

Q2 2023 | Interim report
January-June 2023

Strong increase in revenues and growing profitability

APRIL–JUNE 2023

- Revenues increased 44.4% to EUR 45.7 million (31.7)
- EBIT amounted to EUR 1.2 million (-0.9), corresponding to an EBIT-margin of 2.6% (-3.0%)
- Net result for the period was EUR -0.9 million (0.9)
- Operating cash flow amounted to EUR -4.6 million (2.2)
- Earnings per share basic and diluted amounted to EUR -0.009 (0.017)

JANUARY–JUNE 2023

- Order backlog decreased -8.2% to EUR 140.3 million (152.8)
- Revenues increased 44.3% to EUR 85.3 million (59.1)
- EBIT amounted to EUR 1.5 million (-2.4), corresponding to an EBIT-margin of 1.7% (-4.1%)
- Net result for the period was EUR -2.3 million (1.3)
- Operating cash flow amounted to EUR -7.5 million (2.1)
- Earnings per share basic and diluted amounted to EUR -0.022 (0.014)

Unless otherwise stated, figures in brackets refer to the same period in the preceding year.

Key events during the quarter

- Cavotec made a strategic decision to expand its operations in India to drive growth and support global sourcing.
- Cavotec won a major turnkey order for on-shore power worth approximately EUR 5 million.
- Joakim Wahlquist officially started as CFO as of 1 May 2023.
- Jörgen Ohlsson has been appointed Senior Vice President Global Operation and will be a member of the Cavotec Management Team starting from August 2023.
- At the end of the quarter Cavotec agreed with the lenders to a covenant waiver for the remainder of 2023.

FINANCIAL SUMMARY

EUR 000's	Q223	Q222	Delta	1H23	1H22	Delta	Dec 2022
Order backlog	140,257	152,794	-8.2%	140,257	152,794	-8.2%	147,207
Revenues	45,734	31,671	44.4%	85,261	59,078	44.3%	147,849
EBITDA	2,656	580	357.9%	4,648	724	542.0%	1,631
EBITDA margin, %	5.8%	1.8%	4.0 pp	5.5%	1.2%	4.3 pp	1.1%
EBIT	1,171	(942)	224.3%	1,477	(2,415)	161.2%	(4,506)
EBIT margin, %	2.6%	-3.0%	5.6 pp	1.7%	-4.1%	5.8 pp	-3.0%
Net profit/(loss) for the period	(932)	1,627	-157.3%	(2,276)	1,350	-268.7%	(3,170)
Operating Cash Flow	(4,572)	2,168	-310.9%	(7,494)	2,067	-462.6%	(5,485)
Full time equivalent employees	625	616	9	625	616	9	640
<i>The KPIs below includes discontinued operations *</i>							
Net profit/(loss) for the period	(932)	900	-203.6%	(2,276)	(3,307)	-31.2%	(14,692)
Basic and diluted earnings per share, EUR	(0.009)	0.009	-200.0%	(0.022)	(0.035)	-37.1%	(0.156)
Operating Cash Flow	(4,572)	(137)	3237.2%	(7,494)	(6,080)	23.3%	(20,993)
Net debt	(23,314)	(25,274)	-7.8%	(23,314)	(25,274)	-7.8%	(30,328)
Equity/assets ratio	34.7%	31.5%	3.2 pp	34.7%	31.5%	3.2 pp	26.2%
Leverage ratio	3.73x	6.46x	-2.7x	3.73x	6.46x	-2.7x	12.5x

* The income statement has been amended for the year 2022 to reflect discontinued operations in line with IFRS 5.

Please refer to page 11 and 12 for further segmental details

Comment from the CEO

Strong revenue and continued positive EBIT development



In the second quarter we reported revenues of EUR 45.7 million, an increase of 16% compared to the first quarter, and an increase of 44% compared to the same period last year. Revenues in Ports & Maritime increased by 65.3%, to EUR 28.8 million and revenues in Industry increased by 18.9%, to EUR 17.0 million compared to the same period last year.

Due to a combination of an uptick in deliveries and delays in order intake, our order backlog decreased to EUR 140.3 million, an -8% reduction compared to the same period last year. The slightly lower order intake is explained by delayed orders in our Ports & Maritime and Industry businesses with customers carefully evaluating the macroeconomic environment. During this and recent quarters, we have improved our delivery performance and lead-times. Our total installed base continues to grow and this provides considerable opportunities for our Services business which performed strongly in the second quarter.

Due to increased volume and improved profitability of new orders, we continued to build on the positive EBIT performance in the first quarter. EBIT in the second quarter amounted to EUR 1.2 million, corresponding to an EBIT improvement of EUR 0.9 million versus the first quarter of 2023 and EUR 2.1 million compared to the same period last year. We remain fully focused on deriving more profitability from our existing order book, while at the same time taking actions to win new orders with improved margins. We are starting to see the benefits and effects of the changes we have introduced, but there is still much we want to do. Further improvements to our profitability will come after we have delivered the portion of our Ports & Maritime orderbook which was booked before the global supply chain disruptions and emergence of inflationary pressure. It will still take some time for those orders to fully unwind due to long delivery schedules. However, we are actively identifying ways to offset higher costs with the introduction of cost optimization programs. Finally, similar to many companies, we were forced to increase our prices to counter the impact of higher costs. Our pricing now better reflects the value we deliver to our customers. These effects combined are set to contribute to a steady improvement in profitability throughout the year.

