

Q4 2022 | Interim report
January-December 2022

Good increase in revenues however an EBIT loss of EUR -1.6 million

On February 22, 2022, Cavotec signed an agreement to divest 100% of the Airports business to US based investment company Fernweh Group. On July 29, 2022, Cavotec completed the divestment of the Airports business. As a result of the divestment, the Airports business is reported as a discontinued operation.

OCTOBER–DECEMBER 2022 NEW CAVOTEC (EXCL. DISCONTINUED)

- Order backlog increased 48.9% compared to Q421 to EUR 147.2 million (98.9)
- Revenues increased 49.0% to EUR 46.8 million (31.4)
- EBIT EUR -1.6 million (-1.7), corresponding to a margin of -3.5% (-5.4 %)

JANUARY–DECEMBER 2022 NEW CAVOTEC (EXCL. DISCONTINUED)

- Revenues increased 27.7% to EUR 147.8 million (115.8)
- EBIT EUR -4.5 million (-0.7), corresponding to a margin of -3.0% (-0.6%)

OCTOBER–DECEMBER 2022 TOTAL (INCL. DISCONTINUED)

- Net result for the group was EUR -7.8 million (-36.4), of which EUR -1.2 million attributable to the discontinued operations of the Airports business

JANUARY–DECEMBER 2022 TOTAL (INCL. DISCONTINUED)

- Net result for the group was EUR -14.1 million (-37.1), of which EUR -11.0 million attributable to the discontinued operations of the Airports business
- Net debt amounted to EUR 30.3 million (Q322: 23.9)

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

Key events during the quarter

- Cavotec won a major order to equip one of the World's busiest cruise terminals, Port of Miami, with mobile Shore Power units worth approximately EUR 6 million.
- Signed one of the largest service orders in Cavotec's history, for refurbishment of MoorMaster units installed at a large container port in the Middle East.
- Considering the impact of the completion of the sale of the Airports business, the lenders agreed to waive compliance with the financial covenants of the Credit Facility Agreement for the testing period ending on September 30, 2022, and December 31, 2022. The loans are reclassified as long-term as of December 31, 2022.

Key events after the quarter

- In February 2023, Cavotec agreed with its lenders to amend the terms of the CFA with improvements in the conditions for the remainder of the term of the facility, which expires in mid 2025.

FINANCIAL SUMMARY

EUR 000's	Q422	Q421	Delta	FY22	FY21	Delta
Order backlog New Cavotec	147,207	98,893	48.9%	147,207	98,893	48.9%
Revenues New Cavotec	46,819	31,427	49.0%	147,849	115,794	27.7%
EBITDA New Cavotec	(89)	27	-429.6%	1,631	5,717	-71.5%
EBITDA New Cavotec margin, %	-0.0%	0.0%	-0.0 pp	1.1%	4.9%	-3.8 pp
EBIT New Cavotec	(1,646)	(1,705)	-3.5%	(4,506)	(747)	-503.2%
EBIT New Cavotec margin, %	-3.5%	-5.4%	-1.9 pp	-3.0%	-0.6%	-2.4 pp
Net profit/(loss) for the period discontinued operations	(1,219)	(32,761)	-96.3%	(10,971)	(35,890)	-69.4%
Net profit/(loss) for the period Group	(7,839)	(36,439)	-78.5%	(14,142)	(37,101)	-61.9%
Basic and diluted earnings per share Group, EUR	(0.083)	(0.387)	-78.6%	(0.150)	(0.394)	-62.0%
Operating Cash Flow New Cavotec	(2,848)	4,427	-164.3%	(5,485)	8,654	-163.4%
Operating cash flow Group	(5,604)	5,799	-196.6%	(20,993)	(687)	-2,955.7%
Net debt	(30,328)	(19,630)	54.5%	(30,328)	(19,630)	54.5%
Equity/assets ratio	26.4%	38.1%	-11.7 pp	26.4%	38.1%	-11.7 pp
Leverage ratio	12.5x	3.20x	-9.3x	12.5x	3.20x	-9.3x
Full time equivalent employees at period end	640	603	37	640	603	37

Please refer to page 12 for further segmental details and page 14 for Airports (discontinued operations) details.

