

Q4 2021 | Interim report
January-December 2021

Strong order book and increasing revenues in New Cavotec

On 5 March 2021, Cavotec communicated a decision to focus resources and make investments in the ports & maritime and industrial markets. As a consequence, a process was initiated to divest the Airports business. On February 22, 2022, we signed an agreement to divest 100% of our Airports business to US based investment company Fernweh Group. The transaction is expected to close in the summer of 2022. As a result of the sale, Airports is reported as a discontinued entity. The publication of this report was therefore postponed to today, 30 March, to make the necessary adaptations under IFRS to the annual accounts and the year-end report.

OCTOBER–DECEMBER 2021 NEW CAVOTEC

- Order backlog increased 6.5% compared to Q321 to EUR 98.9 million
- Revenues increased 5.4% to EUR 31.4 million (29.8)
- EBIT amounted to EUR -1.7 million (-2.2), corresponding to a margin of -5.4% (-7.4%).
- EBIT adjusted for growth investments amounted to EUR -0.0 million, corresponding to a margin of -0.1%

JANUARY–DECEMBER 2021 NEW CAVOTEC

- Order backlog of EUR 98.9 million increased 71.2% compared to FY2020.
- Revenues increased 0.4% to EUR 115.8 million (115.3)
- EBIT decreased to EUR -0.7 million (0.0), corresponding to a margin of -0.6% (0.0%)
- EBIT adjusted for growth investments amounted to EUR 6.4 million corresponding to a margin of 5.5%

OCTOBER–DECEMBER 2021 TOTAL (INCL. DISCONTINUED)

- Net result for the group was EUR -36.4 million (-4.7), of which EUR -32.8 million attributable to the discontinued operations

JANUARY– DECEMBER 2021 TOTAL (INCL. DISCONTINUED)

- Net result for the group was EUR -37.1 million (-4.0), of which EUR -35.9 million attributable to the discontinued operations
- The Board proposes to the Annual General Meeting that no dividend be paid to shareholders for the 2021 financial year

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

Key events during the quarter

- Cavotec won repeat cleantech orders worth EUR 3 million to equip container ships with shore power connections to global marine equipment manufacturer Samsung Heavy Industries
- Cavotec won two key orders for motorized cable reel electrification systems for container cranes at major ports in China and the US from leading crane manufacturer ZPMC

Subsequent events

- On 28 January 2022, Cavotec announced that Mikael Norin has decided to leave his position as Group CEO of Cavotec. Norin will leave later in the year when a successor has been identified.
- Due to the lockdown of Shanghai to contain surging COVID-19 cases in the latter part of March, Cavotec's production facility there has not been able to deliver and invoice a substantial part of booked orders at the end of the first quarter. Planned invoicing in March is delayed until further notice, despite production being completed. We anticipate that approximately EUR 4 million of revenue will be delayed until the following quarter. Orders are not cancelled, but deliveries will resume as soon as the situation is normalized.
- Due to the temporary impact on our ability to deliver and invoice according to plan, we have initiated a discussion with our banks in the event we are not be able to meet all the conditions of our existing bank agreement in the first quarter.
- The date for publication of Cavotec's annual report has been moved from March 30 to April 27

FINANCIAL SUMMARY

EUR 000's	Q421	Q420	Delta	FY21	FY20	Delta
Order backlog New Cavotec	98,893	57,773	71.2%	98,893	57,773	71.2%
Revenues New Cavotec	31,427	29,808	5.4%	115,794	115,342	0.4%
EBITDA New Cavotec	27	369	-92.7%	5,717	7,571	-24.5%
EBITDA New Cavotec margin, %	0.0%	1.2%	-1.2 pp	4.9%	6.5%	-1.6 pp
EBIT New Cavotec	(1,705)	(2,215)	23.0%	(747)	37	-2,118.9%
EBIT New Cavotec margin, %	-5.4%	-7.4%	2.0 pp	-0.6%	0.0%	-0.6 pp
EBIT New Cavotec adj. for growth investments	(1,033)	(641)	61.2%	1,815	1,611	12.7%
EBIT New Cavotec adj. for growth investments margin, %	3.3%	2.2%	1.1 pp	1.6%	1.4%	0.2 pp
EBIT New Cavotec adj. for growth investments without reconciling items	(17)	470	-103.6%	6,355	4,972	27.8%
EBIT New Cavotec adj. for growth investments margin, % without reconciling items	-0.1%	1.6%	-1.7 pp	5.5%	4.3%	1.2 pp
Net profit/(loss) for the period discontinued operations	(32,761)	(1,393)	2,251.8%	(35,890)	(1,019)	3,422.1%
Net profit/(loss) for the period Group	(36,439)	(4,718)	-672.3%	(37,101)	(3,992)	-829.4%
Basic and diluted earnings per share Group, EUR	(0.387)	(0.050)	674.0%	(0.394)	(0.042)	838.1%
Operating cash flow	5,799	9,642	-39.9%	687	15,706	-95.6%
Net debt	(19,630)	(15,264)	28.6%	(19,630)	(15,264)	28.6%
Equity/assets ratio	38.1%	52.8%	-14.7 pp	38.1%	52.8%	-14.7 pp
Leverage ratio	3.20x	0.98x	2.22x	3.20x	0.98x	2.22x
Full time equivalent employees	815	747	68	815	747	68