On the back of the above and encouraging EBIT improvement and revenue growth, we agreed at the end of the quarter with our lenders to a covenant waiver for the remainder of 2023.

We have recently developed a strategy focused on production and sourcing to ensure that Cavotec also in the future is well equipped to continue delivering high-quality products at competitive prices going forward.

On June 23rd Jörgen Ohlsson was appointed Senior Vice President Global Operations effective August 21st, 2023. With his strong track-record of driving transformation projects and implementing processes aimed at optimizing site production and global sourcing costs reduction programs, Jörgen is an ideal addition to the team. I have asked Jörgen to focus initially on setting up a global sourcing function with commodity managers to build an efficient and scalable supply chain organization across all Cavotec sites. I believe this will play a key role in building "One Cavotec" from an operations and procurement standpoint.

Furthermore, I am delighted to share the exciting news that Cavotec has decided to expand its operations into India by opening a new scalable facility, marking a pivotal step towards our vision of growth and customer-centricity. The expansion, which will not involve major investment, is required to fuel our growth, and will focus on serving our customers primarily located in India and Southeast Asia. By capitalizing on India's robust manufacturing capabilities and cost-effective resources, we expect to support all our operations globally with new and competitive suppliers from the region as well as enabling us to increase our overall capacity.

I have now completed my first year as Cavotec CEO, during these 12 months I have spent considerable time meeting our valued customers and partners and visiting our offices and operations around the world. My most important observation from this time is that demand for our solutions is strong. I am confident that we are well positioned to capture the technological shift to sustainable electrical solutions. I am also proud of the passion I have seen in our people, and of the work that has been put in to get Cavotec back on a profitable track. Most of all, I am excited at the prospect of what we are yet to achieve, and I am certain that Cavotec will continue to grow, and to grow profitably.

Stockholm, July 28, 2023

David Pagels
Chief Executive Officer

ORDER BACKLOG AND REVENUE

EUR 000s	Q223			Q222			1H23			1H22		
	Ports & Maritime	Industry	Total	Ports & Maritime	Industry	Total	Ports & Maritime	Industry	Total	Ports & Maritime	Industry	Total
Revenue from sales of goods and services	28,764	16,970	45,734	17,398	14,273	31,671	52,400	32,861	85,261	29,748	29,330	59,078
Increase/(decrease)	11,366	2,697	14,063	(4,394)	(1,480)	(5,874)	22,652	3,531	26,183	(243)	(4,184)	(3,941)
Percentage change	65.3%	18.9%	44.4%	33.8%	11.5%	22.8%	76.1%	12.0%	44.3%	-0.81%	16.6%	7.2%
Of which												
- Volumes and prices	66.3%	19.9%	45.4%	34.8%	12.5%	20.0%	77.8%	14.6%	46.4%	-4.3%	14.8%	4.5%
- Currency effects	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	2.8%	-1.7%	-2.6%	-2.1%	3.5%	1.8%	2.7%

DIVISIONS

Revenue

EUR 000s	Q223	Q222	Change %	1H23	1H22	Change %	LTM Rolling	FY22	Change %
Ports & Maritime	28,764	17,398	65.3%	52,400	29,748	76.1%	110,911	88,259	25.7%
Industry	16,970	14,273	18.9%	32,861	29,330	12.0%	63,121	59,590	5.9%
Total	45,734	31,671	44.4%	85,261	59,078	44.3%	174,032	147,849	17.7%

Order Backlog

EUR 000s	1H23	1H22	Change %	Q123	Change %	FY22	Change %
Ports & Maritime	108,755	121,963	-10.8%	120,357	-9.6%	116,916	-7.0%
Industry	31,502	30,831	2.2%	29,264	7.6%	30,291	4.0%
Total	140,257	152,794	-8.2%	149,621	-6.3%	147,207	-4.7%

Financial Review

APRIL-JUNE 2023

Starting January 2023, Cavotec SA reports its business in two segments: Ports & Maritime and Industry.

Revenue and Order Backlog

Order backlog decreased -6.3% compared to Q123 to EUR 140.3 million. Revenue increased 44.4% to EUR 45.7 million (31.7) and an increase of 15.7% compared to Q123 (39.5).

Operating Result (EBIT)

EBIT amounted to EUR 1.2 million (-0.9), corresponding to an EBIT margin of 2.6% (-3.0%).

We aim to improve profitability from existing orders, while winning new orders at better margins. We see benefits from recent changes, but more improvements are planned.

Despite a number of challenges, our profitability is set to improve as we fulfill orders that were placed prior to recent market disruption. We started offsetting the higher costs through cost optimization and price adjustments, resulting in profitable growth.

