

Invitation to subscribe for shares in Cavotec SA



FINANCIAL ADVISER

ABG
SUNDAL COLLIER

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the “**Prospectus**”) has been prepared in connection with the rights offering to current shareholders in Cavotec SA, company registration no. CHE-440.276.616, (a Swiss corporation) and listing of shares in Cavotec SA on Nasdaq Stockholm (the “**Offering**”). In the Prospectus, “**Cavotec**”, the “**Company**” or the “**Group**” refers to Cavotec SA, the group in which Cavotec is the parent company or a subsidiary of the group, as the context may require. “**ABGSC**” refer to ABG Sundal Collier AB in its capacity as financial adviser. See section “**Definitions**” for the definitions of these and other terms in the Prospectus.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) in accordance with Chapter 2, sections 25 and 26 of the Swedish Financial Instruments Trading Act (SFS 1991:980) (Sw. *lagen (1991:980) om handel med finansiella instrument*). Approval and registration does not imply that the SFSA guarantees that the information in the Prospectus is accurate or complete.

The Prospectus and the Offering are governed by Swedish law. Disputes arising in connection with this Prospectus, the Offering and related legal matters shall be settled exclusively by Swedish courts.

The figures included in the Prospectus have, in certain cases, been rounded off and, consequently, the tables contained in the Prospectus do not necessarily add up. All financial amounts are in Euro (“**EUR**”), unless indicated otherwise, and “**MEUR**” indicates millions of EUR.

Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company’s auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company’s auditor as outlined herein originates from the Company’s internal accounting and reporting systems.

Cavotec has not taken, and will not take, any actions to allow a public offering in any jurisdiction other than Sweden and Switzerland. The Offering is not being made to persons resident in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, Japan, Hong Kong, New Zealand, Singapore, South Africa or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish or Swiss law (together, the “**Ineligible Jurisdictions**”). Consequently, the Prospectus may not be distributed in or into any Ineligible Jurisdictions or the mentioned countries or any other country or jurisdiction in which distribution or the Offering in accordance with this Prospectus require such measures or otherwise would be in conflict with applicable laws or regulations. Subscription of shares and other acquisitions of securities in violation of the restrictions described above may be void or unlawful. Recipients of this Prospectus are required to inform themselves about, and comply with, such restrictions. Each investor should consult their own advisors before exercising the subscription rights or purchasing the paid subscription shares or the new shares. Investors should make their own independent assessment of the legal, tax, business, financial or other consequences of their investment. Investors should not construe the content of this Prospectus as legal, investment or tax advice. No action has been or will be taken by the Company or ABGSC to permit the possession or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the Offering) in any Ineligible Jurisdictions where such distribution may lead to a breach of any law or regulatory requirement. Any failure to comply with the restrictions described may result in violation of applicable securities regulations. For further information, see section “**Selling and transfer restrictions**”.

When an investor makes an investment decision, he or she must rely on his or her own analysis of Cavotec and the Offering in accordance with this Prospectus, including applicable facts and risks. Potential investors should, before making an investment decision, engage their own professional advisers and carefully evaluate and consider their investment decision. Investors may only rely on the information in this Prospectus and any possible supplements to this Prospectus. No person is authorized to provide any information or make any statements other than those made in this Prospectus. Should such information or statement nevertheless be provided or be made it should not be considered to have been approved by Cavotec, and Cavotec is not responsible for such information or statements and must not be relied upon. Neither the publication of this Prospectus nor any transaction made in respect of it shall be deemed to imply that the information in this Prospectus is accurate or applicable at any time other than on the date of the publication of this Prospectus or that there have been no changes in Cavotec’s business since this date. If significant changes relating to the information contained in this Prospectus occur, such changes will be announced in accordance with the provisions on prospectus supplements under the Swedish Financial Instruments Trading Act (1991:980).

As a condition for subscription of shares under the Offering in this Prospectus, each person applying for subscription of shares shall be deemed to have made certain representations and warranties that will be relied upon by Cavotec and its advisors (see section “**Selling and transfer restrictions**”). Cavotec reserves the right to declare null and void any subscription of shares that Cavotec and its advisors believe may give rise to breach or violation of any law, rule or regulation in any jurisdiction.

FORWARD-LOOKING STATEMENTS

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as “believes”, “estimates”, “anticipates”, “expects”, “assumes”, “forecasts”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus, including the following sections: “**Summary**”, “**Risk factors**”, “**Business overview**” and “**Operating and financial review**”, which include more detailed descriptions of factors that might have an impact on the Company’s business and the market in which it operates. None of the Company or ABGSC can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages.

After the date of the Prospectus, none of the Company or ABGSC assume any obligation, except as required by law or Nasdaq Stockholm’s Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

BUSINESS AND MARKET DATA

The Prospectus includes industry and market data pertaining to Cavotec’s business and markets. Such information is based on the Company’s analysis of multiple sources, including reports referred to herein.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Prospectus that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Information provided by third parties has been accurately reproduced and, as far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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FINANCIAL CALENDAR

Interim report for the period October – December 2018, Q4, and full year summary	February 21, 2019
Annual report 2018	March 15, 2019
Investor Information Meeting	May 7, 2019
Annual shareholders' meeting 2019	May 10, 2019

SUMMARY OF THE OFFERING

Preferential right

Those who on the record date were registered as shareholders of Cavotec in the share registers administrated by SIX SIS AG and Euroclear Sweden AB will receive one (1) subscription right for each ordinary share held on the record date. Five (5) subscription rights will carry an entitlement to subscribe for one (1) new ordinary share. In connection with a transfer of a subscription right (primary preferential right), the subsidiary preferential right is also transferred to the new holder of the subscription right. To the extent new ordinary shares are not subscribed for with preferential rights they shall be allotted to shareholders and other investors that have subscribed for ordinary shares without preferential rights. Such allotment shall firstly be made to those who have also subscribed for ordinary shares by exercise of subscription rights.

Subscription price

SEK 13.00

Record date for participation in the Offering with preferential right

5 December, 2018

Subscription period

7–21 December, 2018

Trading in subscription rights

7–19 December, 2018

Trading in BTA

7 December, 2018 – 7 January, 2019

Other information

Ticker: CCC

ISIN code: CH0136071542

ISIN code Swedish subscription right: SE0012012474

ISIN code Swedish BTA: SE0012012482

ISIN code Swiss subscription right: CH0451623901

CERTAIN DEFINITIONS

Euroclear Sweden Euroclear Sweden AB.

ABGSC ABG Sundal Collier AB in its capacity as financial adviser.

Avanza Avanza Bank AB (publ) in its capacity as issuer agent.

Nasdaq Stockholm The regulated market operated by Nasdaq Stockholm AB.

SEK Swedish krona.

EUR Euro.

CHF Swiss franc.

MEUR Million Euro.

Principal Owner or Bure Equity Bure Equity AB.

Cavotec, the Company or the Group Cavotec SA, the group in which Cavotec is the parent company or a subsidiary of the group, as the context may require.

Summary in Swedish / Sammanfattning

Pursuant to an exemption from the SFSA in relation to language requirements, this Prospectus has only been prepared in English. However, a Swedish translation of the "Summary" in this Prospectus is provided below. In the event of any discrepancies, the English language version of the Summary shall prevail.

I enlighet med en språkdispens från Finansinspektionen har detta Prospekt endast tagits fram i en engelskspråkig version. Nedan följer dock en svensk översättning av avsnittet "Summary" i Prospektet. Vid eventuell skillnad mellan språkversionerna ska den engelskspråkiga versionen äga företräde.

Sammanfattningen ställs upp efter informationskrav i form av ett antal "punkter" som ska innehålla viss information. Dessa punkter är numrerade i avsnitt A – E (A.1 – E.7). Denna sammanfattning innehåller alla de punkter som ska ingå i en sammanfattning för denna typ av värdepapper och emittent. Eftersom vissa punkter inte behöver ingå, kan det finnas luckor i numreringen av punkterna. Även om en viss punkt ska ingå i sammanfattningen för denna typ av värdepapper och emittent kan det förekomma att det inte finns någon relevant information att ange beträffande sådan punkt. I sådant fall innehåller sammanfattningen en kort beskrivning av aktuell punkt tillsammans med angivelsen "ej tillämplig".