Please refer to page 13 for further segmental details and page 15 for Airports (discontinued operations) details

Comment from the CEO

Sale of Airports lays foundation for full focus on New Cavotec



It has been almost a year since we launched our strategy to focus on cleantech for ports and industrial applications and to divest the airports business. We have since seen continued increase in demand for our sustainability solutions in what we call New Cavotec, i.e., excluding Airports.

In the fourth quarter, New Cavotec's order backlog increased 6.5% compared to the previous quarter and 71.2% compared to a year ago to EUR 98.9 million. We especially saw continued strong growth in orders for on-ship Shore Power for both new vessels and for retrofits. We also saw an increase in orders for Motorized Reels, including two key orders for reel electrification systems for container cranes at major ports in China and the US from leading crane manufacturer ZPMC. Furthermore, Industry showed a strong increase in the order backlog, driven by an increase in orders from heavy equipment OEMs. It is truly encouraging to see the continued increase in demand for our cleantech solutions and the effects of our new strategy.

Revenues increased 5.4% to EUR 31.4 million in the fourth quarter, which is a reflection of the strong orderbook in previous quarters and it was also rewarding to see that services share of revenues in New Cavotec increased to 23.9%, in line with our strategy. During the quarter we continued to make investments in sales, marketing, engineering, and technology to meet future demand. Adjusted for those growth investments we recorded a break even EBIT for the quarter.

Looking at the whole of 2021, while order intake has been the highlight of our performance, the majority of revenue from the maritime orders will not materialize until 2022 and onwards since the planning cycle in the industry is long. As a result, annual revenue was flat compared to the previous year at EUR 115 million. Adjusted for growth investments we recorded an EBIT for the year of EUR 6.4 million, corresponding to a margin of 5.5%.

On February 22, 2022, we signed an agreement to divest 100% of our Airports business to US based investment company Fernweh Group. The transaction is expected to close in the summer of 2022. As a result of the spin off, a non-cash impairment charge of EUR 32.8 M was taken. Although it is bittersweet to see our Airports colleagues leave, we believe that they, as well as customers and partners, will substantially benefit from the focus that the new owners will bring.

The sale of our Airports business is an important step to allow us to fully focus on New Cavotec, which accounted for 75 per cent of our revenues in 2021 and operates in the fast growing ports & maritime and heavy duty industrial applications markets with products such as shore power, automated mooring, reels, electrical charging systems as well as a wide service portfolio.

We are well positioned to create unmatched environmental and financial benefits for our customers through our technology solutions. 2021 has been a year of confirmation for this strategy and the growing demand for our solutions is a strong sign of our expectations for the future of Cavotec.

On 28 January 2022, I informed the Board of Directors that I have decided to leave my position as Group CEO of Cavotec later in the year when a successor has been identified. After having been based in Switzerland for the last five years my family have a desire to return home to the US. It has been the privilege of a lifetime to lead the transformation of Cavotec from a traditional product manufacturing company to a focused cleantech solution provider. As this journey is almost complete, it is the right time to hand over to someone else to continue developing this great company.

As I write this, the unjust war in Ukraine rages on with unfathomable suffering for the brave people of that country. As a company we have limited exposure to Russia and thus see little impact on our 2022 financial performance.

Due to the lockdown of Shanghai to contain surging COVID-19 cases in the latter part of March, Cavotec's production facility there has not been able to deliver and invoice a substantial part of booked orders at the end of the first quarter. The impact is temporary, and deliveries are not cancelled but will resume as soon as the situation is normalized. Nevertheless, we have initiated a discussion with our banks in the event we are not be able to meet all the conditions of our existing bank agreement in the quarter, due to our inability to deliver and invoice according to plan.