Comment from the CEO

Focus for the coming year is on long term profitability



In the fourth quarter, order backlog and revenues in New Cavotec increased 49% compared to last year. This is a fantastic achievement by all our employees who work hard to sell, serve and deliver to our customers! Whilst we have demonstrated that we can deliver revenues at a much higher level than before, our focus is now on generating satisfactory profitability.

The order backlog in the end of the quarter was EUR 147.2 million, seven million lower than in Q3, due to strong revenue growth in the quarter. Most of the order intake was from Ports & Maritime customers, across our product range. In Q4 we secured a major order to equip one of the World's busiest cruise terminals (Port of Miami) with mobile Shore Power units worth approximately EUR 6 million. We also won an order for a MoorMaster installation in a ferry terminal in Australia.

The strength of our MoorMaster offer was also demonstrated by signing a refurbishment program for an installation at a large container port in the Middle East. This reaffirms the long-term relationship we can build with our customers, and it is also one of the largest service orders in our history.

I am pleased that we showed a strong quarter in revenue for the Ports & Maritime business, which was mainly driven by high deliveries of on ship shore power products from our facility in Shanghai and MoorMaster from our facility in Milan. In 2022 we have seen a strong order intake in Ports & Maritime, which means we go into 2023 with a strong order book, including more than 500 PowerAMPReels, as well as a significant amount PowerFit units.

Our Industry business continued to develop well. We secured important orders within the mining sector during the quarter and the business has since 2019, i.e., before the pandemic, shown a strong and stable growth. Going forward, we see strong continuing demand for our equipment in underground mining across all geographies. In the after-market demand was strongest within the mining industry in Australia and in ports and maritime and the radio business the US.

Profitability in New Cavotec continued to be unsatisfactory. EBIT amounted to EUR -1.6 million in Q4. The negative result is mainly explained by low margins in certain orders that were delivered during the quarter. Although we have improved the pricing in new orders, longer lead times mean that we have not yet seen the positive impact of that action in our margins. We will increase our supply chain focus to diversify our supply base and bring down our cost of material. During the quarter, we have also completed our localization transition for PowerAMPReels to Shanghai to reduce both cost and lead time.

Our levels of inventory and receivables were higher than previous quarters, resulting in a negative cashflow. This is a natural consequence of the high growth in deliveries and revenue generated.

During the quarter, I have continued to visit customers and attend events, such as BAUMA in Munich, where we received a high level of interest arising from many new potential customers during the launch of our 3 MW MCS connector. There is a strong drive in the construction and mining industry to reduce emissions by shifting from fossil fuels to electrification of heavy vehicles and equipment.

I have also continued to visit our sites and meet face to face with our employees to better understand their local markets and requirements. Making visits to our customers, together with our local teams, gives me valuable insights on how we can improve our product offering and truly build long-term customer relationships.

Looking ahead, we are well positioned on a market at which we see strong demand for our products. We have this quarter proven that we can deliver high revenues. Now we must also turn Cavotec into a profitable organization. I am convinced that we can, and we will, play a vital role in the technological shift to a more sustainable world.

Stockholm, February 22, 2023

David Pagels
Chief Executive Officer

ORDER BACKLOG AND REVENUE

EUR 000s	Q422			Q421			FY22			FY21		
	New Cavotec	Airports	Total	New Cavotec	Airports	Total	New Cavotec	Airports	Total	New Cavotec	Airports	Total
Revenue from sales of goods and services	46,819	-	46,819	31,427	13,450	44,877	147,849	18,895	166,744	115,794	39,784	155,578
Increase/(decrease)	15,392	-13,450	1,942	1,619	3,009	4,628	32,055	(20,889)	11,166	452	(3,311)	(2,859)
Percentage change	49.0%	-100%	4.3%	5.4%	28.8%	11.5%	27.7%	-52.5%	7.2%	0.4%	-7.7%	-1.8%
Of which												
- Volumes and prices	47.6%	-	2.9%	4.2%	27.2%	10.1%	25.1%	-59.9%	3.3%	-0.5%	-6.6%	-2.2%
- Currency effects	1.4%	-	1.4%	1.2%	1.6%	1.4%	2.6%	7.4%	3.9%	0.9%	-1.1%	0.4%

