

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

- Net sales decreased by 59% to SEK 31.4 million (77.2) – currency adjusted, a reduction of 54%
- Operating profit (EBIT) decreased to SEK 0.6 million (26.7)
- Operating margin (EBIT margin) amounted to 2% (35)
- Net profit (loss) this period amounted to SEK -3.2 million (18.2)
- Earnings per share amounted to SEK -0.26 (1.45)
- Operating cash flow decreased to SEK -6.9 million (4.8)

## FORECAST - SECOND QUARTER 2021 <sup>2)</sup>

The net sales forecast for the second quarter of 2021 is SEK 35 - 40 million (50.4).

## CTT IN BRIEF

	2021	Change from	2020	2020	Rolling
(SEK million)	Jan-Mar	previous year	Jan-Mar	Jan-Dec	12 months
Net sales	31.4	-59%	77.2	200.8	155.0
Operating profit (EBIT)	0.6	-98%	26.7	38.4	12.3
Profit (loss) this period	-3.2	-118%	18.2	31.1	9.7
Earnings per share (SEK)	-0.26	-118%	1.45	2.48	0.8
Operating cash flow	-6.9	-244%	4.8	-10.8	-22.5

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

CTT is a market-leading manufacturer of equipment for active control of humidity in aircraft.

CTT's dehumidifier and humidifier products minimize fuselage condensation issues and increase cabin air humidity.

CTT is a supplier to Boeing and Airbus, and has many of the world's largest airlines as its customers.

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

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

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

## COMMENTS FROM THE CEO

### **The first quarter was weak – driven by deferred OEM deliveries – partially offset by a strong aftermarket recovery**

As expected, this year started weak, impacted by the temporary setbacks in the OEM business and some quarter-to-quarter accounting effects in private jet projects. This was partially offset by a strong rebound in our aftermarket, primarily driven by a surge in deliveries when sales matched underlying demand for the first time in the pandemic.

First quarter net sales were in line with our forecast, amounting to SEK 31 million, a quarter-to-quarter decline of SEK 4 million, driven by the pushed OEM deliveries (SEK -7 million) and lowered percentage-of-completions in private jet projects (SEK -3 million), partially offset by increased aftermarket revenues (SEK +6 million).

Despite decreased quarter-to-quarter net sales, EBIT recorded SEK 0.6 million, up from SEK -0.6 million in the fourth quarter, driven by more favorable sales mix and positive currency impact. Operating cash flow was weak due to one late VIP-payment of SEK 7 million, which was settled in April.

### **Strong aftermarket growth - driven by a rebound to underlying demand**

First quarter sales from our aftermarket activities amounted to SEK 20 million, an increase by 46% from the previous quarter, primarily driven when sales rebounded to underlying demand. In previous quarters the aftermarket has underperformed actual demand, reflecting inventory downsizing at our distributors and airlines. Going forward, significant increases in aftermarket sales require higher product utilization, which necessitates more flight hours with our products onboard. The big commercial recovery from current utilization level can only occur when international traffic is re-started again. CTT is in a strong position to gain from such recovery with our population fitted in competitive widebody aircraft models, already having approx. 90% of the total global fleet in-service. At full utilization, current installed base has an underlying demand for additional SEK 10 – 15 million in quarterly revenue.

### **OEM revenue temporarily touched record-low volumes when Airbus and Boeing deferred our deliveries 3 – 6 months**

OEM sales decreased by 61% (quarter-to-quarter) to a multi-year low of SEK 5 million (12), reflecting a drop in our deliveries caused by one-time-effects on suppliers when Airbus and Boeing adjusted to lower production rates, which impacted inventory levels in the entire supply chain. As a consequence, some of our OEM orders with deliveries scheduled for the first quarter were deferred to the second and third quarter. I expect an increase in our OEM sales in the second quarter and that the second half of 2021 shall rebound to be in line with same period 2020.

### **Retrofit and private jet sales decreased – continuous investments in projects to enable future growth**

The company continues to focus on business transformation towards growth areas, such as private jets and retrofit, to compensate for the sluggish OEM market.

Short term, our retrofit business will remain slow with low sales, reflecting the weak order backlog. We have some airline retrofit quotations that might generate orders later this year. Although retrofit outlook remains good, it will not be realistic to leverage the market potential into deals before airlines return to profitability.

The private jet business will increase project activities in the second quarter and it looks solid for the rest of the year. In order to drive more substantial sales growth, CTT must obtain success with new platform projects. A milestone occurs when our Global 7500 humidification system takes-off by the end of this summer.

