.3	0.2
Equity ratio, %	74	75	71	65	72
Personnel & Investments					
Number of employees, average for the year	84	75	72	76	93
Income per employee, SEK million	3.8	4.2	3.7	2.3	2.5
Salaries, SEK million	53.5	51.0	47.9	41.5	47.1
Investments, SEK million	4.7	7.9	7.6	8.6	33.8

1) 2024 refers to proposed dividend.



# RELEVANT FOLLOW-UP ON KEY FIGURES

SEK MILLION	2024	2023	2022
<b>Operating margin</b>			
Operating profit (EBIT)	112.6	118.4	91.8
/ Net sales	300.1	308.9	240.6
= <b>Operating margin</b>	<b>38%</b>	<b>38%</b>	<b>38%</b>
<b>Profit margin</b>			
Profit before tax	107.6	120.4	83.8
/ Net sales	300.1	308.9	240.6
= <b>Profit margin</b>	<b>36%</b>	<b>39%</b>	<b>35%</b>
<b>Return on capital employed</b>			
(Operating profit (EBIT)	112.6	118.4	91.8
+ Financial income)	2.6	2.5	0.5
/ Average capital employed			
Average total capital (total assets)	405.3	397.2	352.8
Total capital at the beginning of the year	417.3	377.1	328.5
Total capital at the end of the year	393.2	417.3	377.1
- Average non-interest-bearing liabilities including deferred taxes	-57.0	-58.7	-49.3
Non-interest-bearing liabilities including deferred taxes, beginning of the year	-58.5	-59.0	-39.7
Non-interest-bearing liabilities including deferred taxes, end of year	-55.4	-58.5	-59.0
Total average capital employed	348.3	338.5	303.5
= <b>Return on capital employed</b>	<b>33%</b>	<b>36%</b>	<b>30%</b>
<b>Return on equity</b>			
Profit for the year	85.5	95.5	66.3
/ Average equity	302.2	291.7	241.1
Equity at the beginning of the year	314.0	269.3	212.9
Equity at the end of the year	290.5	314.0	269.3
= <b>Return on equity</b>	<b>28%</b>	<b>33%</b>	<b>28%</b>
<b>Return on total capital</b>			
(Profit before tax	107.6	120.4	83.8
- Financial expenses)	-3.2	-3.4	-2.0
/ Average total capital (for the calculation, see "Return on capital employed")	405.3	397.2	352.8
= <b>Return on total capital</b>	<b>27%</b>	<b>31%</b>	<b>24%</b>

RELEVANT FOLLOW-UP ON KEY FIGURES, CONT.

SEK MILLION	2024	2023	2022
<b>Quick ratio</b>			
(Current assets, i.e. other current assets plus cash & bank deposits	271.9	293.3	251.7
- Inventories	125.0	108.6	116.4
+ Granted unutilised overdraft facility)	27.5	25.1	26.4
/ Current liabilities	58.8	60.0	60.5
= <b>Quick ratio</b>	<b>297%</b>	<b>349%</b>	<b>267%</b>
<b>Interest coverage ratio</b>			
(Profit before tax	107.6	120.4	83.8
- Financial expenses)	-3.2	-3.4	-2.0
/ Financial expenses	-3.2	-3.4	-2.0
= <b>Interest coverage ratio, times</b>	<b>34</b>	<b>36</b>	<b>44</b>
<b>Debt-equity ratio</b>			
Interest-bearing liabilities, i.e. total interest-bearing items on balance sheet's debt side	44.1	41.8	45.4
/ Equity	290.5	314.0	269.3
= <b>Debt-equity ratio, times</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>
<b>Income per employee</b>			
Operating income	319.0	312.1	263.3
/ Number of employees	84	75	72
= <b>Income per employee</b>	<b>3.8</b>	<b>4.2</b>	<b>3.7</b>



# RISKS AND RISK MANAGEMENT

CTT has a strong market position in its growing niche, but there are risks in both the short and long term that could change business operating conditions.

CTT's activities mainly involve the development, production, sale, supply and support of active humidity control products and systems to customers in the aviation industry. Significant risk areas include changes in market conditions, financial and operational risks. With its strict niche focus, CTT is exposed to a number of risks of a binary nature, the consequences of which allow little or no scope for compensation in other areas.

The overall responsibility for CTT's risk management rests with the Board, which determines the strategic direction and delegates responsibility for operational and financial risks to the CEO. Identified significant risks are then managed on an ongoing basis at all levels of the organisation and in the strategic planning process. Control processes in the form of policies, guidelines, instructions and procedures regulate the management of these risks. (See the corporate governance report for more information.

## STRATEGIC RISKS

Strategic risks mainly relate to market demand, which is affected by, among other things, economic development, OEM programmes and competition, along with prices.

Business cycle impacts, economic trends and disruptions

The aviation industry is normally very cyclical. Airlines are accustomed to dealing with sudden swings between overcapacity and various bottlenecks to meet demand. The consequences of the COVID-19 pandemic are the most obvious example.

Air travel has grown by an average of about 5% per year over a longer period, driven by a growing middle class. Airlines had a strong 2010s, benefiting from globalisation and historically low interest rates. Both these factors have been reversed for the worse. Interest rates rose sharply in 2022 and 2023, which had a negative impact on the economic conditions for travelling. Higher interest rates also hit the most indebted airlines hard. The world is undergoing a process of deglobalisation as businesses become more local, driven in part by protectionist tendencies. Obviously, a trade war is not good news for aviation and could negatively affect both air cargo and passenger demand. CTT is dependent on aircraft manufacturers' production rate of long-range aircraft, the investment capacity of airlines and the utilisation rate of aircraft fleets with the company's products on board. The impact of an economic downturn will vary, giving CTT time to refocus.

**Mitigation:** An economic slowdown will primarily affect the opportunities for Retrofit business. This is particularly true for the sale of anti-condensation systems, which have been repeatedly affected when airlines have abruptly banned investments in non-essential products. The cyclical demand for anti-condensation is partly offset if the customer classifies it as a sustainability project (which takes higher priority and has a longer payback period). Upgrading passenger cabins are major projects that are often linked to new deliveries. This provides greater resilience to smaller cyclical swings. The planning horizon in the OEM is relatively long and changes occur slowly, allowing CTT time to adapt to a slower pace.

CTT has the majority of its installed base of products on the most modern and economical aircraft. In times when airlines adapt capacity to declining demand, this is done primarily by grounding the oldest part of the aircraft fleet. Aftermarket activity is through manufacturers' distribution companies. This means that credit management of airlines is handled by them.

OEM

Aircraft delivery and production rates are determined based on long-term, forward-looking planning. Airbus and Boeing have large order books covering deliveries for many years to come. Airlines try to postpone their scheduled deliveries in the first place, and then to cancel them. If there is not a global decline, manufacturers usually find other airlines that can take these aircraft. If the downturn is deep, the production rate is reduced, usually in steps. For CTT, there is a significant OEM risk in its dependence on single model programmes, mainly the Boeing 787. Production and delivery disruptions in these have a major impact, as became clear during the pandemic.

**Mitigation:** CTT is an OEM supplier for the newest and most competitive aircraft models from both Boeing and Airbus, whose order books are well-filled. Changes in production rates are not instantaneous, leading to lag effects in the peaks and downturns. This allows time for planning and adaptation. CTT is working on expanding to several OEM programmes. CTT also has a growing aftermarket business consisting of consumables for installed systems, which provides increased stability and ability to cope with fluctuations in new sales.

### Competition

Competition can occur on the system side and exists in the aftermarket. CTT is the market-leading supplier of humidifiers for commercial aircraft and Private Jet. The company's humidifiers are the only ones available when buying new Airbus and Boeing aircraft, which provides a significant competitive advantage when airlines are retrofitting their existing aircraft fleets (driven by the desire to have uniform products in all aircraft operating in a similar way). Competitors have a time window for each new OEM procurement procedure, particularly for completely new aircraft models. There is some risk of competing systems in the Retrofit market.

CTT is the only company in the market with an active system for managing condensation, but its market position is weak. This is because none of the OEM suppliers offer active humidity control systems for their top-selling short- and medium-haul aircraft (where the market and need are greatest). The main competitive threat comes about by failing to do anything beyond the standard built-in systems that already exist to deal with condensation (read: passive drainage solutions). There is also a small risk that another active anti-condensation technology will become the OEM standard.

Aftermarket competition is common in the aviation industry, which can lead to lower market shares and affect the ability to raise prices. In general, OEM suppliers have an advantage with their original parts.

**Mitigation:** CTT has a strong market position as the sole OEM supplier of humidifiers for the four latest long-range aircraft models. CTT is a market leader, with more than 60 airline customers and operational data going back 15 years covering about 1 500 aircraft in total. This gives the company an advantage in new procurement procedures and the opportunity to set the humidifier standard for a long time to come. CTT also dominates the VIP market. Its strategy is to block competitors to prevent them from entering the Retrofit market.

There are FAA-approved aftermarket parts manufactured by third parties for the company's humidifiers and anti-condensation systems. The company's original humidifier parts are qualified and based on CTT's unique technology, developed and qualified to meet Airbus and Boeing specifications and regulatory requirements. To fulfil these, CTT has developed a unique material together with Munters. The standard materials available on the open market have not been qualified for the application, or for use in aircraft. CTT has leading application know-how that will be further consolidated through continuous investments and strategic partnerships. These are aimed at improving performance and functionality through improvements in the pad material and/or the introduction of value-added filters for VOC and ozone reduction.

### Consolidation and industrial context

CTT is a small player in the aviation industry, where the trend among subcontractors is towards consolidation. Consolidation is mainly driven by economies of scale in sales (primarily OEM) and systems development, as well as digital integration.

**Mitigation:** Being a small and focused stakeholder can bring advantages, as CTT is able to provide a high level of service. The strategic collaboration with Collins Aerospace gives an industrial foundation that provides legitimacy.

### Regulatory requirements

The aviation industry is strictly regulated. If CTT fails to live up to its regulatory requirements, it will have serious effects on its ability to deliver products.

**Mitigation:** CTT is certified to AS9100:D, including ISO9001:2015 which involves regular reviews. Opportunities are given to remedy any deficiencies. CTT works in partnership with various organisations that have development approval, such as Lufthansa Technik and PMV, to certify the Retrofit systems.

### Deglobalisation and protectionism

Protectionism is an economic policy where governments impose restrictions such as tariffs, quotas and other barriers to protect their domestic industries from foreign competition. This can often be viewed as a reaction to the effects of deglobalisation. Protectionism can lead to trade wars, higher prices for consumers and reduced international cooperation.

CTT has direct exposure to the US when we sell to Boeing, and indirect exposure to US airlines via sales to our aftermarket product distributors. The aviation supply chain is built around the global offering. It relies on suppliers with unique capabilities that are highly regulated and hence not easily replaced.

**Mitigation:** The risk of the introduction of tariffs on goods to the US, for example, in the OEM stage of the aviation industry is deemed to be higher but still relatively small. Tariffs would affect the intricate and highly complex global supply chain. Such tariffs would negatively impact Boeing. It is likely that Boeing will fight the tariffs. The risk in the aftermarket is deemed to be slightly higher, but does not alter CTT's existing strategy to protect the aftermarket (see p. 13 for more information). The aftermarket is distributed all over the world, and we can supply to airlines located outside the US via our distributors.



Climate and environment	
The climate impact of aviation, primarily in the form of greenhouse gas emissions, is both a threat and an opportunity for CTT. There are great demands on the industry from various stakeholders to reduce the climate impact of aviation, and many airlines are engaged in long-term efforts to reduce emissions.	<b>Mitigation:</b> The company's anti-condensation systems reduce the weight of the aircraft and thus fuel consumption and greenhouse gas emissions. This also reduces wear and tear and aircraft maintenance, which is more sustainable. Humidifiers reduce the risks of dehydration and a weakened immune system during long-haul flights. This creates a better working environment. CTT emphasises the environmental benefits of its products. At the same time, CTT focuses actively on sustainability, and this is reported annually in the company's sustainability report, published in the CTT Annual Report.
Security situation and sanctions	
Unfortunately, wars and conflicts regularly occur in the world and affect aviation. A heightened security situation like the one we are currently experiencing often leads to various sanctions and disruptions to aviation and its value chain.	<b>Mitigation:</b> CTT is constantly monitoring risks and implementing mitigation activities to counteract negative consequences for the company. The company has a diversified customer base all over the world, which makes CTT less sensitive to local conflicts. In terms of governance, CTT has a sanctions policy that stipulates regular checks on customers and suppliers.

OPERATIONAL RISKS

Operational risks are related to customer relationships with a focus on customer satisfaction and ensuring continuous use throughout the product life, delivery capacity and human capital.

Customer relations	
CTT is the sole supplier of products in a growing market. Our end customers are a large number of airlines all over the world who either buy the products when ordering new aircraft or who have the products retrofitted to an existing aircraft fleet. The company's main direct customers are Airbus and Boeing.  The challenge for CTT lies mainly in driving market development by creating awareness and insight about problems and solutions to condensation issues.	<b>Mitigation:</b> CTT reduces its risks through developing good relationships with airlines, OEMs and other suppliers. Collaborations with OEMs and our strategic market partner Collins Aerospace are of particular importance.  CTT conducts methodical work to achieve more successful OEM programmes, widen its customer base and get airlines to harmonise their aircraft fleet with active humidity control.
Non-essential system	
CTT's products have a long service life, but are not critical to the operation of aircraft. If the airlines do not value or experience the benefits of the systems, they can be switched off.  Another risk is that an aircraft may often have more than one operator during its lifetime. In the event of a change of operator, there is a risk that the new airline will choose not to use the products. There is also a risk of aftermarket competition.	<b>Mitigation:</b> CTT monitors owners and operators to ensure that they are aware of the benefits of CTT systems and that they are satisfied with their performance. The aim of this is to ensure that operators continue to use all their installed humidity control products and choose CTT in the aftermarket.



Product quality	
If CTT's products fail to offer satisfactory quality or performance, it may have consequences in reduced demand or a reduced installed base. Potential functional interference with other systems of the aircraft in the event of a fault would have a negative impact. In addition to operational interference, faults affecting passengers can have a significant effect on relationships and trust. Certain faults that are considered serious may require airlines to shut down the system in question until the faults has been corrected. But even in cases where there are faults that can be managed on an ongoing basis, there is a breakdown in trust that CTT has to address. Experience has shown that minor faults and teething problems that are managed correctly can be made into an advantage. Involvement of an end customer in an accident due to CTT's products would pose a serious threat to everything CTT does.	<b>Mitigation:</b> The goal is to have good customer relationships and capture any deficiencies in performance or reliability. CTT has the advantage of being a small niche company. This means that CTT can be relatively quick in prioritising and remedying deficiencies. In some cases, a minor fault can be made into a positive customer experience that strengthens the relationship and builds trust for future business. CTT's risk management includes liability insurance. In addition, active work on quality, which is briefly described under Regulatory requirements above, is an important part of the proactive risk management process.
Warranty commitments	
CTT normally has a warranty of three to four years.	<b>Mitigation:</b> CTT makes ongoing provisions into a warranty reserve. Should the warranty reserve not be sufficient, a negative impact may result in a negative effect on earnings.
Supply capacity and supply chain	
CTT is locked into long-term agreements with OEMs, for which CTT is dependent on its subcontractors' ability to meet their requirements in terms of volume, quality and schedule. Keeping the supply chain intact is crucial. For some parts, CTT relies on a single supplier. An inability to deliver would create serious disruptions to CTT's delivery capacity.	<b>Mitigation:</b> CTT seeks to link its agreements with OEMs with corresponding agreements with subcontractors. CTT regularly identifies and monitors major and critical suppliers. In cases where risk has been deemed to increase, CTT can increase direct contact with the supplier, and also increase its own back-up stock to cover any future operational disruptions with the supplier.
Facilities	
Facilities involve risks of fire, flooding, power cuts, etc.	<b>Mitigation:</b> CTT has two sites in Sweden, in Nyköping and Nybro, with partial redundancy. Facility protection is evaluated regularly by means of safety inspections. CTT has procured adequate services to maintain a high level of protection at all times. We have good partnerships with our stakeholders and produce our own electricity at the plant in Nybro.
Human capital	
The company's success rests on its ability to attract, develop and retain skilled employees, especially since CTT operates in small towns outside the metropolitan regions. It is also easier to maintain quality in production with experienced employees.  The social conditions of our employees, such as good working conditions, health and safety, are the basis of being a responsible employer.	<b>Mitigation:</b> CTT aims to be seen as an attractive employer thanks to its extensive sustainability work, a good working environment and competitive remuneration. Through the profit-sharing foundation, employees share in financial profits.  CTT works to retain employees over time, including through creating a good sense of community within the company and striving for continuous individual development. The results of the company's Great Place to Work employee survey are one sign of successful work. CTT achieved 74% in the weighted index for the whole model at the first time of asking. A score of over 70% is required for certification. The results for 2024 improved to 80%. When asked whether they agreed with the statement "All in all, this is a very good place to work", 87% agreed strongly. The camaraderie index was a high 88%, showing that most people are satisfied or very satisfied with the sense of community and well-being at the company. Staff turnover has been low for some time. Also see priority activities on pages 44-45.