DIVISIONS

EUR 000s	Revenue					
	Q422	Q421	Change %	FY22	FY21	Change %
New Cavotec	46,819	31,427	49.0%	147,849	115,794	27.7%
Airports	-	13,450	-100%	18,895	39,784	-52.5%
Total	46,819	44,877	4.3%	166,744	155,578	7.2%

Order Backlog

EUR 000s	FY22	FY21	Change %	9M22	Change %
New Cavotec	147,207	98,893	48.9%	153,865	-4.3%
Total	147,207	98,893	48.9%	153,865	-4.3%

Financial Review

OCTOBER-DECEMBER 2022

On July 29, 2022, Cavotec completed the divestment of its Airports business. As a result of the divestment, Cavotec reports its Ports & Maritime and Industry businesses combined under the name New Cavotec, while the Airports business is reported as a discontinued operation.

New Cavotec

Revenue and Order Backlog

New Cavotec's order backlog increased 48.9% compared to Q421 to EUR 147.2 million. The increase was mainly driven by strong order intake for Shore Power orders in USA (on shore installation for Port of Miami) and Korean shipyards (on ship installation for new build vessels).

Revenue increased 49.0% to EUR 46.8 million (31.4). Ports & Maritime deliveries showed the strongest increase, especially from our factories in China and Italy. In China, we achieved record deliveries of PowerAMPReels and PowerFits. Revenue growth was dampened within Industry due to continued disturbance in the supply chain in Germany and Italy.

Several new services contracts were signed, including the refurbishment of Moormaster units at three berths in a major container terminal in the Middle East.

Operating Result (EBIT)

EBIT amounted to EUR -1.6 million (-1.7), corresponding to an EBIT margin of -3.5% (-5.4%), impacted by several factors like the investment in the growth of the organization. In addition, the delivery of a higher proportion of products with lower margins had a negative impact on the EBIT margin.

Employees

The number of full-time equivalent employees in Cavotec was 640 as of 31 December 2022 (603).

Total

Operating Result (EBIT)

EBIT decreased to EUR -2.7 million (-33.8), corresponding to a margin of -5.8% (-75.4%). EBIT for the Group was mainly impacted by the poor performance of Airports of EUR -1.1 million (-32.1) due to the loss arising from the divestment.

Profit for the period and earnings per share

Finance costs amounted to EUR -0.2 million (-0.5).

Currency exchange differences amounted to EUR -3.5 million (1.4). Income tax expenses for the quarter amounted to EUR -1.5 million (-3.5).

Net result for the period was EUR -7.8 million (-36.4).

Earnings per share basic and diluted amounted to EUR -0.083 (-0.387).

Cash flow

Operating cash flow amounted to EUR -5.6 million (5.8) in the quarter. Inventory levels at the end of Q4 decreased by -0.9 million (-0.9) compared to the end of Q3. Receivables increased EUR 5.9 million (12.5), due to the strong increase of revenue. Furthermore, cash flow in the quarter was boosted by advance payments from customers, leading to an increase of payables of 5.4 million (8.4).

Investing activities amounted to a cash outflow of EUR -2.9 million (-1.6), mainly due to investments in property, plant, and equipment as well as R&D investments in New Cavotec products.

Cash flow from financing activities was EUR 5.6 million (-1.4), mainly due to utilization of the revolving credit facility, partially offset by repayment of lease liabilities. Cash and cash equivalents amounted to EUR 9.6 million as of 31 December 2022 (12.2).

JANUARY–DECEMBER 2022

New Cavotec

Revenues

Revenues increased 27.7% to EUR 147.8 million (115.8).

Throughout the year we experience strong demand for On-Ship Shore Power products like PowerAMPReels, primarily for new build container vessels and, to a lesser extent PowerFits, for existing vessels in the Ports & Maritime Division. For industrial customers, motorized reels and spring reels remain a significant portion of the volume. EMEA continues to be the largest region, followed by China and North America.

Operating Result (EBIT)

EBIT amounted to EUR -4.5 million (-0.7), corresponding to an EBIT margin of -3.0% (-0.6%), mainly affected by investments for growth in the Ports & Maritime, as well as the Service Business. This is mainly due to the increase in headcount since the beginning of 2021. Increasing costs of materials and components, supply chain challenges and one-off costs led to a temporary decrease of profitability.

Total

Profit for the period and earnings per share

Net result for the group was EUR -14.1 million (-37.1) of which EUR -11.0 million (-35.9) attributable to the discontinued operations.