Lugano, 30 March 2022

Mikael Norin
Chief Executive Officer

ORDER BACKLOG AND REVENUE

EUR 000s	Q421			Q420			FY21			FY20		
	New Cavotec	Airports	Total	New Cavotec	Airports	Total	New Cavotec	Airports	Total	New Cavotec	Airports	Total
Revenue from sales of goods and services	31,427	13,450	44,877	29,808	10,441	40,249	115,794	39,784	155,578	115,342	43,095	158,437
Increase/(decrease)	1,619	3,009	4,628	(4,335)	(3,189)	(7,524)	452	(3,311)	(2,859)	(22,330)	(15,249)	(37,579)
Percentage change	5.4%	28.8%	11.5%	-12.7%	-23.4%	-15.7%	0.4%	-7.7%	-1.8%	-16.2%	-26.2%	-19.2%
Of which												
- Volumes and prices	4.2%	27.2%	10.1%	-11.3%	-21.6%	-14.1%	-0.5%	-6.6%	-2.2%	-13.8%	-24.7%	-17.1%
- Currency effects	1.2%	1.6%	1.4%	-1.4%	-1.8%	-1.6%	0.9%	-1.1%	0.4%	-2.4%	-1.5%	-2.1%

DIVISIONS

On 5 March 2021, the Group announced its intention to commence a process to divest Airports business. The Q420 and FY2020 comparatives have been restated to enhance comparability.

EUR 000s	Revenue					
	Q421	Q420	Change %	FY21	FY20	Change %
New Cavotec	31,427	29,808	5.4%	115,794	115,342	0.4%
Airports	13,450	10,441	28.8%	39,784	43,095	-7.7%
Total	44,877	40,249	11.5%	155,578	158,437	-1.8%

Order Backlog

EUR 000s	FY21	FY20	Change %	9M21	Change %
New Cavotec	98,893	57,773	71.2%	92,818	6.5%
Airports	28,182	27,183	3.7%	27,152	3.8%
Total	127,075	84,956	49.6%	119,970	5.9%

Financial Review

OCTOBER–DECEMBER 2021

From the first quarter 2021, Cavotec reported its ports & maritime and industry businesses combined under the name New Cavotec. Airports is reported separately. Allocations between the businesses remain unchanged.

New Cavotec

Revenue and Order Backlog

New Cavotec's order backlog of EUR 98.9 million increased 6.5% compared to Q321 and 71.2% compared to Q420. The segment continued to grow both in the shore power and on the fast-growing market for PowerAMPReels for new vessels and PowerFits for retrofits. In addition, the opening of emerging markets such as Vietnam had a positive effect on the order backlog. Furthermore, Industry showed a strong increase in the order backlog, driven by an increase in orders in Collectors and Radios together with an increase also in Motorized Reels.

During the quarter Cavotec won, among others, repeat cleantech orders worth EUR 3 million to equip container ships with shore power connections to global marine equipment manufacturer Samsung Heavy Industries, orders worth EUR 6.5M from two of the world's largest shipping lines for shore power connection systems and two key orders for motorized cable reel electrification systems for container cranes at major ports in China and the US from leading crane manufacturer ZPMC.

Revenues increased 5.4% to EUR 31.4 million (29.8). The increase is to a large extent explained by the strong orderbook in previous quarters. Services share of revenues in New Cavotec was 23.9% (22.3%).

EBIT

EBIT amounted to EUR -1.7 million (-2.2), corresponding to a margin of -5.4% (-7.4%). The negative EBIT in the quarter is mainly explained by the increase in employee benefit costs (+32%) driven by the increase in the headcount, not fully absorbed by the volumes of the quarter.

EBIT Adjusted for growth investments

EBIT adjusted for growth investments amounted to EUR -1.0 million, corresponding to a margin of -3.3%. In 2021 Cavotec launched a transformation plan to accelerate focus on cleantech by investing in sales, marketing, engineering and technology to solidify the market leading position. During the quarter the investments amounted to EUR 0.7 million, mainly related to marketing and recruitment costs, and increase in production capacity.

Total

Revenue and Order Backlog

The order backlog increased 5.9% compared to Q321 and 49.6% compared to Q420 to EUR 127.1 million. Revenues increased 11.5% to EUR 44.9 million (40.2).

EBIT

EBIT decreased to EUR -33.8 million (-0.9), corresponding to a margin of -75.3% (-2.1%). EBIT was mainly affected by impairment on Airports business and increased costs for recruitment, marketing and development of products, in line with the strategy communicated in May to increase investments in strengthening our leading position and to meet the expected demand. The impairment of the airports business amounted to EUR 32.8 million, that represents the difference between the book value and the transaction price less cost to sell. The airports business performance for the quarter was at breakeven.

Profit for the period and earnings per share

Finance costs amounted to EUR -0.5 million (-0.0).

Currency exchange differences amounted to EUR 1.4 million (-3.3).

