

Q4 2020 | Interim report January-December 2020



Resilient profitability and record cashflow despite lower revenue

OCTOBER – DECEMBER 2020

- Revenue decreased -15.7% to EUR 40.3 million (47.8). Ports & Maritime decreased -20.8% and Airports & Industry decreased -11.3%
- EBIT excluding non-recurring items decreased to EUR 1.0 million (5.6), corresponding to a margin of 2.5% (11.8%)
- Non-recurring items include investment expenditure related to future growth for EUR 1.9 million.
- Net result for the period was EUR -4.7 million (1.8)
- Earnings per share basic and diluted amounted to EUR -0.050 (0.019)
- Operating cash flow amounted to EUR 9.6 million (9.0)
- Net debt amounted to EUR 15.3 million (Q3 2020: 19.0)
- Order backlog decreased -7.2% compared to the previous quarter to EUR 85.0 million

JANUARY–DECEMBER 2020

- Revenue decreased -19.2% to EUR 158.4 million (196.0)
- EBIT excluding non-recurring items decreased to EUR 5.4 million (15.7), corresponding to a margin of 3.4% (8.0%)
- Non-recurring items include investment expenditure related to future growth for EUR 1.9 million.
- Net result for the period was EUR -4.0 million (7.5)
- Earnings per share basic and diluted amounted to EUR -0.042 (0.080)
- Operating cash flow amounted to EUR 15.7 million (13.8)
- Leverage ratio stable at 0.98x (0.98x)

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

Key events during the quarter

- Cavotec to open a new innovation center focusing on profitable sustainability solutions for maritime customers
- Cavotec's port E-truck charging won the American Association of Port Authorities 2020 Facilities Engineering Award
- Cavotec launched next generation MoorMaster™ (NxG)
- Cavotec receives first order for MoorMaster™ NxG from ASKO Norway for world's first fully autonomous, zero-emission ships
- Cavotec receives follow-up order from ASKO for fully Automated Shore Power solution
- Cavotec secured second order for MoorMaster™ NxG from SeaRoad of Australia to expand port capacity
- Cavotec wins additional MoorMaster™ order from Napier Port to expand port capacity
- Cavotec wins gate refurbishment orders for two airports in the US

Key events after the quarter

- Cavotec secures Shore Power order for new Mediterranean cruise terminal
- Cavotec secures long term services contract for a large MoorMaster™ system at an iron ore port
- Cavotec secures long term services contract for several MoorMaster™ systems at a container terminal

FINANCIAL SUMMARY

EUR 000's	Quarter			YTD		
	Q420	Q419	Delta	FY20	FY19	Delta
Revenue	40,250	47,773	-15.7%	158,437	196,017	-19.2%
EBITDA excluding non – recurring items	4,218	8,072	-47.7%	15,377	24,840	-38.1%
EBITDA excluding non – recurring items %	10.5%	16.9%	-6.4 pp	9.7%	12.7%	-3.0 pp
EBITDA	2,365	7,746	-69.5%	13,524	21,465	-37.0%
EBITDA margin, %	5.9%	16.2%	-10.3 pp	8.5%	11.0%	-2.5 pp
EBIT excluding non – recurring items	999	5,632	-82.3%	5,359	15,688	-65.8%
EBIT excluding non – recurring items %	2.5%	11.8%	-9.3 pp	3.4%	8.0%	-4.6 pp
EBIT	(854)	5,306	-116.1%	3,506	12,312	-71.5%
EBIT margin, %	-2.1%	11.1%	-13.2 pp	2.2%	6.3%	-4.1 pp
Net profit/(loss) for the period	(4,717)	1,795	-362.8%	(3,992)	7,514	-153.1%
Basic and diluted earnings per share, EUR	(0.050)	0.019	-363.2%	(0.042)	0.080	-152.5%
Operating cash flow	9,644	8,988	7.3%	15,708	13,774	14.0%
Net debt	(15,264)	(24,113)	-36.7%	(15,264)	(24,113)	-36.7%
Equity/assets ratio	52.8%	51.4%	1.4 pp	52.8%	51.4%	1.4 pp
Leverage ratio	0.98x	0.98x	-0.0x	0.98x	0.98x	-0.0x
Full time equivalent employees	747	769	-22	747	769	-22
Order backlog	84,956	100,030	-15.1%	84,956	100,030	-15.1%