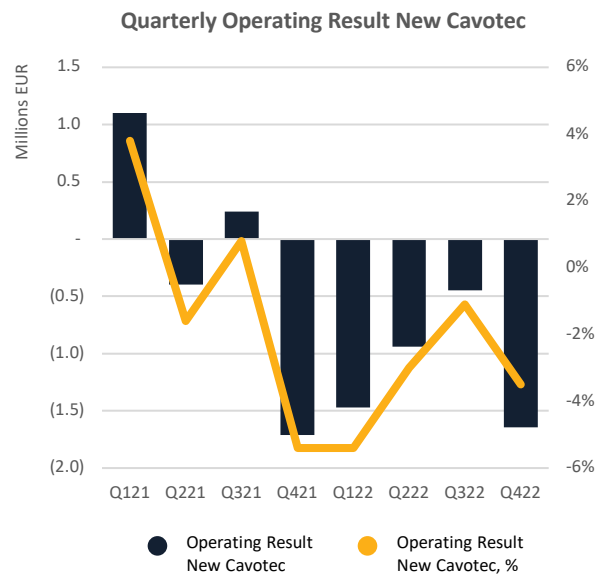
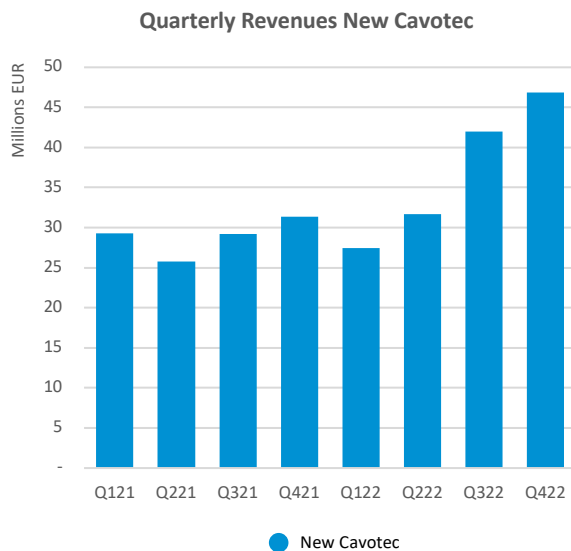
Earnings per share basic and diluted amounted to EUR -0.15, (-0.394).

Operating cash flow amounted to EUR -21.0 million (-0.7).

Financial Position

During the quarter, the lenders have waived the covenants for Q3 2022 and Q4 2022. EUR 22 million of long-term loans were classified as non-current as per 31 December 2022. Net debt amounted to EUR 30.3 million (19.6).