Income tax expenses for the quarter amounted to EUR -3.5 million (-0.5).

Net result for the period was EUR -36.4 million (-4.7).

Earnings per share basic and diluted amounted to EUR -0.387 (-0.050).

Cash flow

Operating cash flow for amounted to EUR 5.8 million (9.6) in the quarter, arising from timing of project receipts and a focus on working capital management.

Investing activities amounted to EUR -1.6 million (-2.2), related to R&D investments in New Cavotec products, especially in the continued development of our new MoorMaster NxG product.

Cash flow from financing activities was EUR -1.8 million (-1.8), mainly due to repayment of financial liabilities.

Cash and cash equivalents amounted to EUR 12.2 million as of 31 December 2021 (19.2).

JANUARY-DECEMBER 2021

Total

Profit for the period and earnings per share

Net result for the group was EUR -37.1 million (-4.0), of which EUR -35.9 million attributable to the discontinued operations. The operational loss of the airports business for 2021 was EUR -3.1 million (-1.0)

Earnings per share basic and diluted amounted to EUR -0.394 (-0.042).

Operating cash flow amounted to EUR 0.7 million (15.7).

Financial Position

Net debt amounted to EUR 19.6 million (3Q21: 23.8). Cavotec's total assets amounted to EUR 175.0 million (200.7) as of 31 December 2021.

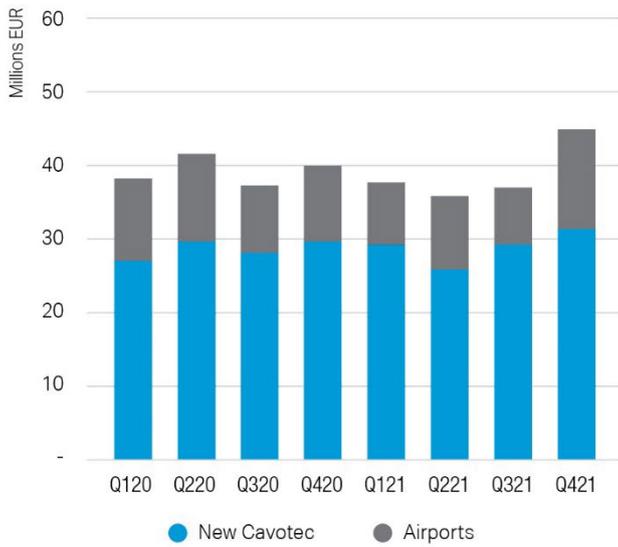
Dividend

The Board proposes to the Annual General Meeting that no dividend be paid to shareholders for the 2021 financial year.

Employees

The number of full-time equivalent employees in the Cavotec Group was 815 as of 31 December 2021 (747). Approximately 212 full-time equivalent employees were in our airports and related airports service business at the end of the quarter.

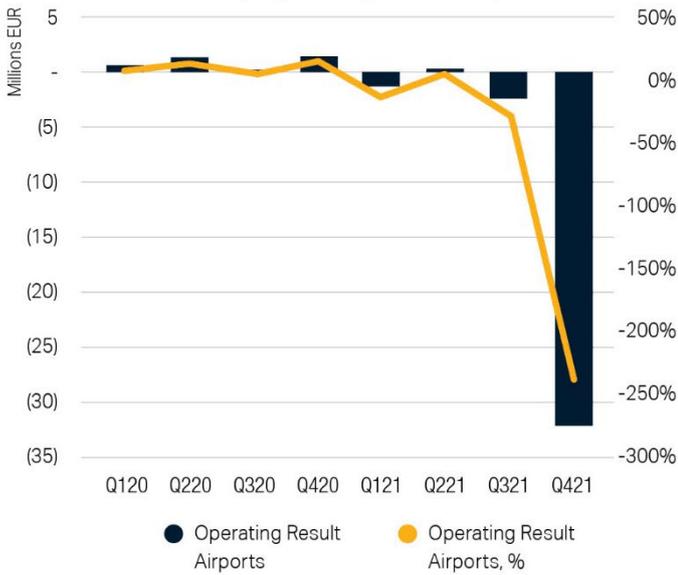
Quarterly Revenues New Cavotec and Airports



