2023
Annual and Sustainability Report

CAVOTEC
We connect the future.

Improved financial performance and key business wins

Through clear strategic priorities, Cavotec has improved its financial position and performance during 2023. Cavotec has also won several important contracts with both new and existing customers.

Key events in 2023

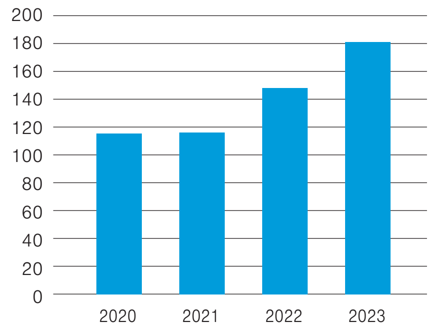
- Order valued at EUR 6.65 million from one of the world's largest shipping companies for shore power systems
- Long-term service agreement signed with COSCO Group
- Order signed for mooring units with North American seaway operator worth EUR 6.4 million
- Directed new issue of shares of SEK 165 million
- Joakim Wahlquist appointed new CFO

Key events after the end of 2023

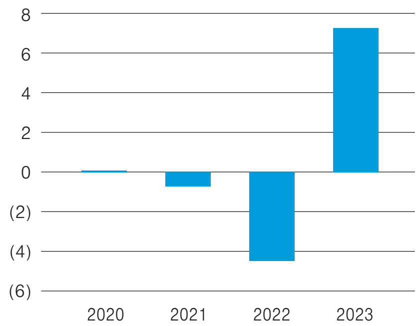
- Two-year service agreement signed with APM Terminals at Port of Tanger
- Shore power retrofit order signed with major European shipping line worth USD 5.7 million
- Three-year service agreement signed for shore power systems in a large North American port
- The world's first ultra-fast 3 MW charging system for battery-powered heavy-duty vehicles in service at a site in Australia

EUR 000s	2023	2022	2021	2020
Revenue	180,734	147,849	115,794	115,342
Order backlog	123,562	147,207	98,893	57,773
EBIT	7,227	(4,506)	(747)	37
EBIT margin	4.0%	-3.0%	-0.6%	0.0%
Net profit/(loss) for the period	180	(3,170)	(1,211)	(2,973)
Basic and diluted earnings per share, EUR	0.002	(0.034)	(0.013)	(0.031)
Operating cash flow	1,933	(5,485)	8,654	15,501
Net debt	(18,638)	(30,328)	(19,630)	(15,264)
Leverage ratio	1.29x	12.5x	3.20x	0.98x

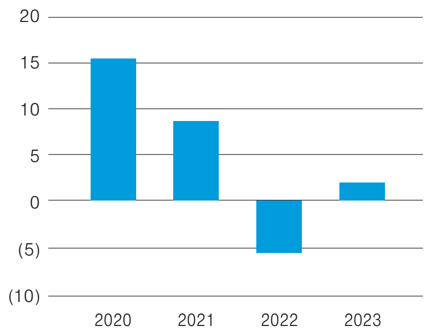
Revenue, EUR million



EBIT, EUR million



Operating cash flow, EUR million



Cavotec in brief

Cavotec is a leading cleantech company that designs and delivers connection and electrification solutions to enable the decarbonisation of ports and industrial applications.

180.7
Revenue, EUR million

7.2
EBIT, EUR million

123.6
Order backlog, EUR million

80+
Number of countries where Cavotec's systems are installed

664
Employees

Backed by close to 50 years of experience, our systems ensure safe, efficient and sustainable operations for a wide variety of customers and applications worldwide. Our offering includes automated mooring, shore power, motorised reels, crane electrification and charging solutions.

We enable our customers to optimise productivity, minimise risk to personnel and equipment, and reduce environmental impact. Our unique technologies and engineering expertise combined with a worldwide service offering maximise our customers' profitability and sustainability. In this way, we help their businesses grow and accelerate progress towards a sustainable future.

What Why How

What
We connect the future.

Why
We want to contribute to a world that is cleaner, safer and more efficient by providing innovative connection solutions for ships, ports, and industrial equipment today.

How
We thrive by shaping future expectations in the areas in which we are active. Our credibility derives from our expertise and dedication to innovation and world-class operations. Our success rests on our core values: Integrity, Accountability, Performance, and Teamwork.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CAVOTEC

Creating a solid base for profitable growth

Our clear strategic priorities and change program have proven effective and our financial results and position have improved significantly in 2023. We have also made key business wins with important contracts globally. Although the macroeconomic situation remains uncertain, there is strong demand for our electrification solutions driven by national regulations and the need to reduce emissions.

"We ended 2023 with high business activity and important contracts that give us a good basis for profitable growth."

David Pagels, CEO

The growth of 22.2% in 2023 to EUR 180.7 million and the turnaround of EBIT to EUR 7.2 million from -4.5 million clearly show that we are on the right track with the transformation of Cavotec. We work with clear strategic priorities in six areas with comprehensive change programs. We turn over basically all stones in the group and improve routines and processes. The performance in 2023 show that we have come a long way but we are far from done.

One of the externally more visible efforts in 2023 is the review of the order backlog with the goal of securing profitable growth. The decline of 16.1% to EUR 123.6 million reflects both a normalisation of the order backlog and an extraordinary high order intake in 2022. We strongly believe the review is a key strategic move and a driver for continued improved profitability going forward. Some other driving factors for the improved profitability are the increased volumes along with the determined work to increase production efficiency, enhance our sales processes and sharpen our service offering. In 2023, the Ports & Maritime segment was the most successful with these new ways of working, but we expect also the Industry segment to make significant progress in this area going forward.

Strong interest in our solutions

We meet a steady stream of customer inquiries and strong interest in our electrification solutions and service offering. The demand is driven by the increasingly urgent need to reduce the world's emissions of greenhouse gases, to reduce noise in ports and cruise terminals and to improve customers' operational efficiency.

In 2023, we announced a few customers wins that prove our leading position in, among other things, automatic vacuum mooring and shore power. We signed a contract worth EUR 6.65 million with one of the world's largest shipping lines to supply shore power equipment to newbuild container ships. At the end of the year, we announced an order with an existing North American customer for an additional six vacuum mooring units to be installed at locks in a seaway system. The order is valued to EUR 6.5 million. We kicked off 2024 by announcing a contract worth USD 5.7 million to retrofit vessels with shore power solutions for a major European shipping line.

Attractive service offering

Yet another of our changes in 2023 includes the decision to increase the focus on our service offering, which has already paid off. We have announced a long-term service agreement with COSCO Group, one of the world's largest shipping companies. Based on the new agreement, we provide maintenance for more than 60 ocean-going vessels equipped with our shore power systems. In 2024, we have so far announced a two-year service agreement with APM Terminals at Port of Tanger. We will be servicing our 45 vacuum mooring master units and 31 power units installed at the port. In

this way, the customer's operational efficiency is significantly improved and the performance of the products is optimised. A special contract is the announced three-year service agreement signed for shore power systems in a large North American port. Here we will assist in the plug in and plug out procedures for vessels which will contribute to improved operational efficiency in the port.

Another strategically important area for us that we will increase our focus on in 2024 is product development since we are determined to continue being a world-leading player in electrification. A good example of our leadership is our ultra-fast 3MW charger – the world's first and most powerful – which is in full operation at a mining site in Australia. Developed by the Industry segment during 2023, it is now included in a solution that charges a prototype 240-ton electric haul truck in just 30 minutes. This technological advance paves the way for the electrification of heavy-duty vehicles and greatly reduced emissions in critical industries worldwide.

Strengthened financial position

It is gratifying to see how our improved profitability and financial management have led to a significantly improved cash flow and strengthened financial position. Operating cash flow increased to EUR 1.9 million from EUR -5.5 million and net debt decreased from EUR 30.3 million to EUR 18.6 during 2023. Our strengthened financial position means that our financing costs will be lower going forward.

Outlook

We ended 2023 with high business activity and important contracts that give us a good basis for profitable growth. Perhaps the most important thing for us in 2024 is the momentum we have and the commitment that I see everywhere in Cavotec. Although the macroeconomic situation remains uncertain, we meet a continued strong interest from both existing and new customers for our leading electrification solutions. I am confident that Cavotec will continue to be a key player in the transition to a more sustainable, emission-free world also in the coming years.

David Pagels
CEO

Global market trends create new opportunities for us

We have gained deep insights into our market and its driving forces due to our close to 50 years of experience and long-term customer relationships. On a day-to-day basis, this is about being able to understand, anticipate and adapt to the changing needs and behaviours of our market. This in turn enables us to deepen existing customer relationships, win new customers and continue to strengthen our market position.

Climate

The climate is the most important issue of our time. In order to reach the goals of the Paris Agreement, it is required that all industries and businesses contribute by reducing their emissions. The shipping sector accounted for 2.89% of global greenhouse gas emissions in 2018 according to the International Maritime Organization. When we look at the mining sector, it is responsible for between 4 and 7% of the world's greenhouse gas emissions according to an article published by McKinsey & Co in 2020.

The urgency of reducing carbon emissions is increasingly a priority for a growing number of industries, including the shipping and mining sectors. This means that interest in Cavotec's products and services increases because they reduce customers´ carbon footprint and help them contribute to reaching the Paris Agreement.

Electrification

A critical part of efforts to fullfil the Paris Agreement is electrification and the transition to fossil-free energy. The electrification of processes that have until now been performed with fossil fuels is ongoing throughout many sectors, not least in shipping and mining. Electrification not only contributes to the decarbonisation, it can also generate substantial energy savings due to greater efficiency and enhance air quality.

The electrification of vessels, cranes and other industrial equipment are central parts of Cavotec's offering. Shipping companies and shipyards, for example, are becoming increasingly interested in the shore power solutions that enable ships to switch off the diesel generators at berth.

Noise pollution

Awareness is increasing globally about problems associated with noise pollution both on land and in the seas. Noise pollution affects many people on a daily basis and can cause health problems such as high blood pressure, heart disease, and stress. Today we also know that noise pollution can affect animals on land and in the seas.

For many sectors, it is important to reduce noise in the workplace to improve the health of employees and increase attractiveness as an employer. Here, Cavotec contributes through its products and solutions that improve the sound environments in ports and mines, for example.

Safety

Occupational injuries and work-related ill health are high on the sustainability agenda of many companies today. Many companies have zero visions when it comes to occupational injuries and invest in equipment and processes that reduce risks to employees.

For Cavotec, safe products and solutions that improve the workplace environment have always been an important driving force and key competitive advantage. By automating previously manual processes, such as mooring, the risk of injury to sailors and dock workers is significantly reduced.

Global trade

Global trade means that many different raw materials and products are transported over great distances in the world. About 90% of global trade is today seaborne according to the International Maritime Organization. Efficient and well-performing value chains are central to the functioning of global trading systems.

End-users of Cavotec's solutions are central to the efficient functioning of global trade and they require constant service support to maintain efficiency and delivery reliability. Cavotec is therefore a core part of its customers´ value chains, which is an important reason for the long and close customer relationships.

Regulation

In many parts of the world, demands on the industry to reduce its negative climate and environmental impact are increasing. Requirements are being made by international bodies such as the International Maritime Organization and supranational authorities such as the EU. Demands are also increasing from local authorities that want to lower diesel emissions and noise levels in and around port areas, for example. Stakeholders such as investors and lenders are also pushing companies to become more sustainable.

Increased regulations drive demand for Cavotec's products and services. For Cavotec, this creates increased opportunities to reach new customers and strengthen its market position in sectors that are critical for industry and society.

We target the global need to decarbonise

Worldwide, the need to reduce greenhouse gas emissions grow. With our solutions and services, emissions in port, mines and other industrial sites are reduced while workplaces become safer.

Key resources

Skilled employees

Global reach

49 years of experience and innovation

Our value proposition

We provide safe and efficient electrification solutions and services that decarbonise ports, vessels and heavy-duty vehicles.

Customers

Ports and port operators

Shipbuilder and shipping companies

Mining operators

Manufactures of mining machinery and mobile cranes

With close to 50 years of experience and innovation, we have established ourselves as a preferred supplier and service provider to leading companies in above all the marine and mining industries. By enabling the electrification of ships, port equipment, and mining machinery, we support our customers to reduce greenhouse gas emissions and also noise pollution. The need to reduce the environmental impact is driven from several different stakeholders, including supranational bodies and local authorities. Our solutions also contribute to increasing the safety of professional groups such as sailors, dock workers and miners.

Customers in critical infrastructure
We provide our solutions through our two business segments: Ports & Maritime and Industry. Our services organisation provide maintenance, controls, spare parts and repairs to extend equipment lifespan.

Within Ports & Maritime, a significant proportion of sales are large projects such as electrically powered vacuum mooring systems and motorised reels for container cranes. Sales of reels take place through OEMs that install Cavotec's products in port cranes, for example. The end customers, typically ports and shipping companies, provide OEMs with product and system specifications.

For Industry, mining machinery OEMs account for the majority of revenue. Sales mainly comprise of critical components in larger volumes.

Critical solutions for our customers
Our business is characterised by close, long-term customer relationships. Because part of our sales are to OEMs, it is important that we also maintain close relationships with the end customers, since they define the specifications. The end customers may also be those who purchase maintenance service and spare parts directly from us.

Several of our products represent a small value of the final product, but they are critical components of the operation. Downtime can create substantial cost, so customers and end customers are meticulous in their specifications, and value service excellence.

Global supply organisation
Assembly of our products takes place in plants, often located in the same region as the customers. Through our service organization and its local presence, we are geographically close to our customers.

Our most important resource is our over 600 employees worldwide and their collective experience. Together with our customers and partners, we constantly develop our offering and create new innovative solutions.

Clear strategic priorities for profitable growth

Our overall goal is profitable growth. Cavotec is in a transformation phase in which clear strategic priorities are being applied to create the necessary conditions to achieve profitable growth. The implementation of these strategic priorities began in 2021 and we have made significant progress in our transformation journey.

Our strategic priorities

- Customers and go-to-market
- Operational excellence
- Cost control
- Culture and values
- Innovation
- People

Comprehensive change programs

Foundation for value creation

To reach our overall goal, we must execute on each one of our strategic priorities because they are interdependent. We only have satisfied customers if we have motivated employees and efficient processes. We can only achieve operational excellence if we have good cost control. Without innovation as a behaviour, we cannot change processes and constantly improve our offer. Our culture and values must embrace change and the will to work towards our overall goal of profitable growth.

Customer focus

With a strong customer focus, we strive to always create value not only for us and our customers, but also for our customers' customers. In this way, we strengthen and ensure long-term and close customer relationships. With a large installed base worldwide, we have significant potential for upselling, not least of our services offering. At the same time, we have dialogues with new customers and the customers' customers who, through their specifications, ensure that our leading products become part of their orders.

Among the changes we have implemented are better processes for pricing and clear responsibilities for following up on customer projects.

Operational excellence

We must continuously improve effectiveness and efficiency throughout the organisation and value chain. This is done by smart use of new technologies, platforms and capabilities that drive productivity in combination with new routines and processes that improve our ways of working.

An example of operational excellence is our new assembly facility in India which will service the significant local Indian market. With this new unit, we are leveraging India's robust manufacturing capabilities and cost-effective resources including competitive suppliers, while increasing our overall capacity.

Cost control

Cost control does not only relate to monitoring costs. It is a way of thinking that encompasses our ways of working and our supplier and customer relationships. It is about what resources we should have, when and where they should be applied.

To improve cost control throughout the organization, we have introduced cost optimisation and sourcing cost reduction programs along with the renegotiation of contracts during 2023.

Culture and values

Our success rests on culture and core values. Cavotec's culture must be characterised by openness and a common desire to reach a shared goal, while working as a unified company. Our core values of integrity, accountability, performance and teamwork lay the

Financial targets

Adopted by the Board of Directors in February 2020.

+5%

Sales growth

To achieve annual organic revenue growth of at least 5% from 2020, in addition to possible acquisitions.

Outcome			
2020	2021	2022	2023
0.0%	+0.4%	+27.7%	+22.2%

+10%

EBIT margin

To reach an annual adjusted EBIT margin of more than 10% within two years and more than 12% within five years.

Outcome			
2020	2021	2022	2023
0.0%	-0.6%	-3.0%	4.0%

30-50%

Dividend policy

The target is to distribute dividends of approximately 30-50% of net profits over a business cycle. Any dividend proposal will be based on financial position, investment needs, acquisitions and liquidity position.

Outcome
No dividend has been paid for the years 2020-2022. The Board of Directors proposes to the Annual General Meeting 2024 that no dividend be paid for the 2023 financial year.

foundation for how we act towards each other and the world around us.

Innovation

Innovation is about solving our customers future needs and challenges. Through our technical leadership, we create competitive advantages and strengthen our position both with existing and potential customers. For Cavotec, innovation also has a broader meaning and it is about having a mindset that characterises everything we do. If we are to succeed, we must all be innovative, dare to question existing routines and be open to new ideas and ways of working.

People

Our employees are Cavotec's most important asset and motivated employees are a prerequisite for us to succeed in creating profitable growth. With a strong employer brand, we create the conditions to retain, develop and recruit the industry's best talents. One step in creating a motivating environment is clearly defined roles and responsibilities linked to measurable goals and follow-up, as well as constant learning that develops and stimulates us.

Steady financial performance 2023

Cavotec has steadily improved its financial performance and position during 2023.

Revenue and order backlog
Revenue increased 22.2% to EUR 180.7 million (147.8) where currency effects had a negative impact of -3.0%. The strong growth is mainly driven by deliveries in the Ports & Maritime segment related to shore power solutions on container vessels. Most of the orders for shore power solutions for new-built container vessels were signed in 2022 and follow ship building activity running also into 2024. Demand for reels in the Industry segment and the services operations also contributed to the overall growth.

In the regions, growth was especially strong in North America increasing 81.6% to EUR 23.0 million (12.7), and in Asia Pacific where revenue grew 31.8% to EUR 69.8 million (53.0). In Europe and Middle East revenue increased 7.0% to EUR 88.0 million (82.2).

The order backlog decreased -16.1% to EUR 123.6 million (147.2) as a consequence of the strategic focus on profitable growth. This approach, introduced in 2023, resulted in a normalisation of the order backlog while there is a continuous steady stream of customer inquiries and strong interest in Cavotec's electrification solutions and service offering.

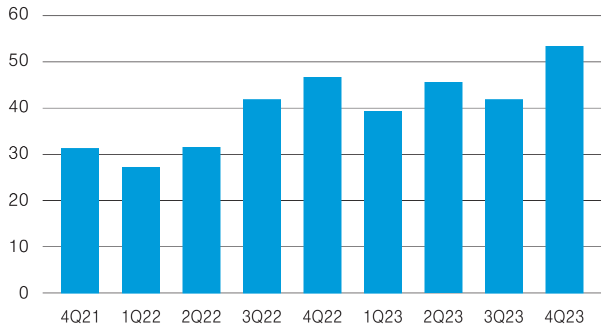
Costs and operating expenses
Cost of materials increased 25.1% to EUR 101.2 million (80.9) and constitutes 56.0% (54.7%) of revenue. Employee benefit costs increased 0.2% to EUR 47.9 million (47.8) which constitutes 26.5% (32.3%) of revenue. Operating expenses was unchanged from 2022 and amounted to EUR 19.3 million (19.3), which constitutes 10.7% (13.0%) of revenue.

Gross operating result
Gross operating result increased 783% to EUR 14.4 million (1.6) and constitutes 8.0% (1.1%) of revenue.

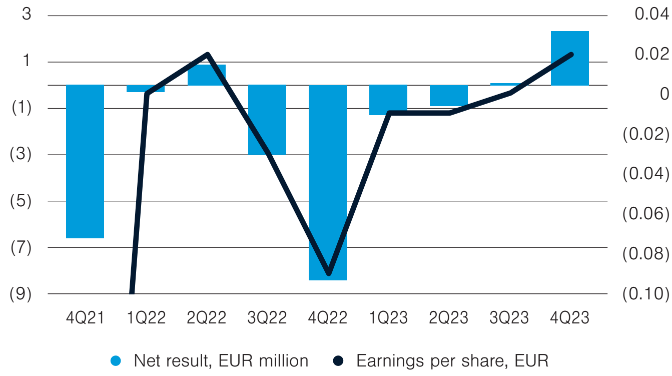
Depreciation and amortisation
Depreciation and amortisation including depreciation of right-of-use of leased asset and impairment losses increased 16.9% to EUR 7.2 (6.1) million.

EBIT (operating result)
EBIT improved to EUR 7.2 million (-4.5) and the EBIT margin increased 7.0

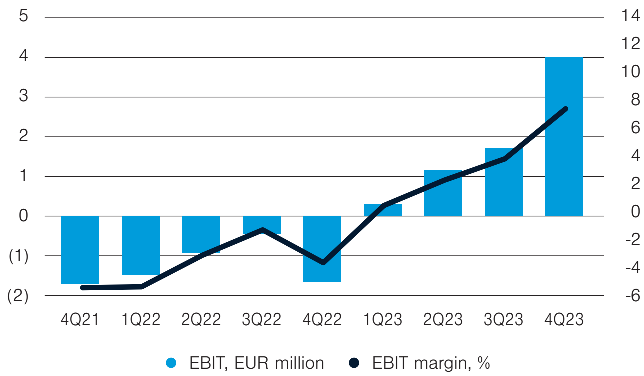
Revenue EUR million



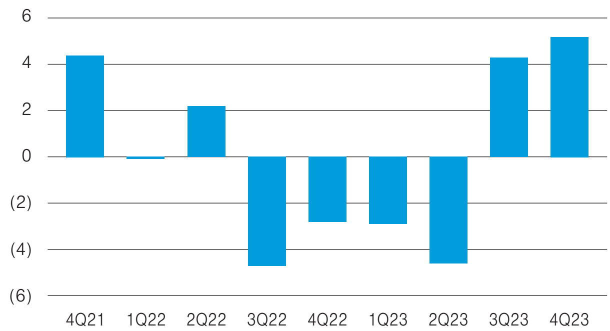
Net result and earnings per share



EBIT and EBIT margin



Operating cash flow, EUR million



percentage points to 4.0% (-3.0%). The EBIT improvement is mainly a consequence of increased volumes as well as the successful work in the Ports & Maritime segment to focus on profitable growth in the order backlog.

Financial income
Interest income amounted to EUR 0.018 million (0.108). Interest expenses increased to EUR 3.5 million (1.4) impacted by higher interest rates.

Result before income tax
The result before income tax improved to EUR 3.8 million (0.3).

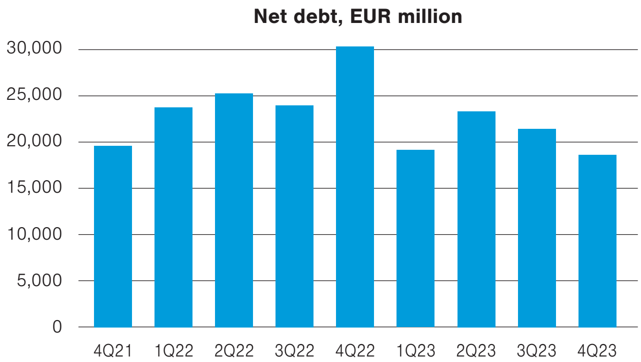
Taxes
Income taxes amounted to EUR 3.6 million (2.9). which represents 26.4% (20.9%) of earnings before tax. Tax paid was EUR 0.5 million (6.2) million, which equates to 23.7% (22.3%) of earnings before taxes.

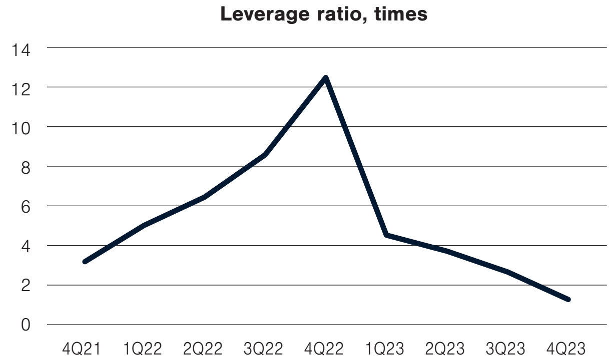
Profit for the year and earnings per share
Profit for the year increased to EUR 0.2 million (-14.7). Earnings per share, basic and diluted, improved to EUR 0.002 (-0.156).

Cash flow
Cash flow before changes in working capital improved to EUR 10.4 million (5.8). Working capital increased with EUR 8.5 million (-0.03). Operating cash flow increased to EUR 1.9 million (-5.5) due to improved profitability during the year. Investing activities amounted to EUR -1.5 million (8.2). Investing activities was 2022 impacted by the divestment of the airport division.

Financial position
Net debt decreased to EUR 18.6 million from EUR 30.3 million at 31 December 2022. The leverage ratio (measured as debt-to-equity) improved in the quarter to 1.29x from 12.5 during the year. The equity/assets ratio increased from 26.2% at 31 December 2022 to 36.0% at the end of 2023. Cash and cash equivalents increased to EUR 15.1 million (9.6).

Employees
At the end of the year, Cavotec had 664 (640) full-time equivalent employees.





An attractive offering in electrification

With our extensive experience and comprehensive range of innovative technologies we help customers to connect and electrify port operations and other critical industrial applications.

A leading cleantech offering

Ports & Maritime
Crane electrification
Shore power
Automated mooring

Industry
Cranes
Mining and tunnelling equipment
Industrial applications
Charging solutions

Services
Service agreements
Inspections and repairs
Spare parts
Refurbishment
Training

Our offering ranges from turnkey solutions and systems integration to volume products. With our services offering, we help customers to extend the lifecycle of our systems and reduce operating costs. Our services organization offer support around the world and around the clock.

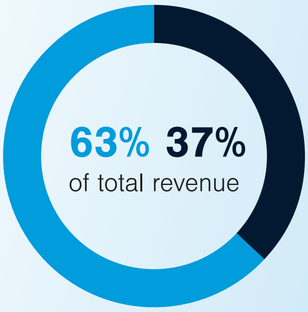
Crane electrification and cranes

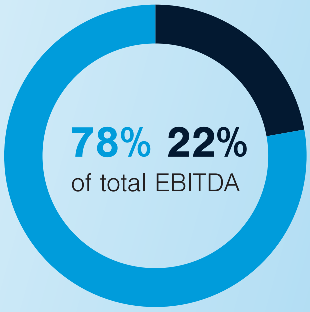
We power cranes with a wide range of systems such as high-speed motorised cable reels for fiber optics, liquids or electricity. The offering also includes cable protection and power connection systems. Our systems have a proven track-record in the harshest of environments and under extreme mechanical stress. Our crane solutions are used in ports and terminals, extraction applications, lifting, and material handling.

Shore power

We provide a comprehensive range of shore power connection and charging solutions for ports, conventional ships, and e-vessels. Shore power is the only solution that cut emissions at berth to zero. Shore power solutions enable the connection of ships in port to onshore

Our segments





Our two segments
We report two segments:
Ports & Maritime and Industry.

Services activities are reported in the respective segment in which they are carried out.

- Ports & Maritime
- Industry

power supply, allowing ships' diesel generators to be switched off.

Automated mooring
Our MoorMaster® vacuum automated mooring system replaces conventional mooring lines with automated vacuum pads that moor and release vessels in seconds at the push of a button. With more than 1.3 million successful moorings completed since its introduction in the late 90s, MoorMaster is the world's only widely used automated mooring technology. It is in use with a wide variety of vessels and applications, including 400 metre-long container ships and bulk carriers. Mooring sequences takes less than a minute and the release phase is even quicker. The system reduces emissions during the mooring process by more than 90% and enables vessel overhang. MoorMaster's advanced control system minimises vessel motion along the berth, increasing the efficiency of loading and unloading.

Mining and tunnelling equipment
Our mining and tunnelling systems enable the connection, electrification and automation of mobile mining and tunnelling equipment. These include Human Operator Interface systems, motorised cables and hose reels, spring reels, junction boxes, power connectors and industrial controllers such as chairs and joysticks.

Industrial applications
We provide solutions and products for a wide variety of processing and transportation applications such as automotive, power plants, steel and aluminium, wind and solar energy. Cavotec has extensive experience of providing customised solutions for the safe and efficient transmission of energy, signals and data, as well as liquid and gaseous media.

Charging solutions
Our connection solutions optimise the charging of a variety of mobile equipment such as electric and hybrid vehicles, trucks, AGVs and ships. We provide manual and automatic connection systems that withstand challenging port environments and ensure operational safety.

Our Megawatt Charging System (MCS) provides up to 4.5 MW charging power with a single MCS connector. The system significantly reduces charging time and maximises uptime compared to existing combined charging systems. MCS can be used to charge all kinds of heavy-duty vehicles, such as agriculture and construction vehicles, large mining trucks and e-vessels.

We significantly improve the environment for ports worldwide

Our Ports & Maritime segment provides world-leading solutions for ports, ships and other marine applications. With our unique systems for automated mooring, shore power, crane electrification, and connection and charging systems, we significantly improve the environment in ports and terminals worldwide.

Our systems are in use all over the world and we provide services to customers around the clock. Customers include ship owners and operators, ports and terminals, port equipment manufacturers, shipyards, and major contractors. Among our customers are ABB, DP World, and a number of ports across the world including Hong Kong, Los Angeles and Shanghai.