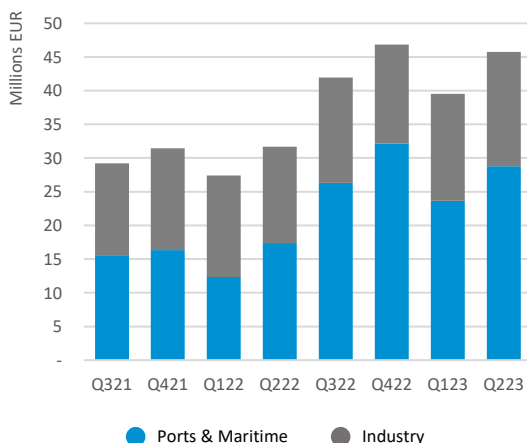
Profit for the period and earnings per share

Finance costs amounted to EUR -0.8 million (-0.4). Currency exchange differences amounted to EUR 0.1 million (3.3). Income tax expenses for the quarter amounted to EUR -1.4 million (-0.3). Net result for the period was EUR -0.9 million (1.6). Earnings per share basic and diluted amounted to EUR -0.009 (0.017).

Cash flow

Operating cash flow amounted to EUR -4.6 million (2.2) in the quarter. Inventory levels at the end of Q2 decreased by -0.9 million (6.9) compared to the end of Q123. Receivables and contract assets decreased EUR -1.2 million (0.9), due to improved collections. Payables and contract liabilities decreased by -6.2 million (11.9). Investing activities amounted to a cash outflow of EUR -0.2 million (0.1), mainly due to investments in properties, plants, and equipment. Cash flow from financing activities was EUR -3.8 million (2.5), mainly due to the repayment of the revolving credit facility and lease payments. Cash and cash equivalents amounted to EUR 8.7 million as of 30 June 2023 (10.0).

Quarterly Revenues Cavotec



JANUARY-JUNE 2023

Revenue and Order Backlog

Order backlog decreased -4.7% compared to December 2022. Revenue increased 44.3% to EUR 85.3 million (59.1).

Operating Result (EBIT)

EBIT amounted to EUR 1.5 million (-2.4), corresponding to an EBIT margin of 1.7% (-4.1%). Over the first six months, profitability was influenced by a combination of factors. In the beginning of the year, we faced margin challenges due to unforeseen supply chain disruptions and cost increases stemming from past orders with low pricing. During the second quarter new orders with better margins and cost optimization programs led to increased profitability.

Employees

The number of full-time equivalent employees in Cavotec was 625 as of 30 June 2023 (616).

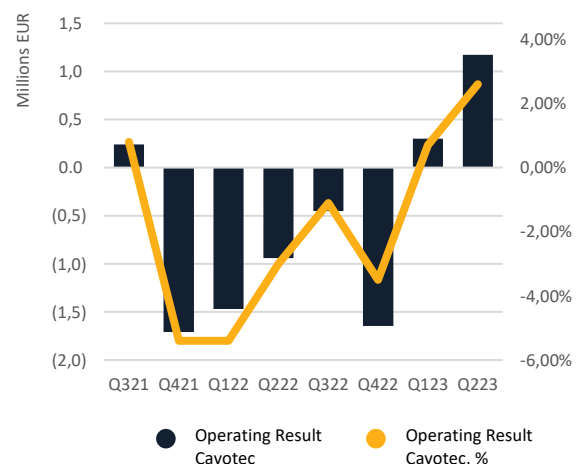
Profit for the period and earnings per share

Finance costs amounted to EUR -1.8 million (-0.5). Currency exchange differences amounted to EUR 0.1 million (4.4). Income tax expenses for the quarter amounted to EUR -2.0 million (-0.1). Net result for the period was EUR -2.3 million (1.3). Earnings per share basic and diluted amounted to EUR -0.022 (0.014).

Cash flow

Operating cash flow amounted to EUR -7.5 million (2.1) in 1H23. Inventory levels at the end of 1H23 increased by 0.4 million (11.3) compared to the end of last year. Receivables and contract assets decreased EUR -5.1 million (-2.9), due to improved collections. Payables and contract liabilities decreased by -12.7 million (15.3). Investing activities amounted to a cash outflow of EUR -0.3 million (-0.5), mainly due to investments in properties, plants, and equipment. Cash flow from financing activities was EUR 6.4 million (5.8), mainly due to the equity increase, partially offset by repayment of the revolving credit facility and lease payments.

Quarterly Operating Result Cavotec



Ports & Maritime

Ports & Maritime’s order backlog decreased by -9.6% compared to the previous quarter and by -10.8% compared to the same period last year, to EUR 108.8 million. The decrease was due to the combination of higher revenues and timing delays on key orders.

Interest in Cavotec solutions continues to be strong and to grow, particularly in the shore power market, both for shore-side solutions and vessel retrofits, and due to the close collaboration with crane OEMs for motorized cable reels.