### **The second quarter is forecasted to initiate the recovery from the pandemic down-trend**

I predict that the first quarter marks the low-point in the pandemic downturn. The forecast for the second quarter is an increase in net sales to SEK 35 – 40 million, driven by normalization in OEM business and higher activity in private jet projects.

Although short-term business uncertainty remains, with risks for pandemic lockdowns and more travel restrictions, it is encouraging to note that for instance in the US, where vaccination rates are ahead of Europe, air traffic ramps-up quickly. More importantly, large US airlines are close to positive cash flow. When vaccination penetration increases in other parts of the world, international air traffic can be re-started. This will drive our aftermarket further and enable better business conditions for retrofit and OEM. We are well prepared and positioned to resume growth, benefitting from pandemic trends that drive demand for our climate friendly products, for better wellbeing and experience onboard; and reduced environmental footprint from air travel.

**Torbjörn Johansson, CEO**

## EVENTS DURING THE QUARTER

- ✓ 05.02.2021: CTT Systems AB announces a joint development agreement with Munters, a global leader in energy efficient air treatment and climate solutions, to develop a pad material optimized for use in CTT's humidifier products.
- ✓ 08.02.2021: CTT Systems AB announces that the company CEO, Torbjörn Johansson, has informed the Board of Directors that he plans to retire on April 1<sup>st</sup>, 2022. The Board will initiate the recruitment of a new CEO later this year.
- ✓ 12.02.2021: CTT Systems AB announces an Inflight Humidification VIP system order from AMAC Aerospace for one Airbus ACJ319neo aircraft. The system will be delivered to AMAC in the second quarter 2021.

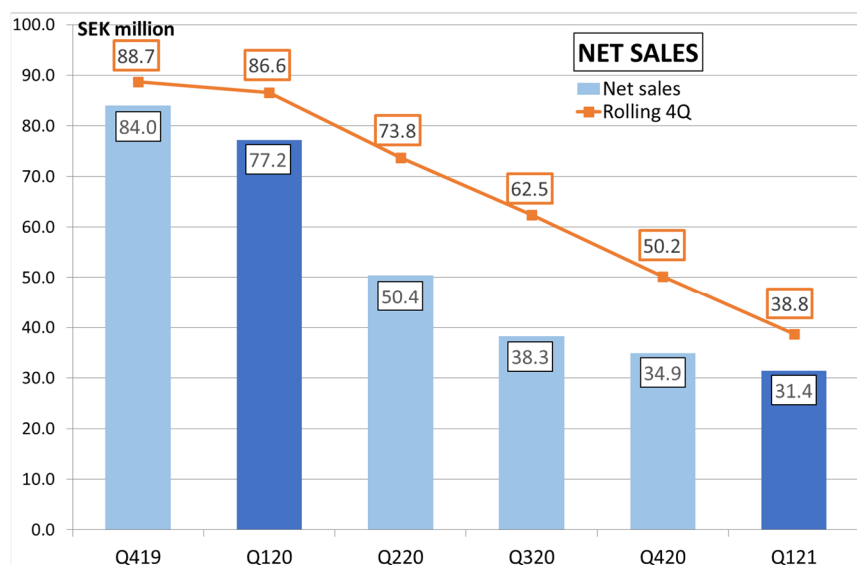
## EVENTS AFTER THE END OF THE REPORTING PERIOD

- ✓ 07.04.2021: CTT Systems AB announces the appointment of Markus Berg as new CFO to take office on July 1<sup>st</sup>, 2021. Markus will succeed Daniel Ekstrand, who on his own initiative has decided to leave CTT to transfer to his own business. Daniel will support and ensure a structured and seamless handover, which includes book closing and Interim report for the second quarter 2021.

## SALES

Net sales declined by 59% in the first quarter to SEK 31.4 million (77.2). In comparable currencies, sales declined by 54%.