Our competitive advantages
Our main competitive advantages are our high quality, technical ability and broad service offering. Our customers never compromise on safety, which is often a reason for them to choose Cavotec as the preferred supplier.

Key business progress in 2023
We announced a repeat order, signed with one of the world's largest shipping lines to supply shore power equipment for new-build container ships. The total value of the announced order is EUR 6.65 million, with deliveries running from late 2023 to early 2025. The order is for our PowerFit units, which are complete containerised solutions for the high-voltage connection of vessels to shoreside electricity. The PowerFit units enable dramatic reductions of local air and noise pollution at ports, minimising the vessels' environmental impact. The contract further strengthens our leading position in the decarbonisation of the maritime industry.

We also announced a long-term service agreement with COSCO Group, one of the world's largest shipping companies. We will provide preventive maintenance

"Our focus is to continue improving the environment in the world's ports while also working on our internal efficiency."

Patrick Mares,
President, Ports & Maritime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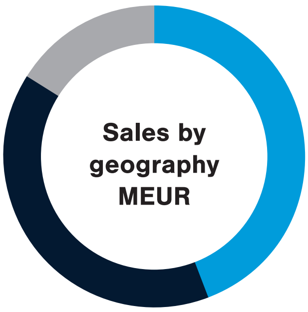


SEGMENT PORTS & MARITIME
- Asia Pacific, 50.7 EUR million
- Europe and Middle East, 45.7 EUR million
- North America, 18.2 EUR million

for more than 60 ocean-going vessels, equipped with our shore power systems. The agreement strengthens Cavotec's presence in Asia.

At the end of the year, we announced an order for mooring units signed with a North American seaway operator. The order is worth USD 5.7 million and further improves our position in the North American market.

Key events after the end of 2023
In the first quarter of 2024, we announced key business wins such as a two-year service agreement with APM Terminals MedPort Tangier, a shore power retrofit order with a major European shipping line worth USD 5.7 million, and a three-year service agreement for shore power systems in a large North American port.

Performance in 2023
Revenue increased 29.9% to EUR 114.7 million (88.3). Currency exchange effects had a negative impact of -2.7%. The strong growth was mainly driven by deliveries of shore power solutions for new-built container vessels as well as cruise terminals. Most of the orders for shore power solutions for new-built container vessels were signed in 2022 and follow ship building activity running also into 2024. The development was driven by growth of 111.6% in North America to EUR 18.2 million (8.6) and in Asia Pacific of 30.0% to EUR 50.7 million (39.0). Revenue in Europe and Middle East grew 12.6% to EUR 45.7 million (40.6).

The order backlog decreased -14.6% to EUR 99.8 million (116.9).

EBITDA improved significantly to EUR 11.2 million (-2.4) and the EBITDA margin increased 12.5 percentage points to 9.8% (-2.7%) thanks to the focus on the strategic priorities and increased volumes during the year.

MoorMaster automated mooring expands capacity at busy Medport Tangier

APM Terminals MedPort Tangier in Morocco is one of the busiest container terminals in Africa. Recently, the port wanted to simultaneously expand capacity to better service increasing traffic volumes and reduce emissions and noise at the terminal. The port operator chose to install Cavotec's MoorMaster® automated vacuum mooring system and increase its quay length from 1,200 to 2,000 metres. By using all-electric or hybrid terminal equipment, automated mooring technology and other systems, the port has successfully expanded its capacity and improved the environment at the port in terms of reduced emissions and noise.

Cavotec is supplying the port with MoorMaster units installed all along the 800 metre extension, the last of which are due to enter service at the beginning of 2024. The remotely controlled MoorMaster units allow vessels to moor in seconds, ensuring better safety, significantly reducing emissions, and enabling faster vessel turnarounds. It is estimated that the MoorMaster units will reduce ship emissions during berthing in MedPort Tangier by more than 90% compared to conventional mooring due to reduced use of tugs and ship engines.

The units will also create major productivity gains at the busy Moroccan terminal. Once vessels are moored, the MoorMaster units' active hydraulics significantly reduce vessel motion, thereby positively impacting terminal crane moves per hour. As a result of improved efficiency, average vessel call times are expected to be reduced by an average of two hours in addition to the saving of one hour due to faster mooring and release times.

"As we see the maritime industry target ambitious sustainability goals and move towards cleaner future, efficiency is the key to reach those targets sooner rather than later. MoorMaster provides that efficiency by helping MedPort Tangier to both expand its capacity and to reach its environmental goals. We are very proud to support the port in their transformation into a modern transshipment hub in the Mediterranean", says Vikesh Dhanpat, Global Product Manager at Cavotec.

Cavotec's MoorMaster and shore power enter service in Stockholm

Sweden's first MoorMaster NxG vacuum mooring system officially entered service in September 2023, paving the way for significant safety, operational and sustainability gains. The system, at Port of Kapellskär, part of Ports of Stockholm, is now being used with Finnlines' new-build Ro/Pax passenger and freight vessel, Finnsirius.

MoorMaster eliminates the need for hazardous mooring lines with automated vacuum pads that moor and release vessels in seconds at the push of a button. The system is in use at a wide variety of applications all over the world including container handling, ferry, and bulk terminals.

MoorMaster NxG has already entered service at a number of sites, but the Kapellskär application is the first of its kind in Sweden.

The system at Kapellskär is being used to moor the brand-new Finnsirius, which recently won the Ferry Shipping Summit's Ro/Pax of the Year award, and that operates the Kapellskär – Långnäs – Naantali (Finland) route. The system moors and releases the vessel in less than 30 and 15 seconds, respectively.

"The vacuum technology improves sustainability by providing a safer working environment and reduced environmental impact," says Johan Wallén, Chief Commercial Officer at Ports of Stockholm.

Using MoorMaster enables ships engines' to be shut off sooner after arrival in port, resulting in significant fuel savings and reduced NOx and CO_2 emissions and noise reductions – benefits that are increased further with connection to shore power using Cavotec's PowerReach solution, which has also been installed at the Kapellskär berth.

Cavotec provides shore- and ship-based shore power connection systems for customers all over the world. Ports of Stockholm first provided onshore power connection for vessels in the 1980s and all of its ports are now equipped with shore power connection facilities.

Now installed together at Kapellskär, this joint MoorMaster NxG and PowerReach application provides an example of how ports and shipping lines are able to make their operations safer, more efficient and more sustainable.

We improve our customers’ operations

Our Industry segment offers solutions that drive productivity and contribute to the customers’ operational efficiency, safety and electrification. Our solutions include motorised cable and hose reels, Human Operator Interface systems, Radio Remote Controls, power connectors, slip rings and spring driven cables and hose reels.

We support customers in a wide variety of industrial sectors, such as cranes, energy, processing and transportation, surface and underground mining, and tunnelling. Mining and construction are the largest customer segments. We have worked closely during long time with leading OEMs in the mining and construction sectors such as Caterpillar, Epiroc, Sandvik and ThyssenKrupp.

Our competitive advantages

Our ability to understand end customer needs and present solutions to help them improve their operations is undoubtedly our main competitive advantage. With our long experience and knowledge of technical solutions in tough environments such as mines and tunnels, we can actively drive the customers’ improvement work. It gives us a unique position and creates long-term relationships that are strengthened by our broad service offering.

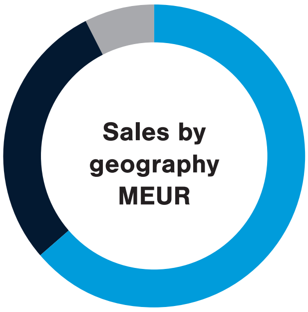
Key business progress 2023

Our world’s first ultra-fast Megawatt Charging System (MCS) was commissioned by a mining site in Australia and in full service in the beginning of 2024. We launched the MCS, which provides up to 4.5 MW of power from a single connector, in October 2022. At the site in Australia, our MCS is charging a prototype 240-tonne electric haul truck in just 30 minutes. The MCS significantly reduces the charging time and is a major industrial breakthrough.

“We will continue to create value for our customers and at the same time focus on our internal efficiency to improve profitability.”

Simone Sguizzardi,
President, Industry


Epiroc
Epiroc



SEGMENT INDUSTRY
- Europe and Middle East, 42.2 EUR million
- Asia Pacific, 19.1 EUR million
- North America, 4.8 EUR million

Performance 2023

Revenue increased 10.8% to EUR 66.0 million (59.6). Currency effects had a negative impact of -3.3%. The revenue increase was mainly driven by good demand for reels. Growth in North America amounted to 17.6% to EUR 4.8 million (4.0) and in Asia Pacific to 36.7% to EUR 19.1 million (14.0). Revenue in Europe and Middle East grew 1.5% to EUR 42.2 million (41.6).

The order backlog decreased -21.6% to EUR 23.8 million (30.3).

EBITDA amounted to EUR 3.2 million (4.0) and the EBITDA margin decreased -2.0 percentage points to 4.8% (6.8%), negatively impacted by a high proportion of larger projects with lower margins.

World’s most powerful charging system reduces emissions in mines

The global mining industry is increasingly switching to electric solutions to reduce emissions. One of the challenges for the sector is to find charging systems for new electric heavy-duty vehicles. Cavotec has worked closely with customers in the mining market for many years, so it made sense for us to take on the challenge. After two years of development work, in 2023, we delivered the most powerful industrial charging system ever made for one of the largest iron ore producers in the world.

Our megawatt charging system (MCS) provides a solution that charges a prototype 240-tonne electric haul truck in just 30 minutes. The MCS enables the customer to substantially minimise environmental impact as part of its journey towards zero emissions at the end of the decade.

MCS consists of Cavotec’s ultra-fast, 3 MW charger, high voltage transformer, power electronics, MCS connector, cable, inlet, and several cooling systems that maintain the systems’ continuous and stable performance.

“Our world-leading charging system shows that we lead the technological development,” says Simone Sguizzardi, President of Cavotec’s Industry Division. “We create value for our customers by electrifying their operations and contributing to reduced emissions and better working environments.”

New smart reel improves safety in underground mines

Safety is paramount in the mining industry. The challenge is to find solutions that improve safety and maximise efficiency. Through its long-term collaborations with customers in the mining sector, Cavotec has extensive experience of developing solutions that achieve these two aims. In 2023, Cavotec developed in cooperation with Epiroc, a leading productivity and sustainability partner for the mining and construction industries and a long-term customer, a new smart motorised cable reel to improve the safety and productivity of the company’s underground mining operations.

The smart reels monitor applications’ critical data such as temperature and usage patterns. This gives Epiroc better operational visibility, allowing them to improve safety and increase efficiency and productivity.

“The new smart reel is a prime example of our continuous efforts to meet our customers’ needs for safety and efficiency,” says Benny Törnroos, Regional Sales Director at Cavotec. “Through our extensive industry expertise and technical know-how, we create value for our customers and strengthen our market position.”

Sustainability drives our business

Sustainability is close to our hearts and is the basis of our business. The increasing focus on sustainability in society and not least the rapidly increasing awareness of decarbonisation of society drives our business. The climate issue and the importance of decarbonisation are also what motivate us in our daily work.

Sustainability is not only about taking advantage of opportunities, but also about identifying and addressing negative risks and impacts throughout our value chain. We started structured sustainability work in 2021 and have further intensified the work in 2023. During 2023, we have, among other things, set up a system for more efficient and safer data collection with the help of external resources and an online platform. With this online data collection system, we will improve the quality of data as well as the analysis and follow-up of our performance.

In 2023, we also continued the work with our double materiality analysis. We started work on identifying measures that we will have to take in 2024 to become compliant with the new European Sustainability Reporting Standards. An important part of the work is to improve the processes for internal control as well as reporting to the Cavotec Management Team and the Board of Directors. In 2024, we will also focus on setting targets for key performance indicators within our prioritised sustainability areas environment and climate, our people and business ethics.

ABOUT THE SUSTAINABILITY REPORT

The sustainability report covers the financial year 1 January 2023–31 December 2023 for Cavotec SA, company registration number CHE-440.276.616, registered in Lugano, Switzerland. The report covers all subsidiaries that are consolidated in the financial statements, note 3. For questions about how Cavotec works with sustainability, or the sustainability report, please contact sustainability@cavotec.com.

Scope of data collection

Collected data has been expanded in 2023 regarding energy use and water. From 2023, data for energy use covers all units in Cavotec. HR data has for all three years 2021-2023 been collected from all units, comprising 100% of all FTEs.

Data for energy use

In 2021, data for energy use covered eight facilities in seven countries: Australia, China, Finland, Germany (two facilities), India, Italy and New Zealand, comprising 77% of all FTEs.

In 2022, data was expanded to encompass also Norway and Sweden, comprising 88% of all FTEs.

In 2023, data was expanded to encompass also Dubai, France, Malaysia, Netherlands, Singapore, Switzerland and the US, comprising 100% of all FTEs.

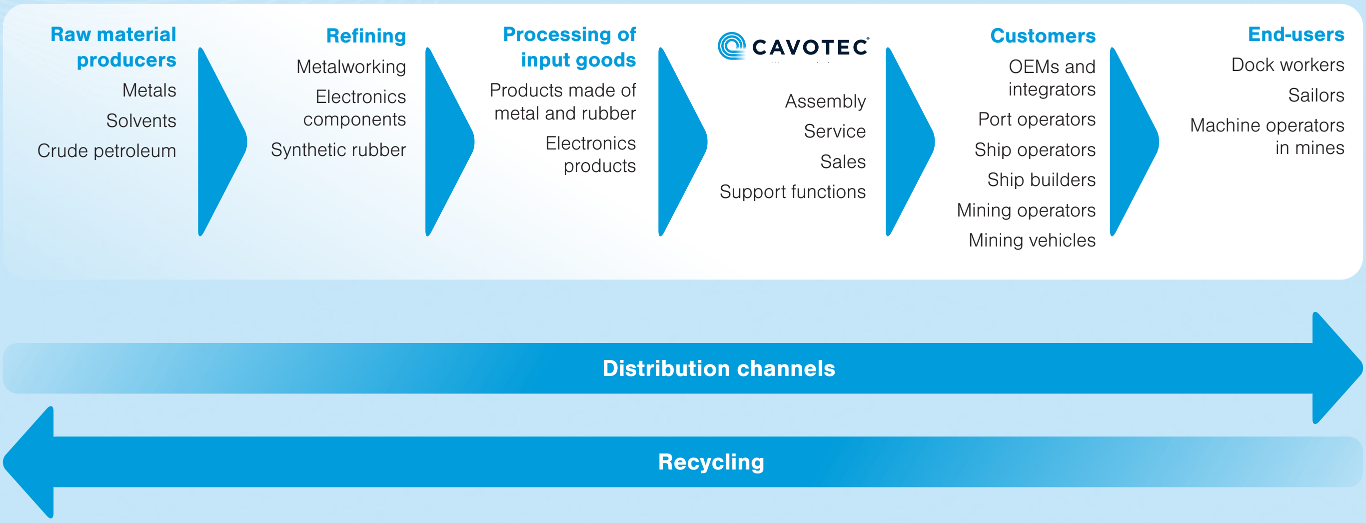
Data for water

In 2022, data for water covered seven facilities in six countries: Australia, China, Germany (two facilities), Italy, Norway and Sweden, comprising 78% of all FTEs.

In 2023, data was expanded to encompass also Dubai, Finland, France, India, Malaysia, Netherlands, Singapore, Switzerland and the US, comprising 96% of all FTEs. New Zealand is the only facility not included.

Our value chain

By understanding our value chain, we get increased insights about potential negative and positive impacts. With that knowledge, we can reduce negative impact and take advantage of the opportunities. For us, the main opportunity is about creating better products and processes together with our suppliers and customers that will accelerate the decarbonisation of society.



In 2021, we increased our insights about our value chain by a simplified life cycle analysis (LCA) on four product families: Azipod, MoorMaster, Motorised Cable Reels, and Alternative Maritime Power (AMP). The analysis was made internally and developed in accordance with ISO 14040-14044:2021 on Environmental Management: Life Cycle Assessment (LCA). As part of the analysis, we identified key activities in the value chain with most significant negative impacts on water, air emissions, soil contamination, noise emissions, and hazardous and non-hazardous wastes. In summary, the analysis showed that we have the most significant environmental impact in our upstream value chain with special emphasis on foundries and carpentries in the processing of input goods, which impact environmental aspects such as emissions of greenhouse gases, energy use, waste disposal and water consumption.

Upstream

Raw material producers

Cavotec's products include metals and alloys such as steel and aluminum as well as rubber. In the processes, various solvents and chemicals are used to produce the material. Steel is one of the primary materials used in the products, which has a considerable environmental impact due to the extraction of iron ore and production of steel.

Refining

The raw materials are refined in various processes to become sub-components for the inputs Cavotec purchases. These processes are, for example, casting, compression moulding, welding and cutting. Several actors can work with the same input before it has reached the stage where it can be included in Cavotec's products.

Processing of input goods

Cavotec has approximately 2,100 suppliers which deliver input goods for the assembly of Cavotec's products and other services. The majority of the suppliers are based in China, Germany and Italy.

Cavotec's operations

Assembly
Cavotec has six assembly and production units, one each in China, India, Italy, New Zealand and two in Germany. The assembly units serve their respective regional markets. The Indian facility will be officially inaugurated in 2024.

Service
The service organisation supports customers through inspections, maintenance as well as sales and installation of spare parts. Cavotec has service centers with repair shops in China, Italy, Norway, Singapore and the US. Parts of the service organisation are based at the customers' premises.

Sales
Cavotec has sales offices in Australia, China, Finland, Great Britain, India, Hong Kong, Norway, Singapore, Sweden, United Arab Emirates and the US.

Support functions
The support functions are local, regional and at group level. The support functions include finance, HR, IT, procurement and legal. Cavotec also has an Innovation Center in the Netherlands.

EMPLOYEES BY FUNCTION
- Production, 187
- Engineering, 114
- Service, 97
- Sales, 76
- Sourcing, 48
- Finance, 47
- Management, IT, HR, Marketing and communication, Legal, 95

EMPLOYEES BY REGION
- Europe, 401
- Asia, 182
- Oceania, 52
- North America, 27
- Middle East, 2

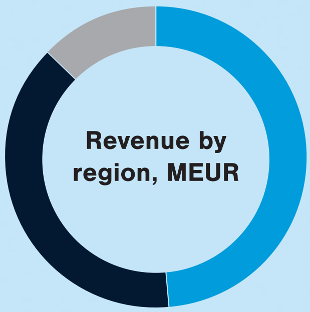
Downstream

Customers
Cavotec has over 3,100 active customers across the globe. Some products are mostly sold to OEMs and integrators. The main end customer groups are port operators, shipbuilders, producers of mining machinery and mining operators. Cavotec's products are often critical where they are used and downtime is associated with high costs for the customer and/or end customer. The products therefore represent a high added value for customers and/or end customers.

End-users
The end-users of Cavotec's products are mainly sailors, dock workers and machine operators in mines.

Distribution channels
Throughout the value chain, vessels and trucks are used for transport. Flights are only exceptionally used for smaller components.

Recycling
Waste materials of metals, plastics and rubber are reused throughout the value chain. Cavotec's products, and the products where Cavotec's solutions are included as a component, often have long-life time. When the products in which Cavotec's products are included, reach the end of their life cycle, they are remanufactured or recycled.



REVENUE BY REGION
- Europe and Middle East and Africa, 88.0 EUR million
- Asia Pacific, 69.8 EUR million
- North America, 23.0 EUR million

All data refer to financial year 2023. Employee data refer to FTEs at 31 December 2023.

Stakeholder dialogues

Cavotec is daily in dialogues with its stakeholders in many parts of the organization. The stakeholders deemed to have the greatest influence on us are employees, customers, suppliers, investors and lenders.

Our stakeholders' views and questions form the basis of our materiality analysis and how we prioritise and work with sustainability issues. The stakeholders have in common that the climate issue and energy use, fair and safe working conditions and business ethics are at the top of the agenda.

STAKEHOLDER DIALOGUES

Stakeholder	How the engagement is organized	Purpose	Key sustainability topics discussed	How the outcome is taken into account by Cavotec
Employees	Performance and career development reviews, workplace meetings, employee surveys, internal training, intranet. Interaction with union representatives.	To create conditions for high employee motivation through, among other things, safe workplaces and fair working conditions.	Health and safety. Diversity and inclusion. Development of skills and capacity. Reduction of Cavotec's carbon footprint from its operations and products.	Climate change and the own workforce are two of Cavotec's material sustainability matters.
Customers	Business meetings and customer surveys. Customer events and trainings. Customer service contacts. Requests for quotations and procurements.	To demonstrate the products' capacity to electrify customers' operations and reduce emissions of greenhouse gases, and improve working environments at the customers. To secure long-term relationships through service agreements. To ensure Cavotec's ability to comply with customers' Codes of Conduct for suppliers.	Cavotec's ability to contribute to the electrification of customers' operations and reduce their emissions of greenhouse gases, and improve their working environment.	Cavotec's business model and strategy is based on the products' capacity to electrify operations and reduce emissions as well as their contribution to safer working environments.
Suppliers	Business meetings and suppliers' customer surveys. Events and trainings arranged by suppliers. Customer service contacts. Requests for quotations and procurements.	To create conditions for on-time high-quality deliveries. To ensure the suppliers' ability to comply with Cavotec's Code of Conduct for suppliers.	Logistics and transportations. Cavotec's Code of Conduct for suppliers.	Business conduct including payment practices is one of Cavotec's material sustainability matters.
Investors, analysts, potential investors and lenders	CEO and CFO in meetings with shareholders, potential investors and lenders. Presentations at investor meetings and seminars, often arranged by banks.	To create the conditions for continued financing and value creation.	How Cavotec's offering contributes to electrification and reduced emissions. Cavotec's efforts to reduce its own emissions, secure fair working conditions and respect human rights.	Cavotec's goal is to report according to the European Sustainability Reporting Standards.

Materiality analysis

Our materiality analysis shows that our prioritised sustainability areas are the environment and climate, our people and business ethics.

The materiality analysis was made in 2021 and based on dialogues with stakeholders, our risk assessment, and an impact model. The analysis followed a proven process in line with industry best practice and international reporting frameworks, as well as incorporating a dual materiality perspective. In the dual materiality perspective, the financial, legal and operational impacts on Cavotec were also included.

Risk assessment

A sustainability risk assessment was part of the materiality analysis and was also made in 2021. It covered sustainability risks throughout our operations and our supply chain. Risks were assessed based on probability and the potential impact on Cavotec. At that point in time, the main risks included: inability to capitalise on sustainability due to limited sustainability knowledge and increasing investor demands, use of natural resources, lack of skilled labour, emissions of greenhouse gases and effluents to soil, water and air.

The results of the analysis and assessments were compiled in a materiality pyramid. The priority areas were summarized under the main headings: environment and climate, our people and business ethics.

Our prioritised sustainability areas

Environment and climate

Cavotec has through its operations a negative impact on environment and climate which we aim to reduce. At the same time, we contribute to the sustainability transition and decarbonisation of society through our products and systems. With our offer, we also contribute to increased safety for our customers' employees.

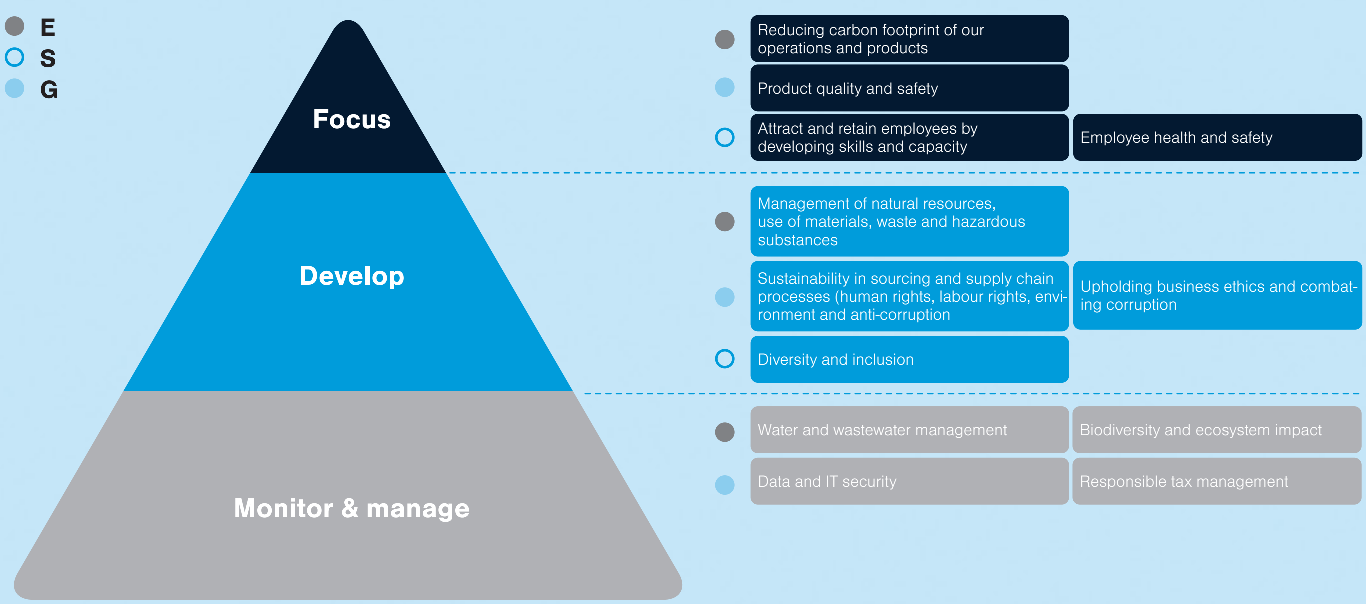
Our people

Our employees are the foundation for our ability to deliver safe, high quality, and energy efficient products and solutions. Therefore, Cavotec needs to be a great place to work that prioritise the health and safety of our employees, diversity and inclusion, and development of skills as well as attracting new talent.

Business ethics

To be a trusted partner for customers that want safe and energy efficient solutions, Cavotec needs to be a responsible business partner by upholding highest possible business ethics and fight corruption.

MATERIALITY PYRAMID



Governance

Sustainability and the sustainability work cover all parts of the Group and involve all employees and the Board of Directors as well as suppliers.

The highest governing body responsible for sustainability is the Board of Directors. The Board is responsible for evaluation, strategy, risk control and goal setting in the area of sustainability. The CEO is responsible for execution of the strategy, follow-up and measures as well as risk management. The CEO delegates responsibility for specific areas to people in the Cavotec Management Team. The CFO is responsible for sustainability issues related to climate, environment and business ethics. The Chief Legal & Human Resources Officer is responsible for compliance and HR.

Sustainability data is collected once a year, evaluated by the Cavotec Management Team and reported to the Board together with action plans if deemed necessary.

The composition of the Board and Cavotec Management Team including the respective experiences are described in the corporate governance report.

Policies

All sustainability-related Group policies are revised when deemed necessary and adopted by the Board of Directors. The Code of Conduct forms the basis of Cavotec's operations, with the purpose of ensuring protection of human rights, promotion of fair employment conditions, safe working conditions, responsible management of environmental issues, and high ethical standards. The Code of Conduct summarises the internal policy documents related to business ethics, quality as well as social and environmental performance. The Code applies to all employees including Board members in the Group, individuals or businesses that work on behalf of any Cavotec company and suppliers.

The Group's policies are communicated to employees through the intranet and it is the responsibility of each manager to ensure that all employees have received information about and are aware of the policies. The managers must also ensure that consultants, Directors and others working on behalf of Cavotec are aware of the policies. The managers must also ensure that the suppliers have signed the Supplier Code of Conduct. The Code of Conduct is also available on Cavotec's website cavotec.com.

Management systems and certifications

An element of the Group's continuous improvement work is the use of management systems. By the end of 2023, Cavotec had three certifications covering ISO 9001 Quality Management Systems and ISO 14001 Environmental Management Systems. The facility in Shanghai, China, became ISO 9001 and ISO 14001 certified in 2021. The facility in Milan, Italy, became ISO 14001 certified in 2022. No management systems are the result of legal requirements.

Supplier Code of Conduct

The Supplier Code of Conduct sets out the basis of Cavotec's responsible sourcing approach and defines the minimum standards that suppliers must respect when doing business with Cavotec. The Supplier Code of Conduct covers, among other things, respect for human rights and fair labour practices, health and safety, environment, business ethics as well reporting requirements. It is applicable to all suppliers including their corporate bodies, employees, representatives, subcontractors and sales partners. The Code shall be signed by the supplier, whereby it commits to adopt and comply with the Code.

Policies within the area of sustainability

- Anti-Fraud Policy
- Anti-Bribery and Corruption Policy
- Code of Conduct
- Environmental and Sustainability Policy
- Gifts and Entertainment Policy
- Supplier Code of Conduct
- Tax Policy
- Whistleblower Policy

Environmental and climate impact

Climate change is one of the major challenges facing the world today and we are determined to play our role in climate change mitigation and adaptation. Questions regarding water stewardship and circularity are also high on our agenda.

Our main environmental impacts include energy consumption and resulting greenhouse gas emissions, natural resources use in our products, waste generation, and interactions with water. We are committed to limit the negative environmental impacts from our operations, our supply chain, and our products and services, which is expressed in our Environmental and Sustainability Policy. We apply the precautionary principle to situations where harm may be done to the environment or human health, following legislation and international initiatives.