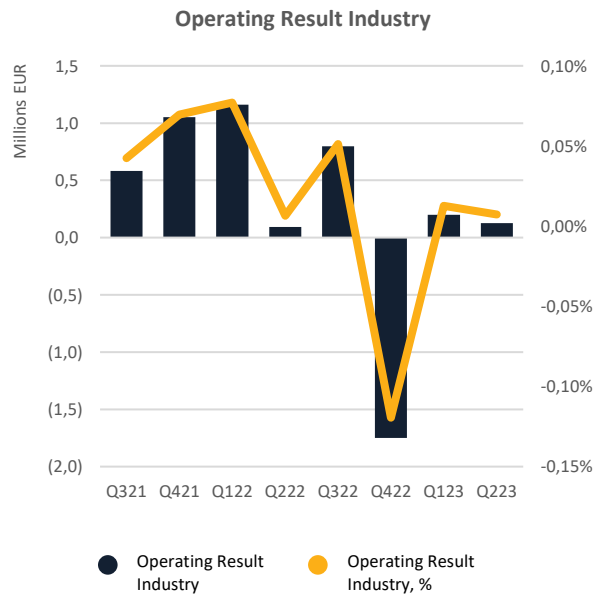
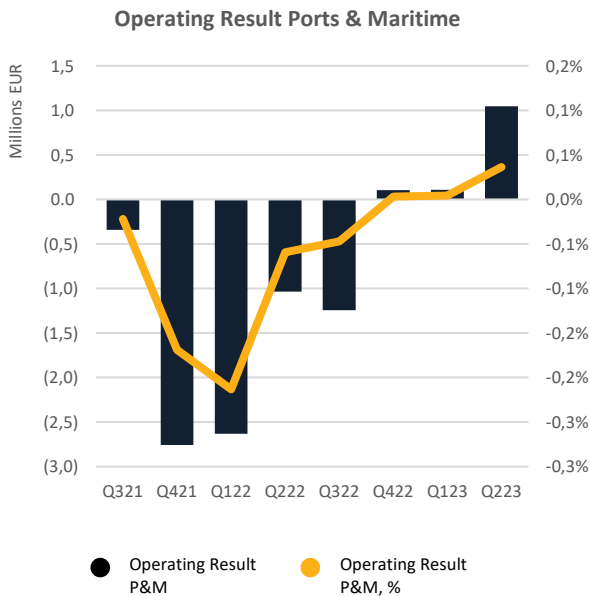
Cavotec registered an increasingly high level of activity from customers in the European Union looking to prepare their ports in advance of regulatory changes. A growing number of port authorities, terminal operators, and shipping lines around the world are investing in shore power to increase the sustainability of their operations, even without facing regulatory pressure to do so.

In the quarter, revenues increased by 65.3% compared to the same quarter last year, to EUR 28.8 million (17.4 million). Compared to the same half year, revenues increased by 76.1 % to EUR 52.4 million (29.7 million). This increase was mainly driven by deliveries of On-Ship Shore Power products from our factory in China and On-Shore Shore Power, MoorMaster and motorized cable reel deliveries from Italy, as well as a strong performance by the Services business.

Industry

Industry’s order backlog increased by 7.6% compared to the previous quarter to EUR 31.5 million and increased by 2.2% compared to the same period in the previous year (EUR 30.8 million). This increase was mainly due to growth in project orders received for motorized cable reel solutions, particularly in the EMEA region.

Revenues increased 18.9% to EUR 17.0 million compared to the same quarter last year (EUR 14.3 million). Compared to the same half year, revenues increased by 12.0% to 32.9 million (29.3 million). Revenue growth came mainly from deliveries of motorized cable reel systems and spring reels and collectors, especially in EMEA and the Americas.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 000s	Unaudited three months 30 Jun, 2023	Unaudited three months 30 Jun, 2022*	Unaudited six months 30 Jun, 2023	Unaudited six months 30 Jun, 2022	Audited year 31 Dec, 2022
Revenue from sales of goods and services	45,734	31,671	85,261	59,078	147,849
Other income	681	587	1,094	1,100	1,776
Cost of materials	(25,194)	(16,579)	(46,774)	(30,582)	(80,911)
Employee benefit costs	(13,239)	(10,783)	(25,266)	(21,590)	(47,807)
Operating expenses	(5,326)	(4,315)	(9,667)	(7,282)	(19,276)
Gross Operating Result	2,656	580	4,648	724	1,631
Depreciation and amortisation	(668)	(769)	(1,574)	(1,548)	(2,906)
Depreciation of right-of-use of leased asset	(817)	(753)	(1,597)	(1,590)	(3,222)
Impairment losses	-	-	-	-	(9)
Operating Result	1,171	(942)	1,477	(2,415)	(4,506)
Interest income	10	-	7	-	108
Interest expenses	(807)	(438)	(1,844)	(514)	(1,354)
Currency exchange differences – net	72	3,324	113	4,390	5,471
Other financial item	(18)	-	(32)	-	-
Profit / (loss) before income tax	428	1,944	(279)	1,462	(281)
Income taxes	(1,360)	(317)	(1,997)	(113)	(2,890)
Profit / (loss) for the period, continuing operations	(932)	1,627	(2,276)	1,350	(3,170)
Profit / (loss) for the period, discontinued operations	-	(727)	-	(4,657)	(11,522)
Profit / (loss) for the period	(932)	900	(2,276)	(3,307)	(14,692)
Other comprehensive income:					
Remeasurements of post-employment benefit obligations continued operations	(1)	(14)	3	12	507
Remeasurements of post-employment benefit obligations discontinued operations	-	(11)	-	(16)	193
Items that will not be reclassified to profit or loss	(1)	(25)	3	(4)	700
Currency translation differences	(881)	(3,026)	(1,410)	(3,567)	(8,364)
Currency translation differences of discontinued operations	-	(629)	-	(768)	(155)
Items that may be subsequently reclassified to profit / (loss)	(881)	(3,655)	(1,410)	(4,334)	(8,519)
Other comprehensive income for the period, net of tax	(882)	(3,680)	(1,407)	(4,338)	(7,819)
Total comprehensive income for the period	(1,814)	(2,779)	(3,683)	(7,645)	(22,511)
Total comprehensive income attributable to:					
Equity holders of the Group	(1,814)	(2,779)	(3,683)	(7,645)	(22,511)
Non-controlling interest	-	1	-	(2)	(29)
Total	(1,814)	(2,778)	(3,683)	(7,643)	(22,540)
Profit / (loss) attributed to:					
Equity holders of the Group continued operations	(932)	1,627	(2,276)	1,350	(3,170)
Equity holders of the Group discontinued operations	-	(727)	-	(4,657)	(11,522)
Total	(932)	900	(2,276)	(3,307)	(14,692)
Basic and diluted earnings per share from continuing operations attributed to the equity holders of the Group	(0.009)	0.017	(0.022)	0.014	(0.034)
Basic and diluted earnings per share from discontinued operations attributed to the equity holders of the Group	-	(0.008)	-	(0.049)	(0.122)
Basic and diluted earnings per share attributed to the equity holders of the Group	(0.009)	0.009	(0.022)	(0.035)	(0.156)
Average number of shares	108,633,137	94,243,200	103,404,324	94,243,200	94,243,200

