

**Net sales
MSEK 79**

**Profit
margin
39%**

SECOND QUARTER 2023 ²⁾

- Net sales increased by 35% to MSEK 79.0 (58.4)
 - Currency adjusted increase of 27%
- Operating profit (EBIT) increased to MSEK 33.7 (23.5)
- Operating margin (EBIT margin) amounted to 43% (40)
- Profit margin increased to 39% (33)
- Net profit increased to MSEK 24.8 (15.1)
- Earnings per share were SEK 1.98 (1.21)
- Operating cash flow increased to MSEK 62.2 (4.0)

JANUARY - JUNE 2023 ²⁾

- Net sales increased by 43% to MSEK 154.0 (107.5)
 - Currency adjusted increase of 31%
- Operating profit (EBIT) increased to MSEK 56.4 (37.5)
- Operating margin (EBIT margin) increased to 37% (35)
- Profit margin increased to 35% (29)
- Net profit amounted to MSEK 42.7 (24.7)
- Earnings per share were SEK 3.41 (1.97)
- Operating cash flow increased to MSEK 58.4 (12.5)

FORECAST - THIRD QUARTER 2023 ²⁾

The net sales forecast for the third quarter of 2023 is MSEK 70 - 75 (65.3).

CTT IN BRIEF

(MSEK)	2023 Apr-Jun	Change from previous year	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec	Rolling 12 months
Net sales	79.0	35 %	58.4	154.0	107.5	240.6	287.1
Operating profit (EBIT)	33.7	44 %	23.5	56.4	37.5	91.8	110.6
Profit (loss) this period	24.8	64 %	15.1	42.7	24.7	66.3	84.4
Earnings per share (SEK)	1.98	64 %	1.21	3.41	1.97	5.29	6.7
Operating cash flow	62.2	1 468 %	4.0	58.4	12.5	61.2	107.1

CTT – WORLD LEADER IN ACTIVE HUMIDITY CONTROL IN AIRCRAFT

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

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

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

COMMENTS FROM THE CEO

Net sales in the forecasted range - Strong cash flow

CTT reports a solid second quarter with net sales in the forecasted range. Notably, CTT delivered quarter-on-quarter (QOQ) growth for the ninth consecutive time. Once again, the aftermarket was the main growth contributor, driven by increasing demand for consumables and large spare orders. We also had a good quarter in the OEM business, but sales decreased QOQ due to extraordinary large batches of 777X humidifiers that were delivered in Q1. Private jet had a temporarily weak quarter when a ready-to-ship kit-system was deferred into Q3, due to a delay in the VIP cabin completion project. Operating cash flow was strong as expected due to settlements of two large lagging customer payments from Q1.

Third quarter net sales forecast is MSEK 70 – 75

Net sales in Q3 are forecasted to be in the MSEK 70 – 75 range, sequentially driven by significantly higher revenues in Private jet. But this QoQ gain will be offset to a greater degree by negative impact from aftermarket, OEM and currency. Firstly, aftermarket sales will decrease, primarily explained by normalized demand for spares (in the wake of exceptionally strong demand in both Q1 and Q2). Secondly, OEM sales will decrease due to 1) pause in our 777X deliveries as aircraft production by Boeing is on-hold; awaiting certification approval with targeted first delivery in 2025; and 2) larger than required humidifier inventories at the OEMs that generate deliveries below actual aircraft build-rate demand. This inventory-excess is temporary and it will be adjusted during Q3 and Q4. OEM demand for humidifiers shall then again better correlate with aircraft production rates and actual shipset content. Thirdly, we have based the forecast on a weaker currency (read USD/SEK) compared with Q2.

System sales poised to grow driven primarily by rebound in OEM demand

We are entering the next phase in our pandemic recovery with several years of growing demand for our moisture control systems. If comparing with 2019, we have a system sales gap of approx. MSEK 150 to close. In addition to our business then, we have added a successful partnership with Airbus Corporate Jets. We will also benefit from a production ramp-up in the Boeing 777X program. On top, CTT is now also addressing large cabin business jets with MSEK 250 – 300 annual revenue potential.

OEM: Demand for OEM humidifiers is robust and growing with widebody aircraft production ramp-up, commencing in 2023. Boeing is targeting build-rate of 5 Boeing 787s by end-2023 (compared to 1 – 2 in end-2022) and Airbus is increasing A350 production rate to 6 (5). This will generate significantly higher OEM sales this year and it will continue to increase in upcoming years, primarily driven by deliveries to Boeing - targeting ramp-up to 10 787s by 2025 / 2026 and resumed production and ramp-up in the 777X program - and to Airbus - goal to increase A350 build-rate to 9 (end-2025).

Private jet: This is the beginning of a period with better order intake. More importantly, we start to see the positive industry impact driven by the ACJ endorsement of humidification. As stated before, we need support from the OEMs to obtain a high market penetration, particularly in the large-cabin business jet segment.