Business ethics and human rights		
<p>A major risk in terms of human rights is that companies in the subcontracting chain do not observe human rights.</p> <p>CTT has products installed on aircraft in countries where corruption is prevalent. CTT may also participate in procurement procedures directly with airlines in such countries.</p>		<p><b>Mitigation:</b> The aviation industry is mainly located in countries that are compliant with human rights to a very large extent, and this is particularly true of CTT's supply chain. Therefore, this is seen as a limited risk for CTT.</p> <p>CTT has a clear anti-corruption policy included in the company's Code of Conduct to minimise the risk of corruption at the sales stage, and has prepared very clear agreements with partners regarding anti-corruption and ensured that any commissions are at such a level that there is no scope for corruption or bribery. CTT is also supported by its strategic partner Collins Aerospace, which has a very strict regulatory framework in respect of anti-corruption. At the supplier level, the risk is seen as being lower as CTT consistently has well-established and long-term partnerships with its suppliers.</p>
Disruptions to the IT environment		
<p>Like other companies, CTT is dependent on an effective IT environment. The risks of intrusion into the IT environment or other types of sabotage are high, and growing. Sudden and prolonged downtime in our IT environment would have adverse effects on our delivery capacity.</p>		<p><b>Mitigation:</b> CTT has a clear structure in its IT work, with a strong focus on operational reliability and protection against intrusion. We are constantly working to improve both operational reliability and protection against intrusion through improvements to the IT infrastructure and systems as well as internal and external training. The IT partner is audited by a third party and disaster recovery exercises are performed.</p>

FINANCIAL RISKS

Financial risks mainly relate to how CTT is affected by currency and interest rate fluctuations, credit risks and other events in the financial markets.

Large dependence on the dollar		
<p>CTT is highly dependent on the exchange rate of the US dollar against the Swedish krona. This is due to the fact that the majority of revenues are in USD (as business in the aviation industry is priced in USD), and that CTT has a large proportion of costs in other currencies, mainly SEK. A weakening in USD compared to SEK has a adverse effect on earnings.</p>		<p><b>Mitigation:</b> CTT has chosen not to engage in currency hedging. The company's view is that the advantages (predictability / inertia of movements) do not outweigh the disadvantages (costs). That said, CTT has chosen to take out its bank loans in USD while the company constantly strives to buy as many input materials in USD as possible. In addition, CTT strives to be transparent and present clear information on impact the USD/SEK exchange rate is having on the company.</p>
Credit risk		
<p>The company's credit risks are mainly linked to accounts receivable. Each sales area has different types of customers associated with different types of credit risk. Retrofit and traditional VIP business to individual airlines and interior design companies are deemed to have the highest credit risk. The customers in OEM and aftermarket are mainly Airbus and Boeing, or their distribution companies. The risk in these transactions is mainly linked to any extension of payment times by the customer, which would have a one-off effect in the form of an additional burden on liquidity.</p>		<p><b>Mitigation:</b> Most of the company's revenue comes from Airbus, Boeing and CTT's main distributor to airlines. CTT carries out a credit assessment for direct transactions with end customers. This applies to Retrofit and VIP business, where CTT always endeavours to obtain prepayment, while creditworthiness is updated and assessed on an ongoing basis. The new business model with Airbus Corporate Jets (ACJ) reduces credit risk as CTT sells to PMV (which receives orders from ACJ). Within aftermarket and OEM, sales are almost exclusively to Airbus, Boeing or their distribution companies. Here, the risk of insolvency is deemed to be significantly lower. In the event of Airbus or Boeing extending their payment periods to their suppliers, CTT has secured additional credit facilities.</p>

THE SHARES

Listing

CTT shares were listed in 1997 and are currently traded on the Nasdaq Stockholm Mid Cap list. CTT sees trading on other platforms as being limited.

The Nasdaq Stockholm listing means, among other things, that CTT complies with the marketplace's rules on share information. The company thus publishes financial reports and other stock market information and otherwise follows the rules and practices applicable to stock market companies.

Analysis

CTT engages ABG Sundal Collier, which monitors the company and regularly conducts analyses of CTT shares. To see ABG Sundal Collier's information about and analysis of CTT, go to <http://www.introduce.se/foretag/ctt-systems>.

Price performance and market capitalisation

In 2024, the CTT share price increased by 22.7% to SEK 281.00 on 31 December 2024 (229.00). The total return for the year was 26.5%. The highest closing price during the year, SEK 385, was quoted on 7 June and the lowest, SEK 229, on 8 January. On 31 December 2024, market capitalisation amounted to SEK 3,521 million.

Share capital

On 31 December 2024, CTT share capital amounted to SEK 12,529,443 divided into 12,529,443 shares, each share with a quota value of SEK 1. All shares have equal rights to the company's assets and earnings. Each share entitles the holder to one vote at the Annual General Meeting. At the Annual General Meeting, each person entitled to vote may vote on behalf of the full number of owned and/or represented shares without restriction of voting rights.

Ownership structure

The number of shareholders increased in 2024 and amounted to 4,294 (3,464) at the end of 2024. The largest owner was Tomas Torlöf (via the wholly owned company Trulscom Förvaltning AB) with a holding of 14.0% (13.4), followed by SEB Fonder with 9.0% (9.6). The ten largest owners held 55.4% (61.2) of shares. 75.5% (68.2) of the share capital is owned by Swedish owners and 24.5% (31.8) by foreign owners. Swedish ownership is dominated by institutions and companies, with 58.4% (49.1) of the total share capital.

Profit-sharing foundation

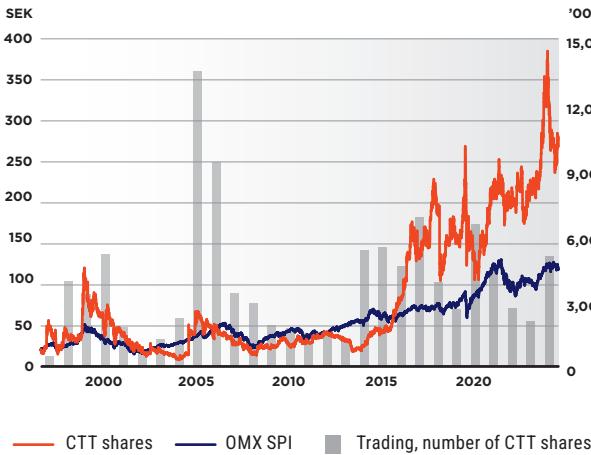
Since 2015, CTT has had an independent profit-sharing foundation for its employees.

The purpose of this foundation is to create a clearer link between the collective performance of employees, their remuneration and the company's results and, in the long term, to reinforce employee engagement through share ownership. As of 31/12/2024, the profit-sharing foundation's holding in CTT amounted to 123,149 shares (135 729), which is 1.0% (1.1) of the total number of shares in the company. At the turn of the year, the foundation was CTT's 20th largest owner.

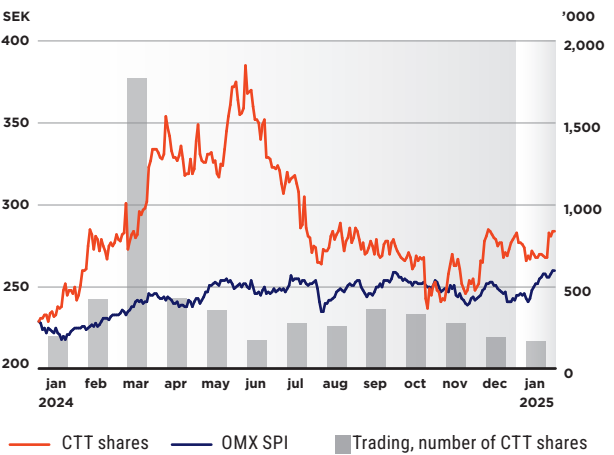
Dividend and dividend policy

The Board of Directors proposes that the Annual General Meeting adopts an ordinary dividend of SEK 5.35 (5.35) per share, corresponding to SEK 67.0 million (67.0), plus an extraordinary dividend of SEK 0.00 (3.35) per share, corresponding to SEK 0.0 million (42.0). This means a total dividend of SEK 5.35 (8.70), corresponding to SEK 67.0 million (109.0). The proposed record date for the dividend is 12/05/2025 and the payment date 15/05/2025. The company's dividend policy is to distribute at least 70% (70) of net profits to shareholders in the form of a dividend, given an equity ratio of 40% (40).

THE SHARE 1997–2024



SHARES 2024





Special agreements

The company's customer agreement relating OEM can be terminated in the event of a change of ownership which means that control of the company is transferred (known as "change of control").

The Board is not aware of any other shareholder agreements or other agreements between shareholders in the company.

Information policy

The Board of CTT has formulated an information policy that takes into account the rules issued by the stock exchange in the listing agreement. In addition to the Chairman of the Board and the CEO, the CFO is also authorised to comment on the company's reports and officially-disclosed transactions.

The company distributes all its reports, including year-end reports and press releases, via Modular Finance AB. The company's website, [www.ctt.se](http://www.ctt.se), is simultaneously updated with the same information. It also contains annual reports, interim reports and other information to download.

THE 20 LARGEST SHAREHOLDERS, 31/12/2024

#	Owner	Number of shares	% of capital and votes
1	Tomas Torlöf (Trulscom Förvaltning AB)	1,750,000	14.0%
2	SEB Fonder	1,122,853	9.0%
3	ODIN Fonder	825,000	6.6%
4	Första AP-fonden	615,000	4.9%
5	Nya Jorame Holding AB	557,000	4.4%
6	If Skadeförsäkring AB	511,200	4.1%
7	Andra AP-fonden	463,764	3.7%
8	Handelsbanken Fonder	387,448	3.1%
9	Deka Investments	371,858	3.0%
10	Tredje AP-fonden	333,581	2.7%
11	Danske Invest	302,784	2.4%
12	Christer Torlöf	251,348	2.0%
13	Länsförsäkringar Fonder	248,962	2.0%
14	Humle Fonder	243,536	1.9%
15	Nordnet Pensionsförsäkring	231,688	1.8%
16	Enter Fonder	188,890	1.5%
17	Stiftelsen Riksbankens Jubileumsfond	160,961	1.3%
18	Lannebo Kapitalförvaltning	150,064	1.2%
19	Christer Nordström	146,046	1.2%
20	CTT Systems AB's Profit-sharing Foundation	123,149	1.0%
Total		8,985,132	71.7%
Other shareholders		3,544,311	28.3%
Total number of shares		12,529,443	100.0%
Total number of shareholders		4,294	

NUMBER OF SHARES/SHAREHOLDERS

Size categories	Number of owners	Number of shares	Percentage of shares
1 – 1,000	3,963	540,183	4.3%
1,001 – 10,000	260	740,909	5.9%
10,001 – 50,000	40	894,916	7.1%
50,001 – 100,000	10	725,326	5.8%
100,001 -	21	9,125,630	72.8%
Anonymous ownership <sup>1)</sup>	n/a	502,479	4.0%
Total	4,294	12,529,443	100.0%

1) Anonymous ownership refers to foreign custodian banks where the underlying ownership is not visible.

DISTRIBUTION OF OWNERSHIP PER COUNTRY

Country	Number of shares	% of capital and votes	Number of known owners	Proportion of known owners
Sweden	9,455,721	75.5%	4,084	95.1%
Norway	851,844	6.8%	16	0.4%
Germany	522,438	4.2%	9	0.2%
Denmark	323,021	2.6%	77	1.8%
Hong Kong	251,448	2.0%	2	0.0%
Other	622,492	5.0%	106	2.5%
Anonymous ownership <sup>1)</sup>	502,479	4.0%	0	0
Total	12,529,443	100.0%	4,294	100.0%

1) Anonymous ownership refers to foreign custodian banks where the underlying ownership is not visible.

DISTRIBUTION OF OWNERSHIP BY CATEGORY

Owner category	Number of shares	% of capital and votes	Number of known owners	Proportion of known owners
Swedish private individuals	2,142,463	17.1%	3,980	92.7%
Swedish institutional owners	4,876,436	38.9%	37	0.9%
Foreign institutional owners	2,239,765	17.9%	34	0.8%
Other shareholders	2,768,300	22.1%	243	5.7%
Anonymous ownership <sup>1)</sup>	502,479	4.0%	n/a	n/a
Total	12,529,443	100.0%	4,294	100.0%

1) Anonymous ownership refers to foreign custodian banks where the underlying ownership is not visible.

SHARE CAPITAL DEVELOPMENT

Year	Transaction	Change in number of shares	Total number of shares	Increase in share capital, SEK	Total share capital, SEK	Quota value SEK
1991/92	Rights issue	2,670	2,670	267,000	267,000	100
1994/95	Rights issue	2,670	5,340	267,000	534,000	100
1995/96	Rights issue	594	5,934	59,400	593,400	100
1996/97	Rights issue	5,934	11,868	593,400	1,186,800	100
1997/98	Rights issue	11,868	23,736	1,186,800	2,373,600	100
1997/98	Split 100:1	2,349,864	2,373,600	-	2,373,600	1
1997/98	Rights issue	690,000	3,063,600	690,000	3,063,600	1
1998/99	Rights issue	1,021,200	4,084,800	1,021,200	4,084,800	1
2000/01	Rights issue	1,021,200	5,106,000	1,021,200	5,106,000	1
2003/04	Rights issue	1,276,500	6,382,500	1,276,500	6,382,500	1
2004/05	Rights issue	2,127,500	8,510,000	2,127,500	8,510,000	1
2005/06	Rights issue	28,929	8,538,929	28,929	8,538,929	1
2006/07	Rights issue	230,001	8,768,930	230,001	8,768,930	1
2007	Rights issue	269,999	9,038,929	269,999	9,038,929	1
2007	Rights issue	1,807,785	10,846,714	1,807,785	10,846,714	1
2009	Rights issue	544,724	11,391,438	544,724	11,391,438	1
2014	Rights issue	1,138,005	12,529,443	1,138,005	12,529,443	1

Shareholder data source: Monitor from Modular Finance AB



# CTT CORPORATE GOVERNANCE REPORT

This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. Any deviations from the Swedish Code of Corporate Governance are set out in the text below. Governance is conducted via the Annual General Meeting, the Board and the CEO. The company's auditors, who are appointed by the Annual General Meeting, review the accounts and the Board's and the CEO's management of the company. CTT has a nomination committee, an audit committee and a sustainability committee. The entire Board carries out the duties of the remuneration committee. More information on how CTT is managed is available on the company's website. **A**

This report contains summary information on a number of important corporate governance issues. However, not all questions about corporate governance can be answered in a summary, which is why this report should be read together with the annual report, where more detailed information is available. **A B**

**A SEE WWW.CTT.SE FOR MORE INFORMATION**

There you will find, among other things:

- Annual reports
- Articles of Association, latest edition adopted 4 May 2022
- Minutes of meetings
- Corporate governance reports
- Owner information
- Presentation of the Board
- Presentation of the CEO and senior executives
- Policies

**B THE ANNUAL REPORT CONTAINS MORE INFORMATION ABOUT:**

- The share
- The owners
- The Board
- CEO and senior executives
- Variable remuneration, including allocation to profit-sharing foundation, and remuneration to senior executives (note 5)



## 1. SHAREHOLDERS

On 31 December 2024, the company had 4,294 shareholders. The ten largest owners had a total holding corresponding to 55.4% of the share capital. **A B**

As of 31/12/2024, Trulscom Förvaltning AB was the company's largest single shareholder with a shareholding of 1,750,000 shares, corresponding to 14.0% of all shares. The company's articles of association do not contain any restrictions as to how many votes each shareholder can cast at an annual general meeting.