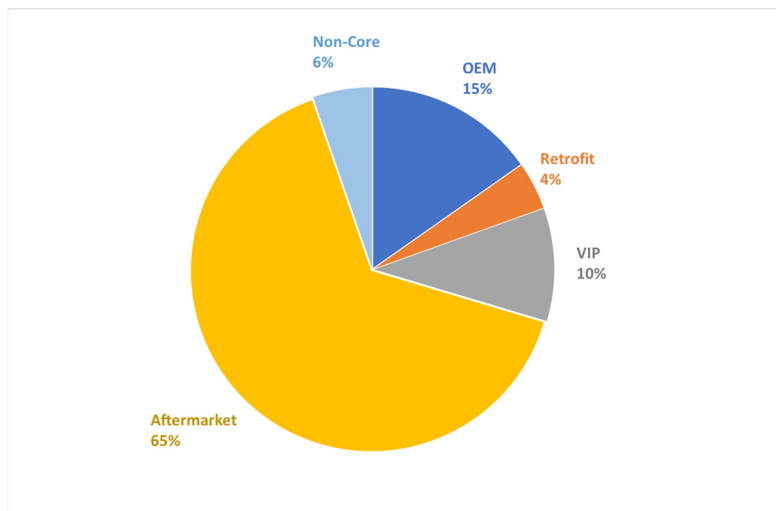
The decrease is primarily driven by the COVID-19 pandemic impact on the aviation industry and reduced travel. OEM and aftermarket sales have been the most severely affected, but the gradual increase in flight hours have had a positive effect on aftermarket sales, even if it is still low compared to pre Covid levels. The weak OEM sales compared with previous year are driven by lowered aircraft production rates and deferred deliveries, mainly to Boeing.



The graph above shows quarterly sales and rolling average quarterly figures based on four quarters.

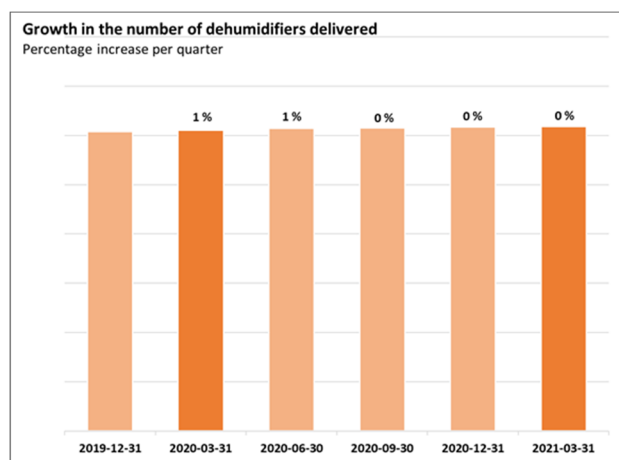
## BREAKDOWN OF NET SALES

NET SALES (SEK million)	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121
<b>System Sales</b>								
OEM	47.0	36.5	45.7	34.1	21.7	15.1	12.4	4.8
Retrofit	1.4	0.0	1.8	2.7	1.3	0.6	0.0	1.3
VIP	6.0	0.8	1.0	6.9	9.0	9.8	6.2	3.2
<b>Total</b>	<b>54.3</b>	<b>37.4</b>	<b>48.4</b>	<b>43.7</b>	<b>32.0</b>	<b>25.5</b>	<b>18.6</b>	<b>9.3</b>
<b>Aftermarket</b>	<b>42.0</b>	<b>43.3</b>	<b>32.3</b>	<b>30.7</b>	<b>16.1</b>	<b>11.1</b>	<b>14.0</b>	<b>20.5</b>
<b>Sales in addition to the core business activities</b>	<b>5.6</b>	<b>2.7</b>	<b>3.3</b>	<b>2.7</b>	<b>2.2</b>	<b>1.7</b>	<b>2.3</b>	<b>1.7</b>
<b>TOTAL</b>	<b>101.9</b>	<b>83.4</b>	<b>84.0</b>	<b>77.2</b>	<b>50.4</b>	<b>38.3</b>	<b>34.9</b>	<b>31.4</b>
<i>Of which projects where there is recognition of profits that is reported as revenue over time.</i>	<i>7.5</i>	<i>0.9</i>	<i>1.1</i>	<i>7.0</i>	<i>9.9</i>	<i>9.9</i>	<i>6.5</i>	<i>3.2</i>
<i>(Other income is recognised at a defined point in time, i.e. upon delivery).</i>								

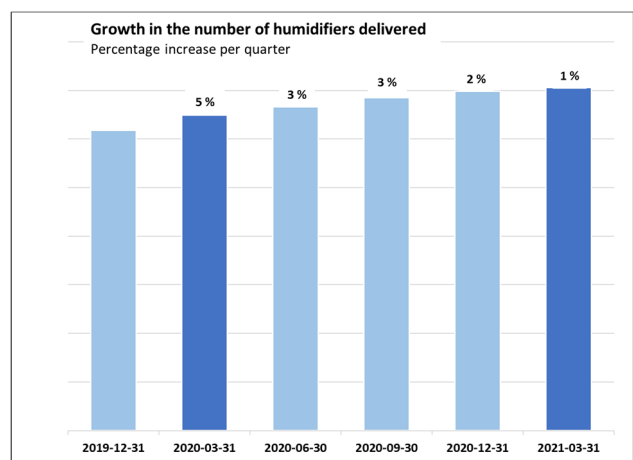


The breakdown of net sales for the quarter is presented above.