Retrofit: Many airlines are in the planning of next-gen Business class interiors. After a successful expo in Hamburg (AIX) in June, we can conclude that several consider humidification as part of such refurbishment. I expect that this positive momentum will generate some sales prospects in the autumn. We also had a quarter with increased interest for the Anti-Condensation business with new leads and quotations for fleet installations and trials.

Aftermarket has proven its resilience and resumed normalized growth

Underlying aftermarket demand tracks changes in population size, driven by new system deliveries and when ready-built Boeing 787s enter-into-service (with CTT products already on board). We also benefit from growing demand of repair and spares from our population out of warranty.

Strong outlook for 2023

To summarize, we have commenced a period of years where system sales will support our growth year-on-year. Further, I am confident that we are about to enter an era where our relentless and systematic efforts in our industry shall result in winning both new OEM awards and strategic airline orders.



Henrik Höjer, CEO

SIGNIFICANT EVENTS DURING THE QUARTER

- ✓ No significant events have occurred during the quarter.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

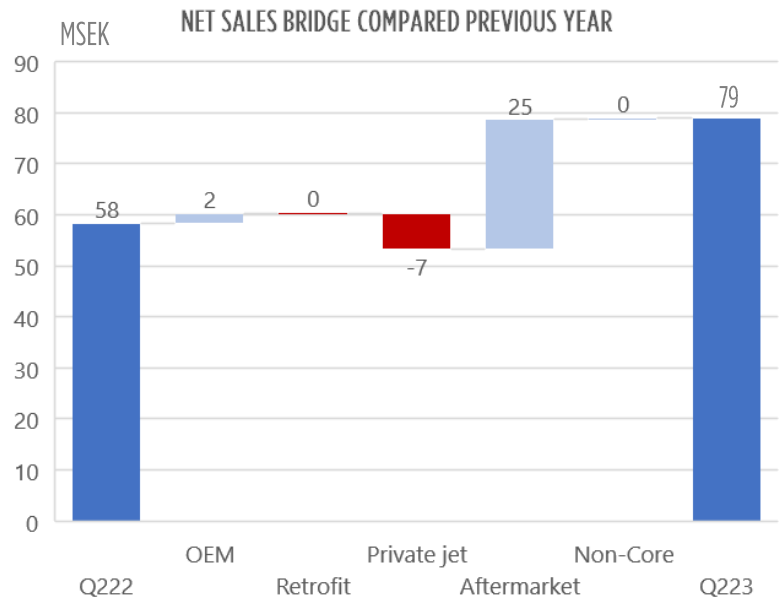
- ✓ No significant events occurred.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

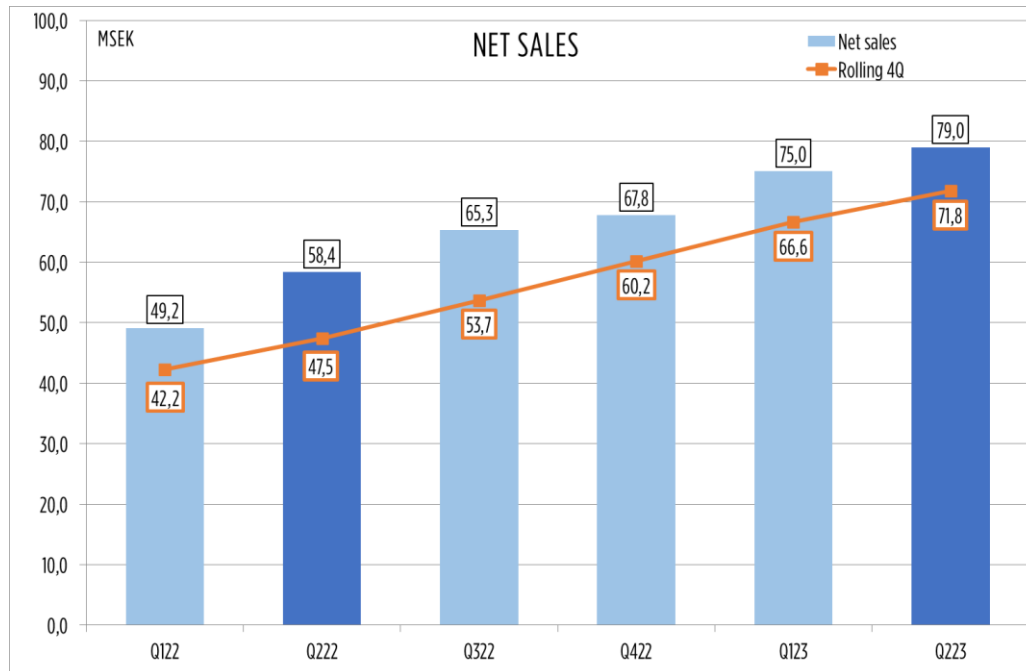
NET SALES

Net sales increased by 35% in the second quarter to MSEK 79.0 (58.4). Adjusted for currency, sales increased by 27%¹, driven primarily by continued recovery and growth in the aftermarket and partly increased deliveries to OEM. Quarterly revenues from the aftermarket increased to MSEK 65.5 (40.1). In OEM, sales improved to MSEK 8.4 (6.4), mainly due to increased deliveries to Boeing. For Private Jet, sales temporarily decreased to MSEK 1.3 (8.5), mainly due to postponed deliveries to end customer. No deliveries in the Retrofit area during the quarter.