## 2. ANNUAL GENERAL MEETING

The Annual General Meeting is the company's highest decision-making body. The Ordinary Annual General Meeting (AGM) adopts the Articles of Association and elects the Board of Directors and auditors. There, remuneration for the Board and auditor is also determined, as well as decisions on the company's income statement and balance sheet. The Annual General Meeting is prepared and conducted in such a way to create the conditions for the shareholders to exercise their rights in an active and well-informed manner.

### Annual General Meeting, 6 May 2024

The Annual General Meeting was held at the company's premises in Nyköping on 6 May 2024. The Board of Directors has decided that shareholders shall additionally be able to exercise their voting rights at the Annual General Meeting by means of postal voting in accordance with the provisions of CTT's Articles of Association. In accordance with the Nomination Committee's proposal, the meeting resolved to re-elect Annika Dalsvall, Per Fyrenius, Björn Lenander, Anna Carmo e Silva and Tomas Torlöf as ordinary members of the Board of Directors, and to elect Kristina Nilsson and Torbjörn Johansson as new members. The AGM also resolved to re-elect Tomas Torlöf as Chairman of the Board. **A B**

- To approve the income statement and balance sheet for the 2023 financial year and to allocate the profits for the year in accordance with the Board's proposal.
- To grant the members of the Board and the CEO discharge from liability for the 2023 financial year.

- That fees of SEK 395,000 per year for the chairman and SEK 195,000 per year per Board member should be paid. Fees of SEK 45,000 per year per member and SEK 80,000 per year to the chairman should be paid for committee work on the audit committee. The auditor's fees should continue to be paid according to the approved hours submitted.
- That the current procedure for the Nomination Committee should not be changed.
- To approve the Board's proposal for guidelines for remuneration to senior executives, which in summary consists of a fixed salary, any variable remuneration, other benefits and remuneration and a pension.
- Election of Örlings PricewaterhouseCoopers AB as the registered accounting firm. **A**

## 3. NOMINATION COMMITTEE

A Nomination Committee has been appointed with the task of preparing proposals for the election of Board members and auditors and their remuneration prior to the forthcoming Annual General Meeting. The Nomination Committee consists of four members. The Nomination Committee is a body appointed by the Annual General Meeting with the task of preparing the AGM's resolutions on election and fee issues and, where applicable, procedural issues for the next Nomination Committee. The members of the Nomination Committee shall, regardless of how they are appointed, safeguard the interests of all share-

holders and not disclose what has occurred in the Nomination Committee's work in an unauthorised manner.

The Chairman of the Board shall annually, no later than the end of the third quarter, convene the four largest shareholders in the company, who then have the right to appoint one member each. If any of these shareholders declines to appoint a member, the chairman shall ask the next largest owner. However, the chairman needs to ask a maximum of the company's six largest shareholders. If, despite this, the Nomination Committee does not consist of at least four members, the Nomination Committee itself may appoint a sufficient number of members from the company's shareholders. At the inaugural meeting, the Nomination Committee shall appoint a chairman. The composition of the Nomination Committee shall be announced as soon as possible, but no later than six months before the Annual General Meeting. The Nomination Committee's term of office extends from the time of its formation until the next Nomination Committee has been convened. If there are significant changes in shareholding after the Nomination Committee has been appointed and a member was appointed by shareholders who have reduced their ownership, this member shall resign from the Nomination Committee. The Chairman of the Nomination Committee shall then approach shareholders in accordance with the above principles. Changes in the ownership structure occurring after 15 February shall not lead to

### NOMINATION COMMITTEE FOR THE 2025 ANNUAL GENERAL MEETING

Members <sup>1)</sup>	Appointed by	Independent <sup>3)</sup>	Proportion of votes as of 31 Dec 2024, %
<b>Chair <sup>2)</sup></b>			
Tomas Torlöf	Trulscom Förvaltning AB	Yes/No	14.0%
<b>Members</b>			
Christian Lindström Lage	SEB Fonder	Yes/Yes	9.0%
Jonathan Schönbäck	ODIN Fonder	Yes/Yes	6.6%
Martin Nilsson	Första AP-fonden	Yes/Yes	4.9%

1) The Swedish Code of Corporate Governance states that Board members may be members of the nomination committee, but shall not constitute a majority of the members of the nomination committee. CTT's Nomination Committee consists of four members, one of whom was a Board member in 2024.

2) The Nomination Committee appointed Tomas Torlöf as Chairman of the Nomination Committee, which deviates from the rules set out in the Swedish Code of Corporate Governance as he is also the Chairman of the Board. The Nomination Committee's reasoning behind this is that Tomas Torlöf is the company's largest shareholder in terms of votes and is well suited to lead the Nomination Committee's work in an effective manner to achieve the best results for all the company's shareholders

3) Independence in relation to the company and company management/to the largest shareholder



any change in the composition of the Nomination Committee.

In addition to an inaugural meeting, the Nomination Committee shall hold four further meetings. In addition, the Nomination Committee shall gather information about the Board's work through individual interviews with all Board members.

In its evaluation process, the Nomination Committee shall give special consideration to the need for versatility and breadth in terms of industry knowledge, industrial experience and expertise in responsibility for results, strategic development, sustainability work and international conditions. The Nomination Committee considers rule 4.1 in the Swedish Code of Corporate Governance (the "Code") as a diversity policy. The CTT Nomination Committee strives to prioritise greater diversity on the Board. The company's shareholders have been informed that proposals for Board members can be submitted by email. No such proposals have been received.

Evaluations show that the current members of the Board have the required competence and experience and that it has good knowledge and understanding of the company's operations. The Board has solid experience from the aviation industry, strategical work and business development as well as the recruitment of executives to small and medium-sized companies.

The majority of the Board members hold senior positions with (i) responsibility for results and (ii) work in an international context and (iii) have experience with sustainability work as an integral part of the business process. All in all, the Nomination Committee is able to state that the Board members have the necessary commitment and that the work of the Board has functioned well. The Nomination Committee considers that the Board is not in need of renewal. More information can be found in the Nomination Committee's motivated statement, which is available for download in Swedish ("Valberedningens motiverade yttrande") at [www.ctt.se](http://www.ctt.se). For information about the Board members, see the Board section in the company's annual report.

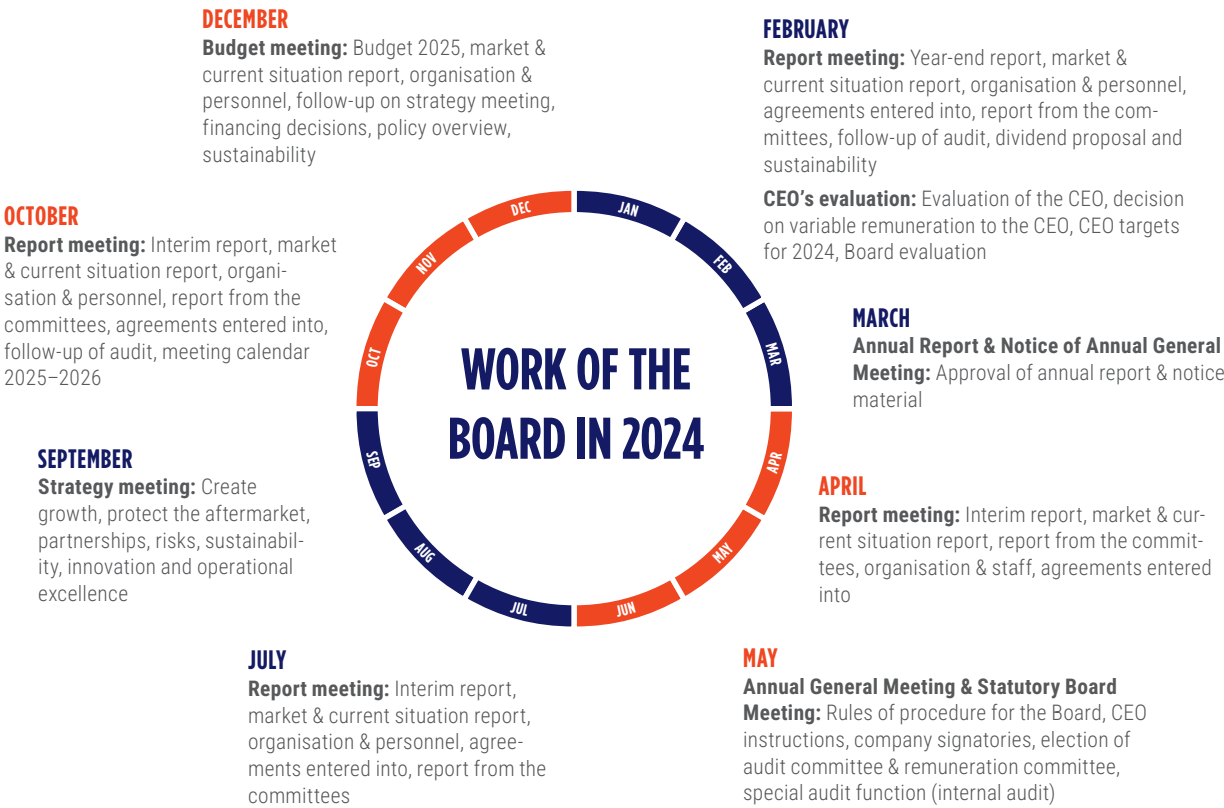
4. THE BOARD AND ITS WORK IN 2024

The Board is ultimately responsible for how the company is organised and for the management of the company's affairs. Reporting from company management on the business and its economic and financial status is provided regularly at Board meetings, through reports to the Board and where necessary. The CEO and the Chairman of the Board conduct continuous dialogue about the business. The Board also monitors how internal control is working.

The division of work between the Board, the Chairman of the Board and the CEO is clarified in written instructions to the CEO, CEO instructions, and the Board's rules of procedure, which the Board adopts annually at the statutory Board meeting immediately after the Annual General Meeting. The aim of these documents is to ensure the development of the company and to meet the Board's need for information and control of operating activities.

Following the election at the Annual General Meeting, the Board consisted of seven members. The company's CEO and CFO attend Board meetings as rapporteurs. Below is a presentation of the work of the Board in 2024.

The Board has made an internal evaluation of the work of the CEO and the Board: Evaluation of the Board's work in 2024 has taken place through BoardClic system support and interviews with individual Board members led by the Nomination Committee during November 2024 and follow-up discussion and reporting, as well as a dedicated meeting in February 2025. The Chairman of the Board made an oral presentation of the results of the evaluation to the Nomination Committee. Evaluation of the CEO for 2025 took place at a dedicated meeting in February 2025, with information from BoardClic.



COMPOSITION OF THE BOARD

Board members <sup>1)</sup>	Nationality	Elected in	Born	Board fees <sup>2)</sup>	Committee fees <sup>3)</sup>	Independent <sup>3)</sup>	Attendance <sup>4)</sup>	
							Board meet-ings <sup>5)</sup>	Audit Com-mittee
Chair								
Tomas Torlöf	Swedish	2013	1967	388,750		yes/no	10/10	
Members								
Annika Dalsvall	Swedish	2013	1958	192,500	78,750	yes/yes	10/10	4/4
Per Fyrenius	Swedish	2018	1965	192,500		yes/yes	10/10	
Björn Lenander	Swedish	2018	1961	192,500	43,750	yes/yes	10/10	4/4
Kristina Nilsson	Swedish	2024	1976	146,250		yes/yes	6/6	
Anna Carmo e Silva	Swedish	2022	1977	192,500	43,750	yes/yes	9/10	4/4
Torbjörn Johansson	Swedish	2024	1958	146,250		yes/yes	6/6	

1) Qualifications and other commitments are shown on pages 78–79  
2) Fees refer to fees paid during the financial year, which were decided at the Annual General Meeting  
3) Independence in relation to the company and company management/to the largest shareholder  
4) Attendance refers to meetings during the period in 2024 when the member was elected to the Board/committee  
5) As the Board is also the Remuneration Committee, no separate figures are presented for meetings of the Remuneration Committee

5. AUDIT COMMITTEE

The Audit Committee examines the most significant accounting policies applied in the company in terms of financial reporting as well as significant changes to the reporting principles. The tasks of the audit committee also include reviewing reports on internal controls and the processes for financial reporting. The Committee has a preparatory role for the Board of Directors, and significant decisions are made by the Board. The Audit Committee reports to the Board after each meeting. All audit committee meetings are minuted and these minutes are available to all Board members and to the auditors.

The auditors attend all Audit Committee meetings during the year. CTT's CFO and Chief Accountant participate in the committee's meetings as rapporteurs. The auditors report annually on their review of internal controls at an audit committee meeting. The auditors' reports in 2024 have not prompted any specific action from the Audit Committee or the Board. The company's interim report for the third quarter of 2024 has been reviewed by the company's auditors.

6. REMUNERATION COMMITTEE

At CTT, the Board appoints a remuneration committee, as the company employs a relatively small number of people and is of limited complexity. The preparation and procedures currently applied to remuneration are appropriate and the Board as a whole is involved. The committee evaluates the ongoing and completed programmes for variable remuneration applicable to company management during the year and also monitors and evaluates the application of the "Guidelines for remuneration to senior executives" for 2024, which were adopted at the Annual General Meeting.

Issues of remuneration and other terms of employment pertaining to the CEO are prepared by the Chairman of the Board, who also represents the Remuneration Committee in remuneration negotiations. Decisions on these issues are made by the Board as a whole. Remuneration and other terms of employment for other senior executives are negotiated and agreed with the CEO.

Guidelines for remuneration to senior executives

The objective of CTT's remuneration policy for senior executives is to offer compensation that aims to attract, motivate and retain qualified expertise at CTT.

Remuneration to the CEO and other senior executives shall be market-based and consist of a fixed basic salary, variable remuneration, a pension and in some cases other benefits. The CEO's remuneration is set by the Chairman of the Board and subsequently approved by the Board. Senior executives means the CEO and other members of the management team. In 2021, a new cash-based programme for long-term goal-oriented variable remuneration was established for the Deputy CEO and Head of Sales. The new CEO was included in this programme in 2022. Beyond this, the guidelines remain unchanged compared to the previous year.

The total annual cost of variable remuneration (including provision for the profit-sharing foundation) at the company, excluding the cost of variable remuneration to the CEO, and any outcomes of long-term target-driven variable remuneration (as set out below), amounts to a maximum of 10% of profits before tax, subject to the proviso that it may not exceed 30% of the dividend to the company's shareholders approved by the Annual General Meeting or 25% of total basic salary for all employees of the company. For the CEO, variable perfor-

mance-based remuneration is paid in accordance with pre-set targets, to a maximum of six months' pay. For every other senior executive, variable remuneration can amount to a maximum of two months' pay per year. Payment of the variable remuneration intended for key persons and the CEO is conditional on this being invested in CTT shares which are to be retained for an agreed period. In addition, the CEO, the Deputy CEO and the Head of Sales and Marketing may receive variable performance-based remuneration when certain long-term targets are met. This remuneration is not pensionable but can be exchanged for pension.

The total cost of the entire variable remuneration programme for the financial year is reserved in the financial statements and paid out after the Annual General Meeting has approved the profits and balance sheet and appropriation of the company's profit.