CONSOLIDATED BALANCE SHEET

EUR 000s	Unaudited 30 Jun, 2023	Unaudited 30 Jun, 2022	Audited 31 Dec, 2022
Assets			
Current assets			
Cash and cash equivalents	8,664	10,032	9,625
Trade receivables	27,926	23,239	33,315
Contract assets	1,750	670	1,171
Tax assets	3,566	2,150	6,399
Other current receivables	8,027	4,762	6,256
Inventories	42,766	42,211	43,002
Assets held for sale	2,084	28,689	2,320
Total current assets	94,783	111,754	102,088
Non-current assets			
Property, plant and equipment	5,313	6,385	5,941
Right-of-use of leased assets	11,965	13,648	13,213
Intangible assets	38,182	39,094	38,920
Non-current financial assets	155	38	106
Deferred tax assets	6,269	9,154	6,201
Other non-current receivables	1,085	7,740	1,215
Total non-current assets	62,969	76,059	65,597
Total assets	157,752	187,813	167,685
Equity and Liabilities			
Current liabilities			
Current financial liabilities	-	(3,827)	(4,914)
Current lease liabilities	(2,605)	(2,709)	(2,687)
Trade payables	(29,805)	(46,716)	(36,126)
Contract liabilities	(21,792)	(8,238)	(28,125)
Tax liabilities	(2,230)	(737)	(3,101)
Provision for risk and charges, current	(2,161)	(2,660)	(2,032)
Other current liabilities	(12,513)	(8,061)	(11,906)
Liabilities directly associated with assets classified as held for sale	-	(16,948)	-
Total current liabilities	(71,106)	(89,896)	(88,891)
Non-current liabilities			
Non-current financial liabilities	(19,302)	(17,030)	(21,172)
Non-current lease liabilities	(9,374)	(10,780)	(10,353)
Deferred tax liabilities	(1,129)	(2,234)	(1,100)
Other non-current liabilities	(174)	(59)	(461)
Provision for risk and charges, non-current	(1,427)	(7,360)	(1,357)
Employee benefit obligation	(541)	(1,294)	(501)
Total non-current liabilities	(31,947)	(38,756)	(34,944)
Total liabilities	(103,053)	(128,652)	(123,835)
Equity			
Share Capital	(54,131)	(100,169)	(45,288)
Reserves	(55,914)	(646)	(51,633)
Retained earnings	55,346	41,685	53,071
Equity attributable to owners of the parent	(54,699)	(59,130)	(43,850)
Non-controlling interests	-	(31)	-
Total equity	(54,699)	(59,161)	(43,850)
Total equity and liabilities	(157,752)	(187,813)	(167,685)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 000s	Share Capital	Reserves	Retained earnings	Equity related to owners of the parent	Non-controlling interest	Total equity
Unaudited						
Balance as at 1 January 2022	(100,169)	(4,833)	38,379	(66,623)	(29)	(66,652)
(Profit) / Loss for the period	-	-	3,307	3,307	-	3,307
Currency translation differences	-	4,334	-	4,334	(2)	4,334
Remeasurements of post-employment benefit obligations	-	4	-	4	-	4
Total comprehensive income and expenses	-	4,338	3,307	7,645	(2)	7,643
Employees share scheme	-	(152)	-	(152)	-	(152)
Transactions with shareholders	-	(152)	-	(152)	-	(152)
Balance as at 30 June 2022	(100,169)	(647)	41,686	(59,130)	(31)	(59,161)
Audited						
Balance as at 1 January 2022	(100,169)	(4,833)	38,379	(66,623)	(29)	(66,652)
(Profit) / Loss for the period	-	-	14,692	14,692	29	14,721
Currency translation differences	-	8,519	-	8,519	-	8,519
Remeasurements of post-employment benefit obligations	-	(700)	-	(700)	-	(700)
Total comprehensive income and expenses	-	7,819	14,692	22,511	29	22,540
Employees share scheme	-	262	-	262	-	262
Share Premium Reserve	54,881	(54,881)	-	-	-	-
Transactions with shareholders	54,881	(54,619)	-	262	-	262
Balance as at 31 December 2022	(45,288)	(51,633)	53,071	(43,850)	-	(43,850)
Unaudited						
Balance as at 1 January 2023	(45,288)	(51,633)	53,071	(43,850)	-	(43,850)
(Profit) / Loss for the period	-	-	2,276	2,276	-	2,276
Currency translation differences	-	1,410	-	1,410	-	1,410
Remeasurements of post-employment benefit obligations	-	(3)	-	(3)	-	(3)
Total comprehensive income and expenses	-	1,407	2,276	3,683	-	3,683
Employees share scheme	-	(93)	-	(93)	-	(93)
Capital increase	(8,843)	-	-	(8,843)	-	(8,843)
Share Premium Reserve	-	(5,595)	-	(5,595)	-	(5,595)
Transactions with shareholders	(8,843)	(5,688)	-	(14,531)	-	(14,531)
Balance as at 30 June 2023	(54,131)	(55,914)	55,346	(54,699)	-	(54,699)