Accumulated, for the period January – June, net sales increased with 43% to MSEK 154.0 (107.5). Adjusted for currency, sales increased by 31%, mainly driven by the aftermarket and partly by increased deliveries to OEM.

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

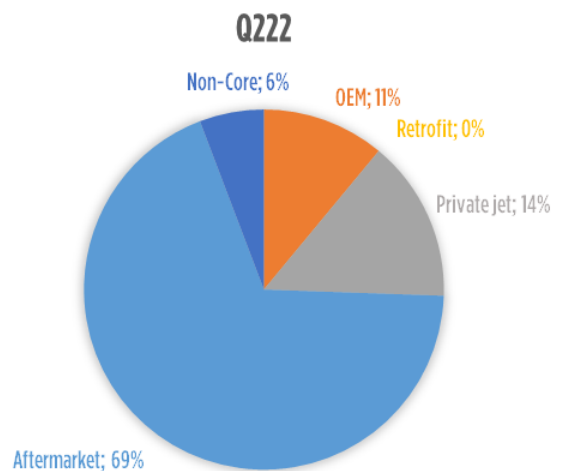
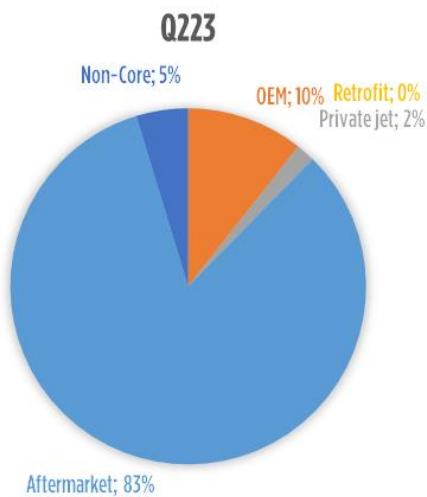
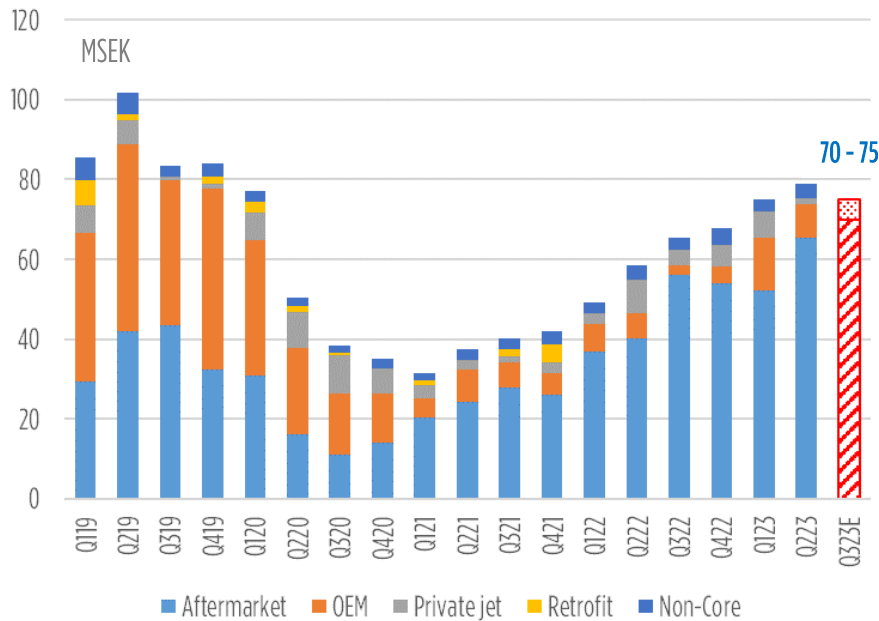


The graph above shows quarterly net sales and rolling four quarters average.

¹ The average USD currency rate in the first quarter was 10.52 (9.68).