7. SUSTAINABILITY COMMITTEE

A Sustainability Committee was introduced for the first time in 2024. The first meeting took place in December 2024 and was attended by the entire Board. The purpose of the committee is to review the company's sustainability work and use the sustainability policy to ensure that CTT delivers on all sustainability goals, activities and regulations. Overall, the committee guides the execution of the established strategic direction of CTT's sustainability efforts. The Board of Directors is responsible for the statutory sustainability report, which can be found in the annual report and covers the reporting requirements in the fields of environment, social conditions and corporate governance.



VARIABLE REMUNERATION, 2024 <sup>B</sup>

Type of compensation – Recipient	Cost ceiling, 2024 (SEK million)	Share of profit (%) <sup>1)</sup>	Reserved amount (SEK million)	Share of profit (%) <sup>1)</sup>
Variable remuneration – Senior executives (excluding CEO)	3.0	2.5%	1.7	1.5%
Variable remuneration – CEO	3.0	2.5%	1.0	0.9%
Long-term incentive programme <sup>2)</sup>	7.2	6.0%	0.0	0.0%
Profit-sharing foundation – All employees	8.9	7.5%	8.9	7.5%

1) Share of profit before tax and before provision for variable remuneration.  
2) The costs can amount to a maximum of 12 months' salary for the beneficiaries of the programme between 2021 and 2024.

8. CEO AND EXECUTIVE MANAGEMENT

The CEO leads and ensures that the business is conducted in accordance with the Swedish Companies Act, other laws and regulations, applicable rules for listed companies, the Articles of Association and in accordance with targets and strategies established by the Board.

The CEO and CFO, in consultation with the Chairman of the Board, prepare the necessary information and documentation for Board

meetings, present the matters and justify their proposals on decisions.

In 2024, CTT's management included the CEO, Deputy CEO, CFO, Head of Sales, Head of Development, Head of Quality and Personnel and Head of Production. The roles of Head of Production for Nyköping and Head of Bribo Division were merged into one area of responsibility in 2022. <sup>B</sup>

9. INTERNAL CONTROLS

The purpose of internal control is to strengthen the reliability of financial reporting and to ensure that it is prepared in accordance with generally accepted accounting principles, applicable laws and regulations and other requirements for listed companies, and that the business as a whole meets the requirements of external parties such as regulators, customers and other stakeholders. The Board of CTT has overall responsibility for the effect of internal control at the company. The CEO is responsible for ensuring that there are processes and an

organisation to ensure internal control and the quality of financial reporting to the Board and the market. There are illustrations below of internal control at CTT in terms of financial reporting, the business as a whole and how the company obtains information to ensure compliance with laws and regulations.

**Special audit function**  
CTT does not have its own special audit function (internal audit) because CTT is relatively small and has a simple legal and operational

10. AUDITOR

At the Annual General Meeting on 6 May 2024, the meeting resolved in accordance with the Nomination Committee's proposal that Örlings PricewaterhouseCoopers AB be elected as the company's auditing company, with Andreas Skogh as the principal auditor for a period of one year. The company's auditors participate in all of the audit committee's meetings each year, as well as in at least two Board meetings, and then make their observations about the company's internal procedures and control systems. The members of the Audit Committee and the Board then have the opportunity to ask questions.

The audit results are reported to shareholders in the form of an auditor's report which constitutes a recommendation to the shareholders prior to resolutions at the Annual General Meeting on approval of the company's income statement and balance sheet, disposition of the company's profits and discharge of liability for Board members and the CEO.

The work of the auditors includes monitoring of compliance with the Articles of Association, the Companies Act and the Annual Accounts Act, issues concerning the valuation of items in the balance sheet, monitoring of significant accounting processes and governance and financial control.

**11. OTHER**  
**Risk analysis**  
CTT's operations are affected by a number of risks affecting on CTT's earnings and financial position. When assessing the future development of CTT, it is important to assess opportunities for earnings growth weighed against these risks. The risk factors that are most important for the future development of CTT are described in the directors' report in the annual report under the heading Risks. The policy of CTT's management is to take into account the influence of these risks on decisions made. CTT works very closely with the company's auditors in order to identify

risks at an early stage. The auditors conduct an annual review of the internal risk mitigation procedures, and report on this both in writing and orally to the Board.

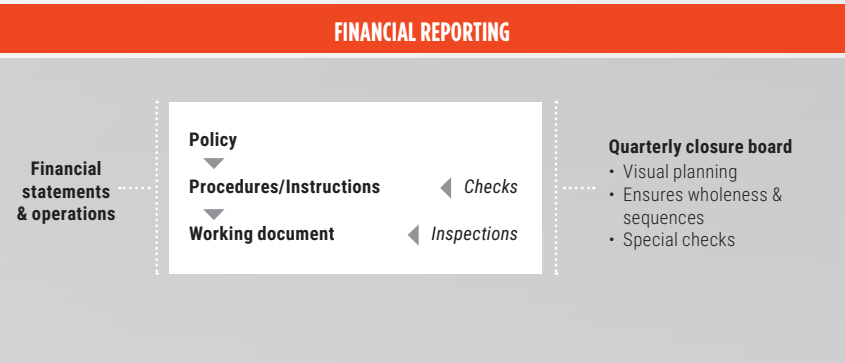
**Articles of Association**  
The Articles of Association set out, among other things, the company's activities, the number of directors and auditors, how the general meeting is to be convened, what business is to be covered at the annual general meeting and where the meeting is to be held. <sup>A</sup>

**Information and communication**  
The company's information to shareholders and other stakeholders is provided via the annual report, year-end report and interim reports, press releases and the company's website, www.ctt.se.

The website also contains financial reports and press releases for recent years, as well as information on corporate governance. Internal information and external communication are

governed at an overarching level in the information policy established by the Board. <sup>A</sup>

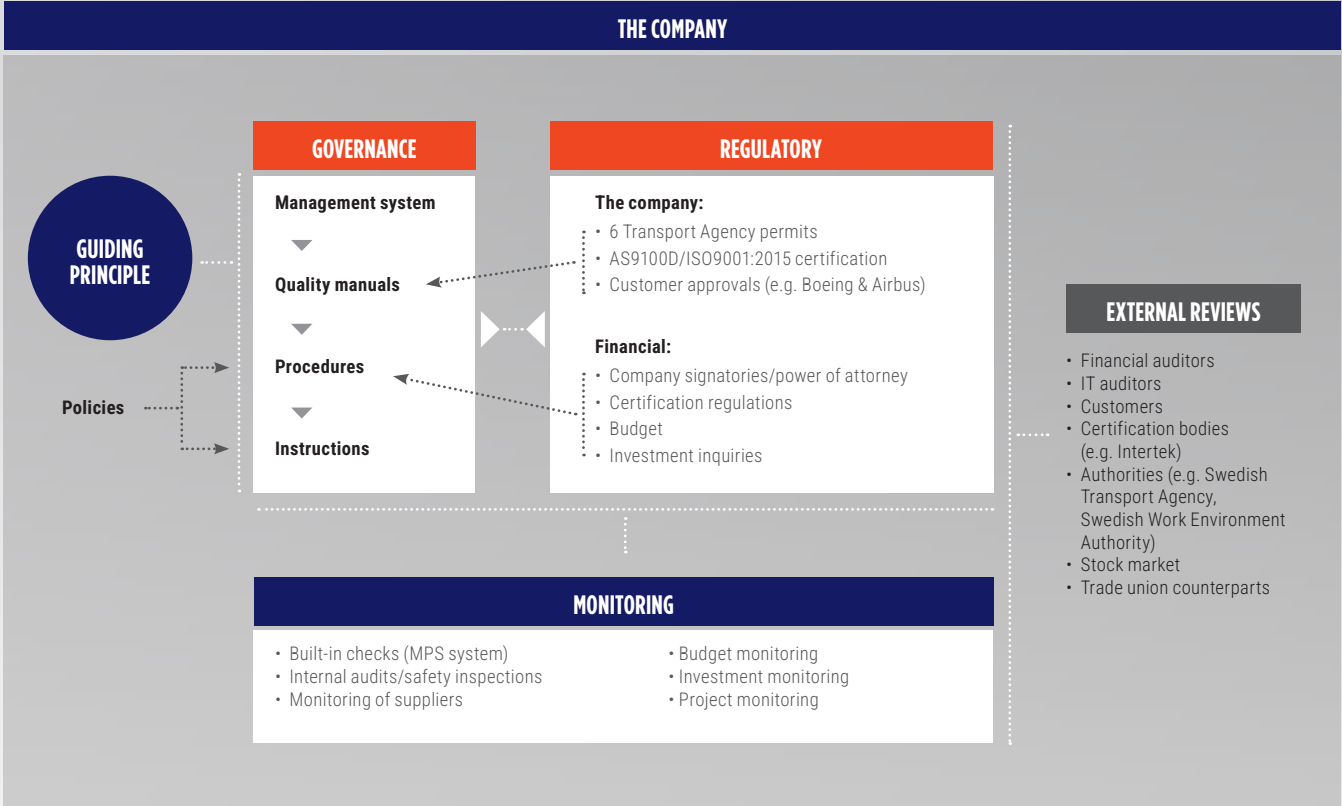
CTT's external accounting materials and Investor Relations (IR) must be seen to be open, reliable, easily-available and quick. Quality is a key word, but the publication of information must also be cost-efficient. The information must meet market and customary requirements. The distribution of press releases, interim reports and year-end reports, along with other regulated external public communications, published in accordance with Nasdaq Stockholm's regulations for issuers and the EU Market Abuse Regulation, takes place through Modular Finance AB. Through them, information reaches the stock exchange, the Financial Supervisory Authority, the media, banks, rating agencies, major shareholders and major customers and suppliers quickly and simultaneously.



Financial reporting is based on governing policies that are broken down into procedures/instructions and then into concrete working documents, where the latter two also contain automatic and/or manual controls to continuously ensure correct management and results. A quarterly, year-end board is used to collect all the steps and to ensure that the steps are carried out in the correct sequence and that ongoing checks are carried out.



To ensure compliance with applicable laws and regulations, information is regularly gathered from a number of different parties, each with expertise in their respective fields.



Internal control of business operations is based on governing and regulatory elements. The governing elements consist of the management system which is broken down into quality manuals, procedures, instructions and policies. The regulatory elements consist partly of external permits/approval, and partly of internal rules and guidelines determined by the Board. To ensure compliance with these elements, there are a number of monitoring internal activities and follow-ups. In addition, a number of independent external parties carry out regular reviews of the business and the various aspects of the management system.



# SENIOR EXECUTIVES



**HENRIK HÖJER**

CEO, born 1966.  
**Education:** Master of Science in Industrial and Management Engineering, Linköping University.  
**Previous experience:** Senior positions at SAAB AB within JAS 39 Gripen, including Programme Manager, 1992–2010.  
CEO of SAAB Training Systems AB 2010–2016.  
CEO of RUAG Simulation & Training AG (Switzerland), 2016–2022.  
CEO of CTT Systems from 2022.

Number of shares in CTT: 10,043  
Number of options in CTT: 10,000  
Number of related party shares in CTT: 1,737

**MARKUS BERG**

CFO & Head of Sustainability, born 1980.  
**Qualifications:** MSc, Master's degree in International Economics.  
**Previous experience:** Business Controller, SSAB Grovplåt 2004–2007, Controller Manager, SSAB Grovplåt 2007–2010, Chief Controller, SSAB Produktion EMEA 2010–2011, Head of Strategy, SSAB Oxelösund 2011–2014, Chief Controller, Telia Fiber Business 2014–2016, Head of Finance, Teracom AB 2016–2021.  
CFO of CTT Systems from 2021.

Number of shares in CTT: 2,439  
Number of options in CTT: 0  
Number of related party shares in CTT: 0

**OLA HÄGGFELDT**

CCO, born 1969.  
**Qualifications:** Master of Science in Engineering, Royal Institute of Technology, 1994.  
**Previous experience:** Scania (Development Engineer) 1994–1995, Freudenberg (KAM Automotive) 1995–1997, Siemens Components (KAM Automotive) 1997–2000, Emerson Network Power (Director Nordic, GM M. East & N. Africa, MD Europe) 2000–2009, Delta Electronics (OEM Director) 2009–2010, NorthStar (Director EMEA, VP OEM, VP SEA & China) 2010–2020.  
CEO of CTT Systems AB from 2020.

Number of shares in CTT: 5,151  
Number of options in CTT: 0  
Number of related party shares in CTT: 0

**PETER LANDQUIST**

VP Senior Advisor Sales, born 1958.  
**Qualifications:** Industrial-technological programme, upper secondary school 1976.  
**Previous experience:** Production and design, AB Nyge Aero 1986–1993, Head of Design, CTT Systems AB 1993–1998, Technical Manager 1998–2004, Technical Sales 2004–2006, Head of Aftermarket 2006–2011, Head of Sales, Marketing and Aftermarket 2011–2014, Head of Sales and Marketing 2015–2020.  
Senior Sales Advisor at CTT Systems from 2020.

Number of shares in CTT: 8,135  
Number of options in CTT: 0  
Number of related party shares in CTT: 2,760

**TORLEIF NILSSON**

Head of Engineering, born 1960.  
**Qualifications:** Upper secondary school, mechanical engineering 1980.  
**Previous experience:** Calculation engineer, durability at JAS39 Gripen, Saab AB, 1982–1998. Appointed Chief Engineer in Aircraft Systems Durability in 1990. Section Head, System Strength in the Weapons Integration & Structural Engineering department, Saab Aerosystems 1999–2007.  
Development Manager at CTT Systems from 2007.  
\*Retired on 31 December 2024

Number of shares in CTT: 3,957  
Number of options in CTT: 0  
Number of related party shares in CTT: 0

**HENRIK WOLF**

Head of Production, born 1979.  
**Qualifications:** Industrial-technological programme, upper secondary school 1998.  
**Previous experience:** CNC operator, Xylem 1998–2006, Industrial Technology Trainer, Xylem 2006–2012, Production Manager, Xylem 2012–2014, Workshop Manager, Xylem 2014–2016, Production Manager, Willo AB, 2017–2022, Technical Manager – Assembly, Xylem 2022–2023, Head of Function – Processing/Electric Motor, Xylem 2023–2024.  
Head of Production at CTT Systems from February 2024.

Number of shares in CTT: 30  
Number of options in CTT: 0  
Number of related party shares in CTT: 0

**MARIA WESTER**

Head of Quality & HR, born 1966.  
**Education:** Electronics and telecoms programme, high school. University degree in business administration from Örebro University. Studies in quality technology at MDH. Diploma in personnel administration.  
**Previous experience:** Project management/sales, Trade Motion 1988–1989, technical/financial assistant Burndy AB/FCI 1990–1995, Quality and human resources manager at Framatome Connectors Sweden AB 1995–1999, Head of Quality at CTT Systems 1999–2005.  
Quality and Human Resources Manager at CTT Systems from 2005.

Number of shares in CTT: 1,998  
Number of options in CTT: 0  
Number of related party shares in CTT: 312

**JOHNNY CRONSTRÖM**

Product manager, born 1977.  
**Education:** Degree from Tekniskt Gymnasium in 1996.  
**Previous experience:** Fitter, prototype manufacture, CTT 1999–2001, Designer, CTT, 2001–2025, Lead Engineer, CTT, 2005–2007, Self-employed, 2007–2012, Consultant Project Manager, CTT, 2012–2019, Lead Engineer, CTT, 2019–2024.  
Head of Product at CTT Systems from January 2025.