Scope of data collection

In 2023, data has been expanded regarding energy use and data now covers all units. In 2021, data for energy use covered eight facilities in seven countries: Australia, China, Finland, Germany (two facilities), India, Italy and New Zealand, comprising 77% of all FTEs. In 2022, data was expanded to encompass also Norway and Sweden, comprising 88% of all FTEs. In 2023, data was expanded to encompass also Dubai, France, Malaysia, Netherlands, Singapore, Switzerland and the US, comprising 100% of all FTEs.

Data collected for fuel includes all company cars the years 2022-2023, but only for part of the car fleet in 2021. In previous sustainability reports, energy from stationary combustion has been classified as district heating. This has been corrected in this year's sustainability report where stationary combustion energy is included in fuels.

Energy use

We are taking action to reduce our climate impact from energy use by improving the energy efficiency. In our largest facility in Italy, we have invested in geothermal energy, and there is a photovoltaic system on the roof that covers approximately 22% of the facility's total energy consumption. In 2023, 31% (36%) of Cavotec's electricity consumption came from renewable energy and 180 (166) MWh was sold back to the grid.

ENERGY CONSUMPTION

MWh	2021	2022	2023
Fuels including gas, petrol and diesel	1,418	1,467	1,441
Electricity	2,356	2,489	2,032
– of which non-renewable	1,448	1,594	1,400
– of which renewable	908	895	631
Renewable energy share of total consumption	39%	36%	31%
District heating	128	125	122
Total energy consumption	3,902	4,081	3,595
Energy consumption, kWh/net sales	0.03370	0.02760	0.01989

ENERGY PRODUCED, CONSUMED AND SOLD

MWh	2021	2022	2023
Total energy produced	291	310	2,689
Total energy produced	291	310	2,689
– of which geothermal for heating and cooling	–	–	2,389
– of which photovoltaic for electricity	291	310	300
Total energy produced and consumed	261	274	2,635
– of which geothermal for heating and cooling	–	–	2,389
– of which photovoltaic for electricity	261	274	246
Total energy produced and sold	98	166	180
– of which renewable	30	36	54
– of which non-renewable	68	130	126

GHG emissions
We want to contribute to mitigation and adaptation of climate change not only by providing solutions that have potential benefits but also in our own operations. Energy use is the primary contributor to greenhouse house emissions from our own operations.

As part of the preparations to report according to the new European Sustainability Reporting Standards, we will start work on screening Scope 3 emissions in 2024. Pending the mapping of Scope 3 emissions, we only report Scope 1 and 2. Scope 1 is direct emissions and includes emissions from company cars and heating. Scope 2 is indirect energy related emissions from electricity and district heating. Scope 3 is indirect emissions in the value chain. Greenhouse gases have been calculated in accordance with the GHG Protocol, using emission factors from DEFRA (2023) for Scope 1 and DEFRA (2022) for Scope 2. The calculation covers carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

GHG EMISSIONS

CO_2e ton	2021	2022	2023
Scope 1	243	233	286
Scope 2	976	1,025	842
Total Scope 1-2	1,219	1,258	1,128
Total Scope 1-2/net sales, kg	0.0105	0.0085	0.0060
Scope 3	331	338	202
Total Scope 1-3	1,550	1,596	1,330
Total Scope 1-3/net sales, kg	0.0134	0.0108	0.0074

Water management
We acknowledge that fresh water is a scarce resource, and we aim to foster responsible water stewardship in all our facilities by monitoring water use and ensure water effluents is treated correctly.

For our own operations, the primary use of water is for sanitary purposes and drinking water. However, the geothermal energy for the Italian site utilises water which is controlled regularly and follows all legal requirements.

In 2022, data for water covered seven facilities in six countries: Australia, China, Germany (two facilities), Italy, Norway and Sweden, comprising 78% of all FTEs.
In 2023, data was expanded to encompass also Dubai, Finland, France, India, Malaysia, Netherlands, Singapore, Switzerland and the US, comprising 96% of all FTEs. New Zealand is the only facility not included.

We have not reported any water consumption 2021-2023, i.e. water consumed so that it is no longer available for use by the ecosystem or local community.

WATER USAGE AND DISCHARGE

Megaliters	2021	2022	2023
Water usage	2.50	2.51	4.23
Water discharge	2.50	2.51	4.23
Water usage/net sales, liters	0.0215	0.0170	0.0234
Water discharge/net sales, liters	0.0215	0.0170	0.0234

Waste management
We generate waste on our facilities from packaging of parts from suppliers and general waste from the offices. We acknowledge the need for a transition to a circular economy and minimise waste.

Collaboration for circularity and reduced use of resources
To be successful in establishing circularity and reduced need for virgin raw materials, we have to collaborate with our suppliers. For example, steel is one of the primary materials used in our products, which has a considerable environmental impact due to the extraction of iron ore and production of steel. We are keeping an eye on the development of steel produced without the use of fossil fuels and will review suppliers' processes for minimising environmental impact at the time of mining.

Caring for our people

Attracting skilled, open, and curious people is fundamental to an engineering company like Cavotec. For close to 50 years we have pioneered innovative solutions and are determined to continuing to create value. With global presence, we can reap the benefits of our different cultures, and create a learning organisation with motivated employees.

Cavotec is a global company with operations in 18 countries and have therefore created a model where the HR organisation is embedded in all local operations. The directions are given by the Group and relayed in the regions by HR business partners who support leaders locally. HR is furthermore supported by finance and administrative functions at each location, who are responsible for the day-to-day implementation and upholding of our HR practices and processes.

At the end of 2023, 181 of our employees were covered by collective agreements, which constitutes 27% of the total number of FTEs. Over 94% of temporary employees are permanent employees and 98% are full-time employees. Women are underrepresented and make up only 18% of the total number of FTEs. At year-end, Cavotec had four FTEs who are not employees (consultants, interns or volunteers).

Everything we do at Cavotec rests on respect for human rights and labour rights. We comply with international, national and industry-related laws, guidelines and collective agreements relating to working conditions, working hours and compensation. We respect and promote fairness, and the right of each employee to a safe working environment where all employees are treated with dignity and respect. Employees with comparable qualifications, experience and performance will receive equal pay for equal work with respect to those performing similar tasks under similar working conditions and similar output. The different backgrounds, experiences and opinions of our employees enrich our expertise and drive innovation and growth.

Non-discrimination and equal value

Our Code of Conduct strictly prohibits direct and indirect forms of discrimination and harassment of any kind. This includes, but is not limited to, discrimination based on age, ethical and cultural background, gender, religion, sexual identity, disability, race, colour, political opinion, social origin, social status, indigenous status, union membership or employee representation and any other characteristic protected by local law, as applicable. In 2023, two cases of discrimination were reported in the organisation. Both cases have been investigated and remedied.

Our corporate values

Our success rests on our core values: Integrity, Accountability, Performance, and Teamwork. We are committed to developing and maintaining a workplace where our employees can learn and develop with the respect and support of their colleagues and managers. Our open, non-hierarchical working environment encourages the free exchange of ideas and mutual respect between individuals that underpin our unique capabilities as a leading engineering group. Regardless of where they work, we want our people to feel safe and develop a sense of belonging that will fuel our success in being a leader in decarbonising maritime and industrial activities around the globe.

EMPLOYMENT BY CONTRACT, TYPE AND GENDER

FTEs at 31 December	2021		2022		2023	
	Women/men	Total	Women/men	Total	Women/men	Total
Permanent, women/men	109/444	553	103/459	562	111/516	627
Temporary, women/men	8/42	50	9/60	69	7/30	37
Full-time, women/men	112/485	597	109/518	627	112/541	653
Part-time, women/men	5/1	6	3/1	4	6/5	11
Total FTEs, women/men	117/486	603	112/519	631	118/546	664
Percentage women/men of total FTEs	**19%/81%**	**100%**	**18%/82%**	**100%**	**18%/82%**	**100%**

EMPLOYEES BY REGION AND CONTRACT

FTEs at 31 December	2021		2022		2023	
	Permanent/temporary	Total	Permanent/temporary	Total	Permanent/temporary	Total
Asia	111/6	117	129/39	168	159/23	182
Europe	368/43	401	361/29	390	390/11	401
North America	28/1	29	28/0	28	27/0	27
Middle East	6/-	6	2/0	2	2/0	2
Oceania	50/-	50	42/1	43	49/3	52
Total	**553/50**	**603**	**562/69**	**631**	**627/37**	**664**

EMPLOYEES BY FUNCTION AND AGE

FTEs at 31 December, % of total	2021		2022		2023	
	Women/men	Age <30/ 30-50/>50	Women/men	Age <30/ 30-50/>50	Women/men	Age <30/ 30-50/>50
Cavotec Management Team	13%/87%	0%/26%/74%	14%/86%	0%/43%/67%	14%/86%	0%/43%/57%
Division Management Teams and Group functions	23%/77%	10%/80%/10%	19%/81%	0%/67%/33%	15%/85%	0%/70%/30%
Employees	19%/81%	6%/76%/18%	18%/82%	10%/65%/25%	18%/82%	8%/66%/25%
Total	**19%/81%**	**6%/77%/17%**	**18%/82%**	**10%/64%/26%**	**18%/82%**	**8%/66%/26%**

Employer attraction

For Cavotec to remain innovative and competitive, we need to attract, develop, and retain top-talents. We believe that our purpose of bringing high-quality solutions that drive the sustainability transition of our customers, both regarding safety and decarbonisation, can attract talented engineers that wants to make a difference. We believe that the key to retain our employees is to focus on health and safety, to be a responsible employer, and to offer development programs.

NEW EMPLOYEES HIRES AND EMPLOYEE TURNOVER

	2021		2022		2023	
	New employee hires/ % of total	Employee turnover/ % of total	New employee hires/ % of total	Employee turnover/ % of total	New employee hires/ % of total	Employee turnover/ % of total
Women	26/4%	20/3%	37/6%	38/6%	33/22%	28/4%
Men	96/16%	37/6%	171/27%	142/23%	116/78%	88/14%
Age <30	7/1%	5/1%	52/8%	33/5%	34/23%	18/3%
Age 30-50	104/17%	48/8%	128/20%	110/17%	98/66%	74/12%
Age >50	10/2%	4/1%	28/4%	37/6%	17/11%	24/4%
Asia	42/7%	16/3%	97/15%	62/10%	52/35%	22/3%
Europe	66/11%	30/5%	99/16%	104/16%	72/48%	74/12%
North America	3/0.5%	6/1%	6/1%	2/0%	4/3%	8/1%
Middle East	0/0%	0/0%	0/0%	1/0%	0/0%	0/0%
Oceania	10/2%	5/1%	6/1%	11/2%	21/14%	12/2%
Total	**121/20%**	**57/9%**	**208/33%**	**180/29%**	**149/100%**	**116/18%**

PERFORMANCE REVIEWS

	2021		2022		2023	
	Women/men	Total	Women/men	Total	Women/men	Total
Cavotec Management Team	100%/100%	100%	100%/100%	100%	100%/100%	100%
Division Management Teams and Group functions	100%/100%	100%	100%/100%	100%	100%/100%	100%
Employees	78%/79%	79%	73%/79%	78%	83%/84%	93%
Total	**80%/80%**	**80%**	**74%/81%**	**79%**	**85%/84%**	**84%**

Occupational health and safety
Cavotec is committed to provide a safe and healthy working environment for all our employees. We integrate health and safety in the management of our business to prevent accidents and to protect people at work, with a vision of zero work-related accidents.

Overall, our operations do not imply high safety risks. In general, our operations handle smaller cuts and other incidents that can be treated on site using bandaid. We have a robust set of procedures and standards to reinforce a strong health and safety culture across the organisation. We review any shortcomings in health and safety management, learn from experience to improve our performance. We continuously assess the operational health and safety aspects of our operations, processes, and services, and act upon safety improvements and incidents in accordance with our escalation procedure.

Given our global presence and varied operations, we are tailoring our occupational health and safety routines to suit each Cavotec site. Safety walks are conducted at each operation center on a regular basis. When safety improvements are identified during these walks, employees are invited to record safety improvements and share them.

It is our ambition to certify all assembly and production facilities to ISO 45001 or similar standard and follow equivalent procedures at all other operations.

Cavotec's largest unit is the Italian one with 167 FTEs. The Italian facility is ISO 45001 certified and procedures such as weekly safety walk are carried out. If a health and safety hazard is identified during a weekly safety walk, appropriate corrective actions are taken, by for example creating a work group. Each issue is recorded, and the staff is informed when a corrective action has been implemented and proven efficient. In addition to weekly safety rounds, the Italian site engage in a regionally promoted "Work-health Program" that encourages health initiatives. Following the progress of the Italian facility, we are working to implement efficient measures at our other sites in all our countries of operation, ensuring state of the art occupational health and safety across the organisation.

In 2023, we had 0 (0) non-fatal or fatal injury arising out of or in the course of work such as amputation of a limb, laceration, fracture, hernia, burns, loss of consciousness, and paralysis, among others. Cavotec has not gathered information about injuries in 2023 which relate to for example minor burns, falls and smaller cuts.

OCCUPATIONAL INJURIES

FTEs	2021		2022		2023	
	Number of employees/ number of non-employees	Rate in relation to total worked hours	Number of employees/ number of non-employees	Rate in relation to total worked hours	Number of employees/ number of non-employees	Rate in relation to total worked hours
Fatalities due to work related injury	0/0	-/-	0/0	-/-	0/0	-/-
High consequences injury	0/0	-/-	0/0	-/-	0/0	-/-
Recordable injury	5/0	0.1/-	1/0	0/-	N/A	N/A

The rate is based on 200,000 worked hours.

Business ethics

To be the business partner of choice for customers and suppliers, we must uphold high business ethics. For us, business ethics is also about being a good citizen and having a responsible tax management.

The Code of Conduct sets the standard for how Cavotec conducts its business, ethically and in accordance with applicable laws and regulations. The Code of Conduct is supported by our Anti-Bribery Policy, our Anti-Fraud Policy and our Gifts and Entertainment Policy.

We have a zero-tolerance policy towards all forms of corruption. In order to build capacity and knowledge of corruption and fraudulent behaviour, all our new employees receive training on our internal policies when joining Cavotec, as well as a complete policy package. The onboarding training is supplemented by additional trainings covering issues such as anti-trust and anti-bribery, which is done on a bi-annual and/or on-demand basis. It is the responsibility of each employee to read, understand and comply with the policies.

We are committed to combating all forms of corruption and acting professionally and fairly in all our business activities and relationships, wherever we operate. How we manage anti-bribery and corruption is governed by internal policies, and we evaluate all potential business expansions from a bribery and corruption perspective, where we conduct a third-party due diligence when high risks are identified. It is the responsibility of all those working with us to prevent, detect and report any kind of corruption, bribery, or other forms of unethical business conduct.

In 2023, there has not been any legal actions regarding corruption, anti-competitive behaviour or violations of anti-trust and monopoly legislation.

Whistleblower function
Our whistleblower function is only available internally. We have the intention to set up at whistleblower function which is available externally through our website cavotec.com. When using the whistleblower function, employees can be anonymous and whistleblowers are protected against retaliation.

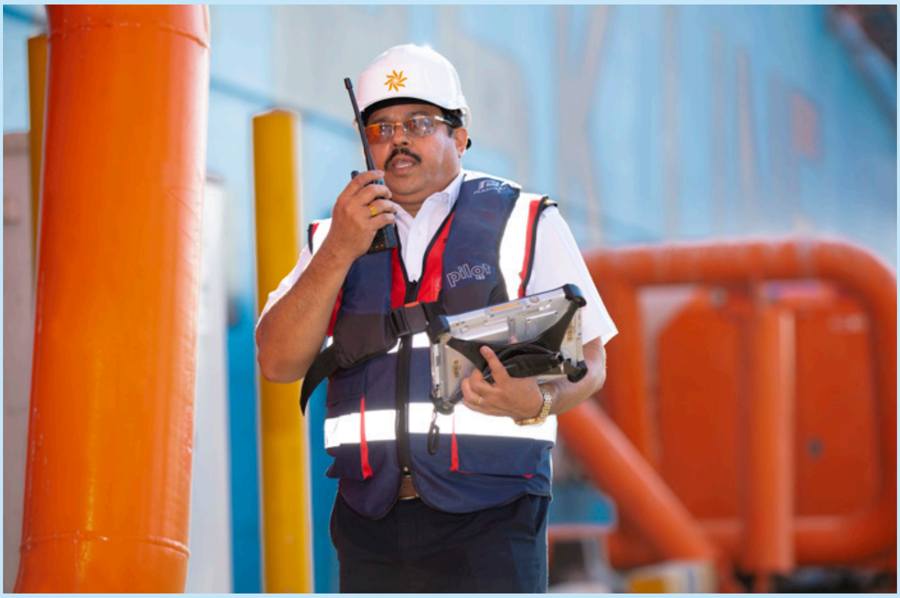
In 2023, no reports were filed through the whistleblower function.

Data and information security
In today's digital world a responsible business needs to reduce risks related to cyber security and data privacy. Information is a valuable asset to Cavotec and exercise care when handling, receiving and storing sensitive information from customers, stakeholders and suppliers. Further, we respect the privacy of all individuals and the confidentiality of any personal data that Cavotec holds about them. We commit to continuously improve our data and information security and to proactively reduce risks. Through our Code of Conduct, our employees are informed on how to handle data and information. Any data breaches are reported and appropriately escalated. In 2023, no losses of customer data or other personal data were reported.

Tax management
Tax matters are discussed with the Audit Committee and governed by our Tax Policy. Cavotec's approach is to improve tax efficiency by using tax credit initiatives offered in the different countries where we operate.

Cavotec and its subsidiaries pay tax in the countries where value is generated in accordance with local tax laws and regulations. Cavotec does not engage in aggressive or artificial transactions whose sole or main purpose is to create a tax advantage. If there is more than one way to structure a transaction, Cavotec may to optimise its tax situation by choosing the option that achieves the Group's commercial objectives with the lowest tax expense.

Cavotec's tax declarations must be submitted on time and comply with relevant tax laws and regulations. Any material errors or omissions that are discovered in tax declarations must immediately be reported to the relevant tax authorities.



Taxes must be paid when due. Tax inquiries and audits by the authorities must be answered openly and honestly and in a timely manner. All Group companies must have an updated transfer pricing policy that follows OECD guidelines.

Suppliers
Our Supplier Code of Conduct sets out the basis of our responsible sourcing approach. It defines not only the nonnegotiable minimum standards that we ask our suppliers to respect when conducting business with Cavotec, but also the expression of values which are shared throughout Cavotec, its various businesses and affiliates and that we encourage our suppliers to adhere to.

Our Supplier Code of Conduct covers, among other things, respect for human rights and fair labour practices, health and safety, environment, business ethics as well reporting requirements. It is applicable to all our suppliers including their corporate bodies, employees, representatives, subcontractors and sales partners. It shall be signed by the supplier, whereby it commits to adopt and comply with the Code of Conduct.

Cavotec has not yet collected data about the number of direct suppliers that has signed the Supplier Code of Conduct.

Our contribution to the UN SDGs

Through our offer and operations, we contribute to the UN Sustainable Development Goals. Cavotec most clearly contributes to five of the 17 UN Sustainable Development Goals.

7 AFFORDABLE AND CLEAN ENERGY

Target 7.2 means that by the year 2030, the share of renewable energy in the global energy mix must have increased significantly. We contribute to this development by, for example, installing shore power connections in vessels and electrifying cable reels. In this way, we increase the opportunity for our customers and our customers' customers to use renewable energy.

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.2 means that workers' rights must be protected and safe and secure working environments must be promoted for all workers. Through, for example, our automatic mooring solutions, we contribute to improving working conditions for sailors and dock workers. Another example is the use of shore power solutions, which contributes to improved working conditions thanks to reduced noise and diesel fumes.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Target 9.4 means that infrastructure and industries must be upgraded and modernised by 2030 to make them sustainable, with increased resource use efficiency and greater introduction of clean and environmentally friendly technologies and industrial processes. We contribute to the target by retrofitting and equipping vessels and cranes with electrical solutions that significantly reduce greenhouse gas emissions. Through our charging solutions, we make it possible for the mining industry, among other things, to use electricity driven, heavy-duty trucks in its operations.

11 SUSTAINABLE CITIES AND COMMUNITIES

Target 11.6 means that the cities' negative environmental impact per capita must be reduced by 2030 at the latest with special attention to air quality and municipal and other waste management. We contribute to the goal through our solutions that make the air cleaner and reduce noise in ports and terminals. In this way, urban environments are improved all over the world thanks to our solutions.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Target 16.5 means that corruption and bribery in all its forms must be significantly reduced. We contribute to the goal by having zero tolerance for corruption and bribery in all parts of our value chain.

Remuneration report 2023

A. REMUNERATION GOVERNANCE AND PRINCIPLES

1. Shareholder engagement

The articles 734 et seq. CO of the Swiss Code of Obligations (“**CO**”) – which, as of 1. January 2023 and with respect to the financial year (“**FY**”) 2023, have replaced the previous applicable Ordinance Against Excessive Compensation at Public Corporations (*VegüV*) – require listed companies incorporated in Switzerland to publish a remuneration report.
Cavotec SA (the “**Company**” or “**Cavotec**”) is a Swiss incorporated company but listed on Nasdaq Stockholm, Sweden. The corporate governance of Cavotec is therefore based on both Swiss and Swedish rules and regulations, including the CO and the Swedish Code of Corporate Governance (*Sw. Svensk kod för bolagsstyrning*).

This remuneration report (the “**Remuneration Report**”) for the FY2023 has been prepared in accordance with articles 734 et seq. CO and describes, inter alia, Cavotec’s compensation system and philosophy, and provides details of the remuneration paid to the Company’s board of directors (the “**Board**”) and to the Company’s chief executive officer (the “**CEO**”) in 2023.

Under the CO, the maximum aggregate remuneration for the members of the Board and of the management team is subject to approval by the general meeting of shareholders upon proposal by the Board. In addition, certain matters relating to remuneration must be governed by the Company’s articles of association, including the details of such votes on remuneration and the principles governing remuneration. Cavotec’s articles of association (the “**Articles of Association**”) include these matters regarding remuneration in Articles 16a et sec. and can be viewed online at: http://ir.cavotec.com -> Corporate Governance -> Articles of Association.

The key provisions of the Articles of Association are summarized below:
- Votes on remuneration (Article 16b): Every year, the Company’s annual general meeting (the “**AGM**”) votes separately and bindingly on the maximum aggregate remuneration of the Board for the term of office until the next AGM and on the maximum aggregate remuneration of the CEO (fixed and variable components) for the subsequent FY.
- Loans and credits (Article 16j): Loans and credits may not be granted to members of the Board or the CEO.
- Additional amount for a newly appointed CEO (Article 16c): If the maximum aggregate remuneration already approved by the AGM is not sufficient to cover the remuneration for a newly appointed CEO, the Company may pay an additional amount up to 100% of the last maximum aggregate remuneration amount approved.

Starting from the FY2024, following an assessment by the Company of its organization (and in particular the internal decision-making process), the Company will formally consider not only the CEO to form part of the Cavotec’s management team, but also additional members working for the management team of Cavotec who have substantial decision-making power (the “**Management Team**”). For this reason, the Remuneration Report starting from the FY2024 (AGM 2025) will provide additional information not only related to the CEO, but also to the Management Team in accordance with the above-mentioned extended definition. To reflect this assessment, the Board will propose to the 2024 AGM to update the Articles of Association (in particular the 16a et sec.) accordingly.

Any reference to “Management” respectively “Management Team” in this Remuneration Report for the FY2023 and limited for the FYs up to and including FY2023, refers to the CEO only.

In line with the above, and in particular the above-described assessment of the Company regarding its Management Team, the Board will submit three separate remunerations related proposals for shareholder approval at the 2024 AGM as illustrated in **Table 1**:

TABLE 1: REMUNERATION-RELATED SHAREHOLDER APPROVALS

Object	Action at 2024 AGM	2024	2025	2026
Remuneration report 2023	approval of the 2023 remuneration report	☑		
Board remuneration 2024	approval Board remuneration for AGM 2024 to AGM 2025 (term of office)	☑		
Management Team remuneration 2024* ** Only for this year in the 2024 AGM*	approval of the Management Team remuneration for FY2024, taking into consideration the maximum aggregate remuneration amount of EUR 2,200,000 for the CEO for FY2024 that has already been approved by the 2023 AGM*	☑		
Management Team remuneration 2025	approval of the Management Team remuneration for FY2025	☑		

Beginning of the FY Jan 01 | AGM May | Beginning of the FY Jan 01 | AGM May | Beginning of the FY Jan 01 | AGM May

- This Remuneration Report for the FY2023 (consultative vote).
- The maximum aggregate remuneration amount for the Board for the term of office from 2024 AGM to 2025 AGM (binding vote).
- The maximum aggregate remuneration amount for the Management Team (as defined above) for the FY2024 that started January 1, 2024, and that will end on December 31, 2024 (binding vote), taking into consideration the maximum aggregate remuneration amount of EUR 2,200,000 for the CEO for the FY2024 business year that has already been approved by the 2023 AGM.
- The maximum aggregate remuneration amount for the Management Team (as defined above) for the (next) FY2025 starting January 1, 2025, and that will end December 31, 2025 (binding vote).

With respect to the FY2022 and FY2023 the following was implemented:

- At the 2022 AGM held on June 2, 2022, shareholders approved **(i)** a maximum aggregate amount of EUR 0.5 million for the remuneration for the Board for the term of office from 2022 AGM to 2023 AGM; and **(ii)** a maximum aggregate amount of EUR 2,900,000 for the remuneration for the CEO for the FY2023 started January 1, 2023, and that ended on December 31, 2023.
- At the 2023 AGM held on June 1, 2023, shareholders approved **(i)** a maximum aggregate amount of EUR 0.5 million for the remuneration for the Board for the term of office from 2023 AGM to 2024 AGM; and **(ii)** a maximum aggregate amount of EUR 2,200,000 for the remuneration for the CEO for the FY2024 year started January 1, 2024, and ending December 31, 2024.

2. Governance on remuneration matters

The decision authority on remuneration matters is summarized in **Table 2**.

The current members of Cavotec's remuneration committee (the "**Remuneration Committee**") are Keith Svendsen, Patrik Tigerschiöld and Peter Nilsson (the latter as chairman; the "**Chairman of the Remuneration Committee**").

Members of the Remuneration Committee are elected annually and individually by the shareholders at the respective AGM. The Chairman of the Remuneration Committee reports to the full Board after each Remuneration Committee's meeting. The minutes of the meetings are made available to the members of the Board. The CEO and Cavotec's chief human resources officer (CHRO) attend the Remuneration Committee's meetings in an advisory function but are excluded from certain discussions. The Remuneration Committee may decide to consult an external advisor on specific remuneration matters.

3. Activities of the Remuneration Committee during FY 2023

The Remuneration Committee meets as often as business requires but at least once per year.

The Remuneration Committee held five meetings in FY2023.

The Remuneration Committee has the following duties and competences:

- Reviewing and advising the Board on the terms of appointment of the CEO.
- Reviewing working environments and succession planning for the CEO and other members of senior management.
- Reviewing the terms of the employment arrangements with the CEO and other members of senior management so as to develop consistent group-wide employment practices subject to regional differences.
- Reviewing of and making proposals to the Board on the remuneration of the members of the Board, the CEO and other members of senior management.
- Reviewing the terms of the Company's short- and long-term incentive plans.
- Submission of a draft of the Remuneration Report to the Board.

Details on Remuneration Committee's members and their meeting attendance are provided in Cavotec's Corporate Governance Report on page 46.

4. Remuneration principles

Cavotec's remuneration programs are designed to recognize and reward performance, enabling the organization to attract, motivate and retain talented employees who drive performance to ensure both sustained growth and value creation.

The compensation of the Management Team and Board members is reviewed on an annual basis to ensure continued alignment with the Cavotec's group's (the "**Group**") strategy and market practice.

B. REMUNERATION SYSTEM

1. Remuneration system of the Board

To ensure its independence in fulfilling its supervisory duties, the remuneration of the Board is fixed and does not contain any variable component.

The chairman of the Board receives a fixed annual base fee of EUR 95,000.

TABLE 2: GOVERNANCE ON REMUNERATION MATTERS

	CEO	Remuneration Committee	Board	AGM
Remuneration principles (Articles of Association)		Recommends	Proposes	Approves
Remuneration report		Recommends	Proposes	Approves
Remuneration principles and system for the Board and the CEO		Recommends	Review	Approves
Remuneration principles and system for the Management Team	Proposes	Review	Review	Approves (as of FY2024)
Maximum aggregate amount of the remuneration for the Board members		Proposes	Review	Approves
Maximum aggregate amount of the remuneration of the CEO		Proposes	Recommends	Approves
Maximum aggregate amount of the remuneration of the Management Team	Proposes	Review	Recommends	Approves

The chairman of the Board is not entitled to being compensated for assuming additional committee responsibilities.

Other members of the Board receive a fixed annual base fee and fixed fees for membership in Board's committees.

The amounts of the base fee and committee membership fees, as illustrated in **Table 3**, reflect the responsibility and time requirement inherent to the respective function.