BREAKDOWN OF NET SALES

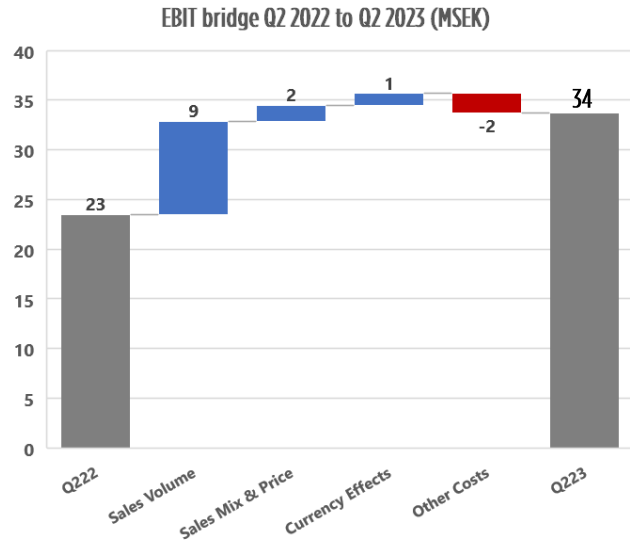
NET SALES (MSEK)	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223
System Sales								
OEM	6.3	5.5	7.2	6.4	2.5	4.1	13.3	8.4
Retrofit	1.7	4.5	-	-	-	-	-	-
Private jet	1.4	2.6	2.5	8.5	4.0	5.5	6.6	1.3
Total	9.5	12.6	9.7	14.9	6.4	9.7	20.0	9.7
Aftermarket	27.8	25.9	36.7	40.1	56.1	54.0	52.1	65.5
Sales in addition to the core business activities	2.9	3.5	2.8	3.4	2.8	4.1	2.9	3.7
TOTAL	40.2	42.1	49.2	58.4	65.3	67.8	75.0	79.0
Of which projects where there is recognition of profits that is reported as revenue over time. (Other income is recognised at a defined point in time, i.e. upon delivery.)	15	2.6	2.5	8.5	3.6	5.5	6.6	1.3



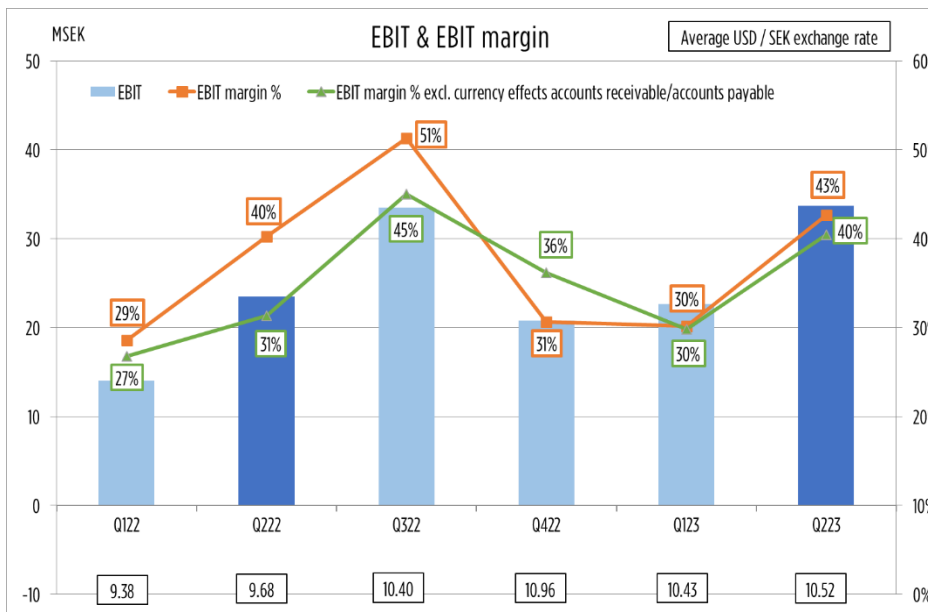
The breakdown of net sales for the quarters is presented above.

FINANCIAL RESULTS

The operating profit (EBIT) in the second quarter increased to MSEK 33.7 (23.5), corresponding to a margin of 43% (40). The increase in earnings compared to the second quarter last year is mainly a consequence of increased volume in aftermarket sales, as well as currency effects from a stronger USD/SEK exchange rate. The outcome for the quarter has a higher aftermarket share (83% versus 69%) in the revenue mix, corresponding to MSEK +2.7 effect on the result compared to the second quarter of 2022. The quarter was affected by higher costs of MSEK 2.0, mainly related to development, where fewer projects were activated in the balance sheet. The higher result leads to a larger provision of variable remuneration to the staff of MSEK 3.2 (2.5). Net financial items were negatively impacted by MSEK -2.1 (-4.0) by currency effects from loans taken in USD. The profit margin increased to 39% (33). Net profit was MSEK 24.8 (15.1) and earnings per share increased to SEK 1.98 (1.21).



Accumulated, for the period January – June, EBIT increased to MSEK 56.4 (37.5), corresponding to a margin of 37% (35). The increase in earnings compared to last year is mainly a consequence of increased volume in aftermarket sales, as well as currency effects from a stronger USD/SEK exchange rate. Net profit was MSEK 42.7 (24.7) and earnings per share increased to SEK 3.41 (1.97).



The earnings trend since Q1 2022 is presented to the left, where the green line shows the EBIT margin adjusted for currency effects directly linked to accounts receivable and accounts payable valuation.

Average USD / SEK exchange rate according to Riksbanken

FORECAST – THIRD QUARTER 2023

The net sales forecast for the third quarter of 2023 is MSEK 70 -75 (65.3).