Number of shares in CTT: 600  
Number of options in CTT: 0  
Number of related party shares in CTT: 0

\* Torleif Nilsson retired on 31 December 2024 and will be replaced by Mikael Stavæus on 24 March 2025  
Trulscom Förvaltning AB (TFAB) has undertaken to issue call options to the management team of CTT, conditional upon the purchase of shares in CTT. For each CTT share purchased, executives were offered the right to purchase two options from TFAB at market conditions. This commitment was time-limited until July 2023 and is capped at 20,000 options per person. In total, this means that up to 140,000 options could be issued with an exercise price of SEK 225 and with a term until late 2025/early 2026. The call options are non-dilutive for other CTT shareholders



BOARD



	TOMAS TORLÖF	PER FYRENIUS	ANNIKA DALSVALL		ANNA CARMO E SILVA	KRISTINA NILSSON	BJÖRN LENANDER	TORBJÖRN JOHANSSON
Role and year of birth	Chairman, born 1967.	Board member, born 1965.	Board member, born 1958.		Board member, born 1977.	Board member, born 1976.	Board member, born 1961.	Board member, born 1958.
Qualifications	Master of Science in Mechanical Engineering, Royal Institute of Technology.	Master of Science in Mechanical Engineering, Royal Institute of Technology.	MSc in Economics, Uppsala University.		Master of Science in Engineering, Chalmers University of Technology.	Bachelor of Science in Electrical Engineering, University West	Master of Science in Engineering, Royal Institute of Technology.	Master of Science in Mechanical Engineering, Linköping University.
Nationality/elected	Swedish/2013	Swedish / 2018	Swedish/2013		Swedish / 2022	Swedish / 2024	Swedish / 2018	Swedish / 2024
Other roles	Board member Trulscom Förvaltning AB, Trulscom Aktiebolag. Board member of CTT since 2013. Chairman of the Board of CTT since 2014.	Vice President Corporate Development, Toyota Material Handling Europe AB. Board member of Toyota Material Handling Logistics Solutions AB. Board member of CTT since 2018.	Head of Contracts, Scandinavian Airlines System. Board member of CTT since 2013.		Senior Vice President Strategy and Corporate Management Scania CV AB. Board member of CTT since 2022.	SVP Charing & Infrastructure Solutions Volvo Energy. Board member of CTT since 2024.	Senior Advisor, Latour Industries. Chairman of the Board, BATEC Mobility S.L. Board member of CTEK AB, Caljan A/S, Innovalift AB. Board member of CTT since 2018.	Chairman of the Board, Turntime Technologies. Board member of CTT since 2024.
Work experience and other information	Active owner with a long ownership horizon. Invests own capital and time. CTT shareholder since 1995. Second largest shareholder, 2001–2014. Largest shareholder since 2014. Board member of CTT from 2001 to 2006.	Member of the European management team for Toyota Material Handling with responsibilities including strategy. Former CEO of the Group's Swedish marketing company and before that active in the then ITT Flygt. Many years of operational experience in areas including sales and aftermarket.	Many years of experience from the aviation industry in procurement and negotiation.		Senior positions within the Scania Group since 2002.	Senior positions within the Volvo Group since 2000.	CEO of Latour Industries AB, 2014–2024. More than 25 years of experience in leading positions in international industry.	CEO of CTT Systems AB from 1997–2022.
Attendance <sup>1)</sup>								
Board meetings	10/10	10/10	10/10		9/10	6/6	10/10	6/6
Audit committee meetings			4/4		4/4		4/4	
Independent in relation to the company and executive management	yes	yes	yes		yes	yes	yes	yes
Major owners	no	yes	yes		yes	yes	yes	yes
Remuneration and holdings <sup>2)</sup>								
Board fees	388,750	192,500	192,500		192,500	146,250	192,500	146,250
Committee fees			78,750		43,750		43,750	
Number of shares in CTT	Owens 1,775,000 shares in CTT through Trulscom Förvaltning.	Owens 1,440 shares in CTT.	Owens 250 shares in CTT.		Owens 1,000 shares in CTT.	Owens 0 shares in CTT.	Owens 500 shares in CTT with related parties.	Owens 14,845 shares in CTT.

1) Attendance refers to meetings during the period in 2024 when the member was elected to the Board/committee  
2) Fees refer to fees paid during the financial year, which were decided at the 2023 and 2024 Annual General Meetings



**AUDITOR**  
**Andreas Skogh**  
Authorised Public Accountant, Örlings PricewaterhouseCoopers AB. Auditor of the company since 2023.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year 2024

All amounts in SEK million unless otherwise stated

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## NOTE 1 GENERAL INFORMATION

CTT Systems AB (publ.), company reg. no. 556430-7741, was formed in 1991 and is based in Nyköping, Sweden. CTT is a Mid Cap company listed on Nasdaq Stockholm since March 1999.

CTT's main activities involve the development, manufacture and sale of equipment that actively regulates humidity in aircraft.

This annual report was approved for issuance by the Board on 27 March 2025. The company's income statement and balance sheet will be subject to approval at the Annual General Meeting on 8 May 2025.

### EXTERNAL RISKS AND UNCERTAINTIES

The risks in the company's operations can generally be divided into operational risks related to business activities and financial risks related to financial activities. CTT continuously monitors risks and mitigation activities to counteract negative consequences for the company.

There have been no significant changes in significant risks or uncertainties (including climate) during the year, but CTT continues to have an unusually one-sided currency impact since virtually all sales are in USD.

The company has chosen not to use forward hedging of the USD, but is endeavouring to make purchases and bank loans in USD. Major changes in the USD/SEK exchange rate will result in significant currency effects.

A detailed account of CTT's risks and uncertainties and how they are managed can be found on pp. 62–66 in the company's annual report for 2024. Financial risk management are described preconditions in note 29.

## NOTE 2 ACCOUNTING AND VALUATION POLICIES

**Compliance with applied regulations and the going-concern principle**

The company's annual report has been prepared in accordance with the Swedish Annual Accounts Act (AAA) and in accordance with IFRS, with the exceptions and additions specified in the Swedish Corporate Reporting Board's recommendation RFR 2 "Accounting for legal entities". RFR 2 requires the company to apply all EU endorsed standards and pronouncements of the IASB and IFRIC in its annual accounts as far as possible within the framework of the AAA and taking into account the relationship between accounting and taxation. The financial statements have been prepared on the condition that the company conducts operations on a going concern basis.

CTT Systems AB does not prepare consolidated financial statements because the subsidiary CTT Systems Inc. in the USA is dormant and of minor significance, with the result that no consolidated financial statements need to be prepared in accordance with Chapter 7:3 a of the AAA.

**Standards, changes to and interpretations of accounting policies**

*New and updated standards, changes and interpretations applied from 2024*

Certain changes that came into force on 1 January 2024 and which have therefore begun to be applied this year have not had any significant impact on the company's earnings and position.

*Standards, changes and interpretations concerning existing standards which have not yet entered into force and which have not been applied prematurely by the company*

As of the date of approval of these financial statements, certain new standards, changes to and interpretations of existing standards that have not yet entered into force on the balance sheet date have been published by the IASB. These have not been applied prematurely by the company.

The Board of Directors and CEO assume that all relevant statements will be included in the company's accounting policies when they enter into force. New standards, changes and clarifications that have not been applied are not expected to have a significant impact on the company's financial reports.

**Background for compiling the report**

Assets and liabilities have been valued at historical acquisition values unless otherwise stated below. Receivables and liabilities in foreign currency have been converted using the exchange rate on the balance sheet date.

Preparing reports in accordance with IFRS requires management to make assessments and estimates and to make assumptions that affect the application of the accounting policies and the reported amounts in the income statements and balance sheets.

**Important estimates and assessments for accounting purposes**

The items in the income statements and balance sheets that are significantly affected by management assessments are income from profit recognition agreements (included in net sales, see Note 3), inventories (Note 15), property, plant and equipment; intangible (Notes 9–10) and tangible (Notes 11–13) fixed assets where depreciation plans are based on assessments of service life, and warranty commitments (Note 24). See below for a description of these estimates and assessments, as well as accounting policies.

**Revenue recognition**

*Revenue recognition at a certain time*

In the case of the company's new sales and spare parts sales of products, it is not the company's job to install the products, as this is taken care of by the customers. Revenues from new sales and spare parts sales are reported when CTT's role has been performed and control of the product has been transferred to the customer, which is upon delivery of the product. Revenue is reported as the amount CTT expects to be entitled to in exchange for the transfer of promised goods to a customer, where the transaction price is stated in the agreement with the customer. CTT has no variable remuneration in its agreements with customers.

The transaction price is due for payment in accordance with the agreement with the customer. CTT's payment terms to customers vary between 30 and 90 days.

For sales of systems for private jets and other profit recognition projects, revenue is recognised over time, see below.

*Revenue recognition over time – revenue from profit recognition agreements*

When selling systems for private jets and other profit recognition projects, the development, manufacture and adaptation of the systems last for a longer period of time. In principle, the systems are sold exclusively at a fixed price and the company reports revenue on these assignments as the work is carried out, i.e. when the company's commitments have been fulfilled. When calculating earned profit, the degree of completion has been calculated as incurred



expenses as of the balance sheet date in relation to total estimated expenses for completion of the assignment.

The transaction price is due for payment in accordance with the agreement with the customer. CTT’s payment terms to customers vary between 30 and 90 days.

• *Key estimates and assessments*

Reported revenues and associated contract receivables for profit recognition agreements reflect the best estimate of the outcome and the degree of completion of commitments for each agreement. This includes an assessment of the profit in ongoing customer agreements. With regard to more complicated assignments, there is significant uncertainty when assessing the costs for completion and profitability, which is also taken into account in revenue recognition.

**Breakdown of revenue**

The company does not recognise revenue by segment, and IFRS 8 states that this is not a requirement for the legal entity either. See Note 3 for the breakdown of net sales and other revenue.

**Receivables, liabilities and cash and cash equivalents in foreign currency**  
Monetary assets and liabilities in foreign currency have been converted using the exchange rate on the balance sheet date. Non-monetary assets and liabilities are converted using the exchange rate at the time of acquisition. The company mainly makes its purchases in SEK, with a small element in USD and European currencies, while products are mainly sold in USD, with a small element in SEK and EUR.

**Inventories**

Inventories are valued according to the lowest value principle, i.e. the lower of acquisition value and net sales value. The acquisition value includes all expenses attributable to the manufacturing process, along with the appropriate share of associated manufacturing costs, based on normal capacity. The acquisition value is calculated according to the first-in-first-out principle. The net sales value is the estimated price for which the product can be sold according to normal business conditions, less any applicable sales costs that can be directly attributed to the sales transaction.

• *Key estimates and assessments*

For each balance sheet date, a calculation is made of the net sales value of the inventory, taking into account the most reliable information available. Future sales values may be affected by future technology and other market-driven changes that may reduce future sales prices. Obsolescence and obsolescence assessments are described in Note 15.

**Receivables**

Receivables are assessed on an individual basis and included as the expected amount to be paid.

**Property, plant and equipment**

Self-generated intangible assets consist of capitalised expenses for development work. For these, depreciation normally takes place over 5 years from when the asset is taken into use. Ongoing development regarding the capitalisation of capitalised development costs for the Boeing 777X and New Zonal Dryer projects has not yet been completed. Planned depreciation for the Boeing 777X is dependent on production for a maximum of 10 years, and depreciation began in 2023. For the New Zonal Dryer project, the presumed depreciation is 10 years. No depreciation has begun for this project.

Property, plant and equipment are initially reported at acquisition value or manufacturing costs, including expenses to get the asset on site and in a condition to be used in accordance with the intentions of the investment. The acquisition value includes the purchase price and other directly attributable expenses such as expenses for delivery, handling, installation, assembly, legal fees and consultancy services. The acquisition value of self-manufactured property, plant and equipment also includes indirect manufacturing costs. Short-term inventories and inventories of lesser value are expensed on an ongoing basis.

On each balance sheet date, a review is made of current assessments of service lives of depreciable assets. The uncertainty in these assessments is due to technological obsolescence that may change the use of the assets.

Tangible and intangible fixed assets are depreciated systematically based on their estimated useful life. The following depreciation periods have been applied.

Intangible assets	2024	2023
Capitalised expenses for development work	5–10 years	5–10 years
Other intangible assets	5–10 years	5–10 years

Property, plant and equipment	2024	2023
Buildings	10-100 years	10-100 years
Facilities on the ground	20–40 years	20–40 years
Machinery and other technical facilities	3–10 years	3–10 years
Equipment, tools and installations	3–10 years	3–10 years
- Including Improvement fees on leased property	5 years	5 years
- Including computer equipment	3–5 years	3–5 years

*Research and Development*

Expenses for development, where the results are used to produce new or improved products, are reported as an asset in the company’s balance sheet. This also presupposes that the product is expected to be technically and commercially viable and that CTT has sufficient resources to complete development and then use or sell the intangible asset.

The carrying amount includes all directly attributable expenditure to create, produce and prepare the asset for use in the manner intended by management, such as expenditures for materials and services and payment to employees. Other development expenses are reported in the income statement as development costs when they arise.

In the company’s balance sheet, capitalised expenses for development work are reported at acquisition value less accumulated depreciation and any write-downs as intangible fixed assets.

Depreciation starts on the month in which the asset is completed and taken into use.

The company recognises provisions for the development fund within restricted equity with the same amount capitalised during the year as an intangible asset relating to its own capitalised development work.

*Impairment*

The reported values of the company’s fixed assets are checked annually to determine whether there are indications of impairment. Reported value is tested at least once a year or more frequently if an indication of a decline in value has been identified. Each impairment test calculates the recoverable value of the asset. Recoverable value refers to the higher of an asset’s net sales value and value in use. Impairment of assets occurs when the carrying amount exceeds the recoverable amount.

• *Key estimates and assessments*

To assess the need for impairment, the recoverable amount for each asset or cash-generating unit is calculated based on expected future cash flows using an appropriate interest rate to be able to discount the cash flow. There are uncertainties in assumptions about future cash flow and the determination of an appropriate discount rate.

**Leasing**

The company applies the exemption in RFR 2 and reports the leasing fees as an expense on a straight-line basis over the leasing period. Right of use and lease liabilities are not reported in the balance sheet. Leasing agreements mainly consist of leased premises and cars.

**Provisions**

Provisions for product warranties, loss-making contracts or other claims are recognised when the company has a legal or informal obligation as a result of a past event and it is probable that an outflow of financial resources will be

required and the amounts can be reliably estimated. The timing or amount of this outflow may still be uncertain.

Provisions are valued at the estimated amount required to settle the existing liability, based on the most reliable information available on the balance sheet date.

*Warranty commitments*

The company normally provides a 36-48 month warranty on its products.

• *Key estimates and assessments*

Provisions for future warranty commitments are calculated on sales for the period. The size of the provision is calculated as 3% of the sales price of OEM systems for new platforms, 1% of spare parts and repairs, 0% of consumables and a certain aspect of sales in addition to the core business, and 1% or 2% of all other sales. The size of this provision is based on the historical amount of warranty costs.

**Borrowing costs**

Borrowing expenses that are directly attributable to ongoing investments in qualifying assets are not capitalised in the balance sheet, but are expensed directly. In the case of IAS 23, the company therefore applies the exemption in RFR2.

**Remuneration to employees**

*Pensions*

Post-employment pension benefits are paid through ongoing payments to external parties, who thereby assume the obligations towards the employees.

CTT has both defined-contribution and defined-benefit pension plans. The company’s obligations in terms of contributions to both defined-contribution and defined-benefit pension plans are recognised as an expense in the income statement as the right to the pension is earned through service.

• *Defined-contribution pension plans*

Fixed contribution (defined-contribution) pension plans are classified plans where the size of the employee’s pension depends on the contributions (premiums) that the company pays to the plan and the return on capital earned by the contributions.

• *Defined-benefit pension plans*

A defined-benefit pension plan means that an employee is guaranteed a pension corresponding to a certain percentage of salary. For salaried employees in Sweden, the ITP2 plan’s defined benefit pension obligations are secured through an insurance policy with Alecta. According to a statement from the Swedish Corporate Governance Board, UFR 10 “Recognition of the ITP 2 pension plan financed through insurance with Alecta”, this is a multi-employer defined benefit plan. For the 2024 financial year, the company has not had access to information enabling it to report its proportional share of the plan’s obligations, plan assets or expenses, which meant that it has been impossible to report this plan as a defined benefit plan. The ITP2 pension plan that is secured through insurance in Alecta is, consequently, reported as a defined contribution plan.