The base fee and committee membership fees are paid 100% in cash.

2. Remuneration system of the Management Team

The remuneration elements for the Management Team consist of four components:

a) salary
b) pension
c) other benefits
d) performance-based non-equity cash compensation ("**STIP**")
e) performance-based equity-based incentives ("**LTIP**")

For the FY2023 as part of this Remuneration Report 2023, only the remuneration of the CEO is summarized in **Table 4**. Any reference to "Management" or "Management Team" in this Remuneration Report for the FY2023 and limited for the FYs up to and including FY2023 refers thus to the CEO only.

Starting from the FY2024, the aggregate remuneration of the Management Team (as defined above), including the CEO, will be accordingly reflected as part of the Remuneration Report for the FY2024 et sec.

a) Base salary

Base salary is the fixed remuneration paid to employees for carrying out their role. It is designed to be attractive and market competitive and is established considering the following factors:

- scope and responsibilities of the role, as well as qualifications and experience required to perform the role, market value of the role in the location in which Cavotec competes for talent;
- skills and expertise of the individual in the role.

The base salary is paid out to the Management Team in twelve equal monthly cash instalments.

b) Pension benefits

The purpose of pension benefits is to provide security for employees and their dependents in the event of retirement, sickness, inability to work and death. The Management Team's members participate in the social insurance and pension plans in the countries where their employment contracts were entered into. The plans vary according to local market practice and legislation; at a minimum they reflect the statutory requirements of the respective countries. In line with local employment practice for Swiss employees, Management Team's members under Swiss employment contracts are covered by the Company's compulsory occupational pension scheme.

c) Other benefits

In addition, Cavotec aims to provide competitive employee benefits. Benefits are considered from a global perspective, while appropriately reflecting differing local market practice and employment

TABLE 3: REMUNERATION SYSTEM OF THE BOARD FOR ONE TERM OF OFFICE, IN EUR (GROSS AMOUNT)

Base fee	
Patrick Tigerschiöld (Chairman)	95,000
Member	35,000

Committee fee	Chair	Member
Audit Committee	10,000	5,000
Remuneration Committee	10,000	5,000

TABLE 4: REMUNERATION SYSTEM OF THE CEO

	Fixed Pay		***Variable Pay***	
	Base Salary	***Pension & other benefits***	***Short-term incentive plan (STIP)***	***Long-term incentive plan (LTIP)***
Purpose	Attract and retain	Risk protection, Market competitiveness	Focus on the delivery of the year's commitments	Focus on the long-term success of the Group and align with shareholders' interests
Performance period	–	–	1 year	3 years
Key drivers	Role, responsibility, experience	Legal requirements & market practice	Group, Division and personal performance (if relevant)	Group long-term performance
Reward instrument	Cash	Pension, insurance plans and cash	Cash	Performance shares
KPIs	–	–	Revenues, EBIT, Cash flow	EPS (65%), Relative TSR (35%)
Target incentive	–	–	80% of base salary for the CEO, 40% of base salary for CMT members	60% of base salary for the CEO, 40% of base salary for CMT members
Payout range	–	–	0–100% of target amount for each KPI	0-100% of number of granted PS for each KPI
Impact of share price on payout value	–	–	–	Yes

conditions. For the Management Team's members, benefits may include local market benefits such as transportation allowances, health cover, etc. The monetary value of these remuneration elements as disclosed in the remuneration **Table 4** is based on the actual amount paid as well as the best estimate for the amounts yet to be paid.

d) Short-Term Incentive Plan (performance based non-equity cash compensation or STIP)

The short-term incentive plan (STIP) is the cash-based element of the variable pay for inter alia the Management Team. Its objective is to:

- encourage performance and motivates the beneficiaries to work together for the sustainable success of the Group;
- enable the alignment of objectives throughout the Company.

The current STIP framework was introduced in 2018 to provide a simple, fair and transparent approach.

Plan participants at Group's and division's level are incentivized based on the achievement of financial performance targets, which are determined by the Board at the beginning of each financial year. The performance targets are defined in line with the year's commitments to contribute to the long-term strategy. They are aligned with business priorities, with the aim of achieving sustainable profitability.

These targets represent commercially sensitive information and are therefore not disclosed.

Pay-outs under the STIP are calculated based on the achievement level of the respective performance targets, with 100% achievement resulting in 100% pay-out. For each financial performance target, there is a minimum threshold performance levels, below which there is no pay-out.

e) Long-Term Incentive Plan (performance based equity-based incentives or "LTIP")

The previously equity based long term incentive plan framework in place, so called 2021-2023 LTIP, has expired in FY2023. In 2023, the Board established a new equity based long term incentive plan framework called 2023-2025 LTIP ("**2023-2025 LTIP**").

The LTIP is a three-year performance share-based incentive plan. The 2023-2025 LTIP rewards the long-term performance between Jan 1, 2023, and Dec 31 2025 (performance period). Its purpose is to foster long-term value creation for the Group by providing the Management Team and other eligible key managers with the possibility:

- to become shareholders or to increase their shareholding in the Company;
- to participate in the future long-term success of Cavotec; and
- to further align the long-term interests of the plan participants with those of the shareholders.

The Management Team, i.e. including the CEO, and a selected number of senior managers are eligible for the. The 2 LTIP grants performance shares to the participants at the beginning of the period as a percentage of the base salary. The individual grants under the LTIP are determined based on the role and responsibilities, taking into account external market levels.

Awards under the LTIP are a contingent entitlement to receive Cavotec shares at the end of the three-year performance period (vesting), provided certain performance targets are achieved and subject to continuous employment.

The number of shares that will vest at the end of the performance period depends on the performance of two indicators:

- 35% of the award is linked to the Total Shareholder Return ("**TSR**") measured over three years relative to the OMX Nordic Industry – Industrial Index; and
- 65% of the award is linked to the Earnings per Share ("**EPS**").

In case the performance does not reach certain pre-determined thresholds, no performance shares will vest under the LTIP.

EPS targets represent commercially sensitive information and are therefore not disclosed.

C. EMPLOYMENT CONDITIONS

The members of the Management Team are employed under contracts of unlimited duration with a notice period up to a maximum of twelve months. Employment contracts for the members of the Management Team include non-competition agreements not exceeding a period of twelve months following the end of employment.

D. REMUNERATION AWARDED TO MEMBERS OF GOVERNING BODIES

1. Base

The section below is in line with Swiss law and specifically with art. 734a et seq. CO which require disclosure of remuneration paid (directly or indirectly) to members of the Board and Management Team (which, for the FYs up to and including FY2023, is limited to the CEO). For the Remuneration Report covering the FY2023, the remuneration paid to members of the Board and to the CEO is shown separately.

Starting from the Remuneration Report for the FY2024, the following will apply: (i) the remuneration paid to members of the Board will be shown as a whole and separately for each member; (ii) the remuneration paid to the Management Team will be shown in aggregate, while the highest-paid member of the Management Team will be shown separately. Remuneration paid directly or indirectly to former members of the Board or the Management Team in connection with their former activity as a member of a corporate body of the Company will also be included.

2. Remuneration awarded to the Board for the term between 1 June 2023 and 4 June 2024 (Audited)

The remuneration awarded to the Board members for the term between the AGM 2023 (1 June 2023) and the AGM 2024 (4 June 2024) is summarized in **Table 5**.

Compensation paid to the Board members for non-compete arrangements (art. 734a para. 2 no. 10 CO) as well as permitted joining bonuses (art. 734a para. 2 no. 5 CO) or any other remuneration as per art. 734a para. 2 CO, if any, are also summarized in **Table 5**.

3. Remuneration awarded to the CEO for FY 2023 (Audited)

For FY 2023, the CEO has been awarded base salary, variable remuneration, pension, and other benefits, in line with the remuneration system.

The remuneration of the CEO is summarized in **Table 6**.

Compensation paid to the CEO for non-compete arrangements (art. 734a para. 2 no. 10 CO) as well as permitted joining bonuses (art. 734a para. 2 no. 5 CO) or any other remuneration as per art. 734a para. 2 CO, if any, are also summarized in **Table 6**.

4. Loans granted to members of the Board or the CEO

In accordance with Article 16j of the Articles of Association, the Company does not grant loans or extend credit to the members of the Board and to the CEO.

E. REMUNERATION TO FORMER MEMBERS OF GOVERNING BODIES

During the term of 1 June 2023 until 4 June 2024, no payments were made to former members of the Board or related parties.

F. RECONCILIATION OF AGM REMUNERATION RESOLUTIONS

For the term from the 2023 AGM to the 2024 AGM, the 2023 AGM approved a maximum aggregate remuneration amount for the Board of EUR 0.5 million (covering all pay, pension contribution, social charges, etc.). **Table 7** shows the reconciliation between the remuneration that has been/will be paid/granted for the respective term of office and the maximum aggregate amount approved by the shareholders.

The CEO's maximum aggregate remuneration amount for FY2024, i.e. for the term started January 1, 2024, and ending December 31, 2024, approved by

TABLE 5: REMUNERATION AWARDED TO THE BOARD

Remuneration for FY 2023, in EUR	Qualification	Board fees	Social Security Contributions	Pension	Total 2023	Total 2022
Niklas Edling	Independent Director	40,000	1,400	2,120	43,520	43,520
Annette Kumlien	Independent Director	45,000	1,575	2,385	48,960	48,960
Erik Lautmann	Independent Director	–	–	–	–	48,096
Peter Nilsson	Independent Director	45,000	1,575	2,385	48,960	–
Keith Svendsen	Independent Director	40,000	1,400	2,120	43,520	43,520
Patrik Tigerschiöld	Director (Chairman)	95,000	3,325	5,035	103,360	103,360
Total remuneration					**288,320**	**287,456**

Remuneration for FY 2023, in CHF	Qualification	Board fees	Social Security Contributions	Pension	Total 2023	Total 2022
Niklas Edling	Independent Director	38,872	1,361	2,060	42,293	43,725
Annette Kumlien	Independent Director	43,731	1,531	2,318	47,579	49,191
Erik Lautmann	Independent Director	–	–	–	–	48,323
Peter Nilsson	Independent Director	43,731	1,531	2,318	47,579	–
Keith Svendsen	Independent Director	38,872	1,361	2,060	42,293	43,725
Patrik Tigerschiöld	Director (Chairman)	92'321	3'231	4'893	100'445	103,847
Total remuneration					**280,189**	**288,810**

CHF/EUR exchange rate 0.9717973

TABLE 6: REMUNERATION OF THE CEO

Amounts for FY 2023 in EUR	Base Salary	Short-term Incentive Plan(1)	Long-term Incentive Plan(2)	Benefits in kind(3)	Social Security, Insurance and Pension Contributions(4)	Total 2023	Total 2022
David Pagels	481,238	127,236	–	3,689	364,823	976,986	550,093

Amounts for FY 2023 in CHF	Base Salary	Short-term Incentive Plan(1)	Long-term Incentive Plan(2)	Benefits in kind(3)	Social Security, Insurance and Pension Contributions(4)	Total 2023	Total 2022
David Pagels	467,666	123,648	–	3,585	354,534	949,433	552,683

CHF/EUR exchange rate 0.9717973

(1) As the objectives of the 2023 STIP were achieved, there is payout in 2024 for FY 2023.
(2) As the objectives of the 2021-2023 LTIP were not achieved, no shares to vest in 2024.
(3) Allowances (Child, school fees, health insurance and transportation, non-competition agreements).
(4) Pension contribution to the CEO has been made both in form of cash and defined contribution payments.

the 2023 AGM, is EUR 2.2 million (covering fixed and variable pay, pension contribution, social charges, etc.). **Table 8** shows the reconciliation between the remuneration that has been/will be paid to the CEO for FY2024 and the maximum aggregate amount approved by the shareholders.

G. PARTICIPATION RIGHTS AND OPTIONS

The participation rights and options on such rights of each current Board's member and of the CEO, including their close associates, as well as the name and function of the members concerned (see art. 734d CO), are described in **Table 9**.

H. EXTERNAL MANDATES

The external mandates of each current Board's member and of the CEO (see art. 734e CO) are described in **Table 10**.

I. LOANS

With respect to the FY2023, no loans or credit facilities (still outstanding in FY2023) granted by Cavotec to the Board members, the CEO, former Board members or the former CEO, exist.

J. NON-MARKET STANDARD REMUNERATION OR LOANS GRANTED TO CLOSELY ASSOCIATED PERSONS

No non-market standard remuneration has been granted by Cavotec to persons closely associated to members of the Board or the CEO.

With respect to the FY2023, no loans or credit facilities (still outstanding in FY2023) granted by Cavotec to the Board members, or the CEO exist.

TABLE 7: REMUNERATION APPROVED AND PAID/GRANTED FOR THE MEMBERS OF THE BOARD

	Total remuneration granted (paid/payable) in EUR	Maximum aggregate amount approved in EUR	Status
AGM 2022 to AGM 2023	287,456	500,000	Approved (2022 AGM)
AGM 2023 to AGM 2024	288,320	500,000	Approved (2023 AGM)
2024 AGM to 2025 AGM	–	500,000	Proposed (2024 AGM)

TABLE 8: REMUNERATION APPROVED AND PAID/GRANTED FOR THE CEO AND THE MANAGEMENT TEAM (AS OF FY2024)

	Total remuneration granted (paid/payable) in EUR	Maximum aggregate amount approved in EUR	Status
FY 2022	2,984,689	2,900,000	CEO Approved (2021 AGM)
FY 2023	949,433	2,200,000	CEO Approved (2022 AGM)
FY 2024	–	2,200,000	CEO approved (2023 AGM)
FY 2024	–	2,800,000	CMT (without CEO) Proposed (2024 AGM)

TABLE 9: PARTICIPATION RIGHTS AND OPTIONS

The remuneration report must also include the participation rights in the Company and options on such rights of each current member of the board of directors and the executive board, including the members' close associates, as well as the name and function of the members concerned (art. 734d CO).

	Participation rights	Option on participations right
Niklas Edling	83,599	–
Annette Kumlien	75,000	–
Peter Nilsson	212,180	–
Keith Svendsen	–	–
Patrik Tigerschiöld (Chairman)	1,598,000	–
David Pagels (CEO)	750,000	1,500,000
Total remuneration	**2,718,779**	**1,500,000**

TABLE 10: EXTERNAL MANDATES

According to art. 734e CO, it is required that activities of the board members as well as the executive management in comparable positions in undertakings with an economic purpose ("external mandates") are disclosed in the compensation report. The details must include the name of the relevant member, the name of the undertaking and the function exercised. We suggest including this information in a table and distinguishing between mandates in listed and in non-listed companies (see art. 15b of the articles of association) as well as other relevant mandates. Also note that while the articles of association do not limit mandates in e.g. companies which are controlled by Cavotec, such mandates must still be diclosed in the remuneration report. Please note that the provision on external mandates in art. 15b of the articles of association should be amended to include all members of the management team (and not only the board members and the CEO).

Patrick Tigerschiöld: Chairman of Bure Equity AB, Mycronic AB, SNS Center for Business and Policy Studies, and Yubico AB. Member of the Board of Ovzon AB. Fellow of the Royal Swedish Academy of Engineering Sciences (IVA).

Nicklas Edling: CEO at ScandiNova Systems AB, member of the Board of HMS Networks AB.

Annette Kumlien: COO Intrum AB and member of the Board of Dirac Research AB.

Keith Svendsen: CEO of APM Terminals, member of the Executive Leadership Team at A.P. Moller-Maersk, director of Through Transport Mutual Insurance Association Limited, independent provider of mutual insurance and related risk management services to the international transport and logistics industry.

Peter Nilsson: Chairman of the Board of Lindab Group, Nilfisk A/S and Deputy Chairman of Creaspac AB.

David Pagels: No other current assignment.

Report of the statutory auditor

to the General Meeting of Cavotec SA

Lugano

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Cavotec SA (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO on pages 42 and 43 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 42 and 43) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers SA

Thomas Wallmer	Laura Cazzaniga
Licensed audit expert Auditor in charge	Licensed audit expert

Lugano, 11 April 2024

Corporate governance report 2023

Since Cavotec SA ("**Cavotec**" or the "**Company**") is a Swiss company listed on Nasdaq Stockholm, the corporate governance of Cavotec is based on Swiss and Swedish rules and regulations, such as the Swiss Code of Obligations (the "**CO**") and the Swedish Code of Corporate Governance (*Sw. Svensk kod för bolagsstyrning*) (the "**Code**"). This corporate governance report reflects the changes occurred with the Swiss corporate law reform that came into force on 1 January 2023.

THE SWEDISH CODE OF CORPORATE GOVERNANCE

Swedish companies with shares admitted to trading on a regulated market in Sweden, including Nasdaq Stockholm, are subject to the Code. The Code is a codification of best practices for Swedish listed companies based on Swedish practices and circumstances. Cavotec has decided to apply the Code, however, the Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle"). Deviations that the Company is aware of have, as far as possible, been explained in the Company's corporate governance report.

SHAREHOLDERS' MEETINGS

General

Shareholders' rights to resolve on company matters are exercised at shareholders' meetings. An ordinary shareholders' meeting is to be held yearly within six months following the close of the business year. It is called by the Board of Directors or, if necessary, by the auditors. Extraordinary shareholders' meetings may be called by the Board of Directors, the liquidators or the auditors as often as necessary to safeguard the interests of the Company. Shareholders' meetings are held at the domicile of the Company or at such other place in Switzerland and abroad as the Board of Directors shall determine. The shareholders' meetings, deviating from the Code, will be held in English and information and material will be available in English only. This is in accordance with an exemption granted by the Swedish Financial Supervisory Authority. The minutes of shareholders' meetings, and the election results with details of exact percentage of votes for and against containing the resolutions and the election results with details of the exact percentage of votes for and against, will be published on the Company's website within 15 days following the general meeting.

Right to attend shareholders' meetings

All shareholders who are registered directly in Euroclear Sweden's and SIX SIS's share registers on the record date, as applicable, and who notify the Company of their intention to attend the shareholders' meeting at the latest by the date specified in the convening letter, shall be entitled to attend the shareholders' meeting and vote according to the number of shares they hold. Shareholders may attend shareholders' meetings in person or through a proxy. The Board of Directors may provide that shareholders

CAVOTEC CORPORATE GOVERNANCE STRUCTURE

(*) To follow the rules that apply to Swiss companies, the Board of Directors has decided that the Nomination Committee shall be established by the Board of Directors. The composition of the Nomination Committee shall, however, be in line with the Swedish Corporate Governance Code.

who are not present at the place of the shareholders' meeting may exercise their rights by electronic means. Shareholders may usually register for shareholders' meetings in several different ways, which are described in the Notice of meeting (the "Notice of Meeting").

Notice of shareholders' meetings and shareholder initiatives
The Notice of Meeting is given by means of a publication in the Swiss Commercial Gazette or by letter to the shareholders of record as well as through a press release. Between the day of the publication or the mailing of the notice and the day of the meeting there must be a time period of not less than 20 calendar days. The notice of the shareholders' meeting must indicate in particular the agenda items to be discussed, the motions of the Board of Directors together with a short explanation, and, if applicable, the shareholders' motions together with a short explanation. The notice will also be published on the Company's website. At the time of the notice, the Company may publish in Svenska Dagbladet an announcement with information that the notice has been issued.

Shareholders may request that items be placed on the agenda of a meeting convened by the Board of Directors, provided they together hold at least 0.5 per cent of the share capital or of the votes.

Stating the purpose of the meeting and the agenda to be submitted, one or more shareholders representing at least five per cent of the share capital may request the Board of Directors, in writing to call an extraordinary shareholders' meeting. In such case, the Board of Directors must call a shareholders' meeting within two weeks.

Nomination Process
The process for the nomination of Board members for Cavotec is construed in light of the Code, while still respecting Swiss laws and regulations applicable to a Swiss company. The ultimate goal has been to adopt a Nomination Process that is open and transparent to all shareholders and stakeholders.

In October 2023 the Committee began preparing a proposal for the Board of Directors to be submitted to the Annual General Meeting 2024.

The proposal of the Nomination Committee will be published in the invitation to the Annual General Meeting.

External auditor
The Audit Committee and the Board of Directors are responsible for presenting proposals on the appointment of the auditors to the Annual General Meeting and are also responsible for resolving on the remuneration to the auditor and any issues on resignation or dismissal of the auditor. This constitutes a deviation from the Code that prescribes that the Nomination Committee is responsible for presenting proposals to the Annual General Meeting on the election and remuneration of the external auditor. In accordance with Swiss law, the Board of Directors has decided that the Audit Committee shall propose the auditors to the Board of Directors, which in turn shall present its proposals to the Annual General Meeting. For the purpose of its election by the Annual General Meeting 2024, the Audit Committee has proposed to the Board of Directors to appoint PricewaterhouseCoopers SA, Lugano, as the independent auditor of the Company for the business year 2024. Thomas Wallmer is the auditor in charge.

THE BOARD OF DIRECTORS
The members of the Board of Directors are elected by the shareholders' meeting for the period until the end of the next

ordinary shareholders' meeting. The Board of Directors constitutes itself, as set out in the Articles of Association, but by law the Chairman of the Board of Directors is elected by the shareholders' meeting.

The members of the Nomination Committee and the Audit Committee, as well as the respective Chairmen, are elected from and by the Board members. The Remuneration Committee is elected by the shareholders' meeting and its Chairman is elected by the Board, as further described below in relation to the description of each committee.

The Board of Directors is entrusted with the overall management of the Company, as well as with the supervision and control of the management. The Board of Directors is the ultimate executive body of the Company and shall determine the principles of the business strategy and policies.

The Board of Directors shall exercise its function as required by law, the Articles of Association and the Board of Directors' Internal Regulations. The Board shall be authorised to pass resolutions on all matters that are not reserved to the general meeting of shareholders or to other executive bodies by applicable law, the Articles of Association or the Internal Regulations.

By Swiss law, the Board of Directors has in particular the following non-transferable and inalienable duties:

a) the overall management of the company and issuing the required directives;
b) to determine the Company's organization;
c) organising the accounting, financial control and financial planning systems as required for management of the company;
d) appointing and dismissing persons entrusted with managing and representing the company;
e) overall supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, articles of association, operational regulations and directives;
f) compiling the annual report, preparing for the general meeting and implementing its resolutions, including interim published reports and determination of the accounting standard;
g) filing an application for a debt restructuring moratorium and notifying the court in the event that the company is overindebted;
h) preparing the remuneration report.

By Swiss law, the Board of Directors also has in particular the following non-transferable responsibilities: (i) decision pursuant to art. 653e CO (preparation of the capital increase report); (ii) decisions in connection with capital increases pursuant to art. 652g, 653g, 653i (acknowledgement of capital increase); (iii) decision pursuant to art. 653o (acknowledgement of capital reduction); (iv) decisions pursuant to art. 634b I CO (require outstanding contributions on shares not fully paid in); (v) to monitor the solvency of the company and to take all actions within the meaning of art. 725, 725a and 725b; and (vi) specific resolutions pursuant to the Swiss Merger Act.

The Board of Directors held seven ordinary Board meetings and four extraordinary Board meetings for Cavotec in 2023. In addition, 1 Board resolutions have been deliberated by circular resolution (without a Board meeting).

BOARD COMMITTEES

The Board of Directors currently has three Board committees, the Nomination Committee,the Audit Committeeand the Remuneration Committee. The

BOARD AND COMMITTEE MEETINGS IN CAVOTEC IN 2023

	Board		Audit		Remuneration		Nomination	
	Held (ordinary and extraordinary)	Attended	Held	Attended	Held	Attended	Held (including via circular resolution)	Attended
Henrik Blomquist							3	3
Fabio Cannavale							3	1
Peer Colleen							3	3
Niklas Edling	11	11	8	8				
Thomas Ehlin							3	3
Keith Svedsen	11	10			5	5		
Annette Kumlien	11	11	8	8				
Erik Lautmann	11	5			5	2		
Peter Nilsson	11	4			5	3		
Patrik Tigerschiöld	11	11	8	6	5	5	3	3

Remuneration Committee has been elected by the shareholders' meeting,in accordance with Swiss law (in particular the CO that - as of 1 January 2023 - has implemented the previous regulation set by the Minder Ordinance). The composition and tasks of the Board's Committees are regulated in the Board of Directors' Internal Regulations. The composition and tasks of the Remuneration Committee are regulated in the Articles of Association as well as in the Board of Directors' Internal Regulations. Below is a brief description of the Committees as per the current Internal Regulations (which are continuously reviewed and if deemed appropriate by the Board of Directors amended). The shareholder can request to the Board of Directors to issue information in writing or electronically concerning the organisation of the business management.

Nomination Committee
The Nomination Committee shall be a committee established by the Board of Directors of the Company. This is in line with Swiss law but will constitute a deviation from the Code that prescribes that the Nomination Committee shall be determined by the shareholders. To follow the rules that apply to Swiss companies the Board of Directors has decided that the Nomination Committee shall be established by the Board of Directors. The composition of the Nomination Committee shall however be in line with the Code.

The Nomination Committee shall ensure that the Company has a formal and transparent method for the nomination and appointment of Board members. The objectives of the Nomination Committee are to regularly review and, when appropriate, recommend changes to the composition of the Board of Directors to ensure that the Company has, and maintains, the right composition of the members of the Board of Directorsto effectively govern and provide guidance to business, and identify and recommend to the Board of Directors individuals for nomination as members of the Board and its Committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgment and the ability to work with other Board members).

From October 2023, the Nomination Committee members are Henrik Blomquist (representing Bure Equity AB), Per Colleen, who represents TomEnterprise Private AB (Thomas von Koch), Thomas Ehlin (representing The Fourth Swedish National Pension Fund – AP4), Fabio Cannavale, who represents Nomina SA and Patrik Tigerschiöld (Chairman of Cavotec's Board of Directors).

Audit Committee
The objective of the Audit Committee is to assist the Board of Directors in discharging its responsibilities relative to financial reporting and regulatory compliance. The Audit Committee also presents proposals on the election and remuneration of the auditors to the Board of Directors, which in turn present its proposals to the Annual General Meeting for the election. Members of the Audit Committee shall exclusively comprise of members of the Board appointed by the Board in accordance with the Code. The Audit Committee will comprise of not less than three members with a majority to be Independent Directors of the Board. One member must have a financial or accounting background.

The Audit Committee of Cavotec is involved in a wide range of activities including, inter alia, the review of all quarterly, half - yearly and annual financial statements prior to their approval by the Board and release to the public. The

Committee has periodic contact with the auditors, PricewaterhouseCoopers, through the PwC engagement partner responsible for the Audit and through the principal engagement manager, to review any unusual matters and the effect of new accounting pronouncements. As a matter of policy, the Audit Committee meets with the PwC engagement partner without the presence of Management at least once every year. Further, the Committee reviews the annual audit plan, as prepared by the auditors, including the adequacy of the scopes of the audits proposed for the principal locations and the proposed audit fees. The engagement of the auditors for non-audit services of significance is approved in advance by the Audit Committee.

At least once every year Management gives a presentation to the Audit Committee on the risk profile of the Group and on the procedures in place for the management of Risk. Risks related to the potential impairment of assets and the related provisions required for financial exposures are reviewed and discussed with Management at least once a year, normally in conjunction with the third quarter closing.

The Audit Committee of Cavotec met eight times in 2023.

The current members of the Audit Committee are Annette Kumlien (Chairwoman), Patrik Tigerschiöld and Niklas Edling.

Remuneration Committee

The main purpose of the Remuneration Committee is to act as remuneration committee pursuant to Swiss law against excessive compensation with respect to listed corporations. The Remuneration Committee has in particular the following duties and responsibilities:

1. Reviewing and advising the Board of Directors on the terms of appointment of the CEO;
2. Reviewing working environments and succession planning for members of the Management;
3. Reviewing the terms of the employment arrangements with members of the Management, as well as to develop consistent group employment practices subject to regional differences;
4. Reviewing of and making proposals to the Board of Directors on the remuneration of the members of the Board of Directors and of the Chief Executive Officer;
5. Reviewing the terms of the Company's short and long term incentive plans;
6. Submission of a draft of the remuneration report to the Board of Directors.

The Remuneration Committee and the Board of Directors are thus together responsible for presenting proposals to the Annual General Meeting on the remuneration of the members of the Board of Directors and of the Chief Executive Officer. This constitutes a deviation from the Code that prescribes that the Nomination Committee is responsible for presenting proposals to the Annual General Meeting on the fees and other remuneration to the Board members.

The current members of the Remuneration Committee in Cavotec are Peter Nilsson (Chairman), Keith Svendsen and Patrik Tigerschiöld.

In accordance with Art. 698 para 3 and 733 CO and with the Internal Regulations, the Nomination Committee proposes to elect the following Board members to be part of the Remuneration Committee for the year 2024/2025: Keith Svendsen, Patrik Tigerschiöld and Peter Nilsson.

The Remuneration Committee of Cavotec met five times in 2023.

Cavotec Management Team – CMT

The CMT is selected by the CEO and as of December 31, 2023 consists of six members (excluding the CEO), combining Cavotec's senior operational and corporate functions.

The CMT fulfils the Group Management role – empowered by the CEO – and ensures efficient implementation of strategic decisions into Cavotec's global organisation and leads local management on key operational issues. The CEO, defines and implements operational strategy, policies, technical and commercial developments, as well as new acquisitions in line with targets set by the Cavotec's Board of Directors.