Comment from the CEO

Optimism in the face of adversity

The second wave of Covid-19 in the fourth quarter and partial lock downs continued to delay decision making and projects in our markets. Despite this revenue and EBIT improved slightly versus the third quarter 2020, while the operating cash flow was considerably stronger.

The measures we implemented early on in the year to control our costs has continued to help us mitigate the most severe effects and remain profitable during the pandemic despite lower revenue levels.

Compared with the same period 2019 revenues decreased 15.7% to EUR 40.3 million (47.8) and adjusted EBIT decreased to EUR 1.0 million (5.6), corresponding to a margin of 2.5%.

The operating cash flow amounted to EUR 9.6 million (9.0), a great achievement in the midst of a global pandemic.

The order backlog decreased 7.2% compared to the previous quarter to EUR 85.0 million. The general uncertainty impacted customer decision making, with delays to orders and approval of new investments taking longer than normal.

Despite the depressed business climate at the end of the year, we continue to be optimistic about the future. We remain more committed than ever to developing solutions that contribute to improvements in efficiency and productivity while at the same time reducing environmental impact. We actually see the pandemic making key trends of efficiency, safety and sustainability, that our solutions address, more relevant than ever.

Underpinning our optimism are some of the orders we won in the quarter that reinforces our leading position in the growing market for profitable sustainability solutions for the maritime sector.

We won automated mooring and automated e-charging systems for the world's first fleet of zero-emission, autonomous, battery powered ships in Norway.

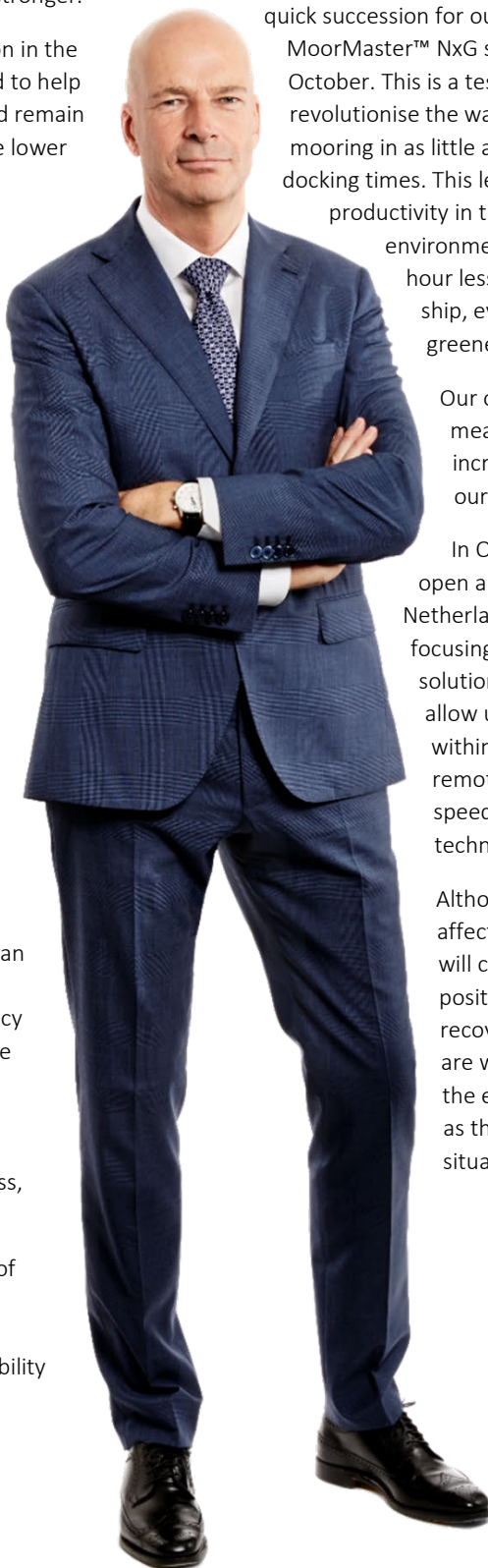
We were further encouraged by receiving two orders in quick succession for our next generation mooring system, MoorMaster™ NxG soon after the global launch in October. This is a testament to how MoorMaster™ can revolutionise the way ships enter and leave ports, mooring in as little as 30 seconds to drastically reduce docking times. This leads to increased loading/offloading productivity in the port where, from an