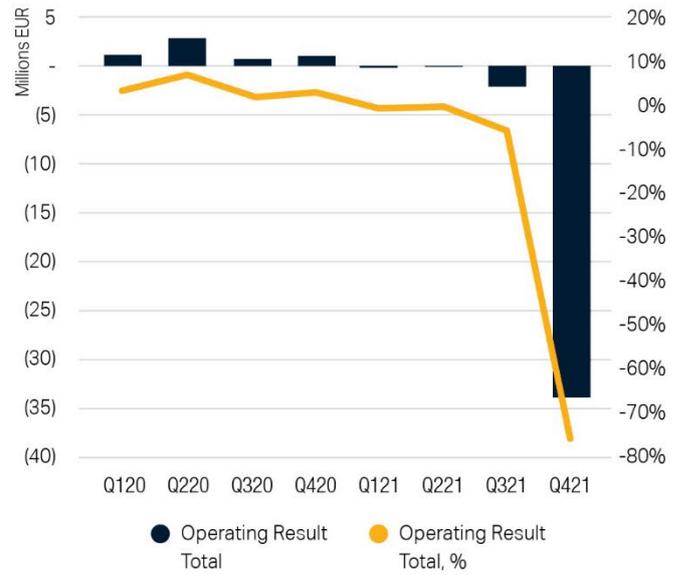
Quarterly Operating Result New Cavotec



Quarterly Operating Result Airports



Quarterly Operating Result Total



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited three months 31 Dec, 2021	Unaudited restated three months 31 Dec, 2020*	Unaudited year 31 Dec, 2021	Unaudited restated year 31 Dec, 2020*
EUR 000s				
Revenue from sales of goods and services	31,427	29,808	115,794	115,342
Other income	400	412	2,276	1,983
Cost of materials	(16,472)	(16,177)	(58,593)	(58,954)
Employee benefit costs	(10,383)	(7,862)	(38,570)	(34,804)
Operating expenses	(4,945)	(5,812)	(15,190)	(15,996)
Gross Operating Result	27	369	5,717	7,571
Depreciation and amortisation	(772)	(858)	(3,222)	(3,367)
Depreciation of right-of-use of leased asset	(778)	(857)	(3,068)	(3,244)
Impairment losses	(184)	(869)	(174)	(923)
Operating Result	(1,705)	(2,215)	(747)	37
Interest income	122	-	153	-
Interest expenses	(74)	(79)	(285)	(640)
Currency exchange differences – net	897	(1,819)	3,632	(3,324)
Other financial item	(30)	1,098	(30)	1,098
Profit / (loss) before income tax	(790)	(3,015)	2,723	(2,829)
Income taxes	(2,888)	(309)	(3,934)	(144)
Profit / (loss) for the period, continuing operations	(3,678)	(3,324)	(1,211)	(2,973)
Profit / (loss) for the period, discontinued operations	(32,761)	(1,393)	(35,890)	(1,019)
Profit / (loss) for the period	(36,439)	(4,717)	(37,101)	(3,992)
Other comprehensive income:				
Remeasurements of post employment benefit obligations continued operations	280	(89)	282	(98)
Remeasurements of post employment benefit obligations discontinued operations	33	(80)	22	(77)
Items that will not be reclassified to profit or loss	313	(169)	304	(175)
Currency translation differences	(318)	1,813	(1,098)	1,172
Currency translation differences of discontinued operations	(85)	576	(507)	372
Items that may be subsequently reclassified to profit / (loss)	(403)	2,389	(2,415)	1,544
Other comprehensive income for the period, net of tax	(90)	2,220	(2,111)	1,369
Total comprehensive income for the period	(36,529)	(2,497)	(39,212)	(2,623)
Total comprehensive income attributable to:				
Equity holders of the Group	(36,528)	(2,495)	(39,214)	(2,620)
Non-controlling interest	(1)	(2)	2	(3)
Total	(36,529)	(2,497)	(39,212)	(2,623)
Profit / (loss) attributed to:				
Equity holders of the Group continued operations	(3,678)	(3,324)	(1,211)	(2,973)
Equity holders of the Group discontinued operations	(32,761)	(1,393)	(35,890)	(1,019)
Total	(36,439)	(4,717)	(37,101)	(3,992)
Basic and diluted earnings per share from continuing operations attributed to the equity holders of the Group	(0.039)	(0.035)	(0.013)	(0.031)
Basic and diluted earnings per share from discontinued operations attributed to the equity holders of the Group	(0.348)	(0.015)	(0.381)	(0.011)
Basic and diluted earnings per share attributed to the equity holders of the Group	(0.387)	(0.050)	(0.394)	(0.042)
Average number of shares	94,243,200	94,227,668	94,243,200	94,235,531