## GROWTH IN NUMBER OF UNITS DELIVERED



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



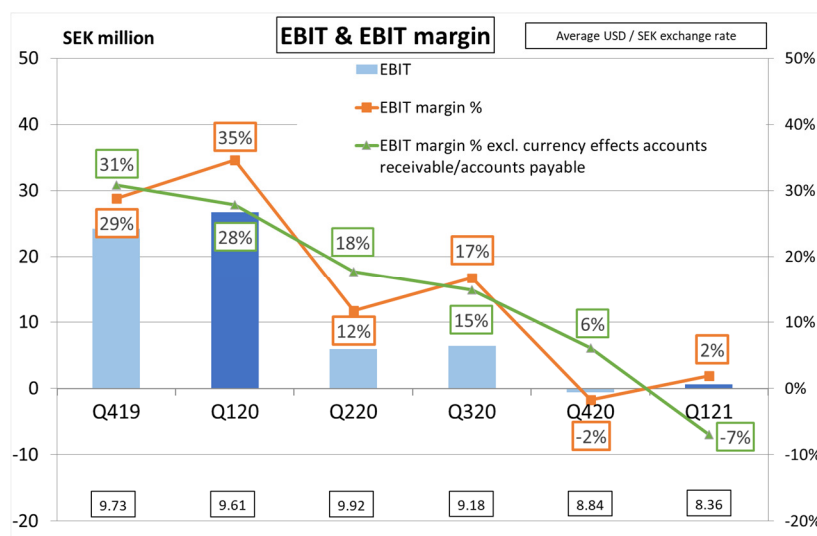
The growth in the historical number of delivered units of humidifiers is reported above.

## FINANCIAL RESULTS

The Company's operating profit (EBIT) for the first quarter was SEK 0.6 million (26.7), corresponding to an operating margin of 2% (35). Net profit (loss) was SEK -3.2 million (18.2).

The decline in earnings is primarily due to the sharp decrease in sales as a consequence of the COVID-19 pandemic and its impact on the aviation industry. The negative effect on earnings has been dampened by the implemented cost savings program, which mainly had an effect on personnel costs. Personnel costs and other external costs amounted to SEK 24.4 million in total (32.7), a 25% decrease from previous year. The currency effects relating to accounts receivable and accounts payable positively impacted operating profit by SEK 2.8 million (5.2).

The earnings trend since Q4 2019 is shown below, where the green line shows the EBIT margin adjusted for currency effects directly linked to accounts receivable and accounts payable.



## FORECAST FOR THE SECOND QUARTER OF 2021

The net sales forecast for the second quarter of 2021 SEK is 35 - 40 million (50.4).

## FORECAST AND ACTUAL OUTCOME FOR THE FIRST QUARTER OF 2021

In the fourth quarter report (2020), CTT made the following forecast for the first quarter of 2021: "The net sales forecast for the first quarter of 2021 is SEK 30 - 35 million (77.2)."

The actual net sales amounted to SEK 31.4 million.

## ORDER INTAKE

During the first quarter, the Company's order intake amounted to SEK 38 million (113), which is the third quarter in a row with an increase since the Covid-19 pandemic hit the aerospace industry in Q2 2020. As of 31 March 2021, the order book totaled SEK 40 million (118), based on USD exchange rate of 8.72 (10.08). The weaker order intake compared to previous year is due to the impact of the COVID-19 pandemic. Due to the weaker order intake, the order book is also lower than normal.

## CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital increased to SEK 0.3 million (-1.1) in the first quarter. The cash flow from operating activities decreased to SEK -6.9 million (4.8).

The cash flow during the first quarter in 2020 was negatively impacted by a larger tax payment of income tax for previous years, amounting to SEK 23.3 million. Adjusted for this, the weaker cash flow reflects lower level of sales, lower operating profit and a delayed customer payment of SEK 7.5 million which was paid in April.