AVSNITT A – INTRODUKTION OCH VARNINGAR

A.1	<i>Introduktion och varningar</i>	Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i värdepapperen ska baseras på en bedömning av Prospektet i sin helhet från investerarens sida. Om yrkande avseende information i ett prospekt anförs vid domstol, kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för översättning av prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av prospektet, eller om den inte, läst tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare i övervägandet att investera i de värdepapper som erbjuds.
A.2	<i>Samtycke till finansiella mellanhänders användning av Prospektet</i>	Ej tillämplig. Finansiella mellanhänder har inte rätt att använda Prospektet för efterföljande återförsäljning eller slutlig placering av värdepapper.

AVSNITT B – EMITTENTEN OCH EVENTUELL GARANTIGIVARE

B.1	<i>Firma och handelsbeteckning</i>	Cavotec SA, registreringsnummer CHE-440.276.616.
B.2	<i>Emittentens säte och bolagsform</i>	Cavotec har sitt säte i Lugano, Schweiz. Bolaget är ett Schweiziskt aktiebolag bildat i Lugano enligt den Schweiziska Code of Obligations.
B.3	<i>Beskrivning av emittentens verksamhet</i>	<p>Cavotec är en teknikkoncern som utvecklar och tillverkar automatiserade anslutnings- och elektrifierings-system för hamnar, flygplatser och industriell tillämpning över hela världen.</p> <p>Koncernen är organiserad i tre verksamhetsgrenar: Flygplatser & Industri, Hamnar & Sjöfart samt Service. I Cavotecs segmentrapportering ingår Service i verksamhetsgrenen Flygplatser & Industri respektive Hamnar & Sjöfart. Cavotec marknadsför främst sina lösningar genom helägda försäljningsbolag runt om i världen. Utvecklingar och tillverkningar av Cavotecs lösningar bedrivs huvudsakligen vid Koncernens sju kunskapscenter som ligger i Tyskland (tre), Storbritannien, Italien, USA och Nya Zeeland. Under 2018 så stöds kunskapscentren av distributionscenter i Kina, USA, Indien, Sverige, Australien, Frankrike och Norge.</p>

B.4a *Trender***HAMNAR & SJÖFART****Landströmsbestämmelser driver tillväxt av landström i specifika regioner**

- Kalifornien beslutade 2007 att "varje havsgående fartyg som är utrustat för att ta emot landström ska utnyttja landströmmen vid varje besök", fullbordande förväntas 2020.¹⁾
- I direktiv 2014/94/EU kräver EU att "...landströmsförsörjning ska prioriteras i hamnar... senast den 31 december 2025, såvida det inte saknas efterfrågan och kostnaderna är oproportionerliga i förhållande till fördelarna".²⁾
- Kina beslutade 2015 i sin plan avseende "förebyggande av fartygs- och hamnföroreningar" att alla nya terminaler måste vara elektrifierade och att fokus ska ligga på de 11 hamnar som står för 60 procent av den kinesiska genomströmningen av containrar.³⁾

Som en effekt av de nya reglerna som nämns ovan, bygger rederier om befintliga containerskepp och hamnar installerar AMP⁴⁾-kapaciteter.

Föreskrifter avseende utsläppsbegränsningar driver på modernisering av hamnar och efterfrågan på elektrifierade fartyg, kranar och annan hamnutrustning

Utsläppsreglerna för hamnar och sjöfartssektorn blir hårdare. Ett exempel på detta är att International Maritime Organization 2010 införde regleringar avseende utsläpp av kväveoxid (NOx)⁵⁾ och svaveloxid (SOx)⁶⁾, vilka förväntas vara fullt implementerade senast 2020.

Elektrifiering

Cavotecs ledningsgrupp ser flera fördelar med driftselektrifierad hamnutrustning jämfört med icke-elektrifierad hamnutrustning. Fördelarna inkluderar:

- En tystare och mindre förorenad arbetsmiljö för anställda.
- Lägre driftkostnader på grund av billigare energi och minskat behov av underhåll och reservdelar.
- Ökad produktivitet som en följd av att tankningstid inte krävs för kranar elektrifierade med kablar.

Automatisering

Cavotec ser en växande efterfrågan från sina kunder på att öka produktiviteten eller att ersätta dyr arbetskraft med automatiserade lösningar för exempelvis förtöjning och kranar. Kundernas investeringar avseende automatisering uppmuntrar i sin tur till andra investeringar för automatisering, exempelvis kräver automatiserade fartyg också en automatiserad förtöjningslösning.

FLYGPLATSER**Tillväxten av passagerare är fortsatt stark**

Tillväxten av passagerare förväntas vara fortsatt stark och uppgå till ~4 procent per år globalt fram till 2022, endast något lägre än ökningen på 6 procent per år mellan 2014–17.⁷⁾

Ökningen av antalet passagerare beror främst på ett minskat genomsnittligt flygpris, förbättrad levnadsstandard i utvecklingsländer samt fortsatt ökad globalisering (exempelvis fri rörlighet för personer).⁸⁾

Produktivitetsökningen för gater förväntas avta, vilket ökar behovet av flygplatskapacitet i världen

Produktiviteten för gater har ökat avsevärt under de senaste åren. Ökningen beror huvudsakligen på faktorer så som ökad lastningskapacitet, en övergång till större flygplan och förbättrad vändningstid. Ökningen förväntas dock avta under de kommande åren.⁹⁾

- Lastkapaciteten av flygplan har ökat stadigt sedan 2000. Ökningen har dock börjat avta och förväntas inte att förbättras avsevärt framöver.¹⁰⁾
- Flygplanens kortare vändningstid har i det närmaste optimerats. Användningen av digital drift vid flygplatsens gater och nya flygbryggor har bidragit till den historiska minskningen. Den ökade effektiviteten som kunnat åstadkommas bedöms dock vara fullt utnyttjad. Därutöver är ombordstigningstiden en huvudsaklig begränsning för ytterligare minskad vändningstid för flygplan.¹¹⁾

Cavotecs ledningsgrupp förväntar sig att kombinationen av lägre produktivitetsökning vid flygplatser och tillväxten av antalet passagerare ska leda till en ökad efterfrågan på flygplansgater över hela världen, vilket kommer leda till möjligheter för Cavotecs fasta GSE-utrustning.

1) "Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port" Regulation, California Air Resources Board, 2007.

2) EU Directive 2014/94/EU.

3) International Council on Clean Transportation, "Action Plan For Establishing Ship Emission Control Zones In China", May 2016.

4) AMP (Alternative Maritime Power)-systemet förser elektricitet genom landström till fartyg, för att förhindra luftföroreningar med anledning av gasutsläpp från motorgeneratorer under lastning och lossning av containrar.

5) International Maritime Organization, "Nitrogen Oxides (NOx) – Regulation 13", 2018.

6) International Maritime Organization, "Sulphur 2020 – cutting sulphur oxide emissions", 2018.

7) Report, "20 Year Passenger Forecast", IATA, 2018.

8) Report, "Global Market Forecast", Airbus, 2018.

9) Report, "Benchmarking Report", Air Transport Research Society, 2017.

10) Report, "Benchmarking Report", Air Transport Research Society, 2017.

11) Report, "Benchmarking Report", Air Transport Research Society, 2017.