The pension plan in accordance ITP2 is secured through insurance with Alecta and is therefore reported as a defined contribution plan. The premium for the defined benefit pension is calculated on an individual basis and depends on factors such as salary, previously earned pension and expected remaining service. Contributions for ITP2 insurance policies taken out with Alecta amounted to SEK 0.8 million in 2024 and are expected to amount to SEK 1.0 million in 2025. The company’s share of the total contributions to the plan in 2024 was 0.00505% (0.00769).

The collective funding ratio consists of the market value of Alecta’s assets as a percentage of insurance undertakings calculated according to Alecta’s actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 170%. One measure could be to increase the contractual

price for new subscriptions and extensions of existing benefits in order to strengthen the funding level if it is deemed too low. Premium reductions can be introduced if the funding level exceeds 150%. At the end of 2024, Alecta’s surplus in terms of the collective consolidation level was 162% (158).

*Compensation in the event of termination*

A cost for employee termination benefits is recognised if the company is obliged to terminate an employee’s employment before the standard date.

*Short-term benefits*

Short-term benefits to employees are calculated without discounting and are reported as an expense in the period when the related services are received. A provision is reported for the expected cost of variable remuneration where CTT has an obligation to make such payments as a result of services received from employees.

*Share-based compensation*

CTT has no outstanding options or ongoing option programs enabling employees to acquire shares in the company below fair value.

**Financial assets and liabilities**

Financial instruments recognised in the balance sheet on the asset side include cash and cash equivalents, accounts receivable and other receivables (financial assets).

The liability side mainly consists accounts payable and loan liabilities (financial liabilities).

A financial asset or liability is recognised in the balance sheet when the company becomes party to the contractual terms of the instrument. Accounts receivable arise when goods have been delivered and the risk has passed to the customer. Debt is recognised when the counterparty has delivered and there is a contractual obligation to pay, even if the invoice has not yet been received.

A financial asset is removed from the balance sheet when the rights in the agreement are realised, expire or the company loses control of them. The same applies to parts of financial assets. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise ceases to exist. The same applies to parts of financial liabilities. The company has only one category of financial assets and liabilities, which is accrued acquisition value. Items that fall into this category are as follows:

• *Accounts receivable*

Accounts receivable are financial assets that are not derivatives with fixed or determinable payments and that are not listed in an active market. Assets in this category are valued at accrued acquisition value. Accrued acquisition value is determined on the basis of the effective interest rate calculated at the time of acquisition. Accounts receivable are reported at the amount that is expected to be received, i.e. after deductions for expected credit losses.

• *Other receivables*

Receivables that do not fall into any of the categories described above.

• *Cash and cash equivalents*

Cash and cash equivalents, corresponding to the balance sheet item Cash at bank and in hand, consist of cash, cash equivalents and short-term bank deposits. The short-term deposits can easily be converted into known amounts of cash and the risk of changes in value is insignificant.

• *Other financial liabilities*

CTT’s loan liabilities and accounts payable belong to this category.



Tax

Tax for the year (income tax) consists of current tax and is recognised in the income statement.

Current tax is tax to be paid or received for the current year, applying the tax rates that have been decided or in practice decided on the balance sheet date. This also includes the adjustment of current tax attributable to previous periods.

NOTE 3 NET SALES AND OTHER OPERATING INCOME

NET SALES

CTT has chosen to divide net sales between the product areas System Sales, Spare Parts and Maintenance and Other Sales of Goods. Sales are divided further within each product area, see below.

Breakdown of net sales by product area	2024	2023
<b>System Sales</b>		
OEM	40.4	35.5
Retrofit	-	-
Private jet	14.2	18.2
	<b>54.5</b>	<b>53.7</b>
<b>Spare parts and maintenance</b>		
Aftermarket	233.4	242.6
	<b>233.4</b>	<b>242.6</b>
<b>Other sales of goods</b>		
Sales in addition to the core business activities	12.2	12.6
	<b>12.2</b>	<b>12.6</b>
<b>Total</b>	<b>300.1</b>	<b>308.9</b>

Of which revenue recognition projects that are recognised over time.

Other income is recognised at a certain point in time, i.e. on delivery.

Geographical breakdown of net sales	2024	2023
Denmark	147.7	181.5
USA	51.3	42.1
France	30.0	35.6
Sweden	12.2	12.5
Rest of the world	58.9	37.1
<b>Total</b>	<b>300.1</b>	<b>308.9</b>

In 2024, 78% (78) of CTT's total sales revenue was attributable to three customers: Boeing, CTT's customer for the A350 programme and our largest distributor to airlines, Satair, which accounted for 16% (14), 5% (5) and 58% (59), of the company's sales revenue respectively. It should be noted that these revenues largely relate to deliveries to the Boeing 787 programme, and that our end customers at distributor level are a large number of airlines. The remaining proportion of sales revenue was distributed between customers who each accounted for less than 5% of the company's sales revenue.

Of the 2024 opening value of the balance sheet item "Earned but not invoiced income", SEK 1.0 million, 100%, was invoiced in 2024. The balance sheet item "Invoiced but not earned income" had no opening value in 2024.

The balance sheet item "Advance payment from customers" relates to a contractual customer where revenue is expected to be recognised in 2025.

OTHER OPERATING INCOME

Other operating income	2024	2023
Exchange rate gains	11.7	7.8
Other	2.9	-1.0
<b>Total</b>	<b>14.6</b>	<b>6.7</b>

NOTE 4 OTHER EXTERNAL COSTS AND OTHER OPERATING EXPENSES

OTHER EXTERNAL COSTS

Audit costs

The item Other external costs includes fees to the auditor, see the specification below.

Fees to auditor (SEK thousand)	2024	2023
<b>Grant Thornton Sweden AB</b>		
Audit assignment	-	192
Auditing activities in addition to audit assignment	-	5
<b>Öhrlings PricewaterhouseCoopers AB</b>		
Audit assignment	759	588
Auditing activities in addition to audit assignment	145	-
<b>Total</b>	<b>904</b>	<b>785</b>

Audit assignment refers to the statutory audit of the annual accounts and financial statements and of the management of the Board of Directors and the CEO, as well as audits and other reviews carried out in accordance with an agreement or contract. This includes tasks to be carried out by the company's auditor along with advice or other assistance resulting from observations made during such an review or the performance of such other tasks.

Audit activities in addition to the audit assignment relate to quality assurance services such as a general review of the interim report. The fee to Öhrlings PricewaterhouseCoopers AB is not reported separately as it is part of the audit assignment.

Tax advice refers to services relating to taxation.

Operational leasing costs

The figure for Other external costs includes leasing fees of SEK 7.6 million (7.5), of which rental costs for leased premises amount to SEK 5.5 million (5.0). Total remaining leasing fees amount to SEK 9.7 million (14.5), of which rental costs for leased premises amount to SEK 8.1 million (12.7). These are due for payment as below:

Leasing fees	2024	2023
<b>Maturity period:</b>		
Within 1 year	5.4	5.5
Later than 1 year but within 5 years	4.3	9.0
Later than 5 years	-	-
<b>Total</b>	<b>9.7</b>	<b>14.5</b>

OTHER OPERATING EXPENSES

Other operating expenses	2024	2023
Exchange rate losses	7.0	10.5
<b>Total</b>	<b>7.0</b>	<b>10.5</b>

NOTE 5 PERSONNEL

	2024	2023	Personnel costs (SEK thousand)	2024	2023
<b>Average number of employees</b>			<b>Salaries and other remuneration</b>		
Women	28	25	Salaries, fees and benefits	48,256	44,862
Men	52	50	Pension costs	5,141	5,349
<b>Total</b>	<b>80</b>	<b>75</b>	Allocation for the profit-sharing foundation	6,917	7,596
			<b>Total salaries and other remuneration</b>	<b>60,315</b>	<b>57,807</b>
<b>Board</b>			<b>Social expenses</b>		
Women	3	2	Social expenses (including special payroll tax) on salaries, fees, benefits and pension costs	15,846	13,443
Men	4	4	Special payroll tax on allocation to profit-sharing foundation	1,678	1,843
<b>Total</b>	<b>7</b>	<b>6</b>	<b>Total social expenses</b>	<b>17,524</b>	<b>15,285</b>
<b>Executive management and CEO</b>			Other personnel costs	1,221	1,177
Women	1	1	<b>Total personnel costs</b>	<b>79,060</b>	<b>74,270</b>
Men	6	6			
<b>Total</b>	<b>7</b>	<b>7</b>			

Salaries and other remuneration, 2024 (SEK thousand)

	Board fees	Audit committee fee	Other remuneration to the Board	Salaries and other remuneration	Variable remuneration	Benefits	Pensions	Allocation for the profit-sharing foundation	Total
<i>Chairman of the Board:</i>									
Tomas Torlöf	389	-	-	-	-	-	-	-	389
<i>Other Board members:</i>									
Steven Buesing	46	-	-	-	-	-	-	-	46
Anna Carmo e Silva	193	44	-	-	-	-	-	-	236
Annika Dalsvall	193	79	-	-	-	-	-	-	271
Per Fyrenius	193	-	-	-	-	-	-	-	193
Torbjörn Johansson	146	-	-	-	-	-	-	-	146
Björn Lenander	193	44	-	-	-	-	-	-	236
Kristina Nilsson	146	-	-	-	-	-	-	-	146
<i>Employees:</i>									
CEO, Henrik Höjer	-	-	-	2,441	780	84	728	94	4,128
Other senior executives	-	-	-	7,572	1,321	499	1,607	520	11,520
Other employees	-	-	-	33,815	-	80	2,806	6,303	43,004
<b>Total</b>	<b>1,498</b>	<b>166</b>	<b>-</b>	<b>43,828</b>	<b>2,101</b>	<b>663</b>	<b>5,141</b>	<b>6,917</b>	<b>60,315</b>

Salaries and other remuneration, 2023 (SEK thousand)

	Board fees	Audit committee fee	Other remuneration to the Board	Salaries and other remuneration	Variable remuneration	Benefits	Pensions	Allocation for the profit-sharing foundation	Total
<i>Chairman of the Board:</i>									
Tomas Torlöf	368	-	-	-	-	-	-	-	368
<i>Other Board members:</i>									
Steven Buesing	184	-	-	-	-	-	-	-	184
Anna Carmo e Silva	184	40	-	-	-	-	-	-	224
Annika Dalsvall	184	75	-	-	-	-	-	-	259
Per Fyrenius	184	-	2	-	-	-	-	-	186
Björn Lenander	184	40	2	-	-	-	-	-	226
<i>Employees:</i>									
CEO, Henrik Höjer	-	-	-	2,378	806	80	690	101	4,056
Other senior executives	-	-	-	7,692	1,226	506	2,089	608	12,120
Other employees	-	-	-	30,695	-	32	2,571	6,887	40,185
<b>Total</b>	<b>1,286</b>	<b>155</b>	<b>5</b>	<b>40,765</b>	<b>2,033</b>	<b>618</b>	<b>5,349</b>	<b>7,596</b>	<b>57,807</b>



Fees and remuneration to Board members

Remuneration is paid to the chairman and members of the Board in accordance with the decision of the Annual General Meeting. Fees are also paid for audit committee work. Other expenses may also be reimbursed.

Salary and other remuneration to the CEO

Remuneration to the CEO consists of basic a salary, variable remuneration, benefits and other remuneration, pension insurance, endowment insurance and a provision for the profit-sharing foundation. The CEO's salary is set by the chairman of the Board after negotiations with the CEO and is subsequently approved by the Board.

Salaries and remuneration to other senior executives in the company

Other senior executives consist of the company's executive management team, which as of 31/12/2024 consisted of seven people (7).

Agreement on future pensions

The CEO and CTT both have the right to invoke a pension for the CEO at the age of 67. The pension is defined contribution and in addition to paid pension premiums, there are no additional pension obligations. The pension for other senior executives is defined contribution and follows the ITP plans, or alternatively includes provisions on a par with ITP. In addition to paid pension premiums, there are no additional pension obligations. CTT has taken out pension insurance for each person and CTT's obligation is limited to payment of the agreed premium during the period of employment.

Termination and severance pay

The CEO has an agreement allowing for severance pay if the executive leaves their position at the company's request. Severance pay, including termination pay, amounts to one year's salary. Contractual terms apply to other senior executives.

Variable remuneration and allocation to the profit-sharing foundation

Variable remuneration is maximised and related to the operating profit and in some cases sales achieved. Provisions for the profit-sharing foundation are made in accordance with uniform rules where all employees, including the CEO, are treated equally. The amount allocated to the profit-sharing foundation may change in connection with the company's Annual General Meeting. The total amount for variable remuneration has been reserved in the financial statements and is paid out after the Annual General Meeting. For aspects of variable remuneration where the condition for the remuneration is that CTT shares shall be acquired, the receiving party shall make the share acquisitions during the period immediately following the Annual General Meeting. There are no other specific agreements on variable remuneration in addition to salary, bonus schemes, profit-sharing plans, retirement age or future pension for the CEO or other senior executives. See the table below for amount limits linked to bonus programmes and the profit-sharing foundation. See the Corporate Governance and Sustainability Report for further information.

Variable remuneration and allocation to the profit-sharing foundation	CEO	Other senior executives	All employees
Maximum cost of the company's profit before tax (%) <i>(however, a maximum of a total of 30% of the decided dividend)</i>	2.5	2.5	7.5
Maximum compensation at individual level (proportion of annual salary) <i>(for the profit-sharing foundation, the average monthly salary of all employees applies as a ceiling)</i>	6 / 12	2 / 12	2.25 / 12
Longterm incentive program (part of annual salary, 2021-2024)	12/12	12/12	

NOTE 6 EARNINGS FROM FINANCIAL ITEMS

	2024	2023
<b>Other interest income and similar items</b>		
Interest income	2.6	2.5
Exchange rate differences on non-operating assets	-0.5	0.7
<b>Total</b>	<b>2.2</b>	<b>3.2</b>
<b>Interest expenses and similar items</b>		
Interest expenses	-3.2	-3.4
Exchange rate differences on non-operating liabilities	-3.9	2.2
<b>Total</b>	<b>-7.1</b>	<b>-1.2</b>
<b>Total</b>	<b>-4.9</b>	<b>2.0</b>

NOTE 7 TAX

	2024	2023
<b>Tax for the year</b>		
Current tax	-22.2	-25.0
<b>Total</b>	<b>-22.2</b>	<b>-25.0</b>
<b>Reconciliation of effective tax</b>		
Profit before tax	107.6	120.4
Tax cost 20.6%	-22.2	-24.8
<b>Tax effect of tax adjustments:</b>		
Other tax adjustments	0.0	-0.1
<b>Total</b>	<b>-22.2</b>	<b>-25.0</b>

NOTE 8 EARNINGS PER SHARE

Earnings per share have been calculated as the profit for the year divided by the average number of shares outstanding during the period. The average number of shares was 12,529,443 (12,529,443). As there are no outstanding warrants, no dilution has been calculated.

NOTE 9 CAPITALISED EXPENSES FOR DEVELOPMENT WORK

	31/12/2024	31/12/2023
<b>Initial acquisition values</b>	<b>114.8</b>	<b>110.5</b>
Capitalised expenditure for the year	2.5	4.2
<b>Closing accumulated acquisition values</b>	<b>117.3</b>	<b>114.8</b>
<b>Initial depreciations</b>	<b>-34.5</b>	<b>-31.2</b>
This year's depreciations	-2.2	-3.4
<b>Closing accumulated depreciation</b>	<b>-36.7</b>	<b>-34.5</b>
<b>Closing planned residual value <sup>1)</sup></b>	<b>80.5</b>	<b>80.2</b>
1) Residual value specified per development project:		
Boeing 777X <sup>2)</sup>	51.3	50.7
New Zonal Dryer <sup>3)</sup>	20.3	18.3
Other	9.0	11.2
<b>Total</b>	<b>80.5</b>	<b>80.2</b>

2) The planned depreciation period is production-dependent for a maximum of 10 years. In 2024, depreciation amounted to SEK 0.0 million (1.3).  
3) Depreciation has not begun as ongoing development has not yet been completed. The estimated depreciation period is 10 years.