SECOND QUARTER 2023 FORECAST AND ACTUAL OUTCOME

In the first quarter report (2023), CTT made the following forecast for the second quarter of 2023: “The net sales forecast for the second quarter of 2023 is MSEK 75 - 80 (58.4).”

The actual net sales amounted to MSEK 79.0.

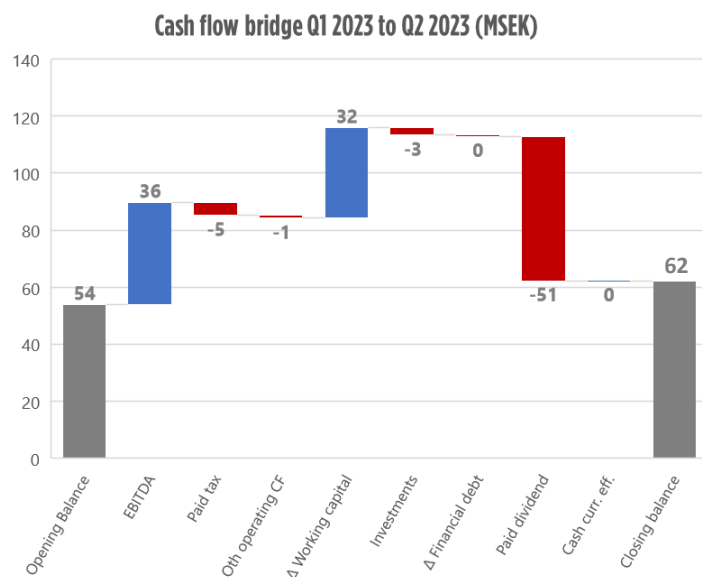
ORDER INTAKE AND ORDER BACKLOG

During the second quarter, the Company's order intake amounted to MSEK 54 (44). The stronger order intake is mainly due to the recovery and growth in the aftermarket as well as a stronger USD/SEK exchange rate. OEM order intake continued to be weak due to temporarily higher inventory for both Airbus A350 and Boeing 787. This generates CTT deliveries below actual aircraft build-rate demand. This inventory-excess is temporary and it will be adjusted during Q3 and Q4. OEM demand shall then again better correlate with aircraft production rates and actual shipset content.

As of 30 June 2023, the order book totaled MSEK 49 (52), based on USD exchange rate of 10.85 (10.10), at the end of the quarter.

CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital amounted to MSEK 30.3 (22.7) in the second quarter, driven by better EBITDA (MSEK 35.9 compared to 25.5). The cash flow from operating activities increased to MSEK 62.2 (4.0). Changes in working capital was in total MSEK +31.9 (-18.8), where the inventory decreased by MSEK 2.1. The late customer payments from the first quarter are settled, where MSEK 22 was received in the beginning of April and the remaining MSEK 21 was received in May. Operating liabilities have decreased mainly due to payment of MSEK 9.7 in variable remuneration. Dividend of MSEK 50.7 has been paid in the quarter. Net cash flow in the reporting period was MSEK +8.4 (-8.7). The change in the quarter is described in the graph to the right.



See Cash flow analysis on page 12

Accumulated, for the period January – June, cash flow before changes in working capital amounted to MSEK 44.2 (36.0). The cash flow from operating activities increased to MSEK 58.4 (12.5), mainly driven by increased EBITDA and positive changes in working capital, but partly offset by larger tax payment of MSEK 16.5 (5.4), mainly due to extra paid tax regarding 2022. Amortization of an USD credit facility of MSEK 32 was made in the first quarter of 2022.

Overall, CTT has a strong financial position, with its equity ratio at 30 June 2023 amounting to 71% (70). Cash and cash equivalents amounted to MSEK 62 (15), and in addition CTT has available credit facilities of MSEK 51. Net debt as of 30 June 2023 amounted to MSEK -16 (30), and equity to MSEK 261 (228).

INVESTMENTS

Investments in the second quarter amounted to MSEK 2.7 (2.4), and during the first half year to MSEK 4.7 (4.2), related to ongoing development projects, many in the final stage which explains the relative low investment level compared the years 2019-2020.

PERSONNEL

The average number of employees during the second quarter was 77 (74). Accumulated, for the period January – June, the corresponding number was 76 (75).

RISKS AND UNCERTAINTIES

CTT is exposed to several risks that could significantly impact the Company's operations, earnings and financial position. The Company's risks are divided into strategic, operational and financial risks. One of these risks is currency. CTT is extremely dependent on the exchange rate of USD to SEK, as most of its revenues are in USD (as business in the aviation industry is priced in USD). CTT has a large proportion of costs in non-USD currencies, mainly SEK. A weakening in USD/SEK-rate has an adverse effect on earnings. For a more detailed description of this particular risk and others, refer to the Risk and Risk Management section on pages 62 - 66 of the Company's Annual Report 2022. No significant changes in material risks or uncertainties have arisen during the period. The high inflation and interest rate environment have had no material impact during the period.