B.4a	<i>Trender, forts</i>	<p>INDUSTRI</p> <p>Ökande efterfrågan</p> <p>Bolagets ledningsgrupps åsikt är att en stabil global BNP-tillväxt i kombination med att utvecklade marknader, exempelvis USA¹⁾ som ersätter gammal infrastruktur, kommer driva efterfrågan på Cavotecs produkter inom industrisektorn de närmaste åren.</p> <p>1) Report, "World needs \$94 trillion spent on infrastructure by 2040", Reuters, 2017.</p>																																
B.5	<i>Beskrivning av Koncernen och Bolagets plats i Koncernen</i>	Koncernen omfattar moderbolaget Cavotec SA och 41 direkt och indirekt ägda dotterbolag.																																
B.6	<i>Större aktieägare, kontroll över Bolaget och anmälningspliktiga personer, större aktieägare samt kontroll</i>	<p>Per 31 december 2017 hade Cavotec SA 1 729 aktieägare. Baserat på offentliga förteckningar per 31 december 2017 och annan information som kommit till Bolagets kännedom, har följande aktieägare ett innehav motsvarande 5 procent eller mer av aktierna och rösterna i Cavotec:</p> <table border="1" data-bbox="464 656 1441 907"> <thead> <tr> <th>Aktieägare</th> <th>Stamaktier</th> <th>Procent</th> <th>Röster i procent</th> </tr> </thead> <tbody> <tr> <td>Bure Equity</td> <td>19 914 837</td> <td>25,4%</td> <td>25,4%</td> </tr> <tr> <td>Fjärde AP-Fonden</td> <td>7 608 721</td> <td>9,7%</td> <td>9,7%</td> </tr> <tr> <td>Fabio Cannavale (Nomina SA)</td> <td>7 298 046</td> <td>9,3%</td> <td>9,3%</td> </tr> <tr> <td>Lars Hellman (LCL life & Pension)</td> <td>5 200 000</td> <td>6,6%</td> <td>6,6%</td> </tr> <tr> <td>Stefan Widegren & family</td> <td>4 975 000</td> <td>6,3%</td> <td>6,3%</td> </tr> <tr> <td>Catella Fonder</td> <td>4 797 827</td> <td>6,1%</td> <td>6,1%</td> </tr> <tr> <td>Michael Colaco</td> <td>3 942 946</td> <td>5,0%</td> <td>5,0%</td> </tr> </tbody> </table>	Aktieägare	Stamaktier	Procent	Röster i procent	Bure Equity	19 914 837	25,4%	25,4%	Fjärde AP-Fonden	7 608 721	9,7%	9,7%	Fabio Cannavale (Nomina SA)	7 298 046	9,3%	9,3%	Lars Hellman (LCL life & Pension)	5 200 000	6,6%	6,6%	Stefan Widegren & family	4 975 000	6,3%	6,3%	Catella Fonder	4 797 827	6,1%	6,1%	Michael Colaco	3 942 946	5,0%	5,0%
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B.7	<i>Utvald finansiell information i sammandrag</i>	<p>Den finansiella informationen som redovisas nedan har hämtats från Bolagets reviderade koncernredovisningar för åren 2017, 2016 och 2015, vilka har, om inte något annat anges, upprättats i enlighet med IFRS. Informationen har också hämtats från den granskade delårsrapporten från januari-september 2018, som har upprättats i enlighet med IFRS (IAS 34, vilken innehåller minikrav avseende innehåll för en delårsrapport som är förenlig med IFRS).</p> <p>Utöver vad som uttryckligen anges här har ingen finansiell information i Prospektet reviderats eller blivit granskad av Bolagets revisor. Finansiell information om Bolaget i Prospektet som inte ingår i den information som enligt beskrivningen reviderats eller granskats av Bolagets revisor, har hämtats från Bolagets interna redovisnings- och rapporteringssystem.</p>																																

B.7 Utvald finansiell information i sammandrag forts.

Koncernens resultaträkning i sammandrag

EUR 000's	1 jan – 30 sep 2018 Oreviderad IFRS	1 jan – 30 sep 2017 Oreviderad IFRS	1 jan – 31 dec 2017 Reviderad IFRS	1 jan – 31 dec 2016 Reviderad IFRS	1 jan – 31 dec 2015 Reviderad IFRS
Intäkter från försäljning av varor och tjänster	148 145	155 760	212 360	211 518	232 223
Övriga intäkter	2 474	2 888	4 187	8 745	5 982
Materialkostnader	-70 518	-82 371	-107 931	-97 965	-113 580
Personalkostnader	-47 357	-50 526	-65 866	-64 964	-68 132
Driftkostnader	-32 191	-26 896	-36 428	-39 959	-44 130
Bruttorörelseresultat	553	-1 146	6 322	17 375	12 363
Avskrivningar och amorteringar	-3 305	-4 338	-4 334	-5 094	-4 768
Nedskrivningar	-	-	-19 986	-	-
Rörelseresultat	-2 752	-5 484	-17 998	12 281	7 595
Ränteintäkter	62	160	259	764	52
Räntekostnader	-1 511	-1 199	-1 702	-1 850	-1 312
Valutakursdifferenser, netto	1 530	-2 713	-3 409	77	6 484
Övriga finansiella poster	-	-242	-242	-	-
Vinst/förlust före inkomstskatt	-2 671	-9 478	-23 092	11 272	12 819
Inkomstskatt	-2 393	-1 879	-8 679	-4 788	-6 695
Vinst/förlust för perioden	-5 064	-11 357	-31 771	6 484	6 124
Övrigt totalresultat:					
Omvärdering av arbetsförmånsförpliktelser efter anställning	-13	34	18	122	-113
Poster som inte kommer omklassificeras som vinst eller förlust	-13	34	18	122	-113
Valutakursdifferenser	-2 328	-5 573	-6 084	1 168	-973
Poster som senare kan komma att omklassificeras till vinst / förlust	-2 328	-5 573	-6 084	1 168	-973
Årets övriga totalresultat, efter skatt	-2 341	-5 538	-6 066	1 290	-1 086
Årets totalresultat	-7 405	-16 895	-37 837	7 774	5 038
Totalresultat hänförligt till:					
Koncernens aktieinnehavare	-7 406	-16 891	-37 833	7 773	5 035
Innehav utan bestämmande inflytande	1	-4	-4	1	3
Summa	-7 405	-16 895	-37 837	7 774	5 038
Vinst hänförlig till:					
Koncernens aktieinnehavare	-5 064	-11 357	-31 771	6 484	6 124
Summa	-5 064	-11 357	-31 771	6 484	6 124
Resultat per aktie före och efter utspädning för koncernens aktieinnehavare (EUR/aktie)	-0,065	-0,145	-0,405	0,083	0,078
Genomsnittligt antal aktier	78 451 825	78 415 813	78 415 902	78 475 939	78 475 939

B.7 Utvald finansiell information i sammandrag forts.

Koncernens balansräkning i sammandrag

EUR 000's	30 sep 2018 Oreviderad IFRS	30 sep 2017 Oreviderad IFRS	31 dec 2017 Reviderad IFRS	31 dec 2016 Reviderad IFRS	31 dec 2015 Reviderad IFRS
TILLGÅNGAR					
Omsättningstillgångar					
Likvida medel och mot-svarigheter till likvida medel	14 786	16 905	28 718	14 982	20 812
Kundfordringar	45 672	40 696	40 958	51 585	62 431
Skattefordringar	720	658	914	1 096	1 035
Övriga omsättningstillgångar (inklusive avtalsfordringar)	15 781	22 055	10 630	6 086	7 339
Inventarier	42 341	41 720	36 819	40 213	45 065
Tillgångar som innehas för försäljning	3 211	3 816	4 815	3 953	–
Summa omsättningstillgångar	122 511	125 850	122 854	117 915	136 682
Anläggningstillgångar					
Materiella anläggningstillgångar	23 178	19 636	18 168	22 060	26 736
Immateriella rättigheter	53 309	71 818	52 971	75 124	71 534
Finansiella anläggnings-tillgångar	272	269	264	299	289
Uppskjutna skattefordringar	10 634	20 010	9 294	20 425	19 005
Övriga anläggningstillgångar	7 351	7 240	7 134	7 763	5 731
Summa anläggningstillgångar	94 744	118 973	87 831	125 671	123 295
Summa tillgångar	217 255	244 823	210 685	243 586	259 977
SKULDER OCH EGET KAPITAL					
Kortfristiga skulder					
Checkräkningskrediter	–	–	–	–	–202
Kortfristiga finansiella skulder	–2 246	–2 212	–2 873	–3 801	–2 661
Leverantörsskulder	–43 471	–34 795	–33 585	–30 047	–38 048
Skatteskulder	–1 970	–2 007	–1 110	–3 630	–4 012
Medel för risker och åtaganden, kortfristiga	–9 911	–6 409	–5 362	–6 123	–5 484
Övriga kortfristiga skulder	–12 077	–11 154	–9 676	–11 109	–15 149
Summa kortfristiga skulder	–69 675	–56 577	–52 606	–54 710	–65 556
Långfristiga skulder					
Långfristiga finansiella skulder	–43 317	–51 129	–45 627	–32 952	–43 345
Uppskjutna skatteskulder	–2 599	–6 651	–2 813	–6 854	–6 359
Andra långfristiga skulder	–653	–586	–777	–351	–215
Medel för risker och åtaganden, långfristigt	–6 259	–4 537	–4 387	–3 269	–4 632
Summa långfristiga skulder	–52 828	–62 903	–53 604	–43 426	–54 551
Summa skulder	–122 503	–119 480	–106 210	–98 136	–120 107
Eget kapital					
Eget kapital hänförligt till moderbolagets ägare	–94 724	–125 316	–104 448	–145 418	–139 840
Innehav utan bestämmande inflytande	–28	–27	–27	–32	–30
Summa eget kapital	–94 752	–125 343	–104 475	–145 450	–139 870
Summa eget kapital och skulder	–217 255	–244 823	–210 685	–243 586	–259 977

B.7 Utvald finansiell information i sammandrag forts.