environmental perspective, it results in an hour less of heavy diesel emissions for every ship, every mooring sequence and a greener, cleaner world.

Our optimistic view of the future also meant that we, despite the headwinds, increased our investments in developing our technology and products.

In October we announced that we will open a new innovation center in the Netherlands at the beginning of 2021 focusing on profitable sustainability solutions for the maritime sector. This will allow us to bring together our capabilities within areas such as artificial intelligence, remote connectivity, high power, high speed electrical charging and battery technology.

Although we have seen market challenges affecting revenue in the short term, we will continue to invest in our market position to be prepared for the expected recovery and growth in our markets. We are well positioned to fully leverage on the expected increase in demand as soon as the world returns to a more normal situation.



Lugano, 26 February 2021

Mikael Norin
Chief Executive Officer

ORDER BACKLOG AND REVENUE

EUR 000s	Revenue			
	Q420	Q419	FY20	FY19
Revenue from sales of goods and services	40,250	47,773	158,437	196,017
Increase/(decrease)	(7,523)	(1,043)	(37,580)	(944)
Percentage change	-15.7%	-2.1%	-19.2%	-0.5%
Of which				
- Volumes and prices	-14.1%	-2.3%	-17.1%	-1.3%
- Currency effects	-1.6%	0.1%	-2.1%	0.8%

DIVISIONS

EUR 000s	Revenue					
	Q420	Q419	Change %	FY20	FY19	Change %
Ports & Maritime	17,762	22,433	-20.8%	68,893	84,588	-18.6%
Airports & Industry	22,488	25,340	-11.3%	89,544	111,429	-19.6%
Total	40,250	47,773	-15.7%	158,437	196,017	-19.2%

EUR 000s	Order Backlog				
	FY20	FY19	Change %	9M20	Change %
Ports & Maritime	44,336	59,953	-26.0%	45,936	-3.5%
Airports & Industry	40,620	40,077	1.4%	45,650	-11.0%
Total	84,956	100,030	-15.1%	91,586	-7.2%



MoorMaster® NxG

Financial Review

OCTOBER–DECEMBER 2020

Revenue decreased 15.7% in the fourth quarter compared to previous year to EUR 40.3 million (47.8), mainly as a result of delayed projects related to the second wave of Covid-19 and lockdowns in some markets. Both segments were affected by the situation. Service revenue compared to total revenue increased to 21.7% in the fourth quarter.

Ports & Maritime

Ports & Maritime's revenue decreased 20.8% compared to previous year to EUR 17.8 million (22.4), due to continued impact from the pandemic.

The order backlog decreased 3.5% compared to the end of the previous quarter and 26.0% compared to the same period in 2019 to EUR 44.3 million (60.0). In the period Cavotec won important orders worth EUR 6.5 million for automated mooring in Australia and New Zealand, and automated mooring and automated Shore Power for the world's first fleet of zero-emission, autonomous battery powered ships in Norway.

Airports & Industry

Airports & Industry's revenue decreased 11.3% compared to the same period previous year to EUR 22.5 million (25.3), due to continued impact from the pandemic. In Industry the decrease was due mainly to lower volumes from our traditional OEM customers.