Cavotec's operational structure is reasonably flat in order to ensure that the Group's operations and decision-making processes are efficient and responsive. Strategic, Group-related operations are the responsibility of the CEO with the support of the CMT. All material decisions within the day-to-day operations of the Company are taken by the CEO.

REMUNERATION AND INCENTIVE PLANS

Please refer to the Remuneration report on page 38.

INTERNAL CONTROL SYSTEM (ICS)

The internal control function has been embedded in the finance organisation. This task is performed by Group Finance, that together with the local entity's finance department and the Legal Compliance officer is responsible for ensuring that the necessary controls are performed along with adequate monitoring.

Internal controls comprise the control of the Company's and Group's organisation, procedures and remedial measures. The objective is to ensure reliable and correct financial reporting, and to ensure that the Company's and Group's financial reports are prepared in accordance with law and applicable accounting standards and that other requirements are complied with. The internal control system is also intended to monitor compliance with the Company's and Group's policies, principles and instructions. In addition, the control system monitors security for the Company assets and monitors that the Company's resources are exploited in a cost-effective and adequate manner. Internal control also involves following up on the implemented information and business system, and risk analysis.

Board of Directors

Patrik Tigerschiöld
Chairman of the Board

Born 1964

Member since 2014, Chairman since 2018

Citizenship: Swedish

Patrik Tigerschiöld holds an M.Sc. in Business and Economics. Since 2013, he has been Chairman of Bure Equity AB, (a role he also held between 2004 and 2009), following his tenure as President and CEO of the company. He is also chairman of Bury Equity AB, Mycronic AB, SNS Center for Business and Policy Studies, and Yubico AB, as well as a member of the Board of Ovzon AB. Patrik is also a Fellow of the Royal Swedish Academy of Engineering Sciences (IVA).

Patrik Tigerschiöld, together with his family, holds 1,598,000 shares in Cavotec.

Niklas Edling
Member of the Board

Born 1963

Member since 2019

Citizenship: Swedish

Niklas Edling holds an M.Sc. in Mechanical Engineering from the KTH Royal Institute of Technology in Stockholm and a B.Sc. in Economics and Business Administration from the Stockholm School of Economics. In addition to being on the Cavotec board, Niklas is also CEO of ScandiNova Systems AB, a global leader in pulsed power solutions for applications in medtech, industry and science. Previously, Niklas was SVP Corporate Development and Deputy CEO at electronics production solutions provider Mycronic, where he also served as SVP Operations. He is also a board member of HMS Networks AB.

Niklas Edling holds 83,599 shares in Cavotec.

Annette Kumlien
Member of the Board

Born 1965

Member since 2019

Citizenship: Swedish

Annette Kumlien holds a Bachelor of Business Administration from the Stockholm School of Economics. Alongside her Cavotec role, she holds the position as COO Intrum AB and is a member of the Board of Dirac Research AB. Previously Annette has worked as GVP/CFO at Munters Group AB, CFO/COO at Diaverum and CFO in Höganäs AB and Pergo AB.

Annette Kumlien holds 75,000 shares in Cavotec.

Peter Nilsson
Member of the Board

Born 1962

Member since 2023

Citizenship: Swedish

Peter Nilsson holds an M.Sc. in Business and Economics from the Stockholm School of Economics.
He is chairman of Lindab Group, Nilfisk A/S and deputy chairman of Creaspac AB. He was previously, among others, chairman of Adapteo AB and Unilode AG, deputy chairman of Cramo OYJ and CEO of Sanitec AB and Duni AB.

Peter Nilsson holds 212,180 shares in Cavotec through his company Poleved Industrial Performance AB.

Keith Svendsen
Member of the Board

Born 1973

Member since 2021

Citizenship: Danish

Keith Svendsen graduated as a Master Mariner from Fanoe Navigation College, in Denmark, and has an Executive MBA from the London Business School in the UK. Alongside his Cavotec role, he currently serves as CEO of APM Terminals, one of the largest port terminal operators in the world. He is also director of a number of entities associated with A.P. Moller-Maersk and a member of the Executive Leadership Team at A.P. Moller-Maersk. Additionally, he is the Director of Through Transport Mutual Insurance Association Limited, independent provider of mutual insurance and related risk management services to the international transport and logistics industry.
Previously, Keith has also been COO of APM Terminals and before that Head of Operational Execution for the Maersk Group's Ocean Shipping business.

Keith Svendsen does not hold any shares in Cavotec.

Cavotec Management Team

David Pagels
CEO

Born 1968

Citizenship: Swedish

David Pagels holds an Executive MBA from Stockholm School of Economics, a M.Sc in Mechanical Engineering from University of Luleå and a B.Sc in Mechanical Engineering from University of Växjö in Sweden. Prior to joining Cavotec, he served as CEO of Dellner Couplers, Head of Global Sourcing at Xylem Europe GmbH, and Director Strategic Sourcing at Bombardier Transportation.

David Pagels holds 750,000 shares in Cavotec and 1,500,000 call options issued by Bure Equity AB.

Joakim Wahlquist
Chief Financial Officer

Born 1977

Citizenship: Swedish

Joakim Wahlquist holds a M.Sc. in Business Administration from Linköping University and an Executive Education from Stockholm School of Economics. Prior to joining Cavotec, he has held several senior management positions such as Managing Director Financial Services Russia at Scania, CFO Russia and Central Asia at Scania and CFO Hong Kong at Scania.

Joakim Wahlquist holds 75,000 shares in Cavotec and 150,000 call options issued by Bure Equity AB.

Patrick Mares
President, Ports & Maritime

Born 1962

Citizenship: Belgian

Patrick Mares holds a master's degree in Engineering from the University of Leuven, Belgium. Prior to joining Cavotec, he served as Vice-President EMEA at Harsco Rail. Prior to this, he was Vice-President of Sales & Business Development at GKN Land Systems, President EMEIA at Ingersoll Rand Security Technologies, and held various leadership positions at General Electric.

Patrick Mares holds 18,950 shares in Cavotec.

Simone Sguizzardi *President, Industry*	**Patrick Baudin** *President, Services*	**Jörgen Ohlsson** *Senior Vice President, Global Operations*	**Vanessa Tisci** *Chief Legal & Human Resources Officer*
Born 1974	Born 1971	Born 1970	Born 1982
Citizenships: Italian and German	Citizenships: Canadian and French	Citizenship: Swedish	Citizenship: Italian
Simone Sguizzardi holds an Executive MBA from the Hult International Business School in London (UK), and a degree in Commerce and Economic History from the University of Bologna (Italy). Prior to joining Cavotec, Simone was Director of Western Europe at UTA Edenred, and Export Director at Mapco GmbH.	Patrick Baudin holds a MBA in International Finance from HEC School of Management in Paris (France) and a Bachelor in Engineering from McGill University in Montreal (Canada). Prior to joining Cavotec he served as President of General Electric Renewable Energy Canada. He has also held several senior positions in ALSTOM such as vice president of the Generator Product Line for ALSTOM Thermal Service in Switzerland and ALSTOM Power Service in France.	Jörgen Ohlsson holds a Master's Degree in Mechanical Engineering from Linné university (Sweden). Prior to joining Cavotec, he served as Production Director for the Xylem site in Emmaboda, Sweden. He has also held senior positions such as Strategic Sourcing within Ericsson and in production and sourcing within Bombardier.	Vanessa attended the universities of Bologna and Milan in Italy and holds a Master's Degree in law from Stanford Law School (UK). Previously, Vanessa was the Head of Legal at SCP Group, and prior to that she worked as Senior International Counsel for Walgreens Boots Alliance. Vanessa is a New York-qualified attorney and has worked for major US law firms as a corporate lawyer.
Simone Sguizzardi does not hold any shares in Cavotec.	Patrick Baudin holds 10,000 shares in Cavotec.	Jörgen Ohlsson holds 625 shares in Cavotec.	Vanessa Tisci does not hold any shares in Cavotec.

Consolidated Financial Statements

This report is dated 11 April 2024 and is signed on behalf of the Board and of the Management of Cavotec SA by

Patrik Tigerschiöld
Chairman

David Pagels
Chief Executive Officer

Please note that all reported amounts are in euro.

Statement of Comprehensive Income

Cavotec SA & Subsidiaries

EUR 000s	Notes	2023	2022
Revenue from sales of goods and services	5	180,734	147,849
Other income	6	2,076	1,776
Cost of materials		(101,219)	(80,911)
Employee benefit costs	7	(47,895)	(47,807)
Operating expenses	8	(19,292)	(19,276)
Gross Operating Result		**14,404**	**1,631**
Depreciation and amortisation	16,17	(2,782)	(2,906)
Depreciation of right-of-use of leased asset	16	(3,311)	(3,222)
Impairment losses	9,17	(1,084)	(9)
Operating Result		**7,227**	**(4,506)**
Interest income	10	18	108
Interest expenses	10	(3,471)	(1,354)
Currency exchange differences - net	10	(16)	5,471
Other financial item		5	–
Profit /(Loss) before income tax		**3,763**	**(281)**
Income taxes	11,19	(3,583)	(2,890)
Profit /(Loss) for the period, continued operations		**180**	**(3,170)**
Profit /(Loss) for the period, discontinued operations	38	–	(11,522)
Profit /(Loss) for the period		**180**	**(14,692)**
Other comprehensive income:			
Remeasurements of post employment benefit obligations continued operations	27	(99)	507
Remeasurements of post employment benefit obligations discontinued operations	27	–	193
Items that will not be reclassified to profit or loss		**(99)**	**700**
Currency translation differences continued operations		(1,836)	(8,364)
Currency translation differences discontinued operations		–	(155)
Items that may be subsequently reclassified to profit/(loss)		**(1,836)**	**(8,519)**
Other comprehensive income/(loss) for the year, net of tax		**(1,935)**	**(7,819)**
Total comprehensive income/(loss) for the year		**(1,755)**	**(22,540)**
Total comprehensive income/(loss) attributable to:			
Equity holders of the Group		(1,755)	(22,511)
Non-controlling interest		–	(29)
Total		**(1,755)**	**(22,540)**
Profit/(Loss) attributed to:			
Equity holders of the Group continued operations		180	(3,170)
Equity holders of the Group discontinued operations		–	(11,522)
Total		**180**	**(14,692)**
Basic and diluted earnings per share from continued operations attributed to the equity holders of the Group (EUR/Share)	30	0.002	(0.034)
Basic and diluted earnings per share from discontinued operations attributed to the equity holders of the Group (EUR/Share)	30	–	(0.122)
Basic and diluted earnings per share attributed to the equity holders of the Group (EUR/Share)	30	0.002	(0.156)
Weighted Average number of shares		104,103,112	94,243,200

The notes on pages 61–86 are an integral part of these Consolidated Financial Statements.

Balance Sheet

Cavotec SA & Subsidiaries

Assets EUR 000s	Notes	31 December 2023	31 December 2022
Current assets			
Cash and cash equivalents		15,056	9,625
Trade receivables	12	27,942	33,315
Contract assets	5,12	2,862	1,171
Tax assets	13	4,718	6,399
Other current receivables	14	4,949	6,256
Inventories	15	37,429	43,002
Assets held for sale	9,38	1,814	2,320
Total current assets		**94,770**	**102,088**
Non-current assets			
Property, plant and equipment	16	5,414	5,941
Right-of-use of leased assets	16	11,529	13,213
Intangible assets	17	37,315	38,920
Non-current financial assets	18	68	106
Deferred tax assets	19	6,897	6,201
Other non-current receivables	20	1,231	1,215
Total non-current assets		**62,454**	**65,597**
Total assets		**157,224**	**167,685**

Equity and Liabilities EUR 000s	Notes	31 December 2023	31 December 2022
Current liabilities			
Current financial liabilities	21	–	(4,914)
Current lease liabilities	16	(2,527)	(2,687)
Trade payables	22	(26,004)	(36,126)
Contract liabilities	5,22	(19,268)	(28,125)
Tax liabilities	23	(5,111)	(3,101)
Provision for risk and charges, current	26	(2,171)	(2,032)
Other current liabilities	24	(11,320)	(11,906)
Total current liabilities		**(66,401)**	**(88,891)**
Non-current liabilities			
Non-current financial liabilities	21	(21,468)	(21,172)
Non-current lease liabilities	16	(9,167)	(10,353)
Deferred tax liabilities	25	(1,251)	(1,100)
Other non-current liabilities		(12)	(461)
Provision for risk and charges, non-current	26	(1,794)	(1,357)
Employee benefit obligation	27	(569)	(501)
Total non-current liabilities		**(34,261)**	**(34,944)**
Total liabilities		**(100,662)**	**(123,835)**
Equity			
Share Capital		(54,130)	(45,288)
Reserves	29	(55,323)	(51,633)
Retained earnings		52,891	53,071
Equity attributable to owners of the parent	**28**	**(56,562)**	**(43,850)**
Non-controlling interests		–	–
Total equity		**(56,562)**	**(43,850)**
Total equity and liabilities		**(157,224)**	**(167,685)**

The notes on pages 61–86 are an integral part of these Consolidated Financial Statements.

Statement of Changes in Equity

Cavotec SA & Subsidiaries

EUR 000s	Notes	Share Capital	Reserves	Retained earnings	Equity related to owners of the parent	Non-controlling interest	Total Equity
Balance as at 1 January 2022		(100,169)	(4,833)	38,379	(66,623)	(29)	(66,652)
(Profit) / Loss for the period		–	–	14,692	14,692	29	14,721
Currency translation differences		–	8,519	–	8,519	–	8,519
Remeasurements of post employment benefit obligations	27	–	(700)	–	(700)	–	(700)
Total comprehensive income and expenses		**–**	**7,819**	**14,692**	**22,511**	**29**	**22,540**
Employees share scheme		–	262	–	262	–	262
Share Premium Reserve	29	54,881	(54,881)	–	–	–	–
Transactions with shareholders		**54,881**	**(54,619)**	**–**	**262**	**–**	**262**
Balance as at 31 December 2022		**(45,288)**	**(51,633)**	**53,071**	**(43,850)**	**–**	**(43,850)**
Balance as at 1 January 2023		(45,288)	(51,633)	53,071	(43,850)	–	(43,850)
(Profit) / Loss for the period		–	–	(180)	(180)	–	(180)
Currency translation differences		–	1,836	–	1,836	–	1,836
Remeasurements of post employment benefit obligations	27	–	99	–	99	–	99
Total comprehensive income and expenses		**–**	**1,935**	**(180)**	**1,755**	**–**	**1,755**
Employees share scheme		–	58	–	58	–	58
Capital increase		(8,843)	–	–	(8,843)	–	(8,843)
Share Premium Reserve	29	–	(5,683)	–	(5,683)	–	(5,683)
Transactions with shareholders		**(8,843)**	**(5,625)**	**–**	**(14,467)**	**–**	**(14,467)**
Balance as at 31 December 2023		**(54,130)**	**(55,323)**	**52,891**	**(56,562)**	**–**	**(56,562)**

The line related to Employees share scheme shows the accrual for LTIP plans.

The notes on pages 61–86 are an integral part of these Consolidated Financial Statements.

Statement of Cash Flows

Cavotec SA & Subsidiaries

EUR 000s	Notes	2023	2022
Profit /(Loss) for the year		**180**	**(14,692)**
Loss from discontinued operations, net of income taxes		–	(11,522)
Adjustments for:			
Net interest expenses		3,453	1,246
Current taxes	11	4,221	2,709
Depreciation and amortisation	16,17	2,782	2,906
Depreciation of right -of-use of leased assets	16	3,311	3,222
Impairment losses	9,17	1,084	9
Deferred tax		(638)	181
Provision for risks and charges		69	(827)
Capital gain or loss on assets		(20)	–
Other items not involving cash flows		(454)	(4,907)
Interest paid		(3,057)	(945)
Taxes paid		(529)	(6,225)
		10,222	**(2,631)**
Cash flow before change in working capital		**10,402**	**(5,802)**
Impact of changes in working capital			
Inventories		5,451	(12,960)
Trade receivables and contract assets		4,381	(8,784)
Other current receivables		1,306	(2,613)
Trade payables and contract liabilities		(18,979)	23,161
Other current liabilities		(628)	1,513
Impact of changes involving working capital		**(8,469)**	**317**
Net cash inflow /(outflow) from operating activities continued operations		**1,933**	**(5,485)**
Net cash inflow /(outflow) from operating activities discontinued operations		–	(15,508)
Net cash inflow /(outflow) from operating activities		**1,933**	**(20,993)**
Financing activities			
Increase in equity capital		14,526	–
Net changes loans and borrowings	21	(4,696)	12,257
Repayment of lease liabilities	16	(3,156)	(3,073)
Net cash inflow /(outflow) from financing activities continued operations		**6,674**	**9,184**
Net cash inflow /(outflow) from financing activities discontinued operations		–	(907)
Net cash inflow /(outflow) from financing activities		**6,674**	**8,277**
Investing activities			
Investments in property, plant and equipment		(911)	(1,183)
Investments in intangible assets	17	(624)	(1,399)
Decrease of non current financial asset		38	(50)
Disposal of assets	16	29	1,142
Net cash inflow/(outflow) from investing activities continued operations		**(1,468)**	**(1,490)**
Net cash inflow /(outflow) from investing activities discontinued operations		–	9,679
Net cash inflow /(outflow) from investing activities		**(1,468)**	**8,189**
Cash at the beginning of the year		9,625	12,230
Cash flow for the year continued operations		7,137	2,209
Cash flow for the year discontinued operations		–	(6,736)
Cash flow for the year		7,137	(4,527)
Currency exchange differences		(1,706)	1,922
Cash at the end of the year		**15,056**	**9,625**

The notes on pages 61–86 are an integral part of these Consolidated Financial Statements.

Notes to the Financial Statements

NOTE 1. 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.

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 Teamwork.

Cavotec's personnel, located in some 20 countries around the world, represent many cultures and provide customers with local support, backed by the Group's global network of engineering expertise.

Cavotec SA is the ultimate Parent company of the Cavotec Group, its registered office is Corso Elvezia 16, CH-6900 Lugano, Switzerland. Cavotec SA shares are listed on Nasdaq Stockholm, Sweden.

These Financial Statements were approved by the Board of Directors on 11 April 2024. The report is subject to approval by the Annual General Meeting on 4 June 2024.

NOTE 2. BASIS OF PREPARATION

The consolidated Financial Statements of the Cavotec Group are prepared in accordance with IFRS accounting standards as issued by the IASB.

Historical Cost Convention

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through P&L.

Adoption of new and revised standards and application of new accounting policies

The following standards are effective from 1 January 2023. The adoption of the amendments has had no impact on the Group's consolidated financial position or performance of the Group as per management analysis performed:

- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Critical accounting estimates

The preparation of the Financial Statements in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 4.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the periods presented, namely, 31 December 2023 and 2022.

FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the related entity operates ('the functional currency'). The Financial Statements are presented in Euros, which is the Group's presentation currency and Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss, except when recognised in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet.
Income and expenses for each Income Statement position are translated at average exchange rates of that period, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions.
Resulting exchange differences related to currency translation adjustment are recognised in other comprehensive income and accumulated as a separate component of equity.
The Consolidated Statements of Cash Flow are translated at average exchange rates during the period, whereas cash and cash equivalents are translated at the spot exchange rate at the end of the reporting period.

Exchange differences arising from the translation of any net investment in foreign operations and borrowings designated as quasi-equity loans are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Comprehensive Income, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Contingent consideration is valued based on the probability that the consideration will be paid and changes in the fair value are recognised in profit or loss. Acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Comprehensive Income.

Inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred.

(ii) Transactions with non-controlling interest

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

(iii) Scope of Consolidation

The consolidated Financial Statements include the statements as of 31 December 2023 of the companies included in the scope of consolidation, which have been prepared in accordance with IFRS accounting standards adopted by the Group. Below is a list of companies consolidated on a line-by-line basis and the respective shares held either directly or indirectly by Cavotec SA:

Name	Registered office	Type of Business	Controlled through	% Group ownership	
				Direct	Indirect
Cavotec (Swiss) SA	Switzerland	Services	Cavotec SA	100%	
Cavotec Australia Pty Ltd	Australia	Sales company	Cavotec Group Holdings NV		100%
Cavotec Cleantech Malaysia SDN. BHD.	Malaysia	Sales company	Cavotec (Swiss) SA		100%
Cavotec Germany GmbH	Germany	Centre of Excellence	Cavotec Group Holdings NV		100%
Cavotec Finland OY	Finland	Sales company	Cavotec Group Holdings NV		100%
Cavotec France RMS SA	France	Sales company	Cavotec Group Holdings NV		100%
Cavotec Group Holdings NV	The Netherlands	Holding	Cavotec MoorMaster Ltd		100%
Cavotec Hong Kong Ltd	China	Sales company	Cavotec Group Holdings NV		100%
Cavotec India Ltd	India	Sales company	Cavotec Group Holdings NV		100%
Cavotec International Ltd	United Kingdom	Services/Sales company	Cavotec Group Holdings NV		100%
Cavotec Micro-control AS	Norway	Centre of Excellence	Cavotec Group Holdings NV		100%
Cavotec FZE	U.A.E.	Sales company	Cavotec Group Holdings NV		100%
Cavotec MoorMaster Ltd	New Zealand	Engineering	Cavotec SA	100%	
Cavotec Nederland BV	The Netherlands	Sales company	Cavotec Group Holdings NV		100%
Cavotec Realty Germany BV	The Netherlands	Services	Ipalco BV		100%
Cavotec Realty Norway AS	Norway	Services	Ipalco BV		100%
Cavotec Russia OOO (in liquidation)	Russia	Sales company	Cavotec Group Holdings NV		100%
Cavotec SA	Switzerland	Holding	-	–	
Cavotec Shanghai Ltd	China	Centre of Excellence	Cavotec Group Holdings NV		100%
Cavotec Singapore Pte Ltd	Singapore	Sales company	Cavotec Group Holdings NV		100%
Cavotec Specimas SpA	Italy	Centre of Excellence	Cavotec Group Holdings NV		100%
Cavotec Sverige AB	Sweden	Sales company	Cavotec Group Holdings NV		100%
Cavotec USA Inc.	United States of America	Sales company	Cavotec SA	100%	
Ipalco BV	The Netherlands	Holding/Services	Cavotec Group Holdings NV		100%

During FY2023 the following changes to the Group Structure applied:

- Cavotec South Africa Pte Ltd and Cavotec Realty France SCI have been liquidated
- Cavotec International Ltd extended its operation to include sales

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

NON-CURRENT ASSETS HELD FOR SALE
Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable. Non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

PROPERTY, PLANT AND EQUIPMENT
All property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. The classes of property plant and equipment are land and buildings, plant and equipment and fixtures and fittings.

Land is not depreciated. Depreciation of property, plant and equipment is calculated using a straight-line method so as to expense the cost of the assets over their useful lives. The rates are as follows:

	Years
Industrial buildings	25
Building improvements	5
Plant and machinery	5 to 10
Laboratory equipment and miscellaneous tools	5
Furniture and office machines	5
Motor vehicles	5
Computer hardware	3

Capital work in progress is not depreciated until commissioned. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss.

Leasehold improvements are depreciated over the lease term, or their estimated useful life, if shorter.

LEASES
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

INTANGIBLE ASSETS
(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired business/associate at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets.

Goodwill is not amortised. Instead, goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

(ii) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. It must also be probable that the intangible asset will generate future economic benefits and that it is clearly identifiable and allocable to a specific product.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour, and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets at cost and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from three to five years.

(iii) Patents

Patents acquired in a business combination are recognised at fair value at acquisition date. Patents are amortised on a straight-line basis over the period over which they are valid (not exceeding 20 years) or their estimated useful life if shorter.

INVENTORIES

Inventories are measured at the lower of acquisition cost, at weighted average cost, or manufacturing cost and net realisable value. Manufacturing costs comprise all costs that are directly attributable to the manufacturing process, such as direct material and labour, direct engineering, production and tooling and other non-recurring costs and production related overheads, (based on normal operating capacity and normal consumption of material, labour, and other production costs), including depreciation charges. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated variable costs necessary to make the sale.

Provisions are made for inventories with a lower market value, or which are slow-moving. If it becomes apparent that such inventory can be reused, provisions are reversed with inventory being revalued up to the lower of its net realisable value or original cost. Unsaleable inventory is fully written off.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life including goodwill, are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

FINANCIAL INSTRUMENTS

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets at amortised cost includes trade receivables, contract assets under IFRS 15, other receivables and cash and cash equivalents.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in the Risk Management on page 82.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The group considers the credit risk of financial assets to be significantly increased (stage 3) when contractual payments are 90 days overdue. The group assesses those assets on an individual basis. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss as loans and borrowings and payables. All financial liabilities are recognised initially at fair value and, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Following a modification or renegotiation that does not result in de-recognition, the Group recognise any modification gain or loss immediately in profit or loss. Any gain or loss is determined by recalculating the gross carrying amount of the financial asset by discounting the new contractual cash flows using the original effective interest rate.

This category generally applies to interest-bearing loans and borrowings.

For more information, refer to Note 21.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less (from the acquisition date of the investments) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

BORROWINGS
Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of liabilities for at least 12 months after the Balance Sheet date. Fees paid on the establishment of an undrawn loan facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

BORROWING COSTS
Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

PROVISIONS
Provisions are recognised when the Group has a legal or constructive obligation because of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The amount recognised is the best estimate of the cost required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, the provision is determined by discounting the expected future cash flows at a rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

Provisions for warranties are recognised at the time the products are sold based on the estimated cost using historical data for level of repairs and replacements.

Provisions for onerous contracts are recognised when the expected economic benefits to be derived from a contract are lower than the cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

REVENUE RECOGNITION
Cavotec is an engineering group that designs and manufactures automated connection and electrification systems for ports and industrial applications worldwide.

Revenue is measured based on the consideration expected to be entitled to base on the contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of value added taxes, goods and service tax (GST), rebates and discounts. The Group offers multiple element arrangements to meet its customers' needs. These arrangements may involve the delivery of multiple products and/or performance of services (such as installation, commissioning, and training) and the delivery and/or performance may occur at different points in time or over different periods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Deliverables of such multiple element arrangements are evaluated to estimate the selling price that reflects at inception the Group's best estimate of what the selling price would be if the elements were sold on a stand-alone basis. Such arrangements generally include industry-specific performance and termination provisions, such as in the event of substantial delays or non-delivery.

The company has defined the following revenue streams to meet the revenue recognition requirements as listed in IFRS 15:
(i) Integrated Systems
Long Term Contracts with high level of customisation based on the request of the customer for a complete set of Port solutions. When no alternative use and right to payment are confirmed, revenue is recognised over time. Revenue from Integrated Systems is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

(ii) Individual Products
The customer receives detailed listing of products description with related prices; they are not customized, and they do not include engineering or installation, or if any it represents a minimal portion of the total order. Revenues is recognised at a point in time based on incoterms.

(iii) Maintenance and installation
Service contract for periodic maintenance or field services and installation. The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the equipment. Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The Group recognises revenue from services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract
The Group pays sales commission to its employees for some contract that they obtain for bundled sales of equipment and installation services.
The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

VALUE ADDED TAX (VAT) AND GOODS AND SERVICES TAX (GST)
The statement of comprehensive income has been prepared so that all components are stated exclusive of VAT or GST. All items in the Balance Sheet are also stated net of VAT or GST, except for receivables and payables, which include VAT or GST invoiced.

EMPLOYEE BENEFITS
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(i) Pension obligations
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Cavotec (Swiss) SA operate a pension scheme via the employee benefits foundation and are affiliated with the Swiss Life Collective BVG Foundation based in Zurich. All benefits in accordance with the regulations are reinsured in their entirety with Swiss Life Ltd within the framework of the corresponding contract and determined by actuarial calculations. These schemes are defined benefit plans due to the fact that Cavotec can be requested to pay restructuring contributions in the case of a shortfall.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

(ii) Share-based payments
The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

DIVIDENDS AND OTHER DISTRIBUTIONS
Distributions to the shareholders are recognised as a liability in the Group's Financial Statements in the period in which they are approved by the Annual General Meeting.

TREASURY SHARES
Treasury shares are deducted from consolidated equity at the acquisition value. Differences between this amount and the amount received for disposing of treasury shares are recorded in consolidated retained earnings.

INCOME TAX
The income tax expense for the period is the tax payable on the current years taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit and loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Uncertain tax positions are measured either at the most likely outcome or at the expected value, depending on which method better predicts the resolution of the uncertainty. Thereby detection risk is not considered.

Current and deferred tax balances attributable to amounts recognised directly in equity or in OCI are also recognised directly in equity or in OCI respectively.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Critical accounting policies estimates and assumptions in the period relate to the valuation of deferred tax assets, the estimation of the outcome of legal proceeding, assets held for sale, and the assumptions used in the goodwill impairment test. As of the Balance Sheet dates the Group has no other significant estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the foreseeable future.