Koncernens kassaflöde i sammandrag

	1 jan – 30 sep 2018 Oreviderad IFRS	1 jan – 30 sep 2017 Oreviderad IFRS	1 jan – 31 dec 2017 Reviderad IFRS	1 jan – 31 dec 2016 Reviderad IFRS	1 jan – 31 dec 2015 Reviderad IFRS
EUR 000's					
Årets vinst/förlust	-5,064	-11,357	-31,771	6,484	6,124
Justeringar för:					
Nettoräntekostnader	1,171	796	1,123	763	1,096
Kortfristiga skatter	3,875	2,494	2,438	5,403	6,990
Avskrivning och amortering	3,305	4,338	4,334	5,093	4,768
Nedskrivningar	-	-	19,986	-	-
Uppskjuten skatt	-1,482	-615	6,241	-615	-295
Avsättningar för risker och kostnader	6,805	5,407	1,613	-268	2,887
Kapitalvinst eller förlust på tillgångar	-259	-112	-119	-153	-45
Andra poster som inte medför kassaflöde	-1,211	3,659	3,410	-643	-5,688
Erlagd ränta	-1,180	-698	-1,110	-742	-1,114
Erlagd skatt	-2,819	-3,681	-4,874	-5,845	-6,088
Summa justeringar	8,205	11,588	33,042	2,993	2,511
Kassaflöde innan förändring i rörelsekapitalet	3,141	231	1,271	9,477	8,635
Effekten av förändringar i rörelsekapitalet					
Inventarier	-6,345	-6,503	1,372	2,356	-5,393
Kundfordringar	-4,123	11,758	11,309	11,095	-3,774
Övriga kortfristiga fordringar	-5,156	-15,964	-4,595	893	-621
Leverantörsskulder	9,886	4,748	3,630	-7,980	5,138
Övriga kortfristiga skulder	2,414	-58	-1,143	-3,883	978
Långfristiga fordringar och skulder	-344	760	1,017	-1,828	-5,231
Effekten av förändringar i rörelsekapitalet	-3,668	-5,259	11,590	653	-8,903
Nettokassainflöde / utflöde från löpande verksamhet	-528	-5,028	12,861	10,130	-268
Finansiell verksamhet					
Inkomst från upplåning och utlåning	6,621	19,877	16,063	345	10,097
Återbetalning av upplåning och utlåning	-9,979	-1,560	-2,649	-10,252	-2,308
Kapitalminskning	-1,357	-3,605	-3,539	-2,156	-3,777
Förvärv av egna aktier	-	-	-	-347	-
Nettokassainflöde / utflöde från finansiell verksamhet	-4,715	14,712	9,875	-12,410	4,012
Investeringsverksamhet					
Investeringar i fastigheter, materiella anläggningstillgångar	-6,981	-1,692	-2,112	-2,409	-3,173
Investeringar i immateriella tillgångar	-895	-1,540	-1,585	-1,859	-651
Försäljning av långfristiga finansiella tillgångar	-	-	-	-	-25
Ökning av andra tillgångar	-1	-	-	-	-
Avyttring av tillgångar	228	204	207	287	1,767
Nettokassautflöde från investeringsverksamhet	-7,649	-3,028	-3,490	-3,981	-2,082
Kassan vid årets början	28,718	14,982	14,982	20,610	17,071
Årets kassaflöde	-12,891	6,656	19,246	-6,261	1,662
Valutakursdifferenser	-1,041	-4,733	-5,510	633	1,877
Kassan vid årets slut	14,786	16,905	28,718	14,982	20,610
Kassan innefattar:					
Likvida medel och motsvarigheter till likvida medel	14,786	16,905	27,718	14,982	20,812
Checkräkningskrediter	-	-	-	-	-202
Summa	14,786	16,905	27,718	14,982	20,610

B.7 <i>Utvald finansiell information i sammandrag forts.</i>	<p>VÄSENTLIGA HÄNDELSE UNDER PERIODEN 1 JANUARI 2015 – 30 SEPTEMBER 2018</p> <p>2017</p> <ul style="list-style-type: none"> • Koncernen fastställde dess position inom automatiserad förtöjning och laddning av elektriska färjor med det första fartyget drivet av Elektra-batteri i Finland. • Mikael Norin utnämns till verkställande direktör den 1 juli 2017. • A New Day lanseras, en intern omvandlingsplan bestående av 50 projekt med fokus på varje del av hur Koncernen drivs. <p>2018</p> <ul style="list-style-type: none"> • Cavotec får två banbrytande uppdrag, en order på 8 MEUR avseende moderniseringen av Bahrain International Airport och en order på 9 MEUR för automatisk förtöjning av elektriska färjor i Norge. • Cavotec stärker ledningsgruppen genom att rekrytera en ny chef att ansvara för personalresurser, en verkställande direktör för Cavotec Services, en operativ chef och en vice koncernchef för projekt- och programhantering. • I maj öppnar Cavotec sin nya produktionsanläggning i Milano. • "Cavotec-kulturen" och dess identitet etableras. Detta inkluderar nya och tydliga kärnvärden gällande integritet, ansvar, prestation och samarbete. <p>VÄSENTLIGA HÄNDELSE SEDAN DEN 30 SEPTEMBER 2018</p> <ul style="list-style-type: none"> • I början av oktober meddelade Cavotec den andra fasen i den pågående omvandlingen av Bolaget, innefattande ett program för att hantera strukturell ineffektivitet i Koncernen vilken orsakats av en historiskt fragmenterad organisation. • Den 2 november 2018 offentliggjordes avsikten att genomföra den aktuella nyemissionen.
B.8 <i>Proforma-redovisning</i>	Ej tillämplig. Prospektet innehåller inte någon proformaredovisning.
B.9 <i>Resultatprognos</i>	Ej tillämplig. Bolaget offentliggör inte någon resultatprognos.
B.10 <i>Anmärkningar i revisionsberättelsen</i>	Ej tillämplig. Det finns inte några anmärkningar i revisionsberättelserna.
B.11 <i>Rörelsekapital</i>	Cavotec bedömer att det befintliga rörelsekapitalet är tillräckligt för att tillgodose Bolagets behov under den kommande tolv månadersperioden. I detta sammanhang menas med begreppet rörelsekapital Cavotecs förmåga att få tillgång till kapital för att uppfylla sina betalningsförpliktelser i takt med att de förfaller.