The order backlog decreased 11.0% compared to the end of the previous quarter and increased 1.4% compared to the same period in 2019 to EUR 40.6 million (40.1). Main orders were won in the US for gate refurbishments at two airports.

EBIT

EBIT decreased to EUR -0.9 million (5.3), corresponding to a margin of -2.1% (11.1%). The decrease is mainly due to the negative volume impact, partially offset by lower employee costs, consultancy and travelling expenses compared to the same period in 2019.

In the second half of 2020 the Board approved a plan to accelerate the development of products and growth in the Ports and Maritime sector. This was implemented and resulted in significant one-off operating expenditures in the fourth quarter of EUR 1.9 million.

Profit for the period and earnings per share

A substantial strengthening of the EUR versus all major currencies, especially toward the end of the year, resulted in a FX effect of EUR -3.3 million, a EUR 1.1 million negative swing versus the same period last year (-2.2).

Income tax expenses for the fourth quarter 2020 amounted to EUR -0.5 million (-1.0).

The net result for the period amounted to EUR -4.7 million (1.8).

Earnings per share basic and diluted amounted to EUR -0.050 (0.019)

Cash flow

The business generated a positive cash flow of EUR 9.6 million (9.0), thanks to a continuous focus on our cash management process.

Cash flow from investing activities was EUR -2.2 million (-0.3), mainly due to the investment in research and development for new products in Ports & Maritime.

Cash and cash equivalents amounted to EUR 19.2 million as of 31 December 2020 (13.3).

JANUARY–DECEMBER 2020

The order backlog decreased 7.2% compared to the previous quarter and 15.1% compared to the end of 2019, to EUR 85.0 million. Revenue for the year decreased 19.2% to EUR 158.4 million (196.0) compared the same period 2019.

The decrease is related to the ongoing impact of Covid-19.

EBIT

EBIT for the year decreased 71.5% to EUR 3.5 million (12.3), corresponding to a margin of 2.2% (6.3%).

Profit for the year and earnings per share

Finance costs amounted to EUR -1.2 million (-1.9).

Currency exchange differences negatively impacted the profit by EUR 5.5 million versus a positive impact in the previous year of EUR 0.3 million. The main impact in FY2020 was coming from the appreciation of Euro against US Dollar. EUR 5.2 million was related to the revaluation of financial assets and liabilities, and EUR 0.3 million was due to transactions effects.

Income tax expenses for the full year amounted to EUR -0.8 million (-3.2), with an effective tax rate of 26%.

The net result for the year amounted to EUR -4.0 million (7.5).

Earnings per share, basic and diluted, decreased to EUR -0.042 (0.080).

Financial Position

Cavotec's total assets amounted to EUR 200.7 million (210.6) as of 31 December 2020. The leverage ratio amounted to 0.98x (0.98x at 31 December 2019).

In June 2020, Cavotec entered into a new long-term credit facility agreement with a consortium led by Credit Suisse after receiving competing bids from several bank consortia. As a consequence, the old credit facility, classified as current liabilities, has been repaid and the new credit facility has been recognized as non-current financial liabilities.