SHAREHOLDERS

CTT's five largest shareholders as at 30/06/2023	Number of shares	Capital	Votes
Tomas Torlöf	1 678 336	13.4 %	13.4 %
SEB Funds	1 227 018	9.8 %	9.8 %
Collins Aerospace	1 133 154	9.0 %	9.0 %
ODIN Funds	970 000	7.7 %	7.7 %
Third Swedish National Pension Fund	559 036	4.8 %	4.8 %

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

RELATED PARTY TRANSACTIONS

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

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

ACCOUNTING AND VALUATION POLICIES

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

New and amended accounting policies 2023

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

FINANCIAL CALENDAR

Interim Report Q3 2023
Year-end Report 2023

27/10/2023 at 08:00 (CEST)
06/02/2024 at 08:00 (CET)

The Board of Directors and the Chief Executive Officer represent and warrant that this interim report provides a true and fair view of the Company's business operations, position and performance and describes the material risks and uncertainties facing the Company. This information is such as CTT Systems AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading (Market Abuse Penalties) Act. The information was submitted for publication at 8:00 (CEST) on 21 July 2023.

Nyköping, 20 July 2023

CTT Systems AB (publ.)

Tomas Torlöf

Chairman of the Board

Steven Buesing

Board Member

Annika Dalsvall

Board Member

Per Fyrenius

Board Member

Anna Carmo E Silva

Board Member

Björn Lenander

Board Member

Henrik Höjer

CEO

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

FURTHER INFORMATION

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Company reg. no.: 556430-7741

Website: www.ctt.se

CTT IN BRIEF

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

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

CTT SYSTEMS AB	2023	2022	2023	2022	2022
INCOME STATEMENT in brief (MSEK)	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating income					
Net sales	79.0	58.4	154.0	107.5	240.6
Change in stocks of work in progress and stocks of finished goods	0.8	0.1	-6.2	1.5	2.8
Own work capitalised	0.5	1.4	1.1	2.2	3.4
Other operating income	4.2	5.9	5.6	9.1	16.5
Total operating income	84.5	65.7	154.5	120.3	263.3
Operating expenses					
Raw materials and consumables	-15.1	-12.6	-29.8	-23.9	-49.4
Other external costs	-11.2	-8.0	-22.4	-16.5	-35.4
Employee benefit expense	-19.8	-19.0	-37.4	-35.8	-69.1
Depreciation and amortisation of property, plant and equipment and intangible assets	-2.2	-2.0	-5.2	-4.0	-7.9
Other operating expenses	-2.5	-0.7	-3.4	-2.6	-9.6
Total operating expenses	-50.8	-42.2	-98.1	-82.8	-171.5
Operating profit (EBIT)	33.7	23.5	56.4	37.5	91.8
Net gain/loss on financial items	-2.5	-4.4	-2.5	-6.4	-8.0
Profit before tax	31.2	19.1	53.9	31.1	83.8
Tax	-6.4	-3.9	-11.2	-6.4	-17.5
Profit (loss) this period	24.8	15.1	42.7	24.7	66.3
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	24.8	15.1	42.7	24.7	66.3
Earnings per share, SEK	1.98	1.21	3.41	1.97	5.29

CTT SYSTEMS AB	2023	2022	2022
BALANCE SHEET in brief (MSEK)	30 Jun	30 Jun	31 Dec
Assets			
Intangible assets	80.5	78.6	80.2
Property, plant and equipment	42.3	45.5	43.2
Financial assets	2.2	1.9	2.1
Other current assets	179.0	183.2	191.6
Cash at bank and in hand	62.1	14.7	60.1
Total assets	366.0	324.0	377.1
Equity and liabilities			
Equity	261.3	227.7	269.3
Provisions	3.0	4.2	3.4
Non-current liabilities, interest-bearing	44.3	43.3	43.9
Current liabilities, interest-bearing	1.6	1.5	1.6
Current liabilities, non-interest-bearing	55.8	47.2	59.0
Total equity and liabilities	366.0	324.0	377.1

CTT SYSTEMS AB	2023	2022	2022
CHANGE IN EQUITY in brief (MSEK)	Jan-Jun	Jan-Jun	Jan-Dec
Opening equity	269.3	212.9	212.9
Share dividend	-50.7	-9.9	-9.9
Profit (loss) this period	42.7	24.7	66.3
Closing equity	261.3	227.7	269.3