Cavotec’s total assets amounted to EUR 168.2 million (175.0) as of 31 December 2022.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 000s	Unaudited three months 31 Dec, 2022	Unaudited three months 31 Dec, 2021*	Unaudited year 31 Dec, 2022	Audited year 31 Dec, 2021
Revenue from sales of goods and services	46,819	31,427	147,849	115,794
Other income	192	400	1,776	2,276
Cost of materials	(26,840)	(16,472)	(80,911)	(58,593)
Employee benefit costs	(13,296)	(10,383)	(47,807)	(38,570)
Operating expenses	(6,964)	(4,945)	(19,276)	(15,190)
Gross Operating Result	(89)	27	1,631	5,717
Depreciation and amortisation	(525)	(772)	(2,906)	(3,222)
Depreciation of right-of-use of leased asset	(805)	(778)	(3,222)	(3,068)
Impairment losses	(228)	(184)	(9)	(174)
Operating Result	(1,646)	(1,705)	(4,506)	(747)
Interest income	108	122	108	153
Interest expenses	(306)	(74)	(1,354)	(285)
Currency exchange differences – net	(3,465)	897	5,471	3,632
Other financial items	-	(30)	-	(30)
Profit / (loss) before income tax	(5,309)	(790)	(281)	2,723
Income taxes	(1,311)	(2,888)	(2,890)	(3,934)
Profit / (loss) for the period, continuing operations	(6,620)	(3,678)	(3,171)	(1,211)
Profit / (loss) for the period, discontinued operations	(1,219)	(32,761)	(10,971)	(35,890)
Profit / (loss) for the period	(7,839)	(36,439)	(14,142)	(37,101)
Other comprehensive income:				
Remeasurements of post employment benefit obligations continued operations	514	280	507	282
Remeasurements of post employment benefit obligations discontinued operations	214	33	193	22
Items that will not be reclassified to profit or loss	728	313	700	304
Currency translation differences	1,370	(318)	(8,364)	(1,098)
Currency translation differences of discontinued operations	-	(85)	(155)	(507)
Items that may be subsequently reclassified to profit / (loss)	1,370	(403)	(8,519)	(2,415)
Other comprehensive income for the period, net of tax	2,098	(90)	(7,819)	(2,111)
Total comprehensive income for the period	(5,775)	(36,529)	(21,936)	(39,212)
Total comprehensive income attributable to:				
Equity holders of the Group	(5,741)	(36,528)	(21,961)	(39,214)
Non-controlling interest	(34)	(1)	(29)	2
Total	(5,775)	(36,529)	(21,990)	(39,212)
Profit / (loss) attributed to:				
Equity holders of the Group continued operations	(6,620)	(3,678)	(3,171)	(1,211)
Equity holders of the Group discontinued operations	(1,219)	(32,761)	(10,971)	(35,890)
Total	(7,839)	(36,439)	(14,142)	(37,101)
Basic and diluted earnings per share from continuing operations attributed to the equity holders of the Group	(0.070)	(0.039)	(0.034)	(0.013)
Basic and diluted earnings per share from discontinued operations attributed to the equity holders of the Group	(0.013)	(0.348)	(0.116)	(0.381)
Basic and diluted earnings per share attributed to the equity holders of the Group	(0.083)	(0.387)	(0.150)	(0.394)
Average number of shares	94,243,200	94,243,200	94,243,200	94,243,200

* The comparative has been restated in accordance with IFRS5

CONSOLIDATED BALANCE SHEET

EUR 000s	Unaudited 31 Dec, 2022	Audited 31 Dec, 2021
Assets		
Current assets		
Cash and cash equivalents	9,625	12,230
Trade receivables	33,315	23,967
Contract assets	1,171	2,509
Tax assets	6,399	2,736
Other current receivables	6,256	3,651
Inventories	43,002	29,835
Assets held for sale	2,320	24,147
Total current assets	102,088	99,075
Non-current assets		
Property, plant and equipment	5,941	7,426
Right-of-use of leased assets	13,213	14,394
Intangible assets	38,920	38,188
Non-current financial assets	106	55
Deferred tax assets	6,752	8,629
Other non-current receivables	1,215	7,249
Total non-current assets	66,147	75,941
Total assets	168,235	175,016
Equity and Liabilities		
Current liabilities		
Current financial liabilities	(4,914)	(4,124)
Current lease liabilities	(2,687)	(2,850)
Trade payables *	(36,126)	(25,818)
Contract liabilities *	(28,125)	(12,965)
Tax liabilities	(3,101)	(2,953)
Provision for risk and charges, current	(2,032)	(2,866)
Other current liabilities	(11,906)	(9,703)
Liabilities directly associated with assets classified as held for sale	-	(15,897)
Total current liabilities	(88,891)	(77,176)
Non-current liabilities		
Non-current financial liabilities	(21,172)	(9,196)
Non-current lease liabilities	(10,353)	(11,425)
Deferred tax liabilities	(1,100)	(2,130)
Other non-current liabilities	(461)	(63)
Provision for risk and charges, non-current	(1,357)	(7,100)
Employee benefit obligation	(501)	(1,274)
Total non-current liabilities	(34,944)	(31,188)
Total liabilities	(123,835)	(108,364)
Equity		
Share Capital	(45,288)	(100,169)
Reserves	(51,633)	(4,833)
Retained earnings	52,521	38,379
Equity attributable to owners of the parent	(44,400)	(66,623)
Non-controlling interests	-	(29)
Total equity	(44,400)	(66,652)
Total equity and liabilities	(168,235)	(175,016)

* Comparative figures have been reclassified to conform to changes in presentation in the current year.