Employees

The number of full-time equivalent employees in the Cavotec Group was 747 as of 31 December 2020 (769 at 31 December 2019).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited three months 31 Dec, 2020	Unaudited three months 31 Dec, 2019	Audited 31 Dec, 2020	Audited 31 Dec, 2019
EUR 000s				
Revenue from sales of goods and services	40,250	47,773	158,437	196,017
Other income	956	843	3,312	2,549
Cost of materials	(20,430)	(20,820)	(76,072)	(90,814)
Employee benefit costs	(11,885)	(13,929)	(52,469)	(60,249)
Operating expenses	(6,526)	(6,121)	(19,684)	(26,038)
Gross Operating Result	2,365	7,746	13,524	21,465
Depreciation and amortisation	(1,198)	(1,201)	(4,731)	(4,684)
Depreciation of right-of-use of leased asset	(1,153)	(1,036)	(4,364)	(4,266)
Impairment losses	(868)	(203)	(923)	(203)
Operating Result	(854)	5,306	3,506	12,312
Interest income	27	8	27	26
Interest expenses	(436)	(423)	(1,610)	(1,919)
Currency exchange differences – net	(3,304)	(2,162)	(5,495)	318
Other financial item	395	111	395	(28)
Profit / (loss) before income tax	(4,172)	2,840	(3,177)	10,709
Income taxes	(545)	(1,045)	(815)	(3,195)
Profit / (loss) for the period	(4,717)	1,795	(3,992)	7,514
Other comprehensive income:				
Remeasurements of post employment benefit obligations	(169)	(338)	(175)	(344)
Items that will not be reclassified to profit or loss	(169)	(338)	(175)	(344)
Currency translation differences	2,389	2,637	1,544	758
Items that may be subsequently reclassified to profit / (loss)	2,389	2,637	1,544	758
Other comprehensive income for the period, net of tax	2,220	2,299	1,369	414
Total comprehensive income for the period	(2,497)	4,094	(2,623)	7,928
Total comprehensive income attributable to:				
Equity holders of the Group	(2,497)	4,092	(2,623)	7,928
Non-controlling interest	(2)	2	(3)	1
Total	(2,499)	4,094	(2,626)	7,928
Profit / (loss) attributed to:				
Equity holders of the Group	(4,717)	1,795	(3,992)	7,514
Total	(4,717)	1,795	(3,992)	7,514
Basic and diluted earnings per share attributed to the equity holders of the Group	(0.050)	0.019	(0.042)	0.080
Average number of shares	94,227,668	94,189,230	94,235,531	94,206,242

CONSOLIDATED BALANCE SHEET

EUR 000s	Audited 31 Dec, 2020	Audited 31 Dec, 2019
Assets		
Current assets		
Cash and cash equivalents	19,151	13,254
Trade receivables	27,891	36,500
Tax assets	4,203	3,683
Other current receivables	3,970	2,797
Contract assets	1,199	2,200
Inventories	37,997	38,801
Assets held for sale	3,408	5,363
Total current assets	97,819	102,598
Non-current assets		
Property, plant and equipment	15,289	18,270
Right-of-use of leased assets	18,815	19,425
Intangible assets	51,768	52,844
Non-current financial assets	129	280
Deferred tax assets	9,673	9,217
Other non-current receivables	7,171	8,004
Total non-current assets	102,845	108,040
Total assets	200,664	210,639
Equity and Liabilities		
Current liabilities		
Current financial liabilities	(4,144)	(14,462)
Current lease liabilities	(3,440)	(4,081)
Trade payables	(24,279)	(25,483)
Contract liabilities	(10,765)	(7,534)
Tax liabilities	(1,108)	(1,531)
Provision for risk and charges, current	(3,439)	(6,772)
Other current liabilities	(9,637)	(12,125)
Total current liabilities	(56,812)	(71,988)
Non-current liabilities		
Non-current financial liabilities	(10,085)	(2,644)
Non-current lease liabilities	(15,385)	(16,140)
Deferred tax liabilities	(2,123)	(2,405)
Other non-current liabilities	(98)	(103)
Provision for risk and charges, non-current	(7,753)	(6,990)
Employee benefit obligation	(2,416)	(2,198)
Total non-current liabilities	(37,860)	(30,482)
Total liabilities	(94,672)	(102,469)
Equity		
Share Capital	(100,169)	(100,169)
Reserves	(7,074)	(5,257)
Retained earnings	1,278	(2,714)
Equity attributable to owners of the parent	(105,965)	(108,140)
Non-controlling interests	(27)	(29)
Total equity	(105,992)	(108,169)
Total equity and liabilities	(200,664)	(210,639)