Capitalised assets for the year of SEK 2.5 million (4.2) consisted of development work primarily linked to the New Zonal Dryer and Boeing 777X projects. Of the accumulated acquisition values, SEK 71.6 million (69.1) relates to ongoing development projects. In addition to the capitalised expenses, SEK 3.4 million (2.1) of expenses for testing and development have also been expensed on an ongoing basis.

NOTE 10 OTHER INTANGIBLE ASSETS

	31/12/2024	31/12/2023
<b>Initial acquisition values</b>	<b>5.2</b>	<b>5.2</b>
<b>Closing accumulated acquisition values</b>	<b>5.2</b>	<b>5.2</b>
<b>Initial depreciations</b>	<b>-4.7</b>	<b>-4.4</b>
This year's depreciations	-0.3	-0.3
<b>Closing accumulated depreciation</b>	<b>-5.0</b>	<b>-4.7</b>
<b>Closing planned residual value</b>	<b>0.2</b>	<b>0.5</b>

NOTE 11 LAND AND BUILDINGS

	31/12/2024	31/12/2023
<b>Initial acquisition values</b>	<b>31.2</b>	<b>30.8</b>
Purchases	0.8	0.4
<b>Closing accumulated acquisition values</b>	<b>32.0</b>	<b>31.2</b>
<b>Initial depreciations</b>	<b>-6.7</b>	<b>-5.9</b>
This year's depreciations	-0.8	-0.8
<b>Closing accumulated depreciation</b>	<b>-7.4</b>	<b>-6.7</b>
<b>Closing planned residual value</b>	<b>24.6</b>	<b>24.5</b>
Of which land	0.5	0.5
Of which land facilities	0.9	0.9

NOTE 12 MACHINERY AND OTHER TECHNICAL FACILITIES

	31/12/2024	31/12/2023
<b>Initial acquisition values</b>	<b>19.9</b>	<b>19.6</b>
Purchases	0.1	0.2
<b>Closing accumulated acquisition values</b>	<b>20.0</b>	<b>19.9</b>
<b>Initial depreciations</b>	<b>-8.5</b>	<b>-6.2</b>
This year's depreciations	-2.2	-2.3
<b>Closing accumulated depreciation</b>	<b>-10.7</b>	<b>-8.5</b>
<b>Closing planned residual value</b>	<b>9.3</b>	<b>11.4</b>

NOTE 13 EQUIPMENT, TOOLS AND INSTALLATIONS

	31/12/2024	31/12/2023
<b>Initial acquisition values</b>	<b>52.6</b>	<b>49.8</b>
Purchases	1.7	2.8
<b>Closing accumulated acquisition values</b>	<b>54.3</b>	<b>52.6</b>
<b>Initial depreciations</b>	<b>-47.4</b>	<b>-44.9</b>
This year's depreciations	-2.1	-2.5
<b>Closing accumulated depreciation</b>	<b>-49.4</b>	<b>-47.4</b>
<b>Closing planned residual value</b>	<b>4.8</b>	<b>5.2</b>

NOTE 14 SHARES IN GROUP COMPANIES

The value below refers to holdings in the dormant subsidiary CTT Systems Inc, Delaware in the US. ID no in Delaware: 3486106. The number of shares is 100, of which the company owns 100%.

	31/12/2024	31/12/2023
<b>Initial acquisition value</b>	<b>0.0</b>	<b>0.0</b>
<b>Closing book value</b>	<b>0.0</b>	<b>0.0</b>



NOTE 15 INVENTORIES

Of the total value of inventories of SEK 125 million (109) as of 31/12/2024, SEK 1.5 million (0.7) has been reserved for obsolescence. The cost of obsolescence for the year amounted to SEK 0.8 million (-0.5).

NOTE 16 FINANCIAL ASSETS AND LIABILITIES

The company’s financial assets and liabilities that are included in the accrued acquisition value category are presented below.

	31/12/2024	31/12/2023
	Reported value	Reported value
Financial assets		
Accounts receivable		
Accounts receivable	65.0	48.7
The maximum credit risk amounts to the carrying amount	65.0	48.7
Cash and cash equivalents		
Cash and cash equivalents in SEK	64.2	112.6
Cash and cash equivalents in USD	4.5	5.3
Cash and cash equivalents in EUR	0.0	0.0
Total	68.7	117.9

	31/12/2024	31/12/2023
	Reported value	Reported value
Financial liabilities		
Other financial liabilities		
Liabilities to credit institutions in USD	44.1	41.8
Accounts payable	21.9	13.9
Other current financial liabilities	3.9	1.1
Total	25.8	15.0

NOTE 17 ACCOUNTS RECEIVABLE

Accounts receivable entirely consist of outstanding receivables for goods delivered to customers. The company has assessed the credit quality of its receivables based on the customer’s creditworthiness. Based on this assessment, no provision for bad debts has been made as at 31 December 2024 (SEK 0.3 million). Customer losses during the year amounted to SEK 0.0 million (-1.2).

	31/12/2024	31/12/2023
Age analysis of non-impaired accounts receivable		
Not due	62.9	41.5
Less than 3 months	1.8	6.3
3-6 months	0.0	0.2
7-12 months	0.0	0.2
Over 12 months	0.2	0.5
Total	65.0	48.7

NOTE 18 OTHER RECEIVABLES

	31/12/2024	31/12/2023
VAT receivables	2.1	2.3
Other	0.2	9.3
Total	2.2	11.6

NOTE 19 PREPAYMENTS AND ACCRUED INCOME

	31/12/2024	31/12/2023
Prepaid rents	1.3	1.3
Prepaid insurance costs	0.4	0.3
Prepaid maintenance and licence fees	0.7	0.7
Other	3.0	3.1
Total	5.5	5.5

NOTE 20 PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

Property and corporate mortgages have been pledged as security for the company’s debts to credit institutions, including overdraft facilities granted. There are no contingent liabilities to external parties.

	31/12/2024	31/12/2023
Collateral pledged		
Property mortgages	12.0	12.0
Corporate mortgages	94.5	94.5
Contingent liabilities	None	None

NOTE 21 OVERDRAFT FACILITY

	31/12/2024	31/12/2023
Granted credit (not used)	27.5	25.1

The company’s overdraft facility consists of credit granted of USD 2,500,000 which, recalculated at the exchange rate on the balance sheet date, amounts to SEK 27,500,000.

NOTE 22 CASH AND CASH EQUIVALENTS

The cash and cash equivalents item in the cash flow analysis corresponds to the balance sheet item Cash at bank and in hand in the balance sheet.

NOTE 23 EQUITY

Equity consists of restricted equity and unrestricted equity. The restricted equity consists of share capital, reserve fund and fund for development expenditure. Unrestricted equity consists of profits for the year and balanced results. The item balanced results includes, in addition to balanced results, a share premium reserve.

Restricted equity

Restricted equity may not be used for dividends.

- Share capital

CTT share capital amounts to SEK 12,529,443 divided into 12,529,443 shares, each share with a quota value of SEK 1. All shares have equal rights to the company’s assets and earnings. Each share gives entitlement to one vote.

- Reserve fund

The purpose of the reserve fund has been to save part of the net profit to be used later to cover any losses.

- Fund for development expenditure

The amount capitalised for self-generated development expenses will be transferred from unrestricted equity to a fund for development expenses in restricted equity. The fund reduce as the capitalised expenses are written off or written down.

Unrestricted equity

Unrestricted equity, together with the profit for the year and retained earnings, also involves a share premium fund. Unrestricted equity is available for dividends to shareholders.

- Retained earnings

The retained earnings consist of all profits and losses from previous years, less any dividends.

- Share premium reserve

The share premium fund arises when a new issue of shares is subscribed for at a premium. When the determined price of the new shares in a new issue is higher than the nominal value of the existing shares, the excess is added to the share premium fund.

Changes in equity are shown in the Change in equity table.

NOTE 24 PROVISIONS

Provisions for warranty commitments	31/12/2024	31/12/2023
Opening provision	2.5	3.2
Amounts claimed	-2.8	-2.6
Provision for the year	1.7	1.9
Closing provision	1.4	2.5

The provision for warranty commitments is expected to be utilised during the coming four-year period. Over a longer period of time, in step with increased sales and an increased number of systems under warranty, the size of the outgoing provision will increase.

Other provisions – current	31/12/2024	31/12/2023
Opening provision	-	0.2
Provision for the year	-	-0.2
Closing provision	-	-



NOTE 25 MATURITY OF FINANCIAL LIABILITIES

As of 31 December 2023 and 2022, respectively, the company’s financial liabilities have agreed maturities (including interest payments where applicable) which can be summarised as below.

Financial liabilities as of 31/12/2024 <i>Due for payment as follows:</i>	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Later than 5 years	Total
<b>Interest-bearing financial liabilities including interest rates</b>							
<i>Interest-bearing financial liabilities</i>							
Interest-bearing liabilities to credit institutions	1.6	42.5	-	-	-	-	44.1
<i>Total</i>	1.6	42.5	-	-	-	-	44.1
 <i>Interest on financial liabilities</i>							
Interest rates	2.5	2.4	-	-	-	-	4.9
<i>Total</i>	2.5	2.4	-	-	-	-	4.9
<b>Total interest-bearing financial liabilities including interest rates</b>	<b>4.2</b>	<b>44.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.0</b>
 <b>Non-interest-bearing financial liabilities</b>							
Accounts payable	21.9	-	-	-	-	-	21.9
Other liabilities, part of	3.9	-	-	-	-	-	3.9
<b>Total non-interest-bearing financial liabilities</b>	<b>25.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.8</b>
<b>Total financial liabilities</b>	<b>29.9</b>	<b>44.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74.8</b>

Financial liabilities as of 31/12/2023 <i>Due for payment as follows:</i>	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Later than 5 years	Total
<b>Interest-bearing financial liabilities including interest rates</b>							
<i>Interest-bearing financial liabilities</i>							
Interest-bearing liabilities to credit institutions	1.5	1.5	38.8	-	-	-	41.8
<i>Total</i>	1.5	1.5	38.8	-	-	-	41.8
 <i>Interest on financial liabilities</i>							
Interest rates	2.9	2.8	2.7	-	-	-	8.4
<i>Total</i>	2.9	2.8	2.7	-	-	-	8.4
<b>Total interest-bearing financial liabilities including interest rates</b>	<b>4.4</b>	<b>4.3</b>	<b>41.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.2</b>
 <b>Non-interest-bearing financial liabilities</b>							
Accounts payable	13.9	-	-	-	-	-	13.9
Other liabilities, part of	1.1	-	-	-	-	-	1.1
<b>Total non-interest-bearing financial liabilities</b>	<b>15.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.0</b>
<b>Total financial liabilities</b>	<b>19.5</b>	<b>4.3</b>	<b>41.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.3</b>

Liabilities to credit institutions have variable interest rates and quarterly interest charges. Reported amounts correspond to fair value. For loans in foreign currency, the exchange rate on the balance sheet date has been used.

NOTE 26 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Cash flows		Changes not affecting cash flow	
	31/12/ 2023	New loans	Amorti- sation	Exchange rate differences	31/12/ 2024
Liabilities to credit institutions	41.8	-	-1.6	3.9	44.1
<b>Total liabilities arising from fi- nancing activities</b>	<b>41.8</b>	<b>-</b>	<b>-1.6</b>	<b>3.9</b>	<b>44.1</b>

NOTE 27 ACCRUED EXPENSES AND PREPAID INCOME

	31/12/2024	31/12/2023
Accrued salaries	9.3	9.7
Holiday pay liabilities	5.2	4.7
Accrued social security charges	1.7	1.6
Accrued special payroll tax	0.7	0.7
Accrued commissions and royalties	2.2	0.7
Invoiced maintenance agreements	0.1	0.1
Other	1.4	1.9
<b>Total</b>	<b>20.6</b>	<b>19.4</b>

NOTE 28 TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the financial year (0). As of 31/12/2024, there were no debts to related parties (as in the previous 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.

NOTE 29 ASSET MANAGEMENT AND FINANCIAL RISK MANAGEMENT

The overall objective of the company’s financial function with respect to asset management is to ensure the company’s ability to continue as a going concern, to provide cost-effective financing of its operations and to provide secure cash management with a market return on invested funds. The overall goal of financial risk management is to mitigate the risks of a negative impact on the company’s earnings. It is logical that financial investments with a low risk profile must be made. With larger risk exposure, for example for exchange rate differences, hedging can be applied. As the company has no outstanding forward hedges as of 31/12/2024, forward contracts regarding future cash flows have not been forecast.

To maintain or adjust the capital structure, the company may – for example – adjust the amount of dividends, raise new or repay existing loans, buy back shares, issue new shares or sell assets to reduce liabilities.

The company’s assessed risk exposure and accompanying risk management are described below.

Market risks

Currency risks

The company’s operations are conducted mainly in Sweden but are exposed to currency fluctuations through international sales. Purchases are mainly made in SEK, although some purchases, mainly of production materials, are made in USD. Products are sold almost exclusively in USD with only a small proportion of sales in SEK and EUR. The company’s liabilities to credit institutions in USD amounted to USD 4.0 million as of the balance sheet date. The overdraft facility in USD was not utilised. A higher USD exchange rate by +10% on the balance sheet date would have had a negative impact on profit after net financial items of USD -400,000. Also see the Directors’ Report, under the heading Financial risks. See Notes 3 and 6 for the impact on profit.

Interest rate risks

The company’s interest rate risks refer, where applicable, to the value of holdings of interest-bearing securities and the company’s financing with credit institutions. The company’s financing with credit institutions is currently at a variable interest rate. Holdings of interest-bearing securities must always refer to high-liquidity securities which can be sold quickly. The company’s liabilities to credit institutions are in USD and amounted to USD 4.0 million as of the balance sheet date. An interest rate one percentage point higher would mean increased annual interest expenses of USD 40,000.

Price risks

The company’s financial instruments as of 31/12/2024 do not vary due to changes in market prices. The company’s stock of raw materials and consumables, as well as finished goods, is not exposed to any significant price risk.

Credit risks

The company’s credit risks are mainly linked to accounts receivable. Due to the close contacts that the company has with prospective customers prior to delivery, a well-founded credit assessment can be made before delivery, which also continues with ongoing monitoring of current customer relationships. The Retrofit and Private jet sales areas are judged to have a higher credit risk than other areas. For these areas, CTT requests advance payments of 50% where possible. A dominant part of accounts receivable in addition to Retrofit and Private jet is with Boeing, CTT’s customer for the A350 program and our largest distributor, Satair, to the airlines, with all of whom CTT has far-reaching and close relationships.

Financing risks

The company’s financing is based on strong long-term ownership and a good relationship with the company’s bank. On the balance sheet date, there was secured bank financing totalling SEK 98 million (95), of which SEK 44 million (42) was utilised. The change from the previous year consists partly of the repayment of loans and partly of an increase as a result of a weaker SEK against USD during the year, as bank financing is in USD. A covenant is in place with the company’s bank specifying the management of intellectual property rights, a minimum equity ratio of 30%, the assumption of new financial liabilities, the provision of collateral and the obligation to provide information. In addition, for the majority of the unutilised part of the bank financing, there is a covenant in place which also specifies an operating margin of at least 10% over the last four quarters. CTT complied with the covenants by a good margin at the end of the year.

NOTE 30 EVENTS AFTER THE BALANCE SHEET DATE

28/01/2025: CTT Systems AB announces an order for 146 anti-condensation systems for the A321neo from a European low-cost airline, with options for a further 9 anti-condensation systems. The first delivery is planned to take place in Q3 2025.



## NOTE 31 PROPOSALS FOR PROFIT DISTRIBUTION

Board proposal for profit distribution	SEK
Profits available:	
Balanced profits	81,131,634
Share premium reserve	28,856,978
Profit for the year	85,453,106
<b>Total</b>	<b>195,441,718</b>
Dividend to shareholders of SEK 5.35 per share (12,529,443 shares)	67,032,520
Profit/loss carried forward	128,409,198
<b>Total</b>	<b>195,441,718</b>

In 2024, CTT paid an ordinary dividend of SEK 67,333 thousand (50,744), (SEK 5.35 per share) and an extraordinary dividend of SEK 41,974 thousand (0), (SEK 3.35 per share) to shareholders. This corresponds to a total dividend of SEK 109,006 thousand (50,744) (SEK 8.70 per share).