AVSNITT C – VÄRDEPAPPAREN

C.1 <i>Slag av värdepapper</i>	Aktier i Cavotec SA, registreringsnummer CHE-440.276.616. ISIN-kod: CH0136071542.
C.2 <i>Valuta</i>	Aktierna är denominerade i CHF.
C.3 <i>Totalt antal aktier i Bolaget</i>	Per dagen för Prospektet finns det totalt 78 536 000 aktier i Bolaget med ett kvotvärde om 1,28 CHF. I Erbjudandet erbjuds högst 15,707,200 nyemitterade aktier baserat på full anslutning i Erbjudandet.
C.4 <i>Rättigheter som sammanhänger med värdepapperen</i>	Varje aktie i Bolaget berättigar innehavaren till en röst på bolagsstämma och varje aktieägare är berättigad att rösta för samtliga aktier som aktieägaren innehar i Bolaget. Om Bolaget emitterar nya aktier, teckningsoptioner eller konvertibler vid en kontantemission eller kvittningsemission har aktieägarna som huvudregel företrädesrätt att teckna sådana värdepapper i förhållande till antalet aktier som innehades före emissionen. Aktierna ger lika rätt till utdelning samt till Bolagets tillgångar och eventuella överskott i händelse av likvidation. Alla som är aktieägare vid den av bolagsstämman fastställda avstämningsdagen har rätt till utdelning.
C.5 <i>Inskränkningar i den fria överlåtbarheten</i>	Ej tillämplig. Aktierna i Bolaget är inte föremål för några överlåtelsebegränsningar.
C.6 <i>Upptagande till handel</i>	Cavotecs aktier är upptagna till handel på Nasdaq Stockholm. Efter att Ticino Registry of Commerce har registrerat Cavotecs nya aktier kommer även dessa aktier att tas upp till handel på Nasdaq Stockholm. Första handelsdag för aktier tecknade med teckningsrätt beräknas bli den 11 januari, 2019.
C.7 <i>Utdelningspolicy</i>	Cavotecs målsättning är att dela ut cirka 25 procent av Koncernens nettovinst efter skatt. Hänsyn ska dock tas till Cavotecs finansiella ställning, kassaflöde och framtidsutsikter.

AVSNITT D – RISKER

D.1 Huvudsakliga risker avseende emittenten och dess verksamhet

Cavotecs verksamhet och marknad är föremål för ett antal risker som helt eller delvis är utanför Cavotecs kontroll och som kan komma att påverka Cavotecs verksamhet, finansiella ställning och resultat. Inför ett eventuellt investeringsbeslut är det viktigt att noggrant analysera de riskfaktorer som bedöms vara av betydelse för Cavotecs framtida utveckling. Dessa risker inkluderar bland annat följande huvudsakliga bransch- och verksamhetsrelaterade risker:

Marknadsförhållanden

Makroekonomiska faktorer som rör den globala ekonomin och marknaden så som företagsinvesteringar, offentliga investeringar, den internationella handelns globalisering, finansieringsmöjligheter, inflation, deflation, räntenivåer, växelkurser, handelstullar, skatter, arbetslöshet och generell ekonomisk tillväxt påverkar Cavotecs verksamhet och det ekonomiska klimat som Bolaget verkar i. Efterfrågan avseende Cavotecs produkter och system påverkas av företagets och länders vilja att investera och således också av möjligheten till finansiering, då endast en liten del av Koncernens intäkter kommer från återkommande försäljning av varor.

Politisk risk

De politiska, ekonomiska och regulatoriska förhållandena är ständigt föränderliga och det finns en risk att Cavotec inte följer, eller uppfattas att inte följa, gällande lagar och förordningar för dess verksamhet och/eller förändringar i den ekonomiska utvecklingen eller lokala, regionala eller politiska sammanslutningar, som innebär att lag eller förordning ändras alternativt att tillämpningen av gällande bestämmelser ändras, vilket bidrar till lägre inkomst eller minskad efterfrågan på Cavotecs tjänster.

Expansion och förvärv

Det finns en risk att Cavotec inte med framgång lyckas identifiera lämpliga kandidater för förvärv eller inte lyckas genomföra transaktioner på acceptabla villkor, integrera förvärvad verksamhet i den existerande verksamheten eller expandera till nya marknader. Om Bolaget skulle misslyckas med att identifiera strategiskt lämpliga möjligheter, kan detta begränsa Cavotecs förmåga att utveckla verksamheten. De strategiska möjligheterna innebär också flera ytterligare risker för Cavotec och dess investerare, innefattande utmaningar för att behålla ledningsgrupp och anställda, svårigheter att integrera förvärvad teknik, produkter, verksamhet och anställda i Cavotecs existerande verksamhet, beaktande av ansvarsförbindelser och eventuella negativa finansiella effekter av förvärvet.

Nyckelpersoner

Koncernens framgångar beror mycket på förmågan att fortsatt kunna identifiera, anställa och bibehålla kvalificerade och erfarna ledningspersoner, lokala chefer, ingenjörer samt andra nyckelpersoner. I det fall en sådan nyckelperson skulle lämna företaget för att exempelvis jobba hos en konkurrent eller gå i pension, skulle detta kunna resultera i betydande försening till eller kan förhindra att uppsatta utvecklingsmål uppnås eller att Koncernens affärsstrategi kan genomföras.

Immateriella rättigheter

Cavotec innehar ett antal patent, varumärken och andra immaterialrätter. Cavotec kan även utveckla egna och gemensamma produkter och teknologier som företaget ibland patenterar. Det kan dock inte garanteras att Cavotec kommer erhålla patent eller att Koncernen kommer lyckas försvara dess patent, varumärken eller andra immaterialrätter eller att inlämnade ansökningar kommer att godkännas. Därutöver gäller ett erhållt patent endast för en begränsad tid och det finns en risk att Bolagets nuvarande och framtida immaterialrätter inte kommer ge tillräckligt skydd.

De huvudsakliga bransch- och verksamhetsrelaterade risker som beskrivits ovan kan ha en väsentlig negativ inverkan på Cavotecs verksamhet, resultat och finansiella ställning.

D.3 Huvudsakliga risker avseende värdepapperen

Alla investeringar i värdepapper är förknippade med risker. Sådana risker kan leda till att priset på Cavotecs aktie faller avsevärt och investerare riskerar att förlora hela eller delar av sin investering. De huvudsakliga riskfaktorerna hänförliga till Erbjudandet och Cavotecs aktie inkluderar:

Befintliga aktieägares försäljning av aktier kan innebära att priset för aktien går ner

Marknadspriset för Cavotecs aktie kan gå ner vid en väsentlig försäljning av Bolagets aktier, framförallt försäljning av de aktier som innehas av Bolagets styrelse, ledningsgrupp eller av andra betydande aktieägare, eller annars om ett stort antal aktier säljs.

Huvudägaren kommer efter Erbjudandet ha ett fortsatt betydande inflytande över Cavotec vilket kan förseña eller förhindra ett en ägarförändring över Bolaget sker

Eftersom emissionen utförs i förhållande till befintliga aktieägare med företrädesrätt kommer Bure Equity efter genomförandet av Erbjudandet på egen hand inneha cirka 25,4 procent av aktierna i Bolaget. Bure Equity kommer därav ha fortsatt betydande inflytande över utfallet av de frågor som ska avgöras av Cavotecs aktieägare, inklusive val av styrelse och eventuell sammanslagning, konsolidering eller försäljning av alla eller en väsentlig del av Cavotecs tillgångar. Vidare kan Bure Equity utöva betydande inflytande över Bolagets ledning och Cavotecs verksamhet. Bure Equitys intressen kan skilja sig väsentligt från eller stå i kontrast med Cavotecs intressen eller andra aktieägares intressen och huvudägaren kan använda sitt inflytande över Cavotec på ett sätt som inte är förenligt med andra aktieägares intressen.

Risker hänförliga till handel i teckningsrätter och BTA

Teckningsrätter och BTA (betald tecknad aktie) kommer handlas på Nasdaq Stockholm under perioden 7 december 2018 till och med 19 december 2018 respektive perioden 7 december 2018 till och med 7 januari 2019. Det finns en risk att det inte kommer att utvecklas en aktiv handel med teckningsrätter eller BTA på Nasdaq Stockholm eller att tillräcklig likviditet inte kommer finnas under teckningsperioden vid den tidpunkt då värdepappererna handlas.