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 2019	(100,169)	(4,646)	4,800	(100,015)	(29)	(100,044)
(Profit) / Loss for the period	-	-	(7,514)	(7,514)	-	(7,514)
Currency translation differences	-	(758)	-	(758)	(1)	(759)
Remeasurements of post employment benefit obligations	-	344	-	344	-	344
Total comprehensive income and expenses	-	(414)	(7,514)	(7,928)	(1)	(7,929)
Employees share scheme	-	(136)	-	(136)	-	(136)
Purchase of treasury shares	-	38	-	38	-	38
Issue of treasury shares to employees	-	(99)	-	(99)	-	(99)
Transactions with shareholders	-	(197)	-	(197)	-	(197)
Balance as at 31 December 2019	(100,169)	(5,257)	(2,714)	(108,140)	(30)	(108,170)
Audited						
Balance as at 1 January 2020	(100,169)	(5,257)	(2,714)	(108,140)	(30)	(108,170)
(Profit) / Loss for the period	-	-	3,992	3,992	-	3,992
Currency translation differences	-	(1,544)	-	(1,544)	3	(1,541)
Remeasurements of post employment benefit obligations	-	175	-	175	-	175
Total comprehensive income and expenses	-	(1,369)	3,992	2,623	3	2,626
Employees share scheme	-	(445)	-	(445)	-	(445)
Issue of treasury shares to employees	-	(3)	-	(3)	-	(3)
Transactions with shareholders	-	(448)	-	(448)	-	(448)
Balance as at 31 December 2020	(100,169)	(7,074)	1,278	(105,965)	(27)	(105,992)

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 000s	Unaudited three months 31 Dec, 2020	Unaudited three months 31 Dec, 2019*	Audited 31 Dec, 2020	Audited year 31 Dec, 2019*
Profit / (loss) for the period	(4,717)	1,795	(3,992)	7,514
Adjustments for:				
Net interest expenses	935	256	1583	1,437
Current taxes	97	454	1,525	3,169
Depreciation and amortization	1,198	1,201	4,731	4,684
Depreciation of right-of-use of leased assets	1,153	1,036	4,364	4,266
Impairment losses	868	203	923	203
Deferred tax	448	592	(710)	26
Provision for risks and charges	(565)	(3,896)	(1,479)	(8,185)
Capital (gain) or loss on assets	20	(22)	(787)	(144)
Other items not involving cash flows	2,713	1,753	6,170	(130)
Interest paid	(612)	(380)	(1,638)	(2,118)
Taxes (paid)/received	(704)	(2,583)	(2,468)	(5,327)
	5,551	(1,386)	12,214	(2,120)
Cash flow before changes in working capital	834	409	8,222	5,395
Impact of changes in working capital:				
Inventories	1,492	4,088	(5)	2,647
Trade receivables and contract assets	4,399	6,426	8,574	6,173
Other current receivables	4,699	1,998	2,023	4,068
Trade payables and contract liabilities	(671)	(3,714)	(479)	(4,597)
Other current liabilities	(1,109)	(218)	(2,627)	88
Impact of changes involving working capital	8,810	8,580	7,486	8,379
Net cash inflow / (outflow) from operating activities	9,644	8,988	15,708	13,774
Financial activities:				
Net changes in loans and borrowings	(454)	(7,264)	(3,220)	(35,584)
Repayment of lease liabilities	(1,347)	(1,119)	(4,105)	(3,604)
Capital increase	-	-	-	18,527
Net cash inflow / (outflow) from financing activities	(1,801)	(8,383)	(7,325)	(20,661)
Investing activities:				
Investments in property, plant and equipment	(705)	(339)	(1,373)	(1,384)
Investments in intangible assets	(1,527)	(20)	(1,936)	(341)
(Increase)/Decrease of non current financial asset	4	-	151	-
Disposal of assets	72	97	2,459	433
Net cash inflow / (outflow) from investing activities	(2,156)	(263)	(699)	(1,292)
Cash at the beginning of the period	16,022	13,550	13,254	21,257
Cash flow for the period	5,687	342	7,684	(8,179)
Currency exchange differences	(2,558)	(637)	(1,787)	176
Cash at the end of the period	19,151	13,254	19,151	13,254

*Re-presented: the comparative charges for interest paid on lease liabilities have been reclassified from financial activities to operating activities (Interest paid) to enhance comparability (Q419: -156; FY19: -608).