CTT SYSTEMS AB	2023	2022	2023	2022	2022
CASH FLOW ANALYSIS (MSEK)	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating activities					
Operating profit (EBIT)	33.7	23.5	56.4	37.5	91.8
<i>Adjustment for items not included in cash flow</i>					
Depreciation and amortisation	2.2	2.0	5.2	4.0	7.9
Other	-0.8	0.1	-0.5	0.2	-0.6
Financial receipts	0.5	-	0.8	0.2	0.5
Financial payments	-0.7	-0.2	-1.2	-0.5	-1.5
Tax paid	-4.6	-2.7	-16.5	-5.4	-5.2
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<i>Cash flow from operating activities before changes in working capital</i>	30.3	22.7	44.2	36.0	93.0
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<i>Cash flow from changes in working capital</i>					
Change in inventories	2.1	-1.8	5.3	-6.8	-16.0
Change in operating receivables	44.2	-19.3	16.5	-23.9	-17.3
Change in operating liabilities	-14.5	2.3	-7.6	7.2	1.5
<hr/>					
<i>Cash flow from changes in working capital</i>	31.9	-18.8	14.2	-23.5	-31.7
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Operating cash flow	62.2	4.0	58.4	12.5	61.2
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Investment activities					
Acquisition of intangible assets	-1.7	-2.2	-2.8	-3.8	-6.5
Acquisition of property, plant and equipment	-1.0	-0.2	-1.8	-0.4	-0.9
Acquisition of financial assets	0.0	-	-0.1	-	-0.2
Sale of property, plant and equipment	-	-	-	0.2	0.2
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Cash flow from investment activities	-2.7	-2.4	-4.7	-4.0	-7.3
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Financing activities					
Proceeds from borrowings	-	-	-	-	-
Repayments of borrowings	-0.4	-0.4	-0.8	-32.9	-33.7
Dividends paid	-50.7	-9.9	-50.7	-9.9	-9.9
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Cash flow from financing activities	-51.1	-10.3	-51.5	-42.8	-43.6
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Cash flow for the period	8.4	-8.7	2.2	-34.3	10.3
Cash and cash equivalents at the beginning of the period	53.8	23.6	60.1	49.3	49.3
Exchange gains/losses on cash and cash equivalents	-0.1	-0.2	-0.2	-0.3	0.5
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Cash and cash equivalents at the end of the period	62.1	14.7	62.1	14.7	60.1

CTT SYSTEMS AB KEY FIGURES – INDIVIDUAL QUARTERS	2023		2022				2021			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales & Financial result										
Net sales, MSEK	79.0	75.0	67.8	65.3	58.4	49.2	42.1	40.2	37.5	31.4
Operating profit (EBIT), MSEK	33.7	22.6	20.8	33.5	23.5	14.0	8.0	11.5	6.6	0.6
Operating margin, %	43	30	31	51	40	29	19	29	18	2
Profit margin, %	39	30	33	46	33	24	13	22	21	-13
Profit (loss) this period, MSEK	24.8	18.0	17.8	23.9	15.1	9.6	4.3	7.0	6.1	-3.2
Return on capital employed, %	11	7	7	12	9	5	3	4	2	0
Return on equity, %	9	6	7	10	7	4	2	3	3	-1
Return on total capital, %	8	6	6	9	6	4	2	3	3	-1
Share data										
Earnings per share, SEK	1.98	1.43	1.42	1.90	1.21	0.76	0.34	0.56	0.49	-0.26
Equity per share, SEK	20.85	22.93	21.49	20.07	18.17	17.75	16.99	16.65	16.09	17.34
Operating cash flow per share, SEK	4.96	-0.30	1.43	2.46	0.32	0.68	1.63	0.77	0.58	-0.55
Dividend per share, SEK	-	-	4.05	-	-	-	0.79	-	-	-
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	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	12 529
Market price at the close of the reporting period, SEK	212.00	194.40	213.50	199.00	198.00	191.60	216.50	210.00	216.50	153.60
Cash flow & Financial position										
Operating cash flow, MSEK	62.2	-3.8	17.9	30.8	4.0	8.6	20.4	9.6	7.2	-6.9
Quick ratio, %	274	274	267	267	239	228	305	323	320	304
Interest Coverage ratio, times	40	25	34	59	69	26	21	32	27	-7
Debt-equity ratio, times	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Equity ratio, %	71	71	71	71	70	71	65	65	66	66
Personnel & Investments										
Number of employees, (average for the period) ¹⁾	77	75	73	72	74	75	76	76	78	85
Income (valued at full year) per employee, MSEK	4.4	3.7	3.9	4.0	3.6	2.9	2.5	2.3	2.5	1.8
Investments, MSEK	2.7	2.0	1.1	2.3	2.4	1.8	2.3	1.2	2.4	2.7
FINANCIAL HIGHLIGHTS – ACCUMULATED										
	Q1-Q2		Q1-Q2				Q1-Q2			
Sales & Financial result										
Net sales, MSEK	154.0		107.5				68.9			
Operating profit (EBIT), MSEK	56.4		37.5				7.3			
Operating margin, %	37		35				11			
Profit margin, %	35		29				5			
Profit (loss) this period, MSEK	42.7		24.7				2.9			
Return on capital employed, %	18		13				3			
Return on equity, %	16		11				1			
Return on total capital, %	15		10				1			
Share data										
Earnings per share, SEK	3.41		1.97				0.23			
Operating cash flow per share, SEK	4.66		1.00				0.03			
Cash flow & Financial position										
Operating cash flow, MSEK	58.4		12.5				0.3			
Quick ratio, %	274		239				320			
Interest Coverage ratio, times	32		42				5			
Debt-equity ratio, times	0.2		0.2				0.3			
Equity ratio, %	71		70				66			
Personnel & Investments										
Number of employees, (average for the period) ¹⁾	76		75				82			
Income (valued at full year) per employee, MSEK	4.1		3.2				2.1			
Investments, MSEK	4.7		4.2				5.1			