* The comparative has been restated in accordance with IFRS5

CONSOLIDATED BALANCE SHEET

EUR 000s	Unaudited 31 Dec, 2021	Audited restated 31 Dec, 2020
Assets		
Current assets		
Cash and cash equivalents	12,230	19,151
Trade receivables	23,967	27,891
Contract assets	2,509	1,199
Tax assets	2,736	4,203
Other current receivables	3,651	3,970
Inventories	29,835	37,997
Assets held for sale	24,147	3,408
Total current assets	99,075	97,819
Non-current assets		
Property, plant and equipment	7,426	15,289
Right-of-use of leased assets	14,394	18,815
Intangible assets	38,188	51,768
Non-current financial assets	55	129
Deferred tax assets	8,629	9,673
Other non-current receivables	7,249	7,171
Total non-current assets	75,941	102,845
Total assets	175,016	200,664
Equity and Liabilities		
Current liabilities		
Current financial liabilities	(4,124)	(4,144)
Current lease liabilities	(2,850)	(3,440)
Trade payables	(38,668)	(24,279)
Contract liabilities	(115)	(10,765)
Tax liabilities	(2,953)	(1,108)
Provision for risk and charges, current	(2,866)	(3,439)
Other current liabilities	(9,703)	(9,637)
Liabilities directly associated with assets classified as held for sale	(15,897)	-
Total current liabilities	(77,176)	(56,812)
Non-current liabilities		
Non-current financial liabilities	(9,196)	(10,085)
Non-current lease liabilities	(11,425)	(15,385)
Deferred tax liabilities	(2,130)	(2,123)
Other non-current liabilities	(63)	(98)
Provision for risk and charges, non-current	(7,100)	(7,753)
Employee benefit obligation	(1,274)	(2,416)
Total non-current liabilities	(31,188)	(37,860)
Total liabilities	(108,364)	(94,672)
Equity		
Share Capital	(100,169)	(100,169)
Reserves	(4,833)	(7,074)
Retained earnings	38,379	1,278
Equity attributable to owners of the parent	(66,623)	(105,965)
Non-controlling interests	(29)	(27)
Total equity	(66,652)	(105,992)
Total equity and liabilities	(175,016)	(200,664)

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 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)
Unaudited						
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)

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 000s	Unaudited three months 31 Dec, 2021	Unaudited restated three months 31 Dec, 2020*	Unaudited year 31 Dec, 2021	Unaudited restated year 31 Dec, 2020*
Profit / (loss) for the period	(36,439)	(4,717)	(37,101)	(3,992)
Adjustment to reconcile net income to cash flow from operating activities – continued operations				
Loss from discontinued operations, net of income taxes	(32,761)	(1,393)	(35,890)	(1,019)
Adjustments for:				
Net interest expenses	(48)	605	132	640
Current taxes	757	(51)	2,905	825
Depreciation and amortization	772	858	3,222	3,366
Depreciation of right-of-use of leased assets	778	857	3,068	3,245
Impairment losses	184	869	174	923
Deferred tax	2,130	360	1,029	(681)
Provision for risks and charges	(586)	(3,438)	(319)	326
Capital (gain) or loss on assets	(27)	17	(817)	(776)
Other items not involving cash flows	(1,022)	1,340	(3,413)	3,974
Interest paid	225	(299)	176	(771)
Taxes (paid) / received	(145)	(308)	213	(1,568)
	3,018	810	6,370	9,503
Cash flow before changes in working capital	(660)	(2,514)	5,159	6,530
Impact of changes in working capital:				
Inventories	(922)	237	(3,633)	(317)
Trade receivables and contract assets	(12,517)	1,793	(11,492)	9,624
Other current receivables	8,671	4,499	(241)	1,816
Trade payables and contract liabilities	8,445	1,494	16,698	(155)
Other current liabilities	1,410	142	2,163	(2,072)
Impact of changes involving working capital	5,087	8,163	3,495	8,896
Net cash inflow / (outflow) from operating activities from continued operations	4,427	5,649	8,654	15,426
Net cash inflow / (outflow) from operating activities from discontinued operations	1,372	3,993	(9,341)	280
Net cash inflow / (outflow) from operating activities	5,799	9,642	687	15,706
Financial activities:				
Net changes in loans and borrowings	(335)	(456)	(1,218)	(3,221)
Repayment of lease liabilities	(1,112)	(1,046)	(2,857)	(2,848)
Net cash inflow / (outflow) from financial activities from continued operations	(1,447)	(1,502)	(4,075)	(6,069)
Net cash inflow / (outflow) from financial activities from discontinued operations	(358)	(299)	(1,375)	(1,256)
Net cash inflow / (outflow) from financial activities	(1,805)	(1,801)	(5,450)	(7,325)
Investing activities:				
Investments in property, plant and equipment	(316)	(672)	(665)	(1,082)
Investments in intangible assets	(1,276)	(1,527)	(3,158)	(1,936)
(Increase)/Decrease of non current financial asset	10	-	10	-
Disposal of assets	55	51	1,155	2,457
Net cash inflow / (outflow) from investing activities from continued operations	(1,527)	(2,148)	(2,658)	(561)
Net cash inflow / (outflow) from investing activities from discontinued operations	(62)	(9)	(144)	(139)
Net cash inflow / (outflow) from investing activities	(1,589)	(2,157)	(2,802)	(700)
Cash at the beginning of the period	9,106	16,022	19,151	13,254
Cash flow for the period from continued operations	1,453	1,999	1,921	8,796
Cash flow for the period from discontinued operations	952	3,685	(10,860)	(1,115)
Cash flow for the period	2,405	5,684	(8,939)	7,681
Currency exchange differences	719	(2,555)	2,018	(1,784)
Cash at the end of the period	12,230	19,151	12,230	19,151