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 2020

EUR 000s	Airports & Industry	Ports & Maritime	Total
Revenue from external customer			
<i>Timing of revenue recognition</i>			
At a point in time	85,461	64,657	150,118
Over time	4,083	4,236	8,319
Total	89,544	68,893	158,437

31 December 2019

EUR 000s	Airports & Industry	Ports & Maritime	Total
Revenue from external customer			
<i>Timing of revenue recognition</i>			
At a point in time	104,862	72,873	177,735
Over time	6,567	11,715	18,282
Total	111,429	84,588	196,017

31 December 2020

EUR 000s	AMER	EMEA	APAC	Total
Ports & Maritime	13,762	35,452	19,679	68,893
Airports & Industry	20,022	47,564	21,958	89,544
Total	33,784	83,016	41,637	158,437

31 December 2019

EUR 000s	AMER	EMEA	APAC	Total
Ports & Maritime	21,423	40,773	22,392	84,588
Airports & Industry	21,349	67,766	22,314	111,429
Total	42,773	108,539	44,706	196,017

SEGMENT INFORMATION

EUR 000s	Ports & Maritime	Airports & Industry	Other reconciling items	Total
Unaudited				
Three months ended 31 December 2020				
Revenue from sales of goods and services	17,762	22,488	-	40,250
Other income	183	773	-	956
Cost of materials and operating expenses before depreciation and amortization	(18,094)	(19,635)	(1,112)	(38,841)
Gross Operating Result	(149)	3,626	(1,112)	2,365
Unaudited				
Three months ended 31 December 2019				
Revenue from sales of goods and services	22,433	25,340	-	47,773
Other income	273	570	-	843
Cost of materials and operating expenses before depreciation and amortization	(16,463)	(23,157)	(1,250)	(40,870)
Gross Operating Result	6,243	2,753	(1,250)	7,746
Audited				
Full year 31 December 2020				
Revenue from sales of goods and services	68,893	89,544	-	158,437
Other income	680	2,632	-	3,312
Cost of materials and operating expenses before depreciation and amortization	(65,349)	(79,513)	(3,363)	(148,225)
Gross Operating Result	4,224	12,663	(3,363)	13,524
Audited				
Year ended 31 December 2019				
Revenue from sales of goods and services	84,588	111,429	-	196,017
Other income	567	1,981	-	2,549
Cost of materials and operating expenses before depreciation and amortization	(70,404)	(100,339)	(6,357)	(177,101)
Gross Operating Result	14,751	13,071	(6,357)	21,465

PARENT COMPANY – CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CAVOTEC SA EUR 000s	Unaudited three months 31 Dec, 2020	Unaudited three months 31 Dec, 2019	Audited year 31 Dec, 2020	Audited year 31 Dec, 2019
Dividend	185	-	185	-
Other income	(958)	182	1389	2,502
Employee benefit costs	(303)	(312)	(135)	(1,912)
Operating expenses	(533)	(235)	(1,330)	(1,161)
Operating Result	(1,609)	(365)	109	(571)
Interest expenses – net	(26)	(11)	(56)	(43)
Currency exchange differences – net	3	-	5	(119)
Profit / (Loss) before income taxes	(1,632)	(376)	58	(733)
Income taxes	19	(91)	(303)	293
Profit / (Loss) for the period	(1,613)	(285)	(245)	(440)
Other comprehensive income:				
Actuarial gain (loss)	(10)	42	(10)	42
Total comprehensive income for the period	(1,623)	(243)	(255)	(398)