Long-term interest-bearing loan liabilities amounted to SEK 69.3 million (35.1). The increase from the previous year is mainly related to the taking out of two new loans, the first as financing for the fibre laser cutting and engraving machine installed at the production facility in Nybro during the third quarter previous year, the second was taken out during the first quarter to strengthen the company's liquidity. The increase in interest-bearing loan liabilities has been partly offset by a weaker USD/SEK exchange rate, which has reduced the carrying value of the Company's borrowings in USD.

Overall, CTT has a strong financial position, with its equity ratio at 31 March 2021 amounting to 66% (68), Cash and cash equivalents, including available financing facilities amount to SEK 64 million (205). Net debt as of 31 March 2021 amounted to SEK 29 million (-74), and equity to SEK 217 million (258).

## PERSONNEL

The average number of employees during the first quarter were 85 (107).

The decline compared to the first quarter previous year is an effect of cost savings programs introduced during the Covid-19 pandemic.

## INVESTMENTS

Investments in the first quarter amounted to SEK 2.7 million (4.9), related to ongoing development projects.

## RISKS AND UNCERTAINTIES

The risks in the Company's business operations can generally be divided into operational risks related to its business operations and financial risks related to its financial activities. The ongoing COVID-19 pandemic, which has led to a massive standstill of the world's airlines, has had a negative financial impact on CTT during the first quarter. This impact is expected to continue in the coming quarters, but will decrease gradually as commercial flight hours pick up. Other than this, no significant changes in material risks or uncertainties have arisen during the period. A detailed account of CTT's risks, uncertainties and their management can be found on pages 54 - 58 of the Company's Annual Report for 2020.

## SIGNIFICANT SHAREHOLDERS

<b>CTT's three largest shareholders as at 31/03/2021</b>	<b>Number of shares</b>	<b>Capital</b>	<b>Votes</b>
Tomas Torlöf	1 678 336	13.4%	13.4%
Rockwell Collins / Collins Aerospace	1 133 154	9.0%	9.0%
Swedbank Robur Fonder	1 000 000	8.0%	8.0%

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

## RELATED PARTY TRANSACTIONS

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

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

## ACCOUNTING AND VALUATION POLICIES

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

### New and amended accounting policies 2021

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

## FINANCIAL CALENDAR

Annual General Meeting	05/05/2021 <sup>1)</sup>
Interim Report Q2 2021	22/07/2021 at 08:00 (CEST)
Interim Report Q3 2021	28/10/2021 at 08:00 (CEST)
Year-End Report 2021	08/02/2022 at 08:00 (CET)

<sup>1)</sup> Only by postal vote to reduce the risk of spreading the Covid-19 infection.

The Board of Directors and the Chief Executive Officer represent and warrant that this interim report provides a true and fair view of the Company's business operations, position and performance and describes the material risks and uncertainties facing the Company. This information is such as CTT Systems AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading (Market Abuse Penalties) Act. The information was submitted for publication at 8:30 (CEST) on 30 April 2021.

Nyköping, 29 April 2021

**CTT Systems AB (publ.)**

Tomas Torlöf  
*Chairman of the Board*

Steven Buesing  
*Board Member*

Annika Dalsvall  
*Board Member*

Per Fyrenius  
*Board Member*

Anna Höjer  
*Board Member*

Björn Lenander  
*Board Member*

Torbjörn Johansson  
*CEO*

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

**FURTHER INFORMATION**

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

**CTT IN BRIEF**

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<b>CTT SYSTEMS AB</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>PROFIT &amp; LOSS STATEMENT in brief (SEK million)</b>	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
<b>Operating income</b>			
Net sales	31.4	77.2	200.8
Change in stocks of work in progress and stocks of finished goods	0.4	2.5	4.3
Own work capitalised	1.0	0.9	5.9
Other operating income	4.3	7.9	22.2
<b>Total operating income</b>	<b>37.1</b>	<b>88.5</b>	<b>233.1</b>
<b>Operating expenses</b>			
Raw materials and consumables	-8.7	-24.5	-61.8
Other external costs	-8.6	-11.9	-40.5
Employee benefit expense	-15.9	-20.8	-68.1
Depreciation of property, plant and equipment and intangible assets	-1.9	-1.8	-6.8
Other operating expenses	-1.5	-2.7	-17.5
<b>Total operating expenses</b>	<b>-36.5</b>	<b>-61.8</b>	<b>-194.8</b>
<b>Operating profit (EBIT)</b>	<b>0.6</b>	<b>26.7</b>	<b>38.4</b>
Net gain/loss on financial items	-4.7	-3.5	1.2
<b>Profit before tax</b>	<b>-4.1</b>	<b>23.2</b>	<b>39.6</b>
Tax	0.8	-5.0	-8.5
<b>Profit (loss) this period</b>	<b>-3.2</b>	<b>18.2</b>	<b>31.1</b>
Other comprehensive income	-	-	-
<b>Comprehensive income for the period</b>	<b>-3.2</b>	<b>18.2</b>	<b>31.1</b>
Earnings per share, SEK	-0.26	1.45	2.48