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
Audited						
Balance as at 1 January 2021	(100,169)	(7,074)	1,278	(105,965)	(27)	(105,992)
(Profit) / Loss for the period	-	-	37,101	37,101	-	37,101
Currency translation differences	-	2,417	-	2,417	(2)	2,415
Remeasurements of post employment benefit obligations	-	(304)	-	(304)	-	(304)
Total comprehensive income and expenses	-	2,113	37,101	39,214	(2)	39,212
Employees share scheme	-	128	-	128	-	128
Transactions with shareholders	-	128	-	128	-	128
Balance as at 31 December 2021	(100,169)	(4,833)	38,379	(66,623)	(29)	(66,652)
Unaudited						
Balance as at 1 January 2022	(100,169)	(4,833)	38,379	(66,623)	(29)	(66,652)
(Profit) / Loss for the period	-	-	14,142	14,142	29	14,171
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	14,142	21,961	29	21,990
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)	52,521	(44,400)	-	(44,400)

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 000s	Unaudited three months 31 Dec, 2022	Unaudited three months 31 Dec, 2021*	Unaudited year 31 Dec, 2022	Audited year 31 Dec, 2021*
Profit / (loss) for the period	(6,620)	(36,439)	(3,171)	(37,101)
Adjustment to reconcile net income to cash flow from operating activities – continued operations: Loss from discontinued operations, net of income taxes	(1,219)	(32,761)	(10,971)	(35,890)
Adjustments for:				
Net interest expenses	198	(48)	1,246	132
Current taxes	1,202	757	2,709	2,905
Depreciation and amortization	525	772	2,906	3,222
Depreciation of right-of-use of leased assets	805	778	3,222	3,068
Impairment losses	228	184	9	174
Deferred tax	(47)	2,130	181	1,029
Provision for risks and charges	(1,228)	(586)	(827)	(319)
Capital (gain) or loss on assets	22	(27)	-	(817)
Other items not involving cash flows	3,619	(1,022)	(4,907)	(3,413)
Interest paid	(133)	225	(945)	176
Taxes (paid) / received	(2,792)	(145)	(6,225)	213
	2,399	3,018	(2,631)	6,370
Cash flow before changes in working capital	(4,221)	(660)	(5,802)	5,159
Impact of changes in working capital:				
Inventories	(910)	(922)	(12,960)	(3,633)
Trade receivables and contract assets	(5,984)	(12,517)	(8,784)	(11,492)
Other current receivables	(1,279)	8,671	(2,613)	(241)
Trade payables and contract liabilities	7,969	8,445	23,161	16,698
Other current liabilities	1,575	1,410	1,513	2,163
Long term receivable	-	-	-	-
Impact of changes involving working capital	1,371	5,087	317	3,495
Net cash inflow / (outflow) from operating activities from continued operations	(2,850)	4,427	(5,485)	8,654
Net cash inflow / (outflow) from operating activities from discontinued operations	(2,756)	1,372	(15,508)	(9,341)
Net cash inflow / (outflow) from operating activities	(5,606)	5,799	(20,993)	(687)
Financial activities:				
Net changes in loans and borrowings	6,715	(335)	12,257	(1,218)
Repayment of lease liabilities	(1,084)	(1,112)	(3,073)	(2,857)
Net cash inflow / (outflow) from financial activities from continued operations	5,630	(1,447)	9,184	(4,075)
Net cash inflow / (outflow) from financial activities from discontinued operations	-	(358)	(907)	(1,375)
Net cash inflow / (outflow) from financial activities	5,630	(1,805)	8,277	(5,450)
Investing activities:				
Investments in property, plant and equipment	(589)	(316)	(1,183)	(665)
Investments in intangible assets	(255)	(1,276)	(1,399)	(3,158)
(Increase)/Decrease of non current financial asset	(31)	10	(50)	10
Disposal of assets	311	55	1,142	1,155
Net cash inflow / (outflow) from investing activities from continued operations	(564)	(1,527)	(1,490)	(2,658)
Net cash inflow / (outflow) from investing activities from discontinued operations	(2,359)	(62)	9,679	(144)
Net cash inflow / (outflow) from investing activities	(2,923)	(1,589)	8,189	(2,802)
Cash at the beginning of the period	8,995	9,106	12,230	19,151
Cash flow for the period from continued operations	2,217	1,453	2,209	1,921
Cash flow for the period from discontinued operations	(5,115)	952	(6,736)	(10,860)
Cash flow for the period	(2,898)	2,405	(4,527)	(8,939)
Currency exchange differences	3,528	719	1,922	2,018
Cash at the end of the period	9,625	12,230	9,625	12,230

* The comparative has been restated in accordance with IFRS5

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.