DEFERRED TAXES

Deferred tax assets are recognised for temporary differences between the carrying amounts for financial reporting purposes of assets and liabilities and the amounts used for taxation purposes and for tax loss carry-forwards. The Group records deferred tax assets based upon management's estimates of future taxable profit in different tax jurisdictions. The estimations of the recoverability of deferred tax assets on losses carried forward are based on business plans and include the taxable profits that are more probable than not until the expire of tax losses, this results in lower estimates for years in the distant future. The actual results may differ from these estimates, due to changes in the business climate and changes in tax legislation or by variances from the business plans used on the models. See notes 19 and 25 for additional information.

LEGAL PROCEEDINGS

The Group recognises a liability when it has an obligation from a past event involving the transfer of economic benefits and when a reasonable estimate can be made of what the transfer might be. The Group reviews outstanding legal cases regularly to assess the need for provisions in the Financial Statements. These reviews consider the factors of the specific case through the use of outside legal counsel and advisors when necessary. To the extent that management's assessment of the factors considered are not reflected in subsequent developments, the Financial Statements could be affected.

ASSETS HELD FOR SALE

Cavotec reclassified the assets and liabilities pertaining to activities 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 all assets and liabilities exclusively pertaining to one Business Unit were allocated to that Business Unit. In all other cases a critical assessment was conducted as to whether it could be reasonably expected that the asset or liability concerned would be transferred in a disposal.

The allocation made may have to be adjusted when the disposals are realised.

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 disclosures in the notes to the consolidated financial statements outside Note 38 relate to continuing operations or assets and liabilities not held for disposal. Judgements made in relation to the classification of the Airport division as held for sale, include the identification of the disposal group, the presentation of its results as discontinued operations, the estimation of fair value less cost of disposal and the allocation of the impairment loss to the specific assets.

GOODWILL IMPAIRMENT TEST

The Group allocates the goodwill to the cash-generating units (CGU's) identified and reported according to the table below.

EUR 000s	Net book value as of 01/01/2023	Translation differences and other	Acquisitions and dispositions	Impairment	Net book value as of 31/12/2023
Ports & Maritime	**23,282**	-70	–	–	23,212
Industry	**6,918**	1	–	–	6,919
Total	**30,200**	**-69**	**–**	**–**	**30,131**

The recoverable amount of the CGUs is determined by reference to the value in use of each CGU, based on discounted estimates of the future cash flows, which were projected for the next five years based on past experiences, actual orders received, budgets, strategic plan, and management's best estimate about future developments and market assumptions. The impairment model has been prepared based on the Strategic Plan to focus on cleantech solutions. The value in use is mainly driven by the terminal value, which is influenced by the terminal growth rate and discount rate. The growth rates are related to industry specific trends with the support of external macroeconomic sources of data and an assessment as to the ability of the Company to take advantage of these market developments considering orders received, commercial negotiations currently in place and future expectations.

The following table presents the assumptions used to determine the value in use for impairment test purposes:

	Terminal growth rate		WACC	
	2023	**2022**	**2023**	**2022**
Ports & Maritime	2.00%	2.00%	12.31%	11.80%
Industry	1.50%	1.50%	11.70%	11.19%

The pre-tax weighted average cost of capital used for impairment test purposes are slightly different in the CGUs because of the different risks in those markets.

Ports & Maritime goodwill

As at the date of the impairment test, no impairment of goodwill resulted. The recoverable amount exceeded the net carrying amount by EUR 38.6 million. In the prior year, the difference amounted to EUR 61.8 million. The following changes in material assumptions would lead to a situation where the value in use would equate to the net carrying amount.

	2023		2022	
	Assumptions	Sensitivity	Assumptions	Sensitivity
Average annual revenue growth until 2028 (2027) with Gross margin unchanged compared to business plan	6.5%	-3.7%	8.2%	-1.2%
Normalized Gross Margin	32.2%	30.1%	32.3%	27.6%
WACC pre-tax	12.3%	17.1%	11.8%	21.8%

Industry goodwill

The impairment tests for goodwill did not lead to any need for impairment in the current financial year. The recoverable amount exceeded the net carrying amount by EUR 32.0 million. In the prior year, the difference amounted to EUR 59.0 million. The following changes in material assumptions would lead to a situation where the value in use would equate to the net carrying amount.

	2023		2022	
	Assumptions	Sensitivity	Assumptions	Sensitivity
Average annual revenue growth until 2028 with Gross margin unchanged compared to business plan	8.7%	5.6%	10.4%	-2.1%
Normalized Gross Margin	30.6%	27.4%	33.7%	27.6%
WACC pre-tax	11.7%	20.8%	11.2%	30.5%

NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

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.

Year ended 31 December 2023 **EUR 000s**	**Ports & Maritime**	**Industry**	**Total**
Revenue from external customer			
Timing of revenue recognition			
At a point in time	110,712	66,045	176,757
Over time	3,976	-	3,976
Total	**114,688**	**66,045**	**180,734**

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

Year ended 31 December 2023 **EUR 000s**	**AMER**	**EMEA**	**APAC**	**Total**
Ports & Maritime	18,239	45,726	50,723	114,688
Industry	4,751	42,228	19,067	66,045
Total	**22,990**	**87,954**	**69,790**	**180,734**

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

Assets and liabilities related to contract with customers

The group has recognised the following assets and liabilities related to contracts with customers:

EUR 000s	**31 Dec, 2023**	**31 Dec, 2022**
Current Assets/Liabilities		
Contract Assets	2,862	1,171
Contract Liabilities	(19,268)	(28,125)
Total	**(16,406)**	**(26,954)**

The movement in contract liabilities year over year of EUR 8.9 million is entirely due to received advances from customers. These advance payments are recognized as liabilities until the related revenue is recognized.

NOTE 6. OTHER INCOME

EUR 000s	2023	2022
Carriage, insurance and freight	1,042	1,085
Exchange gains and losses	(812)	(388)
Other miscellaneous income	1,845	1,079
Total continued operations	**2,076**	**1,776**
Total discontinued operations	**–**	**783**
Total	**2,076**	**2,559**

Other miscellaneous income includes EUR 0.5 million of releases of bad debt provision from previous years.

NOTE 7. EMPLOYEE BENEFIT COSTS

EUR 000s	2023	2022
Salaries and wages	(36,584)	(37,737)
Social security contributions	(6,547)	(5,830)
Other employee benefits	(4,764)	(4,240)
Total continued operations	**(47,895)**	**(47,807)**
Total discontinued operations	**–**	**(11,331)**
Total	**(47,895)**	**(59,138)**

The number of full-time equivalent employees was 664[1] (2022: 640). The Group has two Long-Term Incentive Plans ("LTIP") for selected employees of the Group running in parallel. More information on the plans can be found in the Remuneration report (page 38).

(1) *Number of full-time equivalent employees including externals.*

NOTE 8. OPERATING EXPENSES

EUR 000s	2023	2022
Transportation expenses	(933)	(996)
External services	(6,986)	(6,771)
Travelling expenses	(2,724)	(2,394)
General expenses	(5,969)	(5,525)
Utility expenses	(1,027)	(1,233)
Credit losses	(191)	(1,052)
Warranty costs	(1,462)	(1,305)
Total continued operations	**(19,292)**	**(19,276)**
Total discontinued operations	**–**	**(5,816)**
Total	**(19,292)**	**(25,093)**

NOTE 9. ASSETS HELD FOR SALE

Assets held for sale as at 31 December 2023 that are carried over from 2020 are the Trondheim building (Norway) for a total amount of EUR 1.8 million. In December 2023 Cavotec has signed an agreement for the sale of the building with effective date 29 February 2024. As the building was accounted as Assets held for sale with a book value of EUR 2.2 million in 2023, the Company recognized a write down of EUR 0.4 million already in 2023.

NOTE 10. NET FINANCIAL COSTS

EUR 000s	2023	2022
Interest income	18	108
Interest expense	(3,117)	(1,026)
Amortisation of issuance costs	(354)	(328)
Interest expenses – net continued operations	**(3,453)**	**(1,246)**
Interest expenses – net discontinued operations	**–**	**(579)**
Interest expenses – net	**(3,453)**	**(1,825)**
Currency exchange difference – net continued operations	**(16)**	**5,471**
Currency exchange difference – net discontinued operations	**–**	**1,851**
Currency exchange difference – net	**(16)**	**7,322**
Total continued operations	**(3,470)**	**4,225**
Total discontinued operations	**–**	**1,272**
Total	**(3,470)**	**5,497**

Interest expense includes EUR 2.3 million mainly arising from the credit facility agreement between Cavotec Group Holdings and Credit Suisse. The reduction in currency exchange differences primarily derives from the closure of the SEB bank cash-pooling system.

NOTE 11. INCOME TAXES

EUR 000s	2023	2022
Current tax	(4,109)	(2,564)
Deferred tax	638	(181)
Other taxes	(112)	(145)
Total continued operations	**(3,583)**	**(2,890)**
Total discontinued operations	**-**	**(1,531)**
Total	**(3,583)**	**(4,421)**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities as follows:

EUR 000s		2023		2022
Tax on consolidated pre-tax income at group rate	**20.4%**	**766**	**21.7%**	**2,232**
Tax effect of loss-making subsidiaries for which no DTA is recognized		(3,480)		(7,213)
Tax effect of non-taxable income included in profit before tax		1,278		1,157
Tax on non-deductible expenses		(2,147)		(410)
Write down of previously recognised DTAs		–		(198)
Utilisation of previously unrecognised DTA		–		11
Total		**(3,583)**		**(4,421)**

The Group operates in many jurisdictions where statutory tax rates vary from 0% to 35.0%. The weighted average applicable tax rate was 20.4% (21.7%).

NOTE 12. TRADE RECEIVABLES AND CONTRACT ASSETS

EUR 000s	31 Dec, 2023	31 Dec, 2022
Trade receivables	30,178	36,251
Provision for doubtful debts (see page 82 Risk Management)	(2,236)	(2,936)
Contract assets	2,862	1,171
Total	**30,803**	**34,486**
The movement of the provision for doubtful debts is summarised below:		
Opening balance	**(2,936)**	**(3,485)**
Provision recorded in the year	(911)	(759)
Provision used in the year	927	1,143
Provision reversed not used in the year	611	213
Currency exchange difference	73	(48)
Closing balance	**(2,236)**	**(2,936)**

Contract assets include EUR 2.9 million (2022: 1.2 million) of unbilled work in progress in relation to long term contract revenue recognised under percentage of completion. Please refer to note 5.

NOTE 13. TAX ASSETS

EUR 000s	31 Dec, 2023	31 Dec, 2022
Tax assets	385	2,465
VAT recoverable	4,333	3,934
Total	**4,718**	**6,399**

NOTE 14. OTHER CURRENT RECEIVABLES

EUR 000s	31 Dec, 2023	31 Dec, 2022
Deposits	183	200
Prepayments	3,905	4,556
Other receivables	861	1,500
Total	**4,949**	**6,256**

NOTE 15. INVENTORIES

EUR 000s	31 Dec, 2023	31 Dec, 2022
Raw materials	20,202	22,856
Finished goods	20,123	22,919
Provision for slow moving inventories	(2,896)	(2,773)
Total	**37,429**	**43,002**

The movement of the provision for slow moving inventories is summarised below:

EUR 000s	2023	2022
Opening balance	**(2,773)**	**(2,982)**
Provision used during the year	923	388
Provision recorded in the year	(1,097)	(313)
Provision reversed not used in the year	–	192
Currency exchange difference	51	(58)
Closing balance	**(2,896)**	**(2,773)**

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

EUR 000s	Land & buildings	Plant & equipment	Fixtures & fittings	Total
Year ended 31 December 2022				
Opening net book value	2,282	4,148	996	7,426
Additions	–	981	202	1,183
Disposals	–	(177)	8	(169)
Depreciation	(23)	(1,897)	(506)	(2,426)
Currency exchange differences	(36)	(158)	121	(73)
Closing net book value	**2,223**	**2,897**	**821**	**5,941**
At 31 December 2022				
Cost	3,913	19,256	4,550	27,719
Accumulated depreciation	(1,690)	(16,359)	(3,729)	(21,778)
Net book amount	**2,223**	**2,897**	**821**	**5,941**
Year ended 31 December 2023				
Opening net book value	2,223	2,897	821	5,941
Additions	10	797	104	911
Disposals	(5)	–	(3)	(8)
Depreciation	(143)	(994)	(249)	(1,386)
Currency exchange differences	–	(39)	(5)	(44)
Closing net book value	**2,085**	**2,661**	**668**	**5,414**
At 31 December 2023				
Cost	3,863	19,773	4,618	28,254
Accumulated depreciation	(1,778)	(17,112)	(3,950)	(22,840)
Net book amount	**2,085**	**2,661**	**668**	**5,414**

LEASES

Amounts recognised in the balance sheet

The Balance Sheet shows the following amounts relating to leases:

EUR 000s	31 Dec, 2023	31 Dec, 2022
Right of use		
Land & building	11,283	12,967
Plant & equipment	182	128
Fixtures & fittings	64	118
Total right of use	**11,529**	**13,213**

EUR 000s	31 Dec, 2023	31 Dec, 2022
Lease liabilities		
Current	(2,527)	(2,687)
Total	**(2,527)**	**(2,687)**
Non current	(9,167)	(10,353)
Total	**(9,167)**	**(10,353)**

Amounts recognised in the income statement

The statement of profit or loss shows the following amounts relating to leases:

EUR 000s	31 Dec, 2023	31 Dec, 2022
Depreciation charge of Right of Use assets		
Land & building	(3,169)	(3,074)
Plant & equipment	(100)	(98)
Fixtures & fittings	(42)	(49)
Total depreciation charge of right of use assets	**(3,311)**	**(3,222)**
Interest expenses	**(363)**	**(394)**

The following table summarizes the movements of the right-of-use assets:

	31 Dec, 2023	31 Dec, 2022
Right of use assets at January 1	**13,213**	**14,394**
Additions	454	–
Lease contract terminations	(172)	–
Depreciation charge	(3,311)	(3,222)
Currency translation effects	1,345	2,041
Total right of use assets at December 31	**11,529**	**13,213**

NOTE 17. INTANGIBLE ASSETS

EUR 000s	Goodwill	Patents & trademarks	R&D and other	Total
Year ended 31 December 2022				
Opening net book value	30,242	132	7,814	38,188
Additions	–	–	1,399	1,399
Disposals	–	–	31	31
Amortisation	–	(20)	(598)	(618)
Currency exchange differences	(42)	(1)	(35)	(78)
Closing net book value	**30,200**	**111**	**8,610**	**38,920**
At 31 December 2022				
Cost	30,200	6,530	12,885	49,615
Accumulated amortisation	–	(6,419)	(4,275)	(10,695)
Net book amount	**30,200**	**111**	**8,610**	**38,920**
Year ended 31 December 2023				
Opening net book value	30,200	111	8,610	38,920
Additions	–	4	620	624
Impairment	–	–	(612)	(612)
Amortisation	–	(15)	(1,384)	(1,398)
Currency exchange differences	(69)	(6)	(146)	(221)
Closing net book value	**30,131**	**96**	**7,088**	**37,315**
At 31 December 2023				
Cost	30,131	6,515	11,464	48,110
Accumulated amortisation	–	(6,419)	(4,376)	(10,795)
Net book amount	**30,131**	**96**	**7,088**	**37,315**

For more details on goodwill impairment testing please refer to note 4.

NOTE 18. NON-CURRENT FINANCIAL ASSETS

EUR 000s	31 Dec, 2023	31 Dec, 2022
Financial receivables	68	69
Financial assets at fair value through PL	–	37
Total	**68**	**106**

NOTE 19. DEFERRED TAX ASSETS

EUR 000s	31 Dec, 2023	31 Dec, 2022
Deferred tax assets to be recovered within 12 months	1,853	1,642
Deferred tax assets to be recovered after more than 12 months	5,044	4,559
Total	**6,897**	**6,201**

EUR 000s	31 Dec, 2023	31 Dec, 2022
Provisions for warranty, doubtful accounts and others	1,209	1,056
Losses carried forward	3,054	2,612
Inventory	1,918	1,542
PPE and intangible assets	3	29
Accrued expenses not currently deductible	35	466
Others temporary differences	678	497
Total	**6,897**	**6,201**

The deferred tax assets arose as a consequence of the recognition of temporary differences on provisions relative to doubtful accounts, slow moving inventories and warranties, which are not tax deductible currently and become deductible for tax purposes when utilised, as well as to tax losses. The deferred tax assets, include an amount of EUR 3.1 million related to carried-forward tax losses. These are the result of the losses over the last financial years following the disposal of the Airports business. They relates to the one-off cost and will not recur in the future. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Group did not recognise deferred income tax assets on losses carried forward of EUR 208 million (2022: EUR 199 million). The losses carried forward expire after 7 years in Switzerland and amount to EUR 75.6 million of which EUR 23.9 million expire within one year and EUR 51.7 million expire within two to five years. The remaining part is related to US where, since the implementation of the new tax reform, losses carried forward accumulated until 2017 still expire in 20 years, while starting from 2018, they never expire but they will only be offsetable up to 80%.

NOTE 20. OTHER NON-CURRENT RECEIVABLES

Other non-current receivables includes deposits for Cavotec Italy building and machinery EUR 0.9 million (2022: EUR 0.8 million).

NOTE 21. LOANS AND BORROWINGS

EUR 000s	2023	2022
Other current financial liabilities	–	(4,914)
Credit facility non-current portion	(22,000)	(22,000)
Other non-current financial liabilities	–	–
Unamortised issuance costs	532	828
Total	**(21,468)**	**(26,086)**

In June 2020, Cavotec secured long-term financing by signing a five years agreement with Credit Suisse and others to provide a EUR 40 million single currency term and multicurrency revolving credit facility. Syndication costs and upfront fees of EUR 1.437 million were paid during FY 2020 and will be amortized over the extended duration of the facility.

EUR 000s	2023	2022
Bank overdrafts	–	2.00%
Short term debt	–	2.82%
Long term debt	9.47%	8.15%
Interest bearing liabilities	**9.47%**	**7.13%**

The average cost of the interest bearing liabilities for FY2023 was higher compared to the previous year mainly due to the increase of the interbank interest rates utilised as base rates for our long term debt interest calculation.

NOTE 22. TRADE PAYABLES

EUR 000s	2023	2022
Trade payables	(26,004)	(36,126)
Contract liabilities	(19,268)	(28,125)
Total	**(45,272)**	**(64,251)**

For more details on contract liabilities refer to note 5.

NOTE 23. TAX LIABILITIES

EUR 000s	2023	2022
Tax liabilities	(3,649)	(1,672)
VAT payable	(1,462)	(1,429)
Total	**(5,111)**	**(3,101)**

NOTE 24. OTHER CURRENT LIABILITIES

EUR 000s	2023	2022
Employee entitlements	(6,162)	(6,304)
Accrued expenses and other	(5,158)	(5,602)
Total	**(11,320)**	**(11,906)**

Employee entitlements include mainly accrued wages and salaries, holidays and other personnel liabilities.

NOTE 25. DEFERRED TAX LIABILITIES

EUR 000s	2023	2022
Deferred tax liabilities to be released within 12 months	(208)	(51)
Deferred tax liabilities to be released after more than 12 months	(1,043)	(1,049)
Total	**(1,251)**	**(1,100)**

EUR 000s	2023	2022
PPE and intangible assets	(493)	(503)
Untaxed reserves	(549)	(546)
Other	(209)	(51)
Total	**(1,251)**	**(1,100)**

For more details, please refer to note19.

NOTE 26. PROVISION FOR RISKS AND CHARGES

EUR 000s	2023	2022
Provision for risk and charges, current	(2,171)	(2,032)
Provision for risk and charges, non-current	(1,794)	(1,357)
Total	**(3,965)**	**(3,389)**

EUR 000s	Jan 1, 2023	Recorded	Used	Reversed not used	Exchange diff	Dec 31, 2023
Provision for warranty	(2,892)	(910)	186	306	9	(3,299)
Provision for taxation	–	(300)	–	–	–	(300)
Other provisions	(497)	(62)	–	185	8	(366)
Total	**(3,389)**	**(1,272)**	**186**	**491**	**17**	**(3,965)**

The warranty provision reflects historic experience of the cost to repair or replace defective products, as well as certain information regarding product failure experienced during production, installation or testing of products. The provision for taxation is built for expected results of ongoing tax inspections. Other provisions recorded are mainly related to penalties.

NOTE 27. PENSION PLAN

The Group operates defined benefit pension plans in Switzerland, Italy and Middle East.

Cavotec (Swiss) SA is affiliated to the Swiss Life Collective BVG Foundation based in Zurich. This pension solution fully also reinsures the risks of disability, death, and longevity. Swiss Life invests the vested pension capital and provides a 100% capital and interest guarantee. Certain features of Swiss pension plans required by law preclude the plans being categorised as defined contribution plans.

In Italy, the provisions for benefits upon termination of employment, accrued for employee retirement, are determined using actuarial techniques and regulated by the Italian Civil Code. The benefit is paid upon retirement as a lump sum, the amount of which corresponds to the total of the provisions accrued during the employees' service period based on payroll costs as revalued until retirement.

In U.A.E., the Service Gratuity Plan is a defined benefit plan. Benefits under these plans are paid upon termination of employment and consist of payments based on seniority.

	2023				2022
EUR 000s	**Switzerland**	**Italy**	**U.A.E.**	**Total**	**Total**
Present value of defined benefit obligation (DBO)	(1,665)	–	–	**(1,665)**	**(2,747)**
Fair value of plan assets	1,368	–	–	**1,368**	**2,616**
Deficit of funded plans	**(297)**	**–**	**–**	**(297)**	**(131)**
Present value of unfunded obligations	–	(215)	(57)	(272)	(370)
Liability in the Balance Sheet	**(297)**	**(215)**	**(57)**	**(569)**	**(501)**
Total as reported in the balance sheet	**(297)**	**(215)**	**(57)**	**(569)**	**(501)**

In addition, the Group has liabilities from defined contribution plan for an amount of EUR 0.91 million.

The movement in the defined benefit obligation over the year is as follows:

	2023				2022
EUR 000s	**Switzerland**	**Italy**	**U.A.E.**	**Total**	**Total**
At 1 January	**(2,747)**	**(322)**	**(48)**	**(3,117)**	**(4,858)**
Service cost:					
– Current service cost	(169)	–	(9)	**(178)**	**(231)**
– Past service cost	–	–	–	**–**	**144**
Interest expenses	(64)	(12)	–	**(76)**	**(14)**
Cash flow:					
– Benefit payments from plan assets	1,627	–	–	**1,627**	**579**
– Benefit payments from employer	–	125	–	**125**	**99**
– Participant contributions	(154)	–	–	**(154)**	**(196)**
– Insurance premium for risk benefits	22	–	–	**22**	**23**
Other significant event:					
– Increase (decrease) due to effect of any business combinations / divestitures / transfers	–	–	–	–	**936**
Remeasurements:					
– Effect of changes in demographic assumptions	2	–	–	**2**	**–**
– Effect of changes in financial assumptions	(100)	(2)	–	**(102)**	**517**
– Effect of experience adjustments	32	(4)	–	**28**	**33**
Exchange differences	(115)	–	–	**(115)**	**(151)**
At 31 December	**(1,665)**	**(215)**	**(57)**	**(1,937)**	**(3,117)**

The movement in the fair value of plan assets over the year is as follows:

	2023				2022
EUR 000s	**Switzerland**	**Italy**	**U.A.E.**	**Total**	**Total**
At 1 January	**2,616**	**–**	**–**	**2,616**	**2,681**
Interest Income	65	–	–	**65**	**8**
Cash flow:					
– Employer contributions	154	125	–	**279**	**295**
– Participant contributions	154	–	–	**154**	**196**
– Benefit payments to plan	(1,627)	–	–	**(1,627)**	**(579)**
– Benefit payments from employer	–	(125)	–	**(125)**	**(99)**
– Administrative expenses paid from plan assets	(14)	–	–	**(14)**	**(14)**
– Insurance premium for risk benefits	(22)	–	–	**(22)**	**(23)**
Remeasurements:					
– Return on plan assets (excluding interest income)	(56)	–	–	**(56)**	**23**
Exchange differences	99	–	–	**99**	**128**
At 31 December	**1,368**	**–**	**–**	**1,368**	**2,616**

The amount recognised in the income statement and other comprehensive income are as follows:

	2023				2022
EUR 000s	**Switzerland**	**Italy**	**U.A.E.**	**Total**	**Total**
Service cost:					
– Current service cost	169	–	9	**178**	**231**
– Past service cost	–	–	–	**–**	**(144)**
Total Service cost	**169**	**–**	**9**	**178**	**87**
Net interest cost:					
– Interest expense on DBO	64	12	–	**76**	**14**
– Interest (income) on plan assets	65	–	–	**65**	**(8)**
Total net interest cost	129	12	–	**141**	**6**
Administrative expenses and/or taxes (not reserved within DBO)	14	–	–	**14**	**14**
Defined benefit cost included in the Income Statement from continued operations	**312**	**12**	**9**	**333**	**107**
Effect of changes in demographic assumptions	(3)	–	–	**(3)**	**–**
Effect of changes in financial assumptions	100	2	–	**102**	**(517)**
Effect of experience adjustments	(32)	4	–	**(28)**	**(33)**
Return on plan assets (excluding interest income)	56	–	–	**56**	**(23)**
Exchange Differences	–	–	–	**–**	**–**
Effect of deferred taxes	(27)	–	–	**(27)**	**97**
Total remeasurements included in Other Comprehensive Income from continued operations	**94**	**6**	**–**	**100**	**(476)**

The Group expects to pay EUR 0.1 million in contribution to defined benefit plans in 2023 concerning the amount to be paid in 2024 (EUR 0.1 million was the expectation in 2022 concerning the amount to be paid in 2023).

The principal actuarial assumptions were as follows:

	2023			2022		
	Switzerland	**Italy**	**U.A.E.**	**Switzerland**	**Italy**	**U.A.E.**
Discount rate	1.40%	3.80%	n/a	2.40%	0.80%	n/a
Salary increases	1.30%	n/a	n/a	1.50%	n/a	n/a
Inflation	1.10%	2.50%	n/a	1.30%	1.70%	n/a

The principal demographic assumptions were as follows:

	2023			2022		
	Switzerland	**Italy**	**U.A.E.**	**Switzerland**	**Italy**	**U.A.E.**
Life expectancy	BVG 2020 GT	n/a	n/a	BVG 2020 GT	n/a	n/a
Retirement age	65	In accordance with current Italian legislation	normal (maximum) retirement age of 60	M65/F64	In accordance with current Italian legislation	normal (maximum) retirement age of 60
Benefit at retirement	60% pension / 40% lump sum	n/a	–	60% pension / 40% lump sum	n/a	–
Voluntary turnover	–	8.2%	n/a	–	–	n/a
Involuntary turnover (including death and disability)	–	1.8%	n/a	–	–	n/a

The following table presents a sensitivity analysis showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. This sensitivity applies to the defined benefit obligation only, and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by several factors including, in addition to the assumptions below, the fair value of plan assets.

	2023			2022		
	Switzerland	**Italy**	**U.A.E.**	**Switzerland**	**Italy**	**U.A.E.**
Discount rate +0.50%	(1,608)	(203)	–	(2,668)	(781)	–
Discount rate -0.50%	(1,725)	(227)	–	(2,839)	(847)	–

NOTE 28. SHARE CAPITAL

The table below set forth the changes occurred in the Share capital of the Group.

EUR 000s	No of ordinary shares (Fully paid)	Share capital
Balance at 31 December 2022	94,243,200	(45,288)
Balance at 31 December 2023	**106,696,030**	**(54,130)**

NOTE 29. OTHER RESERVES

EUR 000s	2023	2022
Currency translation reserves	19,544	17,707
Share premium reserve	(74,814)	(69,131)
Actuarial reserve	(10)	(10)
Reserve for LTIP	(132)	(189)
Revaluation reserve	89	(10)
Total	**(55,323)**	**(51,633)**

The share premium reserve was created following the Contribution Agreement dated 3 October 2011 between Cavotec SA and the former shareholders of Cavotec MSL and increased in 2018 in connection with the Rights issue.

In June 2022, AGM adopted the Board of Directors' proposal to reduce the current share capital of CHF 120,631,296 by CHF 54,661,056 to CHF 65,970,240 by way of reducing the nominal value of the registered shares from CHF 1.28 by CHF 0.58 to CHF 0.70 and to allocate the nominal value reduction amount to the share premium reserve, which is increased from CHF 19,018,227 to CHF 73,679,283.

In March 2023, an extraordinary general meeting approved the board's proposal to increase the company's nominal share capital. The board subsequently implemented the increase of the Company's share capital in the amount of CHF 8,716,981.00, from the current share capital of CHF 65,970,240.00 to CHF 74,687,221.00, through the issuance of 12,452,830 new shares of the Company. The shares were placed at a price of SEK 13.25 per share, consequently raising proceeds of approximately SEK 165 million before transaction costs. This capital increase also contributed to the increase in the share premium reserve.

The currency translation reserve comprises all foreign exchange differences arising from the translation of the Financial Statements of foreign operations into Euro.

NOTE 30. EARNINGS PER SHARE

Both the basic and diluted earnings per share are calculated using the net results attributable to shareholders of Cavotec SA & Subsidiaries as the numerator.