* 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.

On 5 March 2021, the Group announced to initiate a process to divest Airports business. The FY2020 comparatives have been restated to enhance comparability.

31 December 2021		New Cavotec	Airports	Total
EUR 000s				
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 2020		New Cavotec	Airports	Total
EUR 000s				
Revenue from external customer				
<i>Timing of revenue recognition</i>				
At a point in time		111,106	39,012	150,118
Over time		4,236	4,083	8,319
Total		115,342	43,095	158,437

31 December 2021		AMER	EMEA	APAC	Total
EUR 000s					
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

31 December 2020		AMER	EMEA	APAC	Total
EUR 000s					
New Cavotec		16,193	65,371	33,778	115,342
Airports		17,591	17,645	7,859	43,095
Total		33,784	83,016	41,637	158,437

SEGMENT INFORMATION

On 5 March 2021, the Group announced to initiate a process to divest Airports business. The Q420 and FY2020 comparatives have been restated to enhance comparability.

EUR 000s	New Cavotec	Airports	Other reconciling items	Total
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
Unaudited – Restated*				
Three months ended 31 December 2021				
Revenue from sales of goods and services	29,808	10,441	-	40,249
Other income	412	544	-	956
Cost of materials and operating expenses before depreciation and amortization	(28,740)	(8,989)	(1,111)	(38,841)
Gross Operating Result (EBITDA)	1,480	1,996	(1,111)	2,365
Unaudited*				
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
Unaudited – Restated*				
Year ended 31 December 2020				
Revenue from sales of goods and services	115,342	43,095	-	158,437
Other income	1,983	1,329	-	3,312
Cost of materials and operating expenses before depreciation and amortization	(106,392)	(38,470)	(3,363)	(148,225)
Gross Operating Result (EBITDA)	10,933	5,954	(3,363)	13,524

*The restatement of the segment information was not audited.

PARENT COMPANY – CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CAVOTEC SA EUR 000s	Unaudited three months 31 Dec, 2021	Unaudited three months 31 Dec, 2020	Unaudited year 31 Dec, 2021	Audited year 31 Dec, 2020
Dividend	480	185	480	185
Other income	(471)	(958)	1,192	1,389
Employee benefit costs	90	(303)	(331)	(135)
Operating expenses	(340)	(533)	(1,310)	(1,330)
Operating Result	(241)	(1,609)	31	109
Interest expenses – net	(11)	(26)	(41)	(56)
Currency exchange differences – net	(13)	3	(16)	5
Write down on investments	(43,941)	-	(43,941)	-
Profit / (Loss) for the period	(44,206)	(1,632)	(43,967)	58
Income taxes	-	19	(9)	(303)
Profit / (Loss) for the period	(44,206)	(1,613)	(43,976)	(245)
Other comprehensive income:				
Actuarial gain (loss)	7	(10)	7	(10)
Total comprehensive income for the period	(44,199)	(1,623)	(43,969)	(255)

PARENT COMPANY – CONDENSED BALANCE SHEET

CAVOTEC SA EUR 000s	Unaudited 31 Dec, 2021	Audited 31 Dec, 2020
Assets		
Current assets		
Cash and cash equivalents	52	222
Trade receivables	930	1,047
Tax assets	19	3
Other current receivables	(2)	31
Total current assets	999	1,303
Non-current assets:		
Investment in subsidiary companies	93,365	137,306
Deferred tax assets	76	72
Total non-current assets	93,441	137,378
Total assets	94,440	138,681
Equity and Liabilities		
Current liabilities		
Bank overdraft	(33,934)	(34,117)
Current financial liabilities	(2,955)	(2,955)
Trade payables	(508)	(164)
Other current liabilities	(123)	(417)
Total current liabilities	(37,520)	(37,653)
Non-current liabilities:		
Provision for risks and charges – non current	(88)	(67)
Long-term financial debt	(10,000)	(10,000)
Other non-current liabilities	(45)	(76)
Total non-current liabilities	(10,133)	(10,143)
Total liabilities	(47,653)	(47,796)
Total equity	(46,787)	(90,885)
Total equity and liabilities	(94,440)	(138,681)

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 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 29 March 2022.