31 December 2022			
EUR 000s	New Cavotec	Airports	Total
Revenue from external customer			
<i>Timing of revenue recognition</i>			
At a point in time	145,445	18,613	164,058
Over time	2,404	282	2,686
Total	147,849	18,895	166,744

31 December 2021			
EUR 000s	New Cavotec	Airports	Total
Revenue from external customer			
<i>Timing of revenue recognition</i>			
At a point in time	104,923	35,829	140,752
Over time	10,871	3,955	14,826
Total	115,794	39,784	155,578

31 December 2022				
EUR 000s	AMER	EMEA	APAC	Total
Revenue from geographical regions				
New Cavotec	12,661	82,218	52,970	147,849
Airports	8,713	8,759	1,423	18,895
Total	21,374	90,976	54,394	166,744

31 December 2021				
EUR 000s	AMER	EMEA	APAC	Total
Revenue from geographical regions				
New Cavotec	10,348	68,891	36,555	115,794
Airports	16,321	19,646	3,817	39,784
Total	26,669	88,537	40,372	155,578

SEGMENT INFORMATION

EUR 000s	New Cavotec	Airports	Other reconciling items	Total
Unaudited				
Three months ended 31 December 2022				
Revenue from sales of goods and services	46,819	-		46,819
Other income	192	-		192
Cost of materials and operating expenses before depreciation and amortization	(46,387)	-	(713)	(47,100)
Gross Operating Result (EBITDA)	624	-	(713)	(89)
Unaudited				
Three months ended 31 December 2021				
Revenue from sales of goods and services	31,427	13,450	-	44,877
Other income	400	370	-	770
Cost of materials and operating expenses before depreciation and amortization	(30,783)	(12,556)	(1,017)	(44,356)
Gross Operating Result (EBITDA)	1,044	1,264	(1,017)	1,291
Audited				
Year ended 31 December 2022				
Revenue from sales of goods and services	147,849	18,895	-	166,744
Other income	1,776	783	-	2,559
Cost of materials and operating expenses before depreciation and amortization	(143,321)	(27,279)	(4,673)	(175,273)
Gross Operating Result (EBITDA)	6,304	(7,601)	(4,673)	(5,970)
Audited				
Year ended 31 December 2021				
Revenue from sales of goods and services	115,794	39,784	-	155,578
Other income	2,276	1,593	-	3,869
Cost of materials and operating expenses before depreciation and amortization	(107,813)	(41,759)	(4,540)	(154,111)
Gross Operating Result (EBITDA)	10,257	(382)	(4,540)	5,335

PARENT COMPANY – CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CAVOTEC SA EUR 000s	Unaudited three months 31 Dec, 2022	Unaudited three months 31 Dec, 2021	Unaudited year 31 Dec, 2022	Audited year 31 Dec, 2021
Dividend	-	480	-	480
Other income	(462)	(471)	1,104	1,192
Employee benefit costs	538	90	(1,481)	(331)
Operating expenses	(1,960)	(340)	(7,393)	(1,310)
Operating Result	(1,884)	(241)	(7,770)	31
Interest expenses – net	(206)	(11)	(319)	(41)
Currency exchange differences – net	8	(13)	(29)	(16)
Write down on investments	3,776	(43,941)	3,776	(43,941)
Profit / (Loss) for the period	1,694	(44,206)	(4,342)	(43,967)
Income taxes	(78)	-	(87)	(9)
Profit / (Loss) for the period	1,616	(44,206)	(4,429)	(43,976)
Other comprehensive income:				
Actuarial gain (loss)	(22)	7	(22)	7
Total comprehensive income for the period	1,594	(44,199)	(4,451)	(43,969)