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

CTT SYSTEMS AB	2023	2022	2021
RELEVANT RECONCILIATIONS OF KEY FIGURES (MSEK)	Q1-Q2	Q1-Q2	Q1-Q2
Operating margin			
Operating profit (EBIT)	56.4	37.5	7.3
/ Net sales	154.0	107.5	68.9
= Operating margin	37%	35%	11%
Profit margin			
Profit before tax	53.9	31.1	3.6
/ Net sales	154.0	107.5	68.9
= Profit margin	35%	29%	5%
Return on capital employed			
(Operating profit, EBIT)	56.4	37.5	7.3
+ Finance interest income)	0.8	0.2	0.0
/ Average capital employed			
Average total capital (total assets)	371.6	326.2	306.5
<i>Total capital at the beginning of the period</i>	<i>377.1</i>	<i>328.5</i>	<i>307.5</i>
<i>Total capital at the end of the period</i>	<i>366.0</i>	<i>324.0</i>	<i>305.5</i>
- Average non-interest-bearing liabilities including deferred taxes	-57.4	-43.5	-40.3
<i>Non-interest-bearing liabilities including deferred taxes, beginning of the period</i>	<i>-59.0</i>	<i>-39.7</i>	<i>-50.1</i>
<i>Non-interest-bearing liabilities including deferred taxes, end of the period</i>	<i>-55.8</i>	<i>-47.2</i>	<i>-30.4</i>
Total average capital employed	314.2	282.8	266.2
= Return on capital employed	18%	13%	3%
Return on equity			
Profit (loss) this period	42.7	24.7	2.9
/ Average equity	265.3	220.3	211.0
<i>Equity at the beginning of the period</i>	<i>269.3</i>	<i>212.9</i>	<i>220.5</i>
<i>Equity at the end of the period</i>	<i>261.3</i>	<i>227.7</i>	<i>201.6</i>
= Return on equity	16%	11%	1%
Return on total capital			
(Profit before tax	53.9	31.1	3.6
- Finance interest costs)	-1.8	-0.8	-0.8
/ Average total capital (for the calculation, see "Return on capital employed")	371.6	326.2	306.5
= Return on total capital	15%	10%	1%
Quick ratio			
(Current assets, i.e. other current assets plus cash & bank deposits	241.1	198.0	179.8
- Inventories	111.1	107.2	99.6
+ Granted unutilised line of credit)	27.1	25.6	21.5
/ Current liabilities	57.4	48.7	31.7
= Quick ratio	274%	239%	320%
Interest Coverage ratio			
(Profit before tax	53.9	31.1	3.6
- Finance interest costs)	-1.8	-0.8	-0.8
/ Finance interest costs	-1.8	-0.8	-0.8
= Interest Coverage ratio, times	32	42	5
Debt-equity ratio			
Interest-bearing liabilities i.e. total interest-bearing items on balance sheet's debt side	45.9	44.9	68.6
/ Equity	261.3	227.7	201.6
= Debt-equity ratio, times	0.2	0.2	0.3
Income per employee			
Operating income (calculated to full year)	309.0	240.6	170.3
/ Number of employees, (average for the period) ¹⁾	76	75	82
= Income per employee	4.1	3.2	2.1

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

DEFINITIONS OF KEY FIGURES¹⁾

RETURN ON EQUITY (ROE)

Profit for the period as % of average equity.

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

RETURN ON TOTAL CAPITAL (ROTC)

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

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

RETURN ON CAPITAL EMPLOYED (ROCE)

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

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

EQUITY PER SHARE

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

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

INCOME PER EMPLOYEE

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

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

CASH FLOW PER SHARE

Operating cash flow divided by the average number of shares.

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

QUICK RATIO

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

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

EARNINGS PER SHARE (EPS)

Financial measure (key figure) according to IFRS

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

INTEREST COVERAGE RATIO

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

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

OPERATING PROFIT (EBIT)

Operating profit before financial items and taxes.

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

OPERATING PROFIT EXCL. DEPRECIATION AND AMORTISATION (EBITDA)

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

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

OPERATING MARGIN

Operating profit (EBIT) as % of net sales.

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

DEBT-EQUITY RATIO

Interest-bearing liabilities divided by equity.

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

EQUITY RATIO

Equity as % of the total assets.

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

PROFIT MARGIN

Profit after financial items as % of net sales.

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

¹⁾ A description of industry/company-specific words can be found on page 98 of the Company's Annual Report for 2022.