PARENT COMPANY – CONDENSED BALANCE SHEET

CAVOTEC SA EUR 000s	Audited 31 Dec, 2020	Audited 31 Dec, 2019
Assets		
Current assets		
Cash and cash equivalents	222	97
Trade receivables	1,047	2,015
Tax assets	3	6
Other current receivables	31	8
Total current assets	1,303	2,126
Non-current assets:		
Investment in subsidiary companies	137,306	137,306
Deferred tax assets	72	355
Total non-current assets	137,378	137,661
Total assets	138,681	139,787
Equity and Liabilities		
Current liabilities		
Bank overdraft	(34,117)	(44,435)
Current financial liabilities	(2,955)	(2,955)
Trade payables	(164)	(121)
Other current liabilities	(417)	(1,495)
Total current liabilities	(37,653)	(49,006)
Non-current liabilities:		
Provision for risks and charges – non current	(67)	(25)
Long-term financial debt	(10,000)	-
Other non-current liabilities	(76)	(64)
Total non-current liabilities	(10,143)	(89)
Total liabilities	(47,796)	(49,095)
Total equity	(90,885)	(90,692)
Total equity and liabilities	(138,681)	(139,787)

General information

Cavotec wants to contribute to a future world that is cleaner, safer and more efficient by providing innovative connection solutions for ships, aircraft and mobile equipment today. We thrive by shaping future expectations in the areas we are active in. 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 Team Work. Cavotec's personnel represent a large number of 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 25 February 2021.

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 2020. 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.

The fair values of the non-current financial assets, current financial liabilities and non-current financial liabilities are not materially different from their carrying amounts.

Cavotec is not exposed to material seasonal variations in its operations.

Segment information

Operating segments have been determined on the basis of the Group Management structure in place and on the management information and used by the Chief Operating Decision Maker (CODM) to make strategic decisions. Our two divisions are set out below and referred to collectively as the core businesses.

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

Airports & Industry – development, manufacture and service of fully integrated gate and remote apron solutions for Airports, and development and manufacture products for Industry, such as cranes, energy, processing and transportation, surface and underground mining, and tunnelling.

Customers of both divisions are supported by a Services organisation that was launched mid 2018.

Legal disputes

In the long running litigation matter in California the Group's accounting position is unchanged during the quarter and our view

remains that we have accounted for the most likely eventualities of the process. The latest development in the case supports this position.

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.

Covid – 19 Update

The COVID-19 pandemic has had a significant effect on the global economy. The impact on Cavotec is mainly delays in decisions from customers on new orders as well as delays in taking deliveries of product or services. At the date of this report all Cavotec facilities are open.

With the high uncertainty surrounding the situation and potential initiatives by authorities and customers, it is very difficult to predict the full financial impact that the situation may have on the Group for the coming quarters. As of December 31, 2020, there is no significant impact on any balance sheet items. The Group benefited by government assistance funds in different Countries, mainly related to employee costs, but the impact on the financials was not material.

A more detailed description of Cavotec's risks and how they are managed is included in the Annual Report 2020.

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.

Key events during the year

In February 2020, a company owned building located in Mooresville (NC, USA) has been sold for USD 2.6 million (EUR 2.4 million). As the building was accounted as Asset held for Sale with a book value of USD 1.8 million (EUR 1.7 million), the Company recognized in the same month a capital gain of USD 0.8 million (EUR 0.7 million) in Other income.

Financial calendar

April 30, 2021	Q121 Report
May 27, 2021	Annual General Meeting, Lugano
July 30, 2021	Q221 Report
October 29, 2021	Q321 Report
February 25, 2022	Q421 and Annual Report 2021

Conference call in connection with publication of the quarterly report

A conference call for shareholders, analysts and media will be held on 26 February 2021 at 10:00 CET. Participating on the conference call from Cavotec will be Mikael Norin, CEO, and Glenn Withers, CFO.

Conference call Dial-in numbers:

SE: +46856642703

UK: +443333009264

US: +18335268395

Weblink: <https://tv.streamfabriken.com/cavotec-q4-2020>

Quarterly Reports on www.cavotec.com

The full report for the period January-December 2020 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. The information was submitted for publication, through the agency of the contact person set out below, at 07:00 CET on 26 February 2021.

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