PARENT COMPANY – CONDENSED BALANCE SHEET

CAVOTEC SA EUR 000s	Unaudited 31 Dec, 2022	Audited 31 Dec, 2021
Assets		
Current assets		
Cash and cash equivalents	166	52
Trade receivables	1,136	930
Tax assets	85	19
Other current receivables	13,664	(2)
Total current assets	15,051	999
Non-current assets		
Investment in subsidiary companies	93,365	93,365
Deferred tax assets	-	76
Other non-current financial liabilities	68	-
Total non-current assets	93,433	93,441
Total assets	108,484	94,440
Equity and Liabilities		
Current liabilities		
Bank overdraft	(1,081)	(33,934)
Current financial liabilities	(2,955)	(2,955)
Trade payables	(3,647)	(508)
Other current liabilities	(16,669)	(123)
Total current liabilities	(24,352)	(37,520)
Non-current liabilities		
Provision for risks and charges – non current	-	(88)
Long-term financial debt	(42,045)	(10,000)
Other non-current liabilities	(14)	(45)
Total non-current liabilities	(42,059)	(10,133)
Total liabilities	(66,411)	(47,653)
Total equity	(42,073)	(46,787)
Total equity and liabilities	(108,484)	(94,440)

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 21 February 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 2021. 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.

Discontinued Operations

In the Consolidated Statements of Income and of Cash Flows, discontinued operations are reported separately from continuing operations; prior periods are presented on a comparable basis. The completion of the transaction occurred 29 July 2022. Proceeds received based on the estimated closing balance sheet was EUR 13.1 million, of which EUR 2.4 million were paid back to the buyer during Q4 2022 based on the final closing balance sheet. All assets and liabilities of the discontinued business have been taken out of Cavotec group balance sheet.

<i>Income Statement</i>	Unaudited period 31-Dec-22	Unaudited period 31-Dec-21
EUR 000s		
Revenue from sales of goods and services	18,895	39,784
Other income	783	1,593
Expenses	(26,867)	(44,050)
CTA	(155)	-
Loss on the spin off	(2,646)	(32,789)
Loss from discontinued operations before income taxes	(9,991)	(35,462)
Income taxes	(981)	(428)
Loss from discontinued operations	(10,971)	(35,890)

<i>Cashflow</i>	Unaudited period 31-Dec-22	Unaudited period 31-Dec-21
EUR 000s		
Net cash Inflow/(outflow) from operating activities	(15,508)	(9,341)
Net cash Inflow/(outflow) from financing activities	(907)	(1,375)
Net cash Inflow/(outflow) from investing activities	9,679	(144)
Cash flow for the period	(6,736)	(10,860)

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 5 March 2021, the Group announced that it would initiate a process to divest the 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 Q422 report reflects the two new operating segments:

New Cavotec - development and manufacture of innovative automation and electrification technologies for the global ports and maritime sectors and development and manufacture of electrification and radio control products for industrial applications, such as cranes, energy, processing and transportation, mining, and tunnelling.

Airports - development and manufacture of fully integrated gate and remote apron solutions for airports.

Legal disputes

In June 2021, Cavotec settled a class action legal suit in the USA for an amount equivalent to EUR 0.7 million. The class action relates to employment matters. The settlement was approved by the court at the end of July 2022 and paid in full in August 2022.

Sale of Property

The sale of a building in Italy was finalized in April. The net proceeds amounted to EUR 0.8 million.

Sanctions

Following the evolution of the situation in Ukraine the Group has performed a preliminary assessment of its exposure in the region. The group has a very limited exposure to the region and foresees no material impact on the 2023 performance. The Group is carefully monitoring the evolution of the situation, having a specific focus on the sanctions, that have been and will be imposed.

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 won a major order to equip one of the World's busiest cruise terminals, Port of Miami, with mobile Shore Power units worth approximately EUR 6 million.

Cavotec signed one of the largest service orders in Cavotec's history, for refurbishment of MoorMaster units installed at a large container port in the Middle East.

EUR 16 million of long-term loans were reclassified as current as per 30 September 2022. During the quarter, the lenders have waived the covenants for Q3 and Q4 2022, the loans are reclassified as long-term as at 31 December 2022.

Key events after the quarter

In February 2023, Cavotec agreed with its lenders to amend the terms of the Credit Facility Agreement with improvements in the conditions for the remainder of the term of the facility, which expires in mid 2025.

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

April 27, 2023: Annual Report 2022, Q123 Report
 June 1, 2023 : Annual General Meeting
 July 28, 2023: Q223 Report
 November 10, 2023: Q323 Report
 February 23, 2023: Q423 Report

Quarterly Reports on www.cavotec.com

The full report for the period January-December 2022 and previous quarterly

and full year reports are available at:
<http://ir.cavotec.com/financial-reports>

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