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 000s	Unaudited three months 30 Jun, 2023	Unaudited three months 30 Jun, 2022	Unaudited six months 30 Jun, 2023	Unaudited six months 30 Jun, 2022	Audited year 31 Dec, 2022
Profit / (loss) for the period	(932)	900	(2,276)	(3,307)	(14,692)
Loss from discontinued operations, net of income taxes	-	(727)	-	(4,657)	(11,522)
Adjustments for:					
Net interest expenses	798	438	1,837	513	1,246
Current taxes	1,513	509	2,025	879	2,709
Depreciation and amortization	668	733	1,574	1,478	2,906
Depreciation of right-of-use of leased assets	817	753	1,597	1,590	3,222
Impairment losses	-	36	-	71	9
Deferred tax	(153)	(192)	(28)	(766)	181
Provision for risks and charges	210	686	429	707	(827)
Capital (gain) or loss on assets	-	(3)	2	(4)	-
Other items not involving cash flows	(1,850)	(3,634)	(1,749)	(4,597)	(4,907)
Interest paid	(619)	(42)	(1,736)	(111)	(945)
Taxes (paid) / received	(1,240)	(1,100)	(63)	(2,509)	(6,225)
	144	(1,816)	3,888	(2,750)	(2,631)
Cash flow before changes in working capital	(788)	(189)	1,612	(1,400)	(5,802)
Impact of changes in working capital:					
Inventories	980	(6,881)	(436)	(11,251)	(12,960)
Trade receivables and contract assets	1,173	(920)	5,060	2,885	(8,784)
Other current receivables	(504)	(987)	(1,772)	(1,546)	(2,613)
Trade payables and contract liabilities	(6,219)	11,890	(12,655)	15,265	23,161
Other current liabilities	785	(745)	696	(1,886)	1,513
Impact of changes involving working capital	(3,783)	2,357	(9,106)	3,467	317
Net cash inflow / (outflow) from operating activities from continued operations	(4,572)	2,168	(7,494)	2,067	(5,485)
Net cash inflow / (outflow) from operating activities from discontinued operations	-	(2,305)	-	(8,147)	(15,508)
Net cash inflow / (outflow) from operating activities	(4,572)	(137)	(7,494)	(6,080)	(20,993)
Financial activities:					
Increase of equity capital	-	-	14,438	-	-
Net changes in loans and borrowings	(2,649)	3,659	(6,618)	7,354	12,257
Repayment of lease liabilities	(1,154)	(1,214)	(1,451)	(1,572)	(3,073)
Net cash inflow / (outflow) from financial activities from continued operations	(3,803)	2,445	6,369	5,782	9,184
Net cash inflow / (outflow) from financial activities from discontinued operations	-	(388)	-	(754)	(907)
Net cash inflow / (outflow) from financial activities	(3,803)	2,057	6,369	5,028	8,277
Investing activities:					
Investments in property, plant and equipment	(178)	(276)	(276)	(389)	(1,183)
Investments in intangible assets	-	(381)	(2)	(883)	(1,399)
(Increase)/Decrease of non-current financial asset	(51)	(5)	(51)	(18)	(50)
Disposal of assets	-	811	-	812	1,142
Net cash inflow / (outflow) from investing activities from continued operations	(229)	149	(329)	(478)	(1,490)
Net cash inflow / (outflow) from investing activities from discontinued operations	-	2	-	(9)	9,679
Net cash inflow / (outflow) from investing activities	(229)	152	(329)	(487)	8,189
Cash at the beginning of the period	16,543	8,669	9,625	12,230	12,230
Cash flow for the period from continued operations	(8,604)	4,772	(1,454)	7,380	2,209
Cash flow for the period from discontinued operations	-	(2,700)	-	(8,919)	(6,736)
Cash flow for the period	(8,603)	2,072	(1,454)	(1,539)	(4,527)
Currency exchange differences	725	(709)	493	(659)	1,922
Cash at the end of the period	8,664	10,032	8,664	10,032	9,625

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The group derives revenue from the transfer of goods and services over time and at a point in time in the following Divisions and geographical regions.