EUR 000s	2023	2022
Profit /(Loss) for the year continued operations	180	(3,170)
Profit /(Loss) for the year discontinued operations	–	(11,522)
Profit /(Loss) for the year	180	(14,692)
Attributable to:		
Equity holders of the Group continued operations	180	(3,170)
Equity holders of the Group discontinued operations	–	(11,522)
Total	**180**	**(14,692)**
Weighted-average number of shares outstanding	104,103,112	94,243,200
Basic and diluted earnings per share from continued operations attributed to the equity holders of the Group	0.002	(0.034)
Basic and diluted earnings per share from discontinued operations attributed to the equity holders of the Group	–	(0.122)
Basic and diluted earnings per share attributed to the equity holders of the Group	0.002	(0.156)

NOTE 31. SEGMENT INFORMATION

Operating segments have been determined based on the Group Management structure in place and on the management information and used by the CODM to make strategic decisions.

In 2022 Cavotec completed the divestment of its Airports business. As a result of the divestment process, from 1 January 2023, the Group has changed the organizational structure and reporting to the CODM.

The Segment information presented in this report reflects these changes, the comparatives are restated in line with the revised segments. The two new operating segments are:

- Ports & Maritime – development, manufacture and service of innovative automation and electrification technologies for the global ports and maritime sectors.
- Industry – development, manufacture and service of electrification and radio control products for industrial applications, such as cranes, energy, processing and transportation, mining, and tunnelling.

Other information that is not reportable has been combined and disclosed within "Other reconciling items" which mainly include not allocated head office costs.

Information by operating segment for the year ended 31 December, 2023 for each operating segment is summarized below:

Year ended 31 December, 2023 EUR 000s	**Ports & Maritime**	**Industry**	**Other reconciling items**	**Total**
Revenue from sales of goods and services	114,688	66,045	–	**180,734**
Other income	1,048	1,028	–	**2,076**
Operating expenses before depreciation and amortization	(101,237)	(61,903)	(5,266)	**(168,406)**
Gross Operating Result	**14,499**	**5,171**	**(5,266)**	**14,404**

Information by operating segment for the year ended 31 December, 2022 for each operating segment is summarized below:

Year ended 31 December, 2022 EUR 000s	**Ports & Maritime**	**Industry**	**Other reconciling items**	**Total**
Revenue from sales of goods and services	88,259	59,590	–	**147,849**
Other income	830	946	–	**1,776**
Operating expenses before depreciation and amortization	(89,026)	(54,294)	(4,673)	**(147,994)**
Gross Operating Result	**61**	**6,243**	**(4,673)**	**1,631**

The CODM assesses the performance of the operating segments based on gross operating result EBITDA. A reconciliation of gross operating result to profit before income tax is provided as follows:

EUR 000s	**Ports & Maritime 2023**	**Ports & Maritime 2022**
Gross operating result for operating segments	11,228	(2,728)
Goodwill impairment & other operational write – downs	(927)	(358)
Depreciation	(2,749)	(3,397)
Amortisation	(978)	(215)
Financial (costs)/income – net	(2,152)	3,924
Other financial items	(9)	(12)
Profit/(Loss) before income tax	**4,413**	**(2,786)**

EUR 000s	**Industry 2023**	**Industry 2022**
Gross operating result for operating segments	3,177	4,359
Goodwill impairment & other operational write – downs	(156)	349
Depreciation	(1,944)	(2,169)
Amortisation	(421)	(349)
Financial (costs)/income – net	(1,318)	301
Other financial items	14	12
Profit/(Loss) before income tax	**(648)**	**2,503**

Third party revenues for each operating segment analysed by significant geographical segment is summarised below:

Year ended 31 December 2023 EUR 000s	**AMER**	**EMEA**	**APAC**	**Total**
Ports & Maritime	18,239	45,726	50,723	**114,688**
Industry	4,751	42,228	19,067	**66,045**
Total	**22,990**	**87,954**	**69,790**	**180,734**

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

The consolidated revenues of the Group are generated principally outside of Switzerland, where the company is domiciled, and operations in Switzerland are relatively insignificant. Due to the nature of the business, no single country represents a significant percentage of Group revenues.

NOTE 32. RELATED PARTY DISCLOSURE

Cavotec SA is the legal parent of the Group. Details of Cavotec SA subsidiaries can be found in note 3.
The Group's key management personnel comprises the Chief Executive Officer and the members of Cavotec Management Team (CMT). Their total remuneration, including salary and other short term benefits, amounted to a total of EUR 3.4 million (2022: 5.7 million). The total compensation also includes compensation to CMT members' related parties.

To ensure its independence in fulfilling its supervisory duties, the remuneration of the Board of Directors is fixed and does not contain any variable component.

The remuneration elements for the Management Team consist of four components: salary, pension, other benefits**,** performance-based non-equity cash compensation ("**STIP**") and performance-based equity-based incentives ("**LTIP**"). The short-term incentive plan STIP is the cash-based element of the variable pay for inter alia the Management Team. The LTIP is a three-year performance share-based incentive plan. Its purpose is to foster long-term value creation for the Group by providing the Management Team and other eligible key managers

Year ended 31 December 2023

EUR 000s	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefit	Share-based payment	Total
Chief Executive Officer	612	367	–	–	25	**1,004**
Cavotec Management Team	2,044	357	–	–	43	**2,444**
Board of Directors	265	23	–	–	-	**288**
Total remuneration	**2,921**	**747**	**–**	**–**	**68**	**3,736**

Year ended 31 December 2022

EUR 000s	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefit	Share-based payment	Total
Chief Executive Officer	1,285	442	-	1,234	61	**3,022**
Cavotec Management Team	2,331	219	-	60	47	**2,657**
Board of Directors	265	22	-	-	-	**287**
Total remuneration	**3,881**	**683**	**-**	**1,294**	**108**	**5,966**

In FY2022 there were no transactions with related parties controlled or influenced by Board members.

NOTE 33. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the entity, its related practices and non-related audit firms.

EUR 000s	2023	2022
Audit services		
PricewaterhouseCoopers	808	584
Other audit firms	93	130
Total	**901**	**714**
Other services performed by audit firms:		
Taxation		
PricewaterhouseCoopers	132	103
Other audit firms	–	4
Total	**132**	**107**
Other services:		
PricewaterhouseCoopers	35	2,363
Other audit firms	–	6
Total	**35**	**2,369**
Total	**167**	**2,476**

NOTE 34. LEGAL RISKS

As a global company with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition, and tax assessments. The outcome of any current or future proceedings cannot be predicted. It is therefore possible that legal or regulatory judgments or future settlements could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could significantly affect our revenues and earnings.

NOTE 35. CONTINGENCIES

EUR 000s	2023	2022
Advance payments and Performance bonds	4,800	1,722
Financial guarantees	100	100
Other guarantees	7,224	10,215
Total	**12,124**	**12,592**

The items listed under Contingencies are mainly warranty bonds (under “other guarantees”), performance and advance payment bonds. On the total of contingencies EUR 2.2 million will expire within one year. There isn’t any expectation to have any significant cash outflow from the outstanding bonds.

NOTE 36. COMMITMENTS

The following table details the commitments associated with Cavotec SA & Subsidiaries.

EUR 000s	2023	2022
Capital commitments		
Within one year	313	21
Later than one, not later than two years	101	12
Later than two, not later than five years	30	3
Total	**444**	**36**

NOTE 37. SECURITIES AND COLLATERALS

As at 31 December 2023, as last year, there were no real estate related to loans.

NOTE 38. DISCONTINUED OPERATIONS

The completion of the sale of airports occurred 29 July 2022.

In December 2022, Income and expenses of the activities have been reclassified to Discontinued operations in the consolidated income statement. All assets and liabilities of the discontinued business have been taken out of Cavotec group balance sheet, resulting in 2022 in a final loss on the divestment of EUR 2.6 million.

Income Statement EUR 000s	Airports 2023	Airports 2022
Revenue from sales of goods and services	–	18,895
Other income	–	783
Expenses	–	(26,867)
CTA	–	(155)
Loss on the spin off	–	(2,646)
Loss from discontinued operations before income taxes	**–**	**(9,991)**
Income taxes	–	(1,531)
Loss from discontinued operations	**–**	**(11,522)**

NOTE 39. SUBSEQUENT EVENTS

SANCTIONS TOWARDS RUSSIA

The group has a very limited exposure to the region considering that the subsidiary in Russia is in liquidation and there is no project ongoing in the region. The Group is carefully monitoring the evolution of the situation, having a specific focus on the sanctions, that have been and will be imposed.

RUSSIA LIQUIDATION

The liquidation notice to the creditors was published on 24 January 2024. Starting from 24 March 2024, the liquidator will establish the preliminary liquidation balance sheet.


THE PORT OF VIRGINIA
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Risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board sets the policy for the Group's centralised treasury operation and its activities are subject to a set of controls commensurate with the magnitude of the borrowings and investments and Group wide exposures under its management. The Group treasury's primary role is to manage liquidity, funding, investments and counterparty credit risk arising with financial institutions. It also manages the Group's market risk exposures, including risks arising from volatility in currency and interest rates. The treasury function is not a profit centre and the objective is to manage risk at optimum cost.

The financial risk is managed at the Group and regional level through a series of policies and procedures set and reviewed by the CFO. The Group treasury applies these policies together with the Presidents of the Divisions and the local finance managers. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analyses in the case of interest rate risk and currency risk while ageing analyses of receivables is used to assess credit risk.

MARKET RISK

Currency risk

Generally, the Group offers customers the option of paying in local currencies through our global sales organisation. As a result, the Group is continuously exposed to currency risks in accounts receivables denominated in foreign currency and in future sales to foreign customers. This issue of international pricing is under constant attention at the highest levels of management. As the Group trades across many countries, purchasing and selling in various currencies, there is a natural hedge within the Group's overall activities.

The exchange rates listed here below are used to prepare the Financial Statements.

Currency	Average rate 2023	Year end rate 2023
AED	3.97	4.06
ARS	316.50	891.85
AUD	1.63	1.63
BRL	5.40	5.36
BHD	0.41	0.42
CAD	1.46	1.46
CHF	0.97	0.93
DKK	7.45	7.45
EUR	1.00	1.00
GBP	0.87	0.87
HKD	8.46	8.63
INR	89.30	91.90
KRW	1412.88	1433.66
NOK	11.42	11.24
NZD	1.76	1.75
QAR	3.94	4.03
RMB	7.66	7.85
RUB	87.72	115.48
SEK	11.48	11.10
SGD	1.45	1.46
USD	1.08	1.11
ZAR	19.96	20.35

At 31 December 2023, had the Euro weakened/strengthened by 10 per cent against foreign currencies to which the Group is exposed, with all other variables held constant, profit for the year and equity would have been EUR 218 thousands higher/lower (2022: 110 thousands). This is mainly a result of foreign exchange gains/losses on translation of financial assets and liabilities denominated in currencies other than the Euro and in respect of operations in non-Euro jurisdictions for financial assets and liabilities not in their local currency.

A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on an historical basis and market expectations for future moves. In order to assess the potential impact on the Income Statement assets and liabilities in the same currency used by the relevant entity in its reporting were excluded from the sensitivity analysis.

	2023		2022	
EUR 000s	**EUR -10%**	**EUR +10%**	**EUR -10%**	**EUR +10%**
Receivables	1,226	(1,226)	338	(338)
Payables	(1,523)	1,523	(558)	558
Financial assets	633	(633)	110	(110)
Financial liabilities	–	–	–	–
Total increase / (decrease)	**336**	**(336)**	**(110)**	**110**

The carrying amounts of the Group's trade receivables, trade payables and contract liabilities are held in the following currencies:

	2023		2022	
EUR 000s	**Receivables**	**Trade payables and contract liabilities**	**Receivables**	**Trade payables and contract liabilities**
EUR	15,679	(30,046)	21,784	(42,943)
USD	4,781	(7,182)	5,735	(4,872)
RMB	2,566	(5,638)	1,742	(10,608)
AED	–	(25)	462	(343)
GBP	713	(51)	80	(240)
SEK	798	(317)	452	(710)
NOK	1,282	(124)	766	(951)
AUD	1,713	(878)	1,493	(755)
CHF	–	(282)	–	(2,333)
INR	372	(629)	739	(374)
RUB	–	–	–	(8)
BHD	–	–	62	(114)
Other	38	(100)	–	–
Total	**27,942**	**(45,272)**	**33,315**	**(64,251)**

Financial assets and financial liabilities held at year end are held in the following currencies (data include lease liabilities):

	2023		2022	
EUR 000s	**Financial Assets**	**Financial Liabilities**	**Financial Assets**	**Financial Liabilities**
EUR	8,798	(21,468)	4,397	(25,485)
USD	1,308	–	2,078	–
RMB	1,547	–	449	–
AED	37	–	316	–
GBP	429	–	215	–
SEK	270	–	158	–
NOK	66	–	374	–
AUD	1,119	–	783	–
CHF	74	–	57	(601)
HKD	21	–	12	–
INR	1,087	–	–	–
RUB	–	–	315	–
Other	369	–	577	–
Total	**15,124**	**(21,468)**	**9,731**	**(26,086)**

Interest rate risk

Interest rate risk management is aimed at balancing the structure of the debt, minimising borrowing costs over time and limiting the volatility of results. The Group is party to fixed interest rate loan agreements in the normal course of business in order to eliminate the exposure to increases in interest rates in the future. The amount of floating rate debt is the main factor that could impact the Statement of Comprehensive Income in the event of an increase in market rates. At 31 December, 2023 100% of the debt was floating rate (2022: 93%). A fluctuation of 1% in interest rates would have in absolute terms an impact of EUR 220 thousands in the profit and loss statement.

Fair value estimation

Financial assets and liabilities recorded at fair value in the Consolidated Financial Statements are categorised based upon the level of judgement associated with the inputs used to measure their fair value. There are three hierarchical levels, based on an increasing amount of subjectivity associated with the inputs to derive fair valuation for these assets and liabilities, which are as follows:

- Level 1: Determination of fair value based on quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2: Determination of fair value based on inputs other than the quoted prices of Level 1 but which are directly or indirectly observable
- Level 3: Determination of fair value based on valuation models with inputs for the asset or liability that are not based on observable market data

The following tables present the Group's assets and liabilities measured at fair value by valuation method at 31 December 2023 and at 31 December 2022:

	2023			
EUR 000s	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Assets held for sale	1,814	–	–	**1,814**
Total assets	**1,814**	**–**	**–**	**1,814**
Liabilities	**–**	**–**	**–**	**–**
Non-current trading derivatives	–	–	–	**–**
Total liabilities	**–**	**–**	**–**	**–**

	2022			
EUR 000s	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Non-current financial assets	–	–	37	**37**
Assets held for sale	–	–	2,320	**2,320**
Total assets	**–**	**–**	**2,357**	**2,357**
Liabilities				
Non-current trading derivatives	–	–	–	**–**
Total liabilities	**–**	**–**	**–**	**–**

Assets held for sale as at 31 December 2023 that are carried over from 2020 are the Trondheim building (Norway) for a total amount of EUR 1.8 million. The building was accounted as assets held for sale with a book value of EUR 2.3 million in December 2022, but as in December 2023 Cavotec has signed an agreement for the sale of the building the amount has been adjusted to the market value.

Please refer to note 9 and 38 for more disclosure on the reclassification of assets held for sale that are measured at the lower of carrying value and fair value less cost to sell.

CREDIT RISK

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions and it is managed on a Group basis. A fundamental tenet of the Group's policy of managing credit risk is customer selectivity. The Group has many customers in its various geographies and therefore there is no concentration of credit. The Group's largest customers are prominent international companies and, while none of these represent a material percentage of total sales, outstanding receivables from these are regularly monitored and contained within reasonable limits. Large value sales are authorised by the Presidents of the Divisions, the CFO or the CEO, and require customers to pay a deposit or pay in advance. The Group has a credit policy which is used to manage this credit exposure.

The Group requires that provisions for doubtful debts are recorded not only to cover exposure relative to specific accounts in difficulty but also for accounts receivables balances which are past due for periods in excess of normal trading terms.

EUR 000s	**2023**	**Expected Credit Loss**	**% Expected Credit Loss**
Not yet due	24,046	(60)	0.25%
Overdue up to 30 days	4,634	(19)	0.42%
Overdue up to 30 and 60 days	1,087	(12)	1.08%
Overdue up to 60 and 90 days	943	(13)	1.38%
Overdue up to 90 and 120 days	189	(3)	1.69%
Overdue up to 120 and 150 days	39	(38)	97.02%
Overdue more than 150 days	2,103	(2,092)	99.49%
Total	**33,040**	**(2,237)**	

In the category "Not yet due", EUR 2.9 million (2022: 1.2 million) are under contract assets.

At 31 December, 2023 EUR 2.2 million (2022: EUR 2.9 million) have been provisioned according to the percentages of expected credit loss shown in the table.

EUR 000s	2022	Expected Credit Loss	% Expected Credit Loss
Not yet due	22,776	(65)	0.30%
Overdue up to 30 days	6,198	(35)	0.56%
Overdue up to 30 and 60 days	2,632	(58)	2.20%
Overdue up to 60 and 90 days	1,258	(28)	2.20%
Overdue up to 90 and 120 days	938	(24)	2.58%
Overdue up to 120 and 150 days	438	(216)	48.51%
Overdue more than 150 days	3,182	(2,510)	78.79%
Total	**37,421**	**(2,936)**	

NET DEBT

Net Debt is defined as financial liabilities (excluding lease liabilities) minus cash and cash equivalents and current financial assets.

EUR 000s	2023	2022
Cash and cash equivalents	15,056	9,625
Short-term debt	–	(4,914)
Long-term debt	(22,000)	(22,000)
Total	**(6,944)**	**(17,289)**

Note that long-term debt excludes issuance costs. See note 21.

EUR 000's	Cash and cash equivalents	Short-term debt	Long-term debt	Lease Liabilities	Net position
Opening balance Jan 1, 2022	**12,230**	**(4,124)**	**(10,277)**	**(14,275)**	**(16,424)**
Cash flows	(4,527)	(790)	(11,723)	3,073	–
Currency exchange differences	1,922	–	–	(1,838)	–
Other non-cash movements	–	–	–	–	–
Closing balance Dec 31, 2022	**9,625**	**(4,914)**	**(22,000)**	**(13,040)**	**(30,328)**

EUR 000's	Cash and cash equivalents	Short-term debt	Long-term debt	Lease Liabilities	Net position
Opening balance Jan 1, 2023	**9,625**	**(4,914)**	**(22,000)**	**(13,040)**	**(30,328)**
Cash flows	7,075	4,696	–	3,516	–
Currency exchange differences	(1,644)	–	–	(1,810)	–
Other non-cash movements	–	218	–	(360)	–
Closing balance Dec 31, 2023	**15,056**	**–**	**(22,000)**	**(11,694)**	**(18,638)**

LIQUIDITY RISK

Liquidity risk is managed by the Group treasury, which ensures adequate coverage of cash needs by entering into short, medium and long-term financial instruments to support operational and other funding requirements. The Board reviews and approves the maximum long-term funding of the Group and on an on-going basis considers any related matters on at least an annual basis. Short- and medium-term requirements are regularly reviewed and managed by the centralised treasury operation within the parameters set by the Board.

The Group's liquidity and funding management process includes projecting cash flows and considering the level of liquid assets in relation thereto, monitoring Balance Sheet liquidity and maintaining a diverse range of funding sources and back-up facilities. The Board reviews Group forecasts, including cash flow forecasts, on a quarterly basis. The Group treasury collects cash forecasts from group companies more frequently to assess the short and medium-term Group's requirements. Group treasury works closely with the local finance managers and divisions in order to identify and monitor relevant cash items with the goal to assure a promptly collection of receivables. These assessments ensure the Group responds to possible future cash constraints in a timely manner. Operating finance requirements of group companies are managed by the Group treasury, which is also responsible for investing liquid surplus assets not immediately required by operating companies.

In June 2020, Cavotec secured long-term financing by signing a five years agreement with Credit Suisse and others to provide a EUR 40 million single currency term and multicurrency revolving credit facility.

The syndicated loan facility bears interest for each interest period at a rate per annum equal to EURIBOR plus a variable margin which will be adjusted every quarter to reflect any changes in the ratio of net debt (including lease liabilities) to consolidated adjusted EBITDA as determined on a rolling basis. The loans are subject to certain restrictive covenants, including, but not limited to, additional borrowing, certain financial ratios, limitations on acquisitions and disposals of assets. If the financial covenants are not met and their breach is not remedied within a certain period or the lenders do not waive the covenants, there may grounds for termination under the conditions of the credit facility.

As of December 31, 2023, the Group's total available credit facilities, which related to the above mentioned syndicated loan facility agreement and to other credit facilities with local banks, amounted to EUR 40 million, of which EUR 26.3 million was utilized (2022: 34.9 million). In the EUR 26.3 million, EUR 4.3 million are related to bank guarantees that are not included in the balance sheet statements; for more information please see note 35 of the consolidated financial statements. The table below analyses the Group's financial liabilities, excluding trade payables, into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date against the cash and cash equivalent balances.

As of December 31, 2023, the Group has insurance guarantees facilities amount of EUR 14.9 million of which EUR 2.2 million was utilized.

EUR 000s	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
	2023			
Long-term debt	(2,084)	(23,042)	–	–
Lease liabilities	(3,142)	(4,364)	(3,462)	(1,603)
Trade Payables	(26,004)	–	–	–
Other Payables	(11,320)	–	–	–
Total	**(42,550)**	**(27,406)**	**(3,462)**	**(1,603)**
Cash and cash equivalents	15,056	–	–	–

The long term debt includes the maturity analysis based on the contractual undiscounted cashflow. The interests are included using an average interest rate of 9.47%.
Later than five years Lease liabilities include the lease agreement of 12 years signed in 2016 by Cavotec Specimas SpA for the lease of the warehouse located in Nova Milanese (Italy). Cavotec SA has provided to Cavotec Specimas SpA's landlord, a parent guarantee to banks of EUR 6,370 thousands regarding this leasing agreement.

EUR 000s	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
	2022			
Bank overdrafts and short-term debt	(4,914)	–	–	–
Long-term debt	(1,569)	(24,353)	–	–
Lease liabilities	(2,987)	(4,257)	(2,937)	(2,859)
Trade Payables	(36,126)	–	–	–
Other Payables	(11,906)	–	–	–
Total	**(57,502)**	**(28,610)**	**(2,937)**	**(2,859)**
Cash and cash equivalents	9,625	–	–	–

EUR 000s	2023 Total credit facilities	Credit facilities Total credit facilities utilisation	Syndicated facility utilisation (loan)	Syndicated facility utilisation (guarantees)
Non-current financial liabilities	40,000	26,275	22,000	4,275
Total	**40,000**	**26,275**	**22,000**	**4,275**

EUR 000s	2022 Total credit facilities	Credit facilities Total credit facilities utilisation	Syndicated facility utilisation (loan)	Syndicated facility utilisation (guarantees)
Current financial liabilities	5,355	4,914	–	–
Non-current financial liabilities	40,000	30,030	22,000	8,030
Total	**45,355**	**34,944**	**22,000**	**8,030**

In the syndicated facility utilization, EUR 22.0 million are utilized as loans and EUR 4.3 million are utilized as standby letter of credits and guarantees.

The Group does not have collateral or credit enhancements that would influence its credit exposure. The maximum exposure to credit risk is the carrying amount of each class of financial asset.

CAPITAL RISK MANAGEMENT

The Group and the Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure that reduces the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of its debt to equity ratio calculated by comparing senior Net Debt to Total equity. In monitoring the level of indebtedness, on-going attention is given by management to the level of net debt, leverage ratio and assets to equity ratio calculated in accordance to the Groups financing facility.

The ratios at 31 December 2023 and 31 December 2022 (both including the impact of IFRS 16) were as follows:

EUR 000s	2023	2022
Total interest bearing liabilities	(33,694)	(39,954)
Cash and cash equivalents	15,056	9,625
Net debt	**(18,638)**	**(30,328)**
Senior net debt	**(18,638)**	**(30,328)**
Total equity	**(56,562)**	**(43,850)**
Senior net debt/equity ratio	33.0%	69.2%
Equity/asset ratio	36.0%	26.2%
Leverage ratio	1.29x	12.50x

The Group has to comply to the following financial covenants: The Leverage Ratio (Net Senior Debt on the last day of that relevant period to adjusted EBITDA in respect of that relevant period) and The Equity Ratio.

The Leverage Ratio for the Group (on a consolidated basis) shall amount to a maximum of 4.00x for the testing period ending on 31 December 2023 and 3.5x for each testing period ending thereafter, according to the Amendment Agreement dated June 2023.

The Equity Ratio for the Group (on a consolidated basis) shall amount to a minimum of 30% for each testing period ending in 2023 and 32.5% for each testing period ending thereafter, according to the Amendment Agreement dated 9 March 2023.

Report of the statutory auditor

to the General Meeting of Cavotec SA

Lugano

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Cavotec SA and its subsidiaries (the Group), which comprise the statement of comprehensive income for the year ended 31 December 2023, the balance sheet as at 31 December 2023, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 57 to 86) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

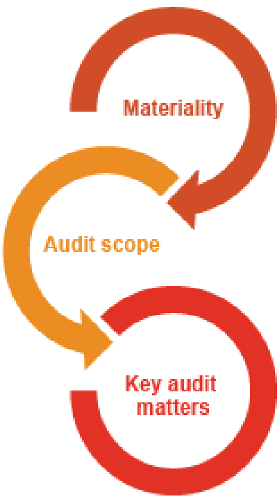
Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: EUR 1.5 million

We concluded full scope audit work at 15 reporting units in 14 countries. Our audit scope addressed over 96% of the Group's revenue. In addition, review procedures were performed on a further 7 reporting units in 6 countries, representing a further 4% of the Group's revenue.

As key audit matter the following area of focus has been identified:

Goodwill impairment test: Ports & Maritime and Industry

PricewaterhouseCoopers SA, Piazza Indipendenza 1, casella postale, 6901 Lugano, Switzerland
Telefono: +41 58 792 65 00, www.pwc.ch

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	EUR 1.5 million
Benchmark applied	Total revenues
Rationale for the materiality benchmark applied	We chose total revenue as the benchmark for determining materiality. This basis takes into account the development and volatility of the business activities and is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above EUR 75'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is primarily structured into two business units “Ports and Maritime” and "Industry". The Group financial statements are a consolidation of 24 reporting units, comprising the Group's operating businesses and centralised functions. In establishing the overall approach to the Group audit, we determined the type of work to be performed by us, as the Group engagement team, by component auditors from PwC network firms and by component auditors from other firms operating under our instructions. We concluded full scope audit work at 15 reporting units in 14 countries. In addition, review procedures were performed on a further 7 reporting units in 6 countries. The Group’s consolidation, financial statement disclosures and goodwill are audited by the Group engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill impairment test: Ports & Maritime and Industry

Key audit matter	How our audit addressed the key audit matter
Refer to page 68 (Note 4 Critical accounting estimates and judgments). The goodwill impairment assessment for Ports & Maritime and Industry is considered as a key audit matter due to the size of the goodwill balance (EUR 30.1 million as of 31 December 2023 and EUR 30.2 million as of 31 December 2022) as well as the considerable judgement required by Group management in making their assessment on the impairment test.	We evaluated Group management’s assumptions as described on page 68 (Note 4) of the financial statements and discussed these with the Audit Committee and responsible management. We evaluated Group management’s assumptions and we challenged management on the inclusion of all appropriate assets and liabilities in the cash-generating units. In relation to the value in use, we performed the following:

The goodwill impairment test depends on the estimation of future cash flows. Judgement is required to determine the assumptions relating to the future business results and the discount rate applied to the forecasted cash flows.	We compared Group management's expectations of revenue growth and gross profit margins, included in the five-year plan included in the impairment model, with the company's budget, forecasts and the projects in the pipeline. We evaluated Group management's assumptions of long-term growth rates, by comparing them with economic and industry forecasts. We also evaluated, with the support of our PwC valuation team, certain management's valuation parameters, specific to the model. We applied professional skepticism when reviewing the forecasts for the market units by stress testing key assumptions, assessing the impact on the sensitivity analysis, and understanding the degree to which assumptions would need to move before impairment would be triggered. The procedure performed provided a sufficient basis to conclude on the approach of goodwill impairment assessment.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Thomas Wallmer	Laura Cazzaniga
Licensed audit expert Auditor in charge	Licensed audit expert

Lugano, 11 April 2024


MAERSK LINE

Statutory Financial Statements

Please note that all reported amounts are in CHF.