In 2025, the Board of Directors proposes an ordinary dividend of SEK 67,033 thousand (SEK 5.35 per share) but no extraordinary dividend. This corresponds to a total dividend of SEK 67,033 thousand (SEK 5.35 per share).

The Board of Directors considers that the proposed amount of the dividend to shareholders is justified in view of the demands placed on the company by the nature, scope and risks of its activities in terms of the size of its equity capital and also in view of its consolidation needs, liquidity and position in general. Our financial position will remain strong after the proposed dividend and is deemed to be fully sufficient for the company to be able to fulfil its obligations in both the short and long term, and have the opportunity to make any necessary investments.

As CTT's dividend must be approved by the Annual General Meeting, no liabilities in this respect are reported in the company's 2024 financial statements. There is not expected to be an effect on income tax for CTT as a result of this transaction.

The Board and CEO declare that the annual accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and on generally accepted accounting policies and give a true and fair view of the company's position and results.

The Directors' Report gives a true and fair overview of the company's business, position and performance and describes the principal risks and uncertainties that the company faces. As stated below, the Annual Report has been approved for issuance by the Board on 27 March 2025. The company's income statements and balance sheets will be subject to approval at the Annual General Meeting on 8 May 2025.

**Nyköping, 27/03/2025**

**Tomas Torlöf**  
Chairman of the Board

**Anna Carmo e Silva**  
Board member

**Annika Dalsvall**  
Board member

**Per Fyrenius**  
Board member

**Torbjörn Johansson**  
Board member

**Björn Lenander**  
Board member

**Kristina Nilsson**  
Board member

**Henrik Höjer**  
CEO

Our audit report was submitted on 27/03/2025  
Öhrlings PricewaterhouseCoopers AB

**Andreas Skogh**  
Authorized Public Accountant



# AUDIT REPORT

To the general meeting of the shareholders of CTT Systems AB (publ.)  
Corporate identity number 556430–7741

## REPORT ON THE ANNUAL ACCOUNTS

### Opinions

We have audited the annual accounts of CTT Systems AB (publ.) for 2024 except for the corporate governance statement on pages 70–79. The company's annual accounts are included on pages 48–93 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of CTT Systems AB (publ.) as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 70–79. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's responsibilities" section. We are independent of CTT Systems AB (publ.) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Focus and scope of the audit

We formulated our audit by establishing a materiality threshold and assessing the risk of material misstatement in the financial reports. We paid particular attention to the areas where the Chief Executive Officer and Board of Directors made subjective assessments, such as important account-related estimations made on the basis of assumptions and forecasts of future events, which by their nature are uncertain. As with all audits, we have also observed the risk of the Board of Directors and Chief Executive Officer neglecting internal inspection, and among other things considered whether there is any evidence of systematic non-conformances that have given rise to risk of material misstatement as a consequence of irregularities.

We adapted our audit in order to perform an effective review so that we could comment on the financial reports as a whole, taking into account the company's structure, accounting processes and controls, as well as the industry in which the company is active.

### Materiality

The scope and focus of the audit were influenced by our assessment of materiality. An audit is formulated in order to achieve a reasonable degree of security as to whether the financial reports include any material misstatement. Misstatement may occur as a consequence of irregularities or mistakes. Misstatement is regarded as material if parties, individually or jointly, can reasonably be expected to influence the financial decisions made by users on the basis of the financial reports.

Based on professional judgement, we established certain quantitative materiality figures for elements such as financial reporting as a whole. We used these and qualitative considerations to establish the focus and scope of the audit and the nature, time and scope of our review methods, and also to assess the effect of individual and combined misstatement on the financial reports as a whole.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts, but we do not provide a separate opinion on these matters.

### Revenue recognition

Net sales amount to SEK 300 million and are a significant item in the income statement.

The company has different types of revenue, mostly consisting of new sales and sales of spare parts for goods. Revenue from the sale of goods is recognised as performance obligations are met, which generally occurs when significant risks and benefits are transferred to the buyer. This generally occurs at a single point in time, but there are also projects where revenue is recognised over time. Operations are transaction-intensive, which places demands on accounting, monitoring and internal control.

In the light of the above, we have considered revenue recognition, with emphasis on completeness and accrual, as a particularly significant area in our audit.

For further information and description of this area, see Note 3 and accounting and valuation policies in Note 2 in the annual accounts.

### How our audit took the particularly significant area into account

Our audit procedures included, but were not limited to, the activities listed below. We have:

- Mapped the company's procedures and evaluated internal controls linked to revenue recognition, including the IT systems used.
- Performed data analyses in respect of the completeness of reported deliveries.

- Reviewed a sample of transactions against underlying contracts, invoices and payments.
- Randomly tested individual transactions against supporting documentation to verify that revenue is recognised after performance obligations have been met.
- Conducted margin analyses and analysed revenues against previous years and the budget.
- Reviewed the valuation of the company's accounts receivable for reported income as of the balance sheet date.
- Read and evaluated the information presented in the annual report and tested whether it provides sufficient information according to IFRS and RFR2.

### Valuation of inventories

Inventories amount to SEK 125 million and consist of raw materials and other inputs, work in progress and finished goods. The inventory value is a significant item in the balance sheet, and the valuation of the inventory is important for the fairness of the gross profit.

Inventories are valued according to the lowest value principle. The company has its own production and sells its goods to a small number of customers. The company's products, like the aircraft in which they are installed, have a relatively long lifespan, but the industry is also highly regulated and complex, which means there is an inherent risk of obsolescence. The obsolescence and, consequently, the valuation of the inventory includes management judgements on an ongoing basis, which is why we regard this as being a particularly important area of the audit.

For further information and description of this area, see Note 15 and accounting and valuation policies in Note 2 in the annual accounts.

### How our audit took the particularly significant area into account

Our audit procedures included, but were not limited to, the activities listed below. We have:

- Mapped the company's procedures and evaluated internal controls linked to inventory accounting, including the IT systems used.
- Conducted an analytical review of gross profits and turnover rates.
- Randomly tested raw material stocks against actual purchase prices.
- Evaluated the reasonableness of product costings for work in progress and finished goods inventory.
- Reviewed and evaluated the models used by the company to assess potential obsolescence and challenged management on the assumptions made.
- Derived from information provided in the notes to the financial statements and other underlying documentation.
- Read and evaluated the information presented in the annual report and tested whether it provides sufficient information according to IFRS and RFR2.

### Other information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1–47 and 98–102. The other information also consists of the remuneration report which we obtained before the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts can be found on the Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.



REPORT ON OTHER REQUIREMENTS IN ACCORDANCE WITH LEGISLATION AND OTHER STATUTES

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of CTT Systems AB (publ.) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's responsibilities" section. We are independent of CTT Systems AB (publ.) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company
- in any other way has acted in violation of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the companies Act.

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Auditors website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual report, we have also verified that the Board of Directors and the Chief Executive Officer have prepared the annual report in a format that permits uniform electronic reporting (ESEF reporting) in accordance with Chapter 16 (4a) of the Securities Market Act (2007:528) for CTT Systems AB (publ) for 2024. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of CTT Systems AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Chief Executive Officer are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16 (4a) of the Securities Market Act (2007:528), and that such internal control as the Board of Directors and the Chief Executive Officer determines is necessary to enable the preparation of the ESEF report that is free of material misstatement, whether due to fraud or error, is maintained.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance as to whether the ESEF report is prepared, in all material respects, in a format that fulfils the requirements of Chapter 16 (4a) of the Securities Market Act (2007:528), based on our review.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, that requires that the company design, implement and handled a system for quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef-report is established in a valid XHTML-format and a reconciliation that the Esef report is in accordance with the audited annual accounts.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 70–79 has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's statement RevR 16 The auditor's review of the corporate governance report. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Information in accordance with Chapter 6, Article 6(2), clauses 2 to 6 of the Swedish Company Accounts Act and Chapter 7, Article 31(2) of the same act is consistent with the other parts of the annual financial statements and is also compliant with the Swedish Company Accounts Act.

Öhrlings PricewaterhouseCoopers AB was appointed auditor of CTT Systems AB (publ) by the Annual General Meeting on 6 May 2024 and has been the company's auditor since the Annual General Meeting on 4 May 2023.

Stockholm on the date shown in our electronic signature

Öhrlings PricewaterhouseCoopers AB

Andreas Skogh  
*Authorised Public Accountant*



# GLOSSARY

ACJ	Airbus Corporate Jet
ATP	Acceptance Test Procedure
BBJ	Boeing business jet, originally based on the Boeing 737 but now also on other models
BFE	Buyer Furnished Equipment. Optional equipment provided by the customer/airline for assembly during aircraft manufacture
Business Class	Cabin section for business travellers
Business Jet	Jet aircraft configured for business travellers
CAGR	Compact Aggregated Growth Rate, the average annual growth over a given period expressed as a percentage
C check	The annual maintenance of an aircraft
Checking time	About a week at intervals of about 12-18 months
Completion Center	"Aircraft workshop" – modifies, custom furnishes VIP aircraft
Crew rest areas/bunks	Crew rest areas, very small area with beds
CRJ	Canadair Regional Jet
D check	Thorough inspection, maintenance and repair of fuselage, systems and (structural check) components. Performed at four to eight year intervals depending on aircraft type. Checking time about one month
EASA	European Aviation Safety Agency
EB	Engineering Bulletin
FAA	Federal Aviation Administration, the American aviation agency
Flag carrier	National airline, e.g. SAS (Sweden) or Lufthansa (Germany)
Flight deck	Cockpit, the pilots' workplace
Hub	Larger airport with feeder traffic to/from smaller airports
IP	Initial Provisioning, spare parts deliveries to customers (airlines) for e.g. Boeing 787 prior to delivery of the aircraft
IR	Investor relations
Launch Customer	First customer of a new aircraft system
Long haul flights	Long-haul flights
Narrow body	Aeroplane with a narrow fuselage, only one aisle (e.g. Boeing 737)
OEM	Original Equipment Manufacturer. When systems are developed specifically for one aircraft manufacturer and then resold by the aircraft manufacturer
Pad	Interchangeable humidity pad with fibreglass structure and specially designed air ducts for CTT humidifiers
Pax	Passengers
Pax density	Passenger density, utilisation percentage of seats available on the plane
Private jet	Collective name for VIP and Business Jet
Regional Jet	Jet-powered passenger planes that take between 30 and 100 passengers on shorter distances
Retrofit	Installation of equipment in aircraft after they have been delivered from the manufacturer (Boeing and Airbus) to the airline
SFE	Supplier Furnished Equipment. Optional equipment provided by the manufacturer for assembly during aircraft manufacture
Short haul	Short-haul flights
STC	Supplement Type Certificate – a certificate certifying that a system is approved by an aviation authority (EASA, FAA)
TC	Type certificate showing the approved basic configuration of an aircraft
Test rig	Test set-up for tests of humidifiers or Zonal Dryer in a laboratory environment
Wide body	Aircraft with a wide fuselage, two aisles (e.g. A350, A380 and Boeing 787)
VIP	Private Jet or Corporate Jet aircraft with exclusive interior

# SHAREHOLDER INFORMATION

Annual General Meeting

The Annual General Meeting will take place at 5pm on Monday, 8 May 2025 at the company's premises, Brukslagarvägen 5, Nyköping. Shareholders who wish to participate in the meeting in person or by postal vote must:

- be registered in the share register maintained by Euroclear Sweden AB on Tuesday 29 April 2025
- notify CTT of their participation by 2 May 2025, whether participating in person or by casting their postal vote according to the instructions in the invitation to attend

For further information, please see <https://www.ctt.se/investors/corporate-governance/annual-general-meeting/>

Nomination Committee

The role of the Nomination Committee is to prepare the election of the Chairman and other members of the Board. The election of the auditor, the election of the Chairman of the Annual General Meeting, remuneration to these and other related issues. Ahead of the 2025 Annual General Meeting, the Nomination Committee consists of Christian Lindström Lage (SEB Investment Management), Martin Nilsson (Första AP-fonden), Jonathan Schönback (ODIN Fonder) and Tomas Torlöf (Trulskom Förvaltning AB) as Chairman.

Dividends

Monday, 12 May 2025 is proposed as the record date for dividends. If the Annual General Meeting makes a decision in accordance with the proposal, dividends are expected to be paid through Euroclear Sweden AB on Thursday, 15 May 2025.

Shareholder information

For further information, please contact Markus Berg, CFO, on tel. +46(0)10 457 32 05 or via email, [markus.berg@ctt.se](mailto:markus.berg@ctt.se)

For more information, see: **[www.ctt.se](https://www.ctt.se)**

The annual report is available in digital format only, from 2022 and forward.

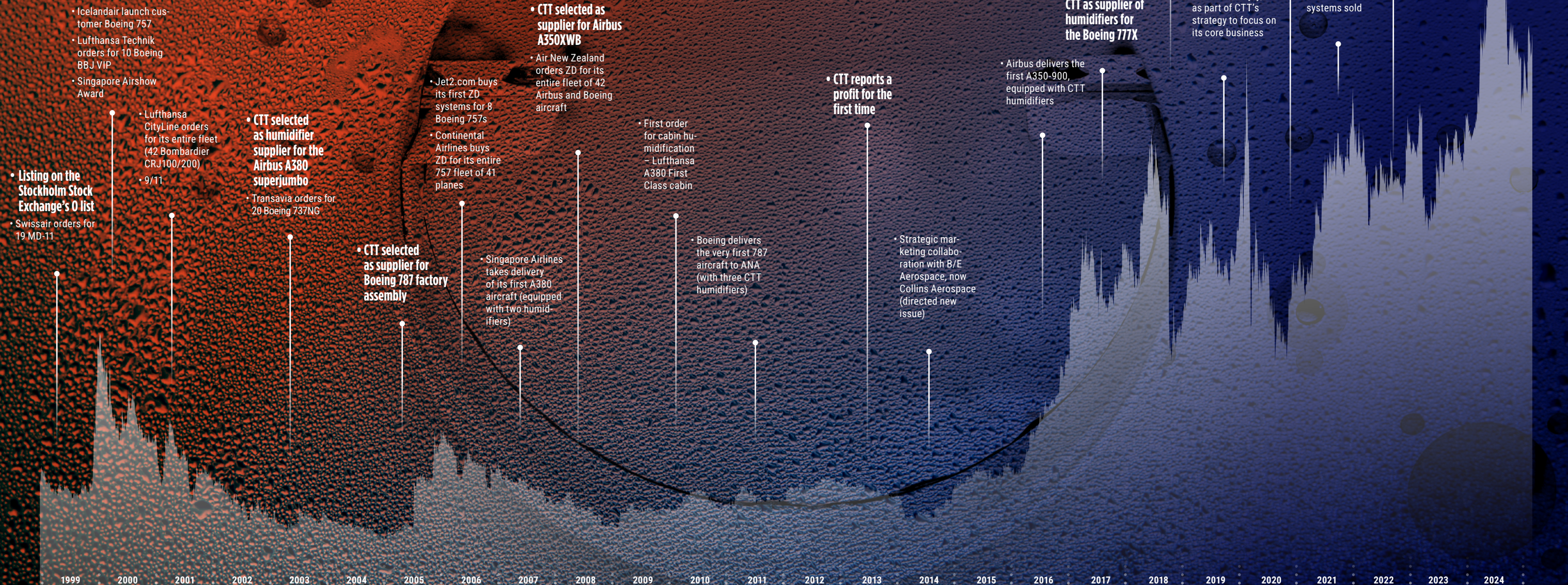
FINANCIAL CALENDAR

Interim report, Jan–Mar	25 April 2025
Interim report, Apr–Jun	18 July 2025
Interim report, Jul–Sep	24 October 2025
Year-end report 2025	6 February 2026



# HISTORY

## SHARE DEVELOPMENTS AND IMPORTANT EVENTS IN CTT'S HISTORY







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