**CTT SYSTEMS AB**  
**BALANCE SHEET in brief (SEK million)**

	2021 31 Mar	2020 31 Mar	2020 31 Dec
<b>Assets</b>			
Intangible assets	75.4	58.2	73.0
Property, plant and equipment	52.0	44.5	53.6
Financial assets	1.9	1.9	1.9
Other current assets	160.7	164.9	157.4
Cash at bank and in hand	41.6	109.4	21.6
<b>Total assets</b>	<b>331.6</b>	<b>378.9</b>	<b>307.5</b>
<b>Equity and liabilities</b>			
Equity	217.3	258.4	220.5
Provisions, guarantee commitments	5.8	6.9	6.1
Non-current liabilities, interest-bearing	69.3	35.1	35.7
Current liabilities, interest-bearing	1.3	-	1.2
Current liabilities, non-interest-bearing	37.9	78.6	44.0
<b>Total equity and liabilities</b>	<b>331.6</b>	<b>378.9</b>	<b>307.5</b>

**CTT SYSTEMS AB**  
**CHANGE IN EQUITY in brief (SEK million)**

	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
<b>Opening equity</b>	<b>220.5</b>	<b>240.2</b>	<b>240.2</b>
Share dividend	-	-	-50.7
Profit (loss) this period	-3.2	18.2	31.1
<b>Closing equity</b>	<b>217.3</b>	<b>258.4</b>	<b>220.5</b>

<b>CTT SYSTEMS AB</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
<b>CASH FLOW STATEMENT (SEK million)</b>	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Mar</b>
<b>Operating activities</b>			
Operating profit (EBIT)	0.6	26.7	38.4
<b>Adjustment for items not included in cash flow</b>			
Amortisation/depreciation	1.9	1.8	6.8
Miscellaneous	-0.3	-1.5	-9.1
Financial receipts	-	0.0	0.0
Financial payments	-0.3	-0.2	-1.1
Income tax paid	-1.6	-27.9	-34.6
<b>Cash flow from operating activities before changes in working capital</b>	<b>0.3</b>	<b>-1.1</b>	<b>0.5</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories	-3.7	-9.8	-27.9
Change in operating receivables	2.9	-3.9	23.5
Change in operating liabilities	-6.3	19.6	-6.9
<b>Cash flow from changes in working capital</b>	<b>-7.1</b>	<b>5.9</b>	<b>-11.2</b>
<b>Operating cash flow</b>	<b>-6.9</b>	<b>4.8</b>	<b>-10.8</b>
<b>Investment activities</b>			
Acquisition of intangible assets	-2.7	-4.4	-20.5
Acquisition of property, plant and equipment	0.1	-0.5	-13.2
Sale of property, plant and equipment	-	-	0.1
<b>Cash flow from investment activities</b>	<b>-2.7</b>	<b>-4.9</b>	<b>-33.6</b>
<b>Financing activities</b>			
Proceeds from borrowings	29.7	-	9.8
Repayments of borrowings	-0.3	-	-0.3
Dividends disbursed	-	-	-50.7
<b>Cash flow from financing activities</b>	<b>29.4</b>	<b>-</b>	<b>-41.2</b>
<b>Cash flow for the period</b>	<b>19.9</b>	<b>-0.1</b>	<b>-85.6</b>
Cash and cash equivalents at the beginning of the period	21.6	110.0	110.0
Exchange gains/losses on cash and cash equivalents	0.1	-0.5	-2.7
<b>Cash and cash equivalents at the end of the period</b>	<b>41.6</b>	<b>109.4</b>	<b>21.6</b>