Income statement

Cavotec SA

CHF	Notes	2023	2022
Net proceeds of services		2,288,504	1,182,735
Other Income		–	3,793,541
Staff cost		(233,395)	(1,586,305)
Transportation expenses		(68)	–
External services		(1,766,962)	(6,989,588)
Travelling expenses		(42,142)	(25,721)
General expenses		(513,378)	(412,778)
Depreciation fixed assets		(89,848)	–
Operating result		**(357,289)**	**(4,038,116)**
Finance costs – net		(1,717,629)	(320,477)
Foreign exchange – net		(1,830,486)	(1,001,448)
Translation differences		(3,652,038)	(4,375,185)
Profit / (Loss) before taxes		**(7,557,443)**	**(9,735,226)**
Income taxes		(11,556)	(23,971)
Profit / (Loss) for the year		**(7,568,999)**	**(9,759,197)**

Balance Sheet

Cavotec SA

Assets **CHF**	**Notes**	**2023**	**2022**
Current assets			
Cash and cash equivalents		140,416	163,014
Other short-term receivables		3,171,673	7,990,192
from third parties		*47,881*	*214,404*
from group companies		*3,123,792*	*7,775,788*
Accrued income and prepaid expenses		13,095	38,897
Total current assets		**3,325,184**	**8,192,103**
Non-current assets			
Intangible assets		171,227	–
Financial assets		62,936	66,926
Investments in subsidiary companies	3	86,455,757	91,936,268
Total non-current assets		**86,689,921**	**92,003,194**
Total assets		**90,015,104**	**100,195,297**

Liabilities **CHF**	**Notes**	**2023**	**2022**
Short-term liabilities			
Other short-term liabilities		(5,027,332)	(11,632,319)
to third parties		*(185,930)*	*(2,802,713)*
to group companies		*(4,841,403)*	*(8,829,606)*
Short-term interest-bearing liabilities	7	–	(3,973,765)
Accruals and deferred income		(402,684)	(1,744,582)
Other liabilities		(183,149)	–
Total short-term liabilities		**(5,613,165)**	**(17,350,666)**
Long-term interest bearing liabilities	7	(34,183,041)	(41,402,193)
Unrealized exchange gain		(2,797,223)	(902,200)
Other Long-term liabilities		(132,878)	(200,132)
Total long-term liabilities		**(37,113,143)**	**(42,504,525)**
Total liabilities		**(42,726,308)**	**(59,855,191)**

Equity **CHF**	**Notes**	**2023**	**2022**
Share capital	4	(74,687,221)	(65,970,240)
Share premium reserve		(79,479,992)	(73,679,283)
Loss brought forward		99,309,417	89,550,220
Result for the period		7,568,999	9,759,197
Total equity		**(47,288,797)**	**(40,340,106)**
Total equity and liabilities		**(90,015,104)**	**(100,195,297)**

Notes to Statutory Financial Statements

NOTE 1. GENERAL

Cavotec SA (the "Company") is the ultimate parent company of the Cavotec Group.

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. 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. 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. The Consolidated Financial Statements are of overriding importance for the purpose of the economic and financial assessment of the Company. The unconsolidated Statutory Financial Statements of the Company are prepared in accordance with Swiss law, the Code of Obligations (SCO), and serve as complementary information to the Consolidated Financial Statements.

NOTE 2. ACCOUNTING PRINCIPLES APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Exchange rate differences – The Company keeps its accounting records in Euro and translates them into Swiss Francs (CHF) for statutory reporting purposes.

The Euro Statutory Financial Statements have been translated into Swiss Francs as follows:

Assets and liabilities	closing rate
Own shares and shareholders' equity	historical rate
Income and expenses	average rate
Impairment charges	spot rate

Translation gains are deferred and translation losses are included in the determination of net income.

Current assets and liabilities – Current assets and liabilities are recorded at cost less adjustments for impairment of value.

Financial assets – Financial assets are recorded at acquisition cost less adjustments for impairment of value.

Treasury shares – Treasury shares are recognised at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of resale, the gain or loss is allocated or charged to equity.

Revenue from sale of goods and services – Revenue from services is recorded as at invoicing. Once the service has been rendered it is invoiced, at the latest at the end of each quarter.

NOTE 3. INVESTMENT IN SUBSIDIARY COMPANIES

Company name	Purpose	Domicile	Ownership interest 2023	Ownership interest 2022	Curr.	Share Capital 2023	Share Capital 2022
Cavotec (Swiss) SA	Service company	Switzerland	100%	100%	CHF	200,000	200,000
Cavotec MoorMaster Ltd	Holding & engineering	New Zealand	100%	100%	NZD	196,164,928	196,164,928
Cavotec USA Inc	Sales company	USA	100%	100%	USD	68,000,000	68,000,000
Cavotec India Private Ltd	Sales company	India	0%	0%	INR	46,000	46,000

NOTE 4. SHAREHOLDERS' EQUITY

The share capital as of 31 December 2023 is divided into 106,696,030 shares at a part value CHF 0.70 each.

		Legal Reserve				
CHF	**Share Capital**	**Treasury shares**	**Share Premium Reserve**	**Prior Year Retained Earnings**	**Result for the period**	**Total Shareholder's equity**
Opening balance at January 1, 2022	**120,631,296**	**–**	**19,018,227**	**(44,142,721)**	**(45,407,500)**	**50,099,302**
Purchase of Treasury shares	–	–	–	–	–	–
Sales of Treasury shares	–	–	–	–	–	–
Reduction share capital	(54,661,056)	–	–	–	–	(54,661,056)
Increase Share reserve	–	–	54,661,056	–	–	54,661,056
Result of the period	–	–	–	–	(9,759,197)	(9,759,197)
Allocation prior year result	–	–	–	(45,407,500)	45,407,500	–
Balance at December 31, 2022	**65,970,240**	**–**	**73,679,283**	**(89,550,220)**	**(9,759,197)**	**40,340,106**
Opening balance at January 1, 2023	**65,970,240**		**73,679,283**	**(89,550,220)**	**(9,759,197)**	**40,340,106**
Purchase of Treasury shares	–	–	–	–	–	–
Sales of Treasury shares	–	–	–	–	–	–
Increase share capital	8,716,981	–	–	–	–	8,716,981
Increase share reserve	–	–	5,800,709	–	–	5,800,709
Result of the period	–	–	–	–	(7,568,999)	(7,568,999)
Allocation prior year result	–	–	–	(9,759,197)	9,759,197	–
Balance at December 31, 2023	**74,687,221**	**–**	**74,479,992**	**(99,309,417)**	**(7,568,999)**	**47,288,796**

During year 2023 the Board of Directors of Cavotec SA has resolved the implementation of a new Long Term Incentive Plan ("LTIP") program 2023-2025 in addition to the LTIP 2021-2023 and LTIP 2022-2024 for certain key employees to increase and enhance its ability to recruit, retain and motivate employees and to encourage personal long term ownership of Cavotec SA shares among the participants.

The short-term incentive plan (STIP) is an annual non-equity cash compensation and is the cash-based element of the variable remuneration for senior executives, while the long-term incentive plan (LTIP) is aimed to create a managing shareholder culture by allowing selected key employees of the Group to become shareholders of Cavotec SA.

Further information is in the Remuneration Report on page 38.

Share capital as of December 31, 2023	No of registered shares	Par value (CHF)	Total (CHF)
Issued shares	106,696,030	CHF 0.70	CHF 74,687,221
Contingent shares	942,430	CHF 0.70	CHF 659,701
Authorised shares	9,424,320	CHF 0.70	CHF 6,597,024

On March 13, 2023, the Board of Directors proposes to increase the company's share capital by a maximum nominal amount of CHF 9,895,536.00 with a maximum number of the new registered shares to be issued 14,136,480 with a par value of CHF 0.70.
On March 17, 2023, a meeting of the board of directors was held where it was decided for a capital increase of CHF 8,716,981 from nominal 65,970,240.00 to nominal CHF 74,687,221.00, through issuance of 12,452,830 fully paid-in registered shares with a par value of CHF 0.70 each.
The Board of directors was authorized to increase the share capital in an amount not to exceed CHF 6,597,024.00 through the issuance of up to 9,424,320 share with a par value of 0.70 CHF per share by not later than June 2, 2024.

NOTE 5. SIGNIFICANT SHAREHOLDERS

The end of the year and based on the available information, five main shareholders are:

Year ended 31 December 2023		Number	%
Bure Equity AB	Financial institution	37,554,921	35.3%
TomEnterprise Private AB (Thomas von Koch)	Investment Fund	18,666,109	17.5%
Fabio Cannavale	Individual investor	7,583,008	7.1%
Fjärde AP-fonden	Investment Fund	6,793,710	6.4%
Nordea Fonder	Investment Fund	4,635,626	4.4%
Fondita Fund Management	Investment Fund	2,000,000	1.9%
Total		**77,233,374**	**72.5%**

Year ended 31 December 2022		Number	%
Bure Equity AB	Financial institution	33,321,619	35.4%
Thomas von Koch	Individual investor	11,203,289	11.9%
Fabio Cannavale (Nomina SA)	Individual investor	7,901,857	8.4%
Fjärde AP-Fonder	Investment Fund	6,000,465	6.4%
Nordea Fonder	Investment Fund	5,049,421	5.4%
Total		**63,476,651**	**67.5%**

NOTE 6. SHARE OWNERSHIP – BOARD OF DIRECTORS AND CAVOTEC MANAGEMENT TEAM

Based on publicly available information, the ownership by members of the Board and Cavotec Management Team is as follow:

Shareholders as of 31 December 2023		Number	%
Patrik Tigerschiöld (Anna Kirtap AB & familly)	Chairman	1,598,000	1.50%
David Pagels	CEO	750,000	0.70%
Niklas Edling	Board member	83,599	0.08%
Annette Kumlien	Board member	75,000	0.07%
Patrick Mares	CMT member	18,950	0.02%
Peter Nilsson	Board member	–	–
Keith Svendsen	Board member	–	–
Total		**2,525,549**	**2.4%**

NOTE 7. SHORT-TERM AND LONG-TERM INTEREST BEARING LIABILITIES

In June 2020 Cavotec SA secured long-term financing by signing an agreement with Credit Suisse, Banca dello Stato del Cantone Ticino and Privat Debt Fund SA to provide a EUR 40 Million single currency term and multicurrency revolving credit facility, and portion utilized as of 31 December 2023 has been classified as long term.

CHF	31 December 2023	31 December 2022
Bank overdraft	–	1,063,976
Short-term interest bearing liabilities to other group companies	–	–
Short-term interest bearing liabilities to Corner	–	2,909,789
Total short-term interest bearing liabilities	–	3,973,765
Long-term interest bearing liabilities Credit Suisse	20,372,000	21,663,400
Long-term interest bearing liabilities to other group companies	13,811,041	19,738,793
Total long-term interest bearing liabilities	**34,183,041**	**41,402,193**

CHF	31 December 2023	31 December 2022
Less than 1 year	–	3,973,765
1 to 5 years	34,183,041	37,428,428
More than 5 years	–	–

NOTE 8. GUARANTEES AND COMMITMENTS

The following table provides quantitative data regarding the Company's third-party guarantees.

CHF	31 December 2023	31 December 2022
Advance payment bonds	97,196	102,659
Performance bond	689,403	1,030,170
Parent guarantee	6,360,981	7,578,216
Total	**7,147,580**	**8,711,045**

Cavotec SA carries joint liability in respect of the federal tax authorities for value added tax liabilities of its Swiss subsidiary, furthermore Cavotec SA is a guarantor for the existing EUR 40 million syndicated credit facility.

NOTE 9. RISK ASSESSMENT DISCLOSURE

Cavotec SA, as the ultimate parent company of Cavotec Group, is fully integrated into the Company internal risk assessment process.

The Company-wide internal risk assessment process consists of regular reporting to the Board of Directors of Cavotec SA on identified risks and management's reaction to them. The procedures and actions to identify the risks, and where appropriate remediate, are performed by specific corporate functions as well as by the operating companies of the Group. It also adopted and deployed Group-wide the Internal Control System ("ICS").

The internal control function has been embedded in the finance organisation. This task is performed by Group Finance, that together with the local entity's finance department and the Legal Compliance officer is responsible for ensuring that the necessary controls are performed along with adequate monitoring.

Internal controls comprise the control of the Company's and Group's organisation, procedures and remedial measures. The objective is to ensure reliable and correct financial reporting, and to ensure that the Company's and Group's financial reports are prepared in accordance with law and applicable accounting standards and that other requirements are complied with. The internal control system is also intended to monitor compliance with the Company's and Group's policies, principles and instructions. In addition, the control system monitors security for the Company assets and monitors that the Company's resources are exploited in a cost-effective and adequate manner. Internal control also involves following up on the implemented information and business system, and risk analysis.

Financial risks management is described in more detail in the Risk Management note of the Consolidated Financial Statements.

NOTE 10. RELATED PARTY TRANSACTIONS

As of 31 December 2023, the company has granted no loans, advances, borrowings or guarantees in favor of member of the Board of Directors and members of the Cavotec Management Team or parties closely related to such persons.

NOTE 11. LEGAL RISKS

As a global company with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and tax assessments. The outcome of any current or future proceedings cannot be predicted. It is therefore possible that legal or regulatory judgments or future settlements could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could significantly affect our revenues and earnings.

NOTE 12. FULL TIME EQUIVALENTS

The number of full-time equivalents, as well as the previous year, did not exceed 10 on an annual average basis.

NOTE 13. SUBSEQUENT EVENTS

No significant subsequent events occurred.

CAVOTEC SA
Proposed carry forward of the accumulated losses

CHF	31 December 2023	31 December 2022
Profit/(Losses) brought forward	(99,309,417)	(89,550,220)
Profit/(Losses) for the year	(7,568,999)	(9,759,197)
Total losses	**(106,878,419)**	**(99,309,417)**
Appropriation to general statutory reserves (retained earnings)	–	–
Appropriation to other reserves	–	–
Proposed balance to be carried forward	**(106,878,419)**	**(99,309,417)**

The Board of Directors' proposal to the Annual General Meeting is that no dividend is to be paid for the 2023 financial year.

Report of the statutory auditor

to the General Meeting of Cavotec SA

Lugano

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cavotec SA (the Company), which comprise the income statement for the year ended 31 December 2023, the balance sheet as at 31 December 2023 and notes to the statutory financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 93 to 97) comply with Swiss law and the Company's articles of incorporation.

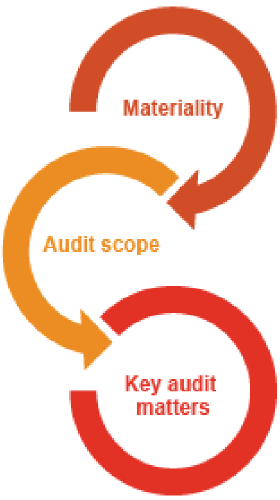
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 0.9 mio

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Investments valuation in subsidiary companies

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or

PricewaterhouseCoopers SA, Piazza Indipendenza 1, casella postale, 6901 Lugano, Switzerland
Telefono: +41 58 792 65 00, www.pwc.ch

error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 0.9 mio
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the relevant benchmark for a holding company that mainly holds investments, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 70'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments valuation in subsidiary companies

Key audit matter	How our audit addressed the key audit matter
At 31 December 2023, the carrying value of the company's investments amounts to CHF 86.5 million (2022: CHF 91.9 million). The principal considerations for our determination that the valuation of investments in subsidiary companies is a key audit matter are the significant amount of the investments in the balance sheet and the judgement involved in the impairment assessment.	We have tested management's assessment of the recoverability of investments as follows: • We compared the carrying amounts of the investments against the underlying net assets. • We compared the market capitalization of Cavotec SA as at 31 December 2023 with the equity of the Company. The procedure performed provided a sufficient basis to conclude on the approach of investments valuation in subsidiary companies.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Thomas Wallmer	Laura Cazzaniga
Licensed audit expert Auditor in charge	Licensed audit expert

Lugano, 11 April 2024

Financial definitions

Financial figures

Dividend yield: Dividend as a percentage of the market price.

Dividend per share (DPS): Dividend for the period divided by the total number of shares outstanding.

Earnings per share: Profit/loss attributable to equity holders of the Group divided by the average number of shares for the period.

Equity/asset ratio: Total equity as a percentage of total assets.

FY: Full Year.

Leverage ratio: Senior net debt divided by operating result before depreciation and amortisation, adjusted for non-recurring items.

LTM: Last Twelve Months.

Net debt: Borrowings plus other financial liabilities, less cash and cash equivalents and current financial investments.

Net debt/equity ratio: Net debt as a percentage of total equity.

Return on equity (ROE): Net profit after tax (rolling 12 months) divided by total equity less minority interests calculated on the average of quarterly values.

Senior net debt: All interest bearing indebtedness that is not subordinated, minus liquid assets.

Total equity: Shareholders' equity including minority interests.

Operating figures

Adjusted EBIT: EBIT excluding Non-Recurring items.

Adjusted EBITDA: EBITDA excluding Non-Recurring items.

Average capital employed: Total assets less current liabilities calculated on their average of quarterly values for the period.

Average number of employees: Average number of employees during the year based on hours worked. Does not include consultancy staff.

EBIT: Operating result excluding net interest and income tax.

EBITDA: Operating result excluding depreciation and amortisation of PPE and intangible assets, net interest and income tax.

EBITDA margin: EBITDA excluding profit from participations in joint venture/ associated companies as a percentage of net sales.

Gross operating margin: Operating result before depreciation and amortisation as a percentage of the period's revenue from sales of goods.

Interest coverage: Operating result, adjusted for non-recurring items divided by net interest expenses.

Net debt/EBITDA: Net debt divided by EBITDA.

Non-Recurring Items: any material items which represent gains or losses arising from: restructuring of the activities of an entity and reversal of any provisions for the costs of restructuring as defined under IFRS, disposal of non-current assets, disposal of assets associated with discontinued operations, extraordinary provisions and litigation.

Number of employees at year-end: Including insourced staff and temporary employees.

Operating cash flow: EBITDA excluding non-cash items, capital expenditures, divested PPE and changes in working capital, but excluding cash flow pertaining to restructuring.

Operating margin: Operating result after depreciation and amortisation as a percentage of the period's revenue from sales of goods.

Operating result: EBIT as stated in the income statement.

PPE: Property, plant and equipment.

Profit before income tax margin: Profit/ loss before income tax as a percentage of the period's revenue from sales of goods.

Return on average capital employed (ROACE): Net operating profit after tax (rolling 12 months) divided by average capital employed.

The share 2023

Successful new issue of shares

The Cavotec share is listed on Nasdaq Stockholm since 2011 in the mid-cap segment. The company made a successful directed issue of new shares during the year that raised approximately SEK 165 million (about EUR 15.0 million). The closing price on the last trading day of the year was SEK 14.4 which translates to a market capitalisation of SEK 1.5 billion.

In 2023, a total of 14.4 million shares were traded of which 53.5% on Nasdaq Stockholm. The daily average was in total 14,433 shares and on Nasdaq Stockholm 13,660 shares. The share price increased 6.7% in 2023. Nasdaq Stockholm, as measured by the OMXS PI index, increased 15.5% in 2023. The highest closing price SEK 15.85 was paid on 7 December and the lowest price SEK 11.95 was paid on 13 March. The market capitalisation was SEK 1,536 million on the last trading day of the year.

Shareholders

On 31 December 2023, Cavotec had 2,019 known shareholders. Most of the holdings, 76.6%, are in Sweden, followed by Switzerland with 7.1%. Of the known shareholders, the largest type of ownership is institutional investors and asset managers holding 64.9% of the shares, while private individuals hold 17.8%.

Bure Equity is the single largest shareholder with 35.2% of the share capital and votes.

The share and share capital

Each share in Cavotec carries one vote and all shares have equal right to dividend. The number of shares and votes is 106,696,030 and each share has a par value of CHF 0.70. The share capital is CHF 74,687,221. All of Cavotec's shares are denominated in SEK.

On 22 February 2023, Cavotec carried out a directed new issue of 12,452,830 shares at a subscription price of SEK 13.25 per share, entailing raising proceeds of approximately SEK 165 million (about EUR 15.0 million). The purpose of the share issue was to increase financial flexibility to support the company to execute on its strong order book, growth plans and in addition strengthen the company's financial position by reducing net debt. The share issue entailed a dilution of approximately 11.7% of the number of shares and votes in Cavotec.

Dividend policy and dividend

Cavotec's target is to distribute dividends of approximately 30-50% of net profits over a business cycle. Any pay-out decision will be based on the company's financial position, investment needs, acquisitions and liquidity position.

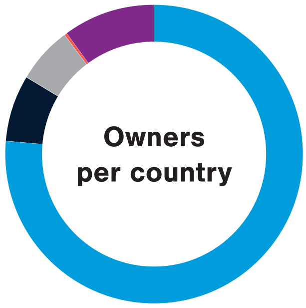
The Board of Directors proposes to the Annual General Meeting 2024 that no dividend be paid for the 2023 financial year.

The Cavotec share
ISIN code: CH0136071542
Ticker: CCC

Analyst

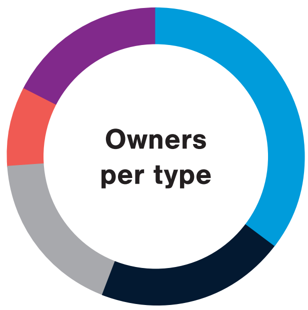
Cavotec is followed by the analyst listed below. Publicly available analyst reports on Cavotec are available on www.introduce.se/foretag/cavotec/start/. For further information, please contact the analyst below.

Firm
ABG Sundal Collier (sponsored research)
Analyst
Karl Bokvist Karl.Bokvist@abgsc.se Phone: +46 8 566 286 00



CAVOTEC'S TEN LARGEST SHAREHOLDERS 31 DECEMBER 2023

Owner	No. of shares	Capital and votes
Bure Equity	37,554,921	35.20%
Thomas von Koch	18,666,109	17.49%
Fabio Cannavale	7,583,008	7.11%
Fjärde AP-fonden (The Fourth Swedish National Pension Fund)	6,793,710	6.37%
Nordea Funds	4,635,626	4.34%
Fondita Fund Management	2,000,000	1.87%
Patrik Tigerschiöld with family	1,598,000	1.70%
SEB Funds	1,238,245	1.16%
Eric Isaac	1,234,382	1.16%
Fredrik Palmstierna	1,216,064	1.14%
Total ten largest owners	**82,520,065**	**77.54%**
Others	24,175,965	22.46%
Total	**106,696,030**	**100.00%**



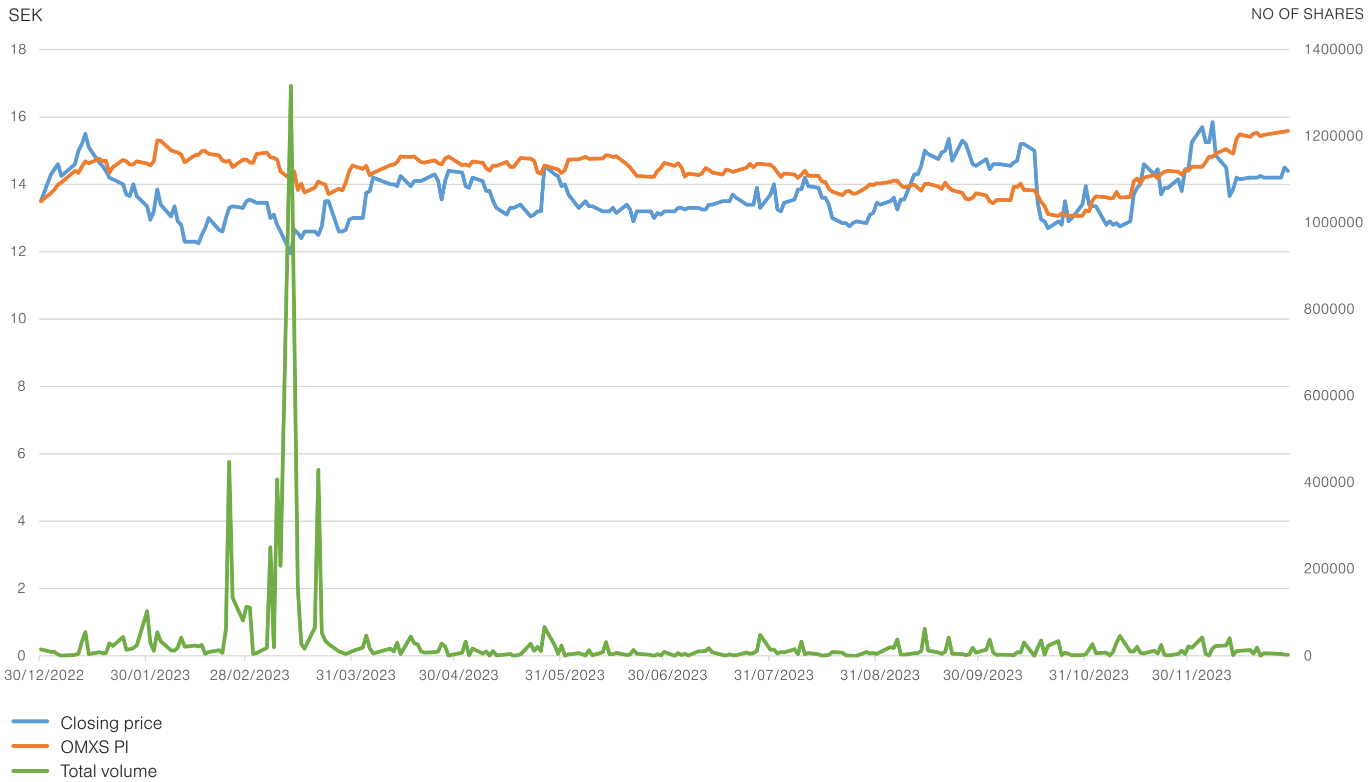
OWNERSHIP DISTRIBUTION BY SHAREHOLDING 31 DECEMBER 2023

Holding size	Capital and votes	Shares	No. known owners	Share of known owners
1-500	0.14%	153.396	1,341	66.42%
501-1,000	0.15%	155.034	194	9.61%
1,001-5,000	0.66%	703.444	289	14.31%
5,001-10,000	0.51%	538.456	68	3.37%
10,001-20,000	0.51%	544.435	35	1.73%
20,001-	88.80%	94.508.659	92	4.56%
Unknown	9.24%	10.092.606	0	0.00%
Total	**100.00%**	**106.696.030**	**2,019**	**100.00%**

DEVELOPMENT OF THE SHARE CAPITAL

Description	Date	Shares	Share capital (CHF)
Listing on Nasdaq Stockholm	19 October 2011	71,625,472	110,665,691
Reduction share capital	4 May 2012	71,625,472	109,237,747
Reduction share capital	23 April 2013	71,625,472	105,667,886
Reduction share capital	23 April 2014	71,625,472	102,098,025
Increase share capital	19 September 2014	78,764,272	112,306,480
Reduction share capital	22 April 2015	78,764,272	108,379,680
Reduction share capital	22 April 2016	78,764,272	106,023,600
Reduction share capital	29 March 2017	78,764,272	102,096,800
Rights issue	4 January 2019	94,471,472	120,631,296
Reduction share capital	2 June 2022	94,471,472	65,970,240
New issue	22 February 2023	106,696,030	74,687,221
Total outstanding shares		**106,696,030**	**74,687,221**

SHARE PRICE DEVELOPMENT AND VOLUME ON NASDAQ STOCKHOLM 2023



Shareholder information

Financial calendar

26 April 2024	First quarter report
25 July 2024	Second quarter report
8 November 2024	Third quarter report
21 February 2025	Fourth quarter and year-end report 2024
Week beginning 31 March 2025	Annual Report and Sustainability Report 2024

IR contact

Joakim Wahlquist, CFO
Phone +41 91 911 4010
Email investor@cavotec.com

2024 Annual General Meeting

The Annual General Meeting 2024 will take place on 4 June 2024 in Lugano, Switzerland.

Financial information

Cavotec's annual report and quarterly reports are published in English.
They are available for download at https://ir.cavotec.com/financial-reports

Cavotec SA
Corso Elvezia 16
CH-6900 Lugano
Switzerland
+41 91 911 4010
investor@cavotec.com
cavotec.com

Cavotec's history in brief

1974

Specimas AB is registered in Sweden as a sales agent for Italian Specimas SpA.

1976

Specimas AB is renamed Cavotec AB.

1984

Cavotec acquires Specimas SpA.

1997

Acquisition of Alfo Apparatebau in Germany.

Opens a sales company in Singapore.

1999

Acquisition of Metool in Australia and RMS Enrouleurs in France.

Opens a sales company in Denmark.

2002

Acquisition of Gantrex Group in Canada, South Africa and the US.

2004

Acquisition of Fladung in Germany and Micro-control in Norway.

2007

Merger with the British company Mooring Systems through a reverse acquisition in a share for share transaction.

Listing on the New Zealand Stock Exchange.

Head office moves to Switzerland.

2008

Acquisition of Dabico Group in the US and UK, Meyerinck in Germany and Gantrex operations.

2011

Sales offices opened in Spain and Brazil.

Acquisition of INET Group in the US.

Listing on Nasdaq Stockholm.

2017

Cavotec confirms its leadership in automated mooring and charging for electric ferries with the first connection of a battery powered vessel in Finland.

2018

Opening of new production facility in Milan, Italy.

Launch of services offering.

2020

Launch of MoorMaster NxG, the next generation of automated vacuum mooring.

2021

New strategy launched to focus on cleantech for ports and industrial applications.

2022

Divestment of the airport's division.

2023

Focus on the transformation of Cavotec to build a stronger company and grow profitably.

Design:
Cavotec Corporate Marketing & Communications

Photos:
Cavotec's archive and iStockPhoto.com
Board and management's images by Pär Olsson

For more information visit
cavotec.com

Cavotec SA is listed on Nasdaq Stockholm

“Our clear strategic priorities and change program have proven effective and our financial results and position have improved significantly in 2023.”

David Pagels, CEO

April 2024 – X2EN – ANREP – 23

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