30 June 2023 EUR 000s	Ports & Maritime	Industry	Total
Revenue from external customer			
<i>Timing of revenue recognition</i>			
At a point in time	52,325	32,861	85,186
Over time	75	-	75
Total	52,400	32,861	85,261

30 June 2022 EUR 000s	Ports & Maritime	Industry	Total
Revenue from external customer			
<i>Timing of revenue recognition</i>			
At a point in time	33,068	29,330	62,398
Over time	(3,320)	-	(3,320)
Total	29,748	29,330	59,078

31 December 2022 EUR 000s	Ports & Maritime	Industry	Total
Revenue from external customer			
<i>Timing of revenue recognition</i>			
At a point in time	85,855	59,590	145,445
Over time	2,404	-	2,404
Total	88,259	59,590	147,849

30 June 2023 EUR 000s	AMER	EMEA	APAC	Total
Ports & Maritime	7,628	21,663	23,109	52,400
Industry	2,605	23,232	7,024	32,861
Total	10,233	44,895	30,133	85,261

30 June 2022 EUR 000s	AMER	EMEA	APAC	Total
Ports & Maritime	3,780	10,913	15,125	29,748
Industry	1,891	21,076	6,363	29,330
Total	5,601	31,989	21,488	59,078

31 December 2022 EUR 000s	AMER	EMEA	APAC	Total
Ports & Maritime	8,621	40,616	39,022	88,259
Industry	4,040	41,602	13,948	59,590
Total	12,661	82,218	52,970	147,849

SEGMENT INFORMATION

EUR 000s	Ports & Maritime	Industry	Other reconciling items	Total
Unaudited				
Three months ended 30 June 2023				
Revenue from sales of goods and services	28,764	16,970	-	45,734
Other income	473	209	-	681
Cost of materials and operating expenses before depreciation and amortization	(26,459)	(16,001)	(1,299)	(43,759)
Gross Operating Result (EBITDA)	2,777	1,178	(1,299)	2,656
Unaudited				
Three months ended 30 June 2022				
Revenue from sales of goods and services	17,398	14,273	-	31,671
Other income	414	173	-	587
Cost of materials and operating expenses before depreciation and amortization	(17,406)	(12,994)	(1,278)	(31,678)
Gross Operating Result (EBITDA)	406	1,453	(1,278)	580
Unaudited				
Six months ended 30 June 2023				
Revenue from sales of goods and services	52,400	32,861	-	85,261
Other income	628	467	-	1,094
Cost of materials and operating expenses before depreciation and amortization	(48,352)	(30,858)	(2,497)	(81,707)
Gross Operating Result (EBITDA)	4,675	2,470	(2,497)	4,648
Unaudited				
Six months ended 30 June 2022				
Revenue from sales of goods and services	29,748	29,330	-	59,078
Other income	689	411	-	1,100
Cost of materials and operating expenses before depreciation and amortization	(31,120)	(25,721)	(2,613)	(59,455)
Gross Operating Result (EBITDA)	(683)	4,020	(2,613)	724
Audited				
Year ended 31 December 2022				
Revenue from sales of goods and services	88,259	59,590	-	147,849
Other income	830	946	-	1,776
Cost of materials and operating expenses before depreciation and amortization	(89,026)	(54,294)	(4,673)	(147,994)
Gross Operating Result (EBITDA)	61	6,243	(4,673)	1,631

PARENT COMPANY – CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CAVOTEC SA EUR 000s	Unaudited three months 30 Jun, 2023	Unaudited three months 30 Jun, 2022	Unaudited six months 30 Jun, 2023	Unaudited six months 30 Jun, 2022	Audited year 31 Dec, 2022
Dividend		-		-	-
Other income	1,508	524	2,060	1,092	1,104
Employee benefit costs	(261)	(228)	(612)	(413)	(1,481)
Operating expenses	(760)	(1,411)	(1,395)	(1,998)	(7,393)
Operating Result	487	(1,115)	55	(1,319)	(7,770)
Interest expenses – net	(355)	(92)	(997)	(103)	(319)
Currency exchange differences – net	27	(14)	83	(18)	(29)
Other financial items	(18)	-	(37)	-	-
Write down on investments	-	-	-	-	3,776
Profit / (Loss) for the period	143	(1,221)	(898)	(1,439)	(4,342)
Income taxes	(5)	(1)	(6)	(8)	(87)
Profit / (Loss) for the period	138	(1,222)	(904)	(1,447)	(4,429)
Other comprehensive income:					
Actuarial gain (loss)	-	-	-	-	(22)
Total comprehensive income for the period	138	(1,222)	(904)	(1,447)	(4,451)