CTT SYSTEMS AB		2021	2020				2019			
KEY FIGURES – INDIVIDUAL QUARTERS		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales & Profit (loss) Financial result										
Net sales, SEK million	31.4	34.9	38.3	50.4	77.2	84.0	83.4	101.9	85.6	
Operating profit (EBIT), SEK million	0.6	-0.6	6.4	5.9	26.7	24.2	38.8	33.4	23.2	
Operating margin, %	2	-2	17	12	35	29	47	33	27	
Profit margin, %	-13	7	17	15	30	30	44	33	27	
Profit (loss) this period, SEK million	-3.2	1.9	5.0	6.0	18.2	19.4	29.0	26.2	18.0	
Return on capital employed, %	0	0	3	2	9	9	16	14	10	
Return on equity, %	-1	1	2	3	7	8	14	13	9	
Return on total capital, %	-1	1	2	2	6	7	11	10	7	
Share data										
Earnings per share, SEK	-0.26	0.15	0.40	0.48	1.45	1.55	2.31	2.10	1.44	
Equity per share, SEK	17.34	17.60	17.45	17.05	20.62	19.17	17.62	15.31	17.27	
Operating cash flow per share, SEK	-0.55	-0.09	-0.38	-0.78	0.38	2.71	2.81	1.42	1.77	
Dividend per share, SEK	-	1,74 <sup>1)</sup>	-	-	-	4.05	-	-	-	
Number of shares, end of reporting period, thousands	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	
Average number of shares in the period, thousands	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	
Market price at the close of the reporting period, SEK	153.60	152.20	123.20	155.80	155.80	176.80	157.20	173.40	149.80	
Cash flow & Financial position										
Operating cash flow, SEK million	-6.9	-1.1	-4.7	-9.8	4.8	33.9	35.2	17.8	22.1	
Quick ratio, %	304	218	195	192	276	259	239	191	222	
Coverage ratio, times	-7	12	32	22	64	64	106	93	58	
Debt-to-equity ratio, times	0.3	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.1	
Equity ratio, %	66	72	68	66	68	66	63	60	63	
Personnel & Investments										
Number of employees, (average for the period) <sup>2)</sup>	85	88	95	104	107	110	110	111	110	
Income (valued at full year) per employee, SEK million	1.8	1.6	1.9	2.5	3.3	3.2	3.4	3.7	3.4	
Investments, SEK million	2.7	7.1	13.4	8.3	4.9	4.0	8.0	3.8	7.1	
FINANCIAL HIGHLIGHTS – ACCUMULATED		Q1	Q1-Q4			Q1	Q1-Q4			Q1
Sales & Profit (loss) Financial result										
Net sales, SEK million	31.4	200.8			77.2	354.9			85.6	
Operating profit (EBIT), SEK million	0.6	38.4			26.7	119.6			23.2	
Operating margin, %	2	19			35	34			27	
Profit margin, %	-13	20			30	33			27	
Profit (loss) this period, SEK million	-3.2	31.1			18.2	92.6			18.0	
Return on capital employed, %	0	14			9	48			10	
Return on equity, %	-1	13			7	42			9	
Return on total capital, %	-1	12			6	35			7	
Share data										
Earnings per share, SEK	-0.26	2.48			1.45	7.39			1.44	
Operating cash flow per share, SEK	-0.55	-0.86			0.38	8.67			1.77	
Cash flow & Financial position										
Operating cash flow, SEK million	-6.9	-10.8			4.8	108.6			22.1	
Quick ratio, %	304	218			276	259				
Coverage ratio, times	-7	35			64	79			58	
Debt-to-equity ratio, times	0.3	0.2			0.1	0.1				
Equity ratio, %	66	72			68	66				
Personnel & Investments										
Number of employees, (average for the period) <sup>2)</sup>	85	98			107	108			110	
Income (valued at full year) per employee, SEK million	1.8	2.4			3.3	3.5			3.4	
Investments, SEK million	2.7	33.8			4.9	22.7			7.1	

<sup>1)</sup> Refers to the proposed dividend.

<sup>2)</sup> The average of employees for the period is an approximation where a calculation is made by taking the average of the number of employees at closing balance and opening balance respectively during the period. The exact calculation is only made for the Company's annual report.