Framtida emissioner av aktier eller andra värdepapper i Bolaget kan resultera i utspädning av aktieinnehavet och påverka aktiepriset

Cavotec kan i framtiden behöva öka dess aktiekapital genom emission av nya aktier i syfte att finansiera dess verksamhet, inklusive finansiering av eventuella framtida företagsförvärv eller andra investeringar som Cavotec kan tänkas besluta om i syfte att stärka balansräkningen. Det finns en risk att ytterligare finansiering inte kommer att finnas tillgänglig till Bolaget på godtagbara villkor när de behövs eller att ytterligare finansiering inte kommer finnas tillgänglig överhuvudtaget. Om Bolaget beslutar att inhämta ytterligare kapital, till exempel genom en nyemission av aktier, kan detta påverka aktiepriset och befintliga aktieägare som inte kan delta i en sådan emission eller som väljer att inte delta kan få sitt aktieinnehav utspätt.

AVSNITT E – ERBJUDANDET

E.1 Emissionsintäkter och emissionskostnader

Teckningspriset har satts till 13,00 SEK per stamaktie, vilket innebär att Cavotec, i det fall emissionen fulltecknas, totalt kommer erhålla 204 miljoner kronor innan avdrag för emissionskostnader.

Cavotecs kostnader hänförliga till Erbjudandet beräknas uppgå till omkring 1,7 MEUR. Sådana kostnader är framförallt hänförliga till kostnader för revisorer, rådgivare, tryckning och distribution av Prospektet och schweizisk stämpelskatt på de emitterade aktierna samt ersättning till Bure Equity med anledning av deras garantiåtagande.

E.2a Motiv till Erbjudandet och användning av emissionslikvid

Cavotec har utvecklat en förändringsstrategi i syfte att åstadkomma långsiktig och lönsam tillväxt. Kortfristiga effekter av omstruktureringsfasen som en del av förändringsstrategin förväntas att innebära engångskostnader på upp till 7 MEUR. Största delen av detta belopp kommer att redovisas 2018 och kommer att belasta Bolagets nuvarande kapitalstruktur. Cavotecs styrelse har därför beslutat att stärka balansräkningen med en nyemission, som i sin helhet kommer användas till att minska Bolagets revolverande kreditfacilitet. Utöver att säkra finansiell stabilitet på kort sikt ger detta fullt potential till att snabbt kunna genomföra omstruktureringen och ger även utrymme för snabba åtgärder att tillvarata möjligheter för framtida tillväxt.

E.3 <i>Villkor</i>	<p>De som på avstämningsdagen var registrerade som aktieägare i Cavotec i aktieböckerna administrerade av SIX SIS AG och Euroclear Sweden AB, kommer att erhålla en (1) teckningsrätt för varje stamaktie som innehåses på avstämningsdagen. Fem (5) teckningsrätter kommer att innebära en rätt att teckna en (1) ny stamaktie. I samband med överlåtelsen av en teckningsrätt (primär preferensrätt), kommer den sekundära preferensrätten också att överlåtas på den nya innehavaren av teckningsrätten. De nya stamaktierna innebär full rätt till utdelning från den första avstämningsdagen för utdelning som följer av registreringen av de nya stamaktierna i Ticino Registry of Commerce. Cavotec har inte rätt att återkalla Erbjudandet. I det fall en tecknare av nya Cavotec-aktier betalar in en högre summa än nödvändigt, kommer Cavotec se till att det överskjutande beloppet återbetalas. Ingen ränta kommer att betalas på överskjutande belopp. Teckning av nya aktier, genom nyttjande av teckningsrätter eller på annat sätt, är oåterkalleliga och den som tecknar aktier kan inte ta tillbaka eller ändra en sådan teckning, om inte annat följer av Prospektet eller av tillämplig lag.</p> <p>Aktieteckning kan ske från och med 7 december 2018 till och med 21 december 2018, eller sådant annat datum som beslutas av styrelsen för Cavotec. Teckningspriset har fastställs till 13,00 SEK per ny stamaktie.</p>
E.4 <i>Intressen och intressekonflikter</i>	<p>ABGSC är finansiell rådgivare i Erbjudandet. ABGSC tillhandahåller finansiell rådgivning och andra tjänster till Bolaget i samband med Erbjudandet. Från tid till annan kommer ABGSC att tillhandahålla tjänster, inom den ordinarie verksamheten och i samband med andra transaktioner till Bolaget.</p>
E.5 <i>Lock up-avtal</i>	<p>Bolagets huvudägare, Bure Equity, som äger 25,4 procent av det totala antalet utestående aktier och röster i Bolaget, har den 1 november 2018 ingått ett åtagande att inte sälja, erbjuda eller låna ut eller på annat sätt avstå från rösträtten eller från andra rättigheter knutna till aktieinnehavet, fram till två veckor efter offentliggörandet av Erbjudandets slutliga resultat, ett så kallat lock up-avtal.</p>
E.6 <i>Utspädningseffekt</i>	<p>Erbjudandet kan medföra att antalet aktier i Bolaget ökar till högst 94,243,200, vilket motsvarar en utspädning om 16,7 procent.</p>
E.7 <i>Kostnader som åläggs investerare</i>	<p>Ej tillämplig. Courtage utgår ej.</p>

Summary

The summary is drawn up in accordance with information requirements in the form of a number of “paragraphs” which should include certain information. The paragraphs are numbered in sections A–E (A.1–E.7). This summary contains all the paragraphs required in a summary for the relevant type of security and issuer. However, as certain paragraphs are not required, there may be gaps in paragraph numbering sequences. Even if it is necessary to include a paragraph in the summary for the security and issuer in question, it is possible that no relevant information can be provided for that paragraph. In such instances, the information has been replaced by a brief description of the paragraph, along with the specification “not applicable”.

SECTION A – INTRODUCTION AND WARNINGS

A.1	<i>Introduction and warnings</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Where statements in respect of information contained in an offering circular are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the offering circular before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the offering circular or if it does not, together with other parts of the offering circular, provide key information to help investors when considering whether to invest in the securities.
A.2	<i>Consent for use of the Prospectus by financial intermediaries</i>	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.

SECTION B – ISSUER AND ANY GUARANTOR

B.1	<i>Company and trading name</i>	Cavotec SA, reg. no. CHE-440.276.616.
B.2	<i>Issuer's registered office and corporate form</i>	Cavotec's registered office is in Lugano, Switzerland. The Company is a Swiss corporation founded in Lugano under provisions of the Swiss Code of Obligations.
B.3	<i>Description of the Issuer's operations</i>	<p>Cavotec is an engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide.</p> <p>The group is organised into three divisions: Airports & Industry, Ports & Maritime and Services. In the Cavotec segment reporting, Services is included in Airports & Industry and Ports & Maritime respectively. Cavotec markets their solutions mainly through fully owned sales companies located worldwide. Designing and manufacturing of Cavotec's solutions is mainly conducted at the Group's seven Centres of Excellence located in Germany (three), United Kingdom, Italy, the United States, and New Zealand. In 2018, the Centres of Excellences are supported by additional Supply Chain Centres located in China, the United States, India, Sweden, Australia, France and Norway.</p>

B.4a Trends

PORTS & MARITIME**Shore power regulations, driving shore power growth in specific regions**

- California decided in 2007 that “any ocean-going vessel equipped to receive shore power shall utilise the shore power during every visit” completion expected in 2020.¹⁾
- The EU requires in directive 2014/94/EU that “...shore-side electricity supply shall be installed as a priority in ports... by 31 December 2025, unless there is no demand and the costs are disproportionate to the benefits”.²⁾
- China decided in its 2015 “Ship and port pollution prevention plan” that all new terminals must be electrified, and that it would focus on 11 ports that account for 60 per cent of Chinese container throughput.³⁾

In response to the new regulations mentioned above, shipping companies are retrofitting existing container ships and ports are installing AMP⁴⁾ capabilities.

Emission control regulations are driving modernisation of ports and the demand for electrification of ships, cranes and other port equipment

Emission regulations for the ports and maritime sectors are becoming stricter. For example the International Maritime Organization introduced in 2010 regulations on nitrogen oxide (NOx)⁵⁾ and sulfur oxide (SOx)⁶⁾ emission, which are expected to be fully implemented by 2020.

Electrification

Cavotec’s management team sees several benefits with operating electrified port equipment compared to non-electrified port equipment. These benefits include:

- A quieter and less polluted working environment for the workforce.
- Lower operating cost due to cheaper energy and reduced maintenance and spares requirements.
- Increased productivity due to elimination of refueling time for cranes electrified by cables.