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.

Asset held for sale

As a result of the decision to divest the Airports business, Cavotec reclassified the assets and liabilities pertaining to those activities to held for sale in accordance with IFRS 5. In distinguishing between the assets and liabilities pertaining to continuing operations and those pertaining to discontinued operations judgment had to be applied, as a part of those assets and liabilities are used by both types of activities. 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 determination of the fair value less costs to sell includes the use of estimates and assumptions that tend to be uncertain.

<i>Income Statement</i>	Unaudited year 31-Dec-21	Unaudited year 31-Dec-20
EUR 000s		
Revenue from sales of goods and services	39,784	43,095
Other income	1,593	1,329
Expenses	(44,050)	(44,772)
Loss on the spin off	(32,789)	-
Loss from discontinued operations before income taxes	(35,462)	(348)
Income taxes	(428)	(671)
Loss from discontinued operations	(35,890)	(1,019)

<i>Balance Sheet</i>	Unaudited Year 31-Dec-21
EUR 000s	
Trade receivables	11,761
Contract assets	2,228
Other current receivables	1,437
Inventories	5,444
Total assets	20,870
Current lease liabilities	(1,339)
Trade payables	(8,961)
Contract liabilities	(49)
Tax liabilities	(9)
Provision for risk and charges, current	(130)
Other current liabilities	(2,620)
Non-current lease liabilities	(1,844)
Provision for risk and charges, non-current	(41)
Employee benefit obligation	(904)
Total liabilities	(15,897)

<i>Cashflow</i>	Unaudited year 31-Dec-21	Unaudited year 31-Dec-20
EUR 000s		
Net cash Inflow/(outflow) from operating activities	(9,341)	280
Net cash Inflow/(outflow) from financing activities	(1,375)	(1,256)
Net cash Inflow/(outflow) from investing activities	(144)	(139)
Cash flow for the period	(10,860)	(1,115)

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. On 5 March 2021, the Group announced that it would initiate a process to divest the airports business. To facilitate the divestment process the Group has changed the organizational structure and reporting to the CODM. The Segment information presented in Q421 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. Q420 and FY2020 comparatives have been restated based on the new segments to enhance comparability.

Legal disputes

In the long running litigation matter in California, the Group's net 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.

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. We are expecting the settlement to be approved by a local court in summer 2022.

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 effect of COVID-19 pandemic on the global economy continued, to a lower extent, in FY2021. As of December 31, 2021, there is no significant impact on any balance sheet items.

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.

Subsequent events

Cavotec Italy building

Cavotec reached an agreement in order to sell the former production building belonging to Cavotec Italy. The transaction will be completed during second quarter 2022.

Impact on Cavotec's production facility in Shanghai following China's launch of lockdowns due to Covid-19

Due to the lockdown of Shanghai to contain surging COVID-19 cases in the latter part of March, Cavotec's production facility there has not been able to deliver and invoice a substantial part of booked orders at the end of the first quarter. Planned invoices in March are delayed until further notice, despite production being completed. Cavotec anticipates that approximately EUR 4 million of revenue will be delayed until the following quarter. Deliveries are not cancelled but will resume as soon as the situation is normalized.

Due to the temporary impact on our ability to deliver and invoice according to plan, the Group has initiated a discussion with its banks in the event Cavotec is unable to meet all the conditions of its existing bank agreement in the quarter.

Sanctions towards Russia

Following the recent 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 2022 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.

Financial calendar

April 27, 2022	2021 Annual Report
April 29, 2022	Q122 Report
May 18, 2022	Annual General Meeting, Lugano
July 27, 2022	Q222 Report
November 4, 2022	Q322 Report
February 24, 2023	Q422 and Annual Report 2022

Conference call in connection with publication of the quarterly report

A conference call for shareholders, analysts and media will be held on 30 March 2022 at 10:00 CEST. Participating on the conference call from Cavotec will be Mikael Norin, CEO, and Glenn Withers, CFO.

Conference call Dial-in numbers:

SE: +46850558366

UK: +443333009271

US: +16467224903

Weblink:

<https://tv.streamfabriken.com/cavotec-q4-2021>

Quarterly Reports on www.cavotec.com

The full report for the period January-December 2021 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 above, at 07:00 CEST on 30 March 2022

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