PARENT COMPANY – CONDENSED BALANCE SHEET

CAVOTEC SA EUR 000s	Unaudited six months 30 Jun, 2023	Unaudited six months 30 Jun, 2022	Audited 31 Dec, 2022
Assets			
Current assets			
Cash and cash equivalents	(681)	(203)	166
Trade receivables	1,794	294	1,136
Tax assets	20	66	85
Other current receivables	1,829	1,442	13,664
Total current assets	2,962	1,599	15,051
Non-current assets:			
Investment in subsidiary companies	93,365	91,106	93,365
Deferred tax assets	68	76	68
Total non-current assets	93,433	91,183	93,433
Total assets	96,395	92,782	108,484
Equity and Liabilities			
Current liabilities			
Bank overdraft	-	(27,019)	(1,081)
Current financial liabilities	-	(2,955)	(2,955)
Trade payables	(1,669)	(1,396)	(3,647)
Other current liabilities	(8,649)	(49)	(16,669)
Total current liabilities	(10,318)	(31,420)	(24,352)
Non-current liabilities:			
Provision for risks and charges – non-current	-	(88)	-
Long-term financial debt	(30,599)	(18,000)	(42,045)
Other non-current liabilities	(18)	(39)	(14)
Total non-current liabilities	(30,617)	(18,126)	(42,059)
Total liabilities	(40,935)	(49,547)	(66,411)
Total equity	(55,460)	(43,234)	(42,073)
Total equity and liabilities	(96,395)	(92,782)	(108,484)

General information

Cavotec is a leading cleantech company that designs and delivers connection and electrification solutions to enable the decarbonization of ports and industrial applications worldwide. Backed by more than 40 years of experience, our systems ensure safe, efficient, and sustainable operations for a wide variety of customers and applications worldwide. Our credibility comes from our application expertise, dedication to innovation and world class operations. Our success rests on the core values we live by: Integrity, Accountability, Performance and Teamwork. Cavotec's personnel represent many cultures and provide customers with local support, backed by the Group's global network of engineering expertise. Cavotec SA, the Parent company, is a limited liability company incorporated and domiciled in Switzerland and listed on Nasdaq Stockholm Mid Cap.

These unaudited Financial Statements have been approved by the Board of Directors for publication on 27 July 2023.

Basis of preparation of Financial Statements

This quarterly report was prepared in accordance with IFRS, applying IAS 34 Interim Financial Reporting. The same accounting and valuation policies were applied in the most recent annual report. The amendments to the standards that became applicable for the current reporting period did not have an impact on Cavotec accounts. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended in December 2022. The preparation of quarterly financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

Segment information

Operating segments have been determined based on the Group Management structure in place and on the management information and used by the Chief Operating Decision Maker (CODM) to make strategic decisions. On July 29, 2022, Cavotec completed the divestment of its Airports business. As a result of the divestment process, the Group has changed the organizational structure and reporting to the CODM. The Segment information presented in Q223 report reflects the two new operating segments:

Ports & Maritime – development, manufacture and service of innovative automation and electrification technologies for the global ports and maritime sectors

Industry – development, manufacture and service of electrification and radio control products for industrial applications, such as cranes, energy, processing and transportation, mining, and tunnelling.

Noteworthy risks and uncertainties

Cavotec's significant risks and uncertainties are divided into three categories, market, credit, and liquidity risks. In these categories, there are both risks due to political and macroeconomic trends and specific risks directly linked to business carried out by the Group. Market risk includes currency and interest rate risk. Credit risk includes the risk of managing our customers and other receivables while liquidity risk includes the management of cash in a diverse, global group.

Key events during the quarter

Cavotec made a strategic decision to expand its operations in India to drive growth and support global sourcing. Cavotec won a major turnkey order for on-shore power worth approximately EUR 5 million. Joakim Wahlquist officially started as CFO as of 1 May 2023. Jörgen Ohlsson has been appointed Senior Vice President Global Operation and will be a member of the Cavotec Management Team starting from August 2023. At the end of the quarter Cavotec agreed with the lenders to a covenant waiver for the remainder of 2023.

Key events after the quarter

There were no key events after the end of the quarter.

Forward looking statement

Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialisation and technological difficulties, interruptions in supply, and major customer credit losses.

Financial calendar

November 10, 2023: Q323 Report
February 23, 2023: Q423 Report

Webcast

A webcast - in English – will be held on 28 July 2023 at 10:00 CEST. CEO David Pagels and CFO Joakim Wahlquist will present the Quarterly Report.

If you wish to participate via webcast, please use the link below. Via the webcast you may submit written questions.

<https://ir.financialhearings.com/cavotec-q2-2023>

If you wish to participate via teleconference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=2001423>

Quarterly Reports on www.cavotec.com

The full report for the period January-June 2023 and previous quarterly and full year reports are available at: <http://ir.cavotec.com/financial-reports>

Analysts & Media

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This is information that Cavotec SA is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:00 CEST on 28 July 2023.

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