CTT SYSTEMS AB	2021	2020	2019
RELEVANT RECONCILIATIONS OF KEY FIGURES (SEK million)	Q1	Q1	Q1
<b>Operating margin</b>			
Operating profit (EBIT)	0.6	26.7	23.2
/ Net sales	31.4	77.2	85.6
<b>= Operating margin</b>	<b>2%</b>	<b>35%</b>	<b>27%</b>
<b>Profit margin</b>			
Profit before tax	-4.1	23.2	23.0
/ Net sales	31.4	77.2	85.6
<b>= Profit margin</b>	<b>-13%</b>	<b>30%</b>	<b>27%</b>
<b>Return on capital employed</b>			
(Financial results after amortisation/depreciation	0.6	26.7	23.2
+ Finance income)	0.0	0.0	0.1
/ Average capital employed			
Average total capital (total assets)	319.5	370.9	331.0
Total capital at the beginning of the period	307.5	362.8	319.0
Total capital at the end of the period	331.6	378.9	342.9
- Average non-interest-bearing liabilities including deferred taxes	-46.9	-87.8	-91.8
Non-interest-bearing liabilities including deferred taxes, beginning of the period	-50.1	-90.2	-89.4
Non-interest-bearing liabilities including deferred taxes, end of the period	-43.7	-85.4	-94.2
Total average capital employed	272.6	283.1	239.1
<b>= Return on capital employed</b>	<b>0%</b>	<b>9%</b>	<b>10%</b>
<b>Return on equity</b>			
Profit (loss) this period	-3.2	18.2	18.0
/ Average equity	218.9	249.3	207.3
Equity at the beginning of the period	220.5	240.2	198.3
Equity at the end of the period	217.3	258.4	216.3
<b>= Return on equity</b>	<b>-1%</b>	<b>7%</b>	<b>9%</b>
<b>Return on total capital</b>			
(Profit before tax	-4.1	23.2	23.0
- Finance costs)	-0.5	-0.4	-0.4
/ Average total capital (for the calculation, see "Return on capital employed")	319.5	370.9	331.0
<b>= Return on total capital</b>	<b>-1%</b>	<b>6%</b>	<b>7%</b>
<b>Quick ratio</b>			
(Current assets, i.e. other current assets plus cash & bank deposits	202.3	274.3	251.9
- Inventories	105.0	83.1	82.8
+ Granted unutilised line of credit)	22.0	25.4	23.4
/ Current liabilities	39.2	78.6	86.6
<b>= Quick ratio</b>	<b>304%</b>	<b>276%</b>	<b>222%</b>
<b>Coverage ratio</b>			
(Profit before tax	-4.1	23.2	23.0
- Finance costs)	-0.5	-0.4	-0.4
/ Finance costs	-0.5	-0.4	-0.4
<b>= Coverage ratio, times</b>	<b>-7</b>	<b>64</b>	<b>58</b>
<b>Debt-to-equity ratio</b>			
Interest-bearing liabilities, i.e. total interest-bearing items on balance sheet's debt side	70.6	35.1	32.3
/ Equity	217.3	258.4	216.3
<b>= Debt-to-equity ratio, times</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>
<b>Income per employee</b>			
Operating income (calculated to full year)	148.5	353.9	368.8
/ Number of employees, (average for the period) <sup>1)</sup>	85	107	110
<b>= Income per employee</b>	<b>1.8</b>	<b>3.3</b>	<b>3.4</b>

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

**DEFINITIONS OF KEY FIGURES <sup>1)</sup>****RETURN ON EQUITY (ROE)**

Profit for the period as a percentage of average equity.

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

**RETURN ON TOTAL CAPITAL (ROTC)**

Profits after net gain or loss on finance costs with a reversal of financial expenses, as a percentage of average total assets.

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

**RETURN ON CAPITAL EMPLOYED (ROCE)**

Profits after depreciation plus finance income as a percentage of average capital employed. The capital employed is defined as the total assets less non-interest-bearing liabilities including deferred taxes.

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

**EQUITY PER SHARE**

Equity in relation to the number of shares at the close of the reporting period, (book value per share).

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

**INCOME PER EMPLOYEE**

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

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

**CASH FLOW PER SHARE**

Operating cash flow divided by the average number of shares.

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

**QUICK RATIO**

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

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

**EARNINGS PER SHARE (EPS)**

*Financial measure (key figure) according to IFRS*

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

**COVERAGE RATIO**

Profit after net gain or loss on financial items with reversal of financial expenses divided by finance costs.

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

**OPERATING PROFIT (EBIT)**

Operating profit before financial items and taxes.

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

**OPERATING MARGIN**

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

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

**DEBT-TO-EQUITY RATIO**

Interest-bearing liabilities divided by equity.

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

**EQUITY RATIO**

Equity as a percentage of the total assets.

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

**PROFIT MARGIN**

Profit after financial items as a percentage of net sales.

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

<sup>1)</sup> A description of industry/company-specific words can be found on page 90 of the Company's Annual Report for 2020 (in Swedish).