Automation

Cavotec sees a growing demand from its customers to increase productivity or replace costly labour with automated solutions such as, automated mooring and cranes. Further, automation investments made by customers encourage further automation investments e.g. automated ships requires an automated mooring solution.

AIRPORTS**Passenger growth remains strong**

Passenger growth expected to remain strong at ~4 per cent per year globally until 2022, only slightly below the 6 per cent per year growth between 2014–17.⁷⁾

The growth in number of passengers are mainly driven by the decline in the average price of air travel, an increase in living standards in the developing world, and a sustained increase in globalisation (e.g. free movement of people).⁸⁾

Gate productivity assumed to level out going forward, driving demand for increased airport capacity worldwide

Airport gate productivity has grown significantly over the past years. The increase is mainly driven by higher aircraft load factors, a shift towards larger planes, and improved plane turnaround times. However, all these are expected to diminish over the coming years.⁹⁾

- Aircraft load factors has grown steadily since 2000. However, the increase has started to level out and is not expected to further improve substantially.¹⁰⁾
- Reduction in turnaround time for planes is reaching its limits. The use of digital gate management systems and new fly bridges has driven the historic reduction. However, the efficiency gains from these solutions are expected to have been fully utilised by now. Further, boarding time remains a key constraint for further reduction in the turnaround time for planes.¹¹⁾

Cavotec’s management expects the combination of diminishing airport gate productivity and aircraft passenger growth to be translated into an increase in the demand for airport gates worldwide. This will represent opportunities for Cavotec’s fixed GSE equipment.

1) “Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port” Regulation, California Air Resources Board, 2007.

2) EU Directive 2014/94/EU.

3) International Council on Clean Transportation, “Action Plan For Establishing Ship Emission Control Zones In China”, May 2016.

4) AMP (Alternative Maritime Power) system feeds electric power from shore to ship, in order to prevent air pollution due to the exhaust gas from generator engines during container vessel loading and unloading.

5) International Maritime Organization, “Nitrogen Oxides (NOx) – Regulation 13”, 2018.

6) International Maritime Organization, “Sulphur 2020 – cutting sulphur oxide emissions”, 2018.

7) Report, “20 Year Passenger Forecast”, IATA, 2018.

8) Report, “Global Market Forecast”, Airbus, 2018.

9) Report, “Benchmarking Report”, Air Transport Research Society, 2017.

10) Report, “Benchmarking Report”, Air Transport Research Society, 2017.

11) Report, “Benchmarking Report”, Air Transport Research Society, 2017.

B.4a	<i>Trends, cont.</i>	<p>INDUSTRY</p> <p>Demand picking up</p> <p>The Company's management team's view is solid global GDP growth combined with developed markets, such as the US¹⁾ re-building their aged infrastructure will drive the demand for its products in the industry sector in the coming years.</p> <p>1) Report, "World needs \$94 trillion spent on infrastructure by 2040", Reuters, 2017.</p>																																
B.5	<i>Description of the Group and the issuer's position within the Group</i>	The Group comprises the parent company Cavotec SA and 41 directly and indirectly owned subsidiaries.																																
B.6	<i>Major shareholders, control over the Company and notifiable individuals, larger shareholders and control</i>	<p>As of 31 December 2017, Cavotec SA had 1,729 shareholders. Based on official registers as of 31 December 2017 and other information that has come to the Company's knowledge, the following majority shareholders have a holding corresponding to 5 per cent or more of the shares and votes in Cavotec:</p> <table border="1" data-bbox="464 707 1441 972"> <thead> <tr> <th>Shareholder</th> <th>Ordinary shares</th> <th>Per cent</th> <th>Voting rights per cent</th> </tr> </thead> <tbody> <tr> <td>Bure Equity</td> <td>19,914,837</td> <td>25.4%</td> <td>25.4%</td> </tr> <tr> <td>Fjärde AP-Fonden</td> <td>7,608,721</td> <td>9.7%</td> <td>9.7%</td> </tr> <tr> <td>Fabio Cannavale (Nomina SA)</td> <td>7,298,046</td> <td>9.3%</td> <td>9.3%</td> </tr> <tr> <td>Lars Hellman (LCL life & Pension)</td> <td>5,200,000</td> <td>6.6%</td> <td>6.6%</td> </tr> <tr> <td>Stefan Widegren & family</td> <td>4,975,000</td> <td>6.3%</td> <td>6.3%</td> </tr> <tr> <td>Catella Fonder</td> <td>4,797,827</td> <td>6.1%</td> <td>6.1%</td> </tr> <tr> <td>Michael Colaco</td> <td>3,942,946</td> <td>5.0%</td> <td>5.0%</td> </tr> </tbody> </table>	Shareholder	Ordinary shares	Per cent	Voting rights per cent	Bure Equity	19,914,837	25.4%	25.4%	Fjärde AP-Fonden	7,608,721	9.7%	9.7%	Fabio Cannavale (Nomina SA)	7,298,046	9.3%	9.3%	Lars Hellman (LCL life & Pension)	5,200,000	6.6%	6.6%	Stefan Widegren & family	4,975,000	6.3%	6.3%	Catella Fonder	4,797,827	6.1%	6.1%	Michael Colaco	3,942,946	5.0%	5.0%
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B.7	<i>Financial information in summary</i>	<p>The selected consolidated financial information presented below has been derived from Cavotec's audited consolidated financial statements for the years ended 2017, 2016 and 2015, and have been prepared in accordance with IFRS, unless otherwise stated. The information has also been derived from the reviewed interim report for January – September 2018, prepared in accordance with IFRS (IAS 34, which includes the minimum content of an interim financial report that is in compliance with IFRS).</p> <p>Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company's auditor as outlined herein originates from the Company's internal accounting and reporting systems.</p>																																

B.7 *Financial information in summary cont.*

Consolidated income statement

EUR 000's	1 Jan – 30 Sep	1 Jan – 30 Sep	1 Jan – 31 Dec	1 Jan – 31 Dec	1 Jan – 31 Dec
	2018	2017	2017	2016	2015
	Unaudited	Unaudited	Audited	Audited	Audited
	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue from sales of goods and services	148,145	155,760	212,360	211,518	232,223
Other income	2,474	2,888	4,187	8,745	5,982
Cost of materials	-70,518	-82,371	-107,931	-97,965	-113,580
Employee benefit costs	-47,357	-50,526	-65,866	-64,964	-68,132
Operating expenses	-32,191	-26,896	-36,428	-39,959	-44,130
Gross Operating Result	553	-1,146	6,322	17,375	12,363
Depreciation and amortisation	-3,305	-4,338	-4,334	-5,094	-4,768
Impairment losses	-	-	-19,986	-	-
Operating Result	-2,752	-5,484	-17,998	12,281	7,595
Interest income	62	160	259	764	52
Interest expenses	-1,511	-1,199	-1,702	-1,850	-1,312
Currency exchange differences – net	1,530	-2,713	-3,409	77	6,484
Other financial item	-	-242	-242	-	-
Profit / Loss before income tax	-2,671	-9,478	-23,092	11,272	12,819
Income taxes	-2,393	-1,879	-8,679	-4,788	-6,695
Profit / Loss for the period	-5,064	-11,357	-31,771	6,484	6,124
Other comprehensive income:					
Remeasurements of post employment benefit obligations	-13	34	18	122	-113
Items that will not be reclassified to profit or loss	-13	34	18	122	-113
Currency translation differences	-2,328	-5,573	-6,084	1,168	-973
Items that may be subsequently reclassified to profit / loss	-2,328	-5,573	-6,084	1,168	-973
Other comprehensive income for the year, net of tax	-2,341	-5,538	-6,066	1,290	-1,086
Total comprehensive income for the year	-7,405	-16,895	-37,837	7,774	5,038
Total comprehensive income attributable to:					
Equity holders of the Group	-7,406	-16,891	-37,833	7,773	5,035
Non-controlling interest	1	-4	-4	1	3
Total	-7,405	-16,895	-37,837	7,774	5,038
Profit attributed to:					
Equity holders of the Group	-5,064	-11,357	-31,771	6,484	6,124
Total	-5,064	-11,357	-31,771	6,484	6,124
Basic and diluted earnings per share attributed to the equity holders of the group (EUR/Share)	-0.065	-0.145	-0.405	0.083	0.078
Average number of shares	78,451,825	78,415,813	78,415,902	78,475,939	78,475,939

B.7 *Financial information in summary, cont.***Consolidated balance sheet**

EUR 000's	30 Sep 2018 Unaudited IFRS	30 Sep 2017 Unaudited IFRS	31 Dec 2017 Audited IFRS	31 Dec 2016 Audited IFRS	31 Dec 2015 Audited IFRS
ASSETS					
Current assets					
Cash and cash equivalents	14,786	16,905	28,718	14,982	20,812
Trade receivables	45,672	40,696	40,958	51,585	62,431
Tax assets	720	658	914	1,096	1,035
Other current receivables (including contract assets)	15,781	22,055	10,630	6,086	7,339
Inventories	42,341	41,720	36,819	40,213	45,065
Assets held for sale	3,211	3,816	4,815	3,953	–
Total current assets	122,511	125,850	122,854	117,915	136,682
Non current assets					
Property, plant and equipment	23,178	19,636	18,168	22,060	26,736
Intangible assets	53,309	71,818	52,971	75,124	71,534
Non-current financial assets	272	269	264	299	289
Deferred tax assets	10,634	20,010	9,294	20,425	19,005
Other non-current assets	7,351	7,240	7,134	7,763	5,731
Total non-current assets	94,744	118,973	87,831	125,671	123,295
Total assets	217,255	244,823	210,685	243,586	259,977
EQUITY AND LIABILITIES					
Current liabilities					
Bank overdrafts	–	–	–	–	–202
Current financial liabilities	–2,246	–2,212	–2,873	–3,801	–2,661
Trade payables	–43,471	–34,795	–33,585	–30,047	–38,048
Tax liabilities	–1,970	–2,007	–1,110	–3,630	–4,012
Provision for risk and charges, current	–9,911	–6,409	–5,362	–6,123	–5,484
Other current liabilities	–12,077	–11,154	–9,676	–11,109	–15,149
Total current liabilities	–69,675	–56,577	–52,606	–54,710	–65,556
Non-current liabilities					
Non-current financial liabilities	–43,317	–51,129	–45,627	–32,952	–43,345
Deferred tax liabilities	–2,599	–6,651	–2,813	–6,854	–6,359
Other non-current liabilities	–653	–586	–777	–351	–215
Provision for risk and charges, non-current	–6,259	–4,537	–4,387	–3,269	–4,632
Total non-current liabilities	–52,828	–62,903	–53,604	–43,426	–54,551
Total liabilities	–122,503	–119,480	–106,210	–98,136	–120,107
Equity					
Equity attributable to owners of the parent	–94,724	–125,316	–104,448	–145,418	–139,840
Non-controlling interests	–28	–27	–27	–32	–30
Total equity	–94,752	–125,343	–104,475	–145,450	–139,870
Total equity and liabilities	–217,255	–244,823	–210,685	–243,586	–259,977

B.7 *Financial information in summary, cont.*

Statement of Cash flows

	1 Jan – 30 Sep 2018 Unaudited IFRS	1 Jan – 30 Sep 2017 Unaudited IFRS	1 Jan – 31 Dec 2017 Audited IFRS	1 Jan – 31 Dec 2016 Audited IFRS	1 Jan – 31 Dec 2015 Audited IFRS
EUR 000's					
Profit / Loss for the year	-5,064	-11,357	-31,771	6,484	6,124
Adjustment for:					
Net interest expenses	1,171	796	1,123	763	1,096
Current taxes	3,875	2,494	2,438	5,403	6,990
Depreciation and amortisation	3,305	4,338	4,334	5,093	4,768
Impairment losses	-	-	19,986	-	-
Deferred tax	-1,482	-615	6,241	-615	-295
Provision for risks and charges	6,805	5,407	1,613	-268	2,887
Capital gain or loss on assets	-259	-112	-119	-153	-45
Other items not involving cash flows	-1,211	3,659	3,410	-643	-5,688
Interest paid	-1,180	-698	-1,110	-742	-1,114
Taxes paid	-2,819	-3,681	-4,874	-5,845	-6,088
Total adjustments	8,205	11,588	33,042	2,993	2,511
Cash flow before change in working capital	3,141	231	1,271	9,477	8,635
Impact of changes in working capital					
Inventories	-6,345	-6,503	1,372	2,356	-5,393
Trade receivables	-4,123	11,758	11,309	11,095	-3,774
Other current receivables	-5,156	-15,964	-4,595	893	-621
Trade payables	9,886	4,748	3,630	-7,980	5,138
Other current liabilities	2,414	-58	-1,143	-3,883	978
Long term receivables and liabilities	-344	760	1,017	-1,828	-5,231
Impact of changes in working capital	-3,668	-5,259	11,590	653	-8,903
Net cash inflow / outflow from operating activities	-528	-5,028	12,861	10,130	-268
Financial activities					
Proceeds of loans and borrowings	6,621	19,877	16,063	345	10,097
Repayments of loans and borrowings	-9,979	-1,560	-2,649	-10,252	-2,308
Capital reduction	-1,357	-3,605	-3,539	-2,156	-3,777
Purchase of own shares	-	-	-	-347	-
Net cash inflow / outflow from financial activities	-4,715	14,712	9,875	-12,410	4,012
Investing activities					
Investments in property, plant and equipment	-6,981	-1,692	-2,112	-2,409	-3,173
Investment in intangible assets	-895	-1,540	-1,585	-1,859	-651
Sales of non-current financial assets	-	-	-	-	-25
Increase in other assets	-1	-	-	-	-
Disposal of assets	228	204	207	287	1,767
Net cash outflow from investing activities	-7,649	-3,028	-3,490	-3,981	-2,082
Cash at the beginning of the year	28,718	14,982	14,982	20,610	17,071
Cash flow for the year	-12,891	6,656	19,246	-6,261	1,662
Currency exchange differences	-1,041	-4,733	-5,510	633	1,877
Cash at the end of the year	14,786	16,905	28,718	14,982	20,610
Cash comprises:					
Cash and cash equivalents	14,786	16,905	27,718	14,982	20,812
Bank overdrafts	-	-	-	-	-202
Total	14,786	16,905	27,718	14,982	20,610

B.7 <i>Financial information in summary, cont.</i>	<p>SIGNIFICANT EVENTS DURING THE PERIOD 1 JANUARY 2015 – 30 SEPTEMBER 2018</p> <p>2017</p> <ul style="list-style-type: none"> ● The Group confirmed its position in automated mooring and charging for electric ferries, with the first connection of an Elektra battery powered vessel in Finland. ● Mikael Norin is appointed CEO as of 1 July 2017. ● A New Day is launched, an internal transformation plan consisting of 50 projects focused on every aspect of how the Group operates. <p>2018</p> <ul style="list-style-type: none"> ● Cavotec signs two landmark orders; a MEUR 8 order for the Bahrain International Airport modernisation and a MEUR 9 order for automated mooring of electric ferries in Norway. ● Cavotec strengthens its executive team with the recruitments of a new Chief Human Resources Officer, a President of Cavotec Services, a Chief Operations Officer, and a Group Vice President for Project and Program Management. ● In May Cavotec opens its new production facility in Milan. ● The “One Cavotec culture” and identity is established. This includes new clear core values Integrity, Accountability, Performance, and Teamwork. <p>SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2018</p> <ul style="list-style-type: none"> ● At the beginning of October, Cavotec announces the second phase in the ongoing transformation of the Company with a restructuring programme to address structural inefficiencies in the Group caused by a historically fragmented organisation. ● On 2 November 2018, the intention to carry out the present right issue was announced.
B.8 <i>Proforma accounting</i>	Not applicable. The Prospectus does not contain proforma accounting.
B.9 <i>Profit/loss forecast</i>	Not applicable. The Company has not presented any profit/loss forecast.
B.10 <i>Audit remarks</i>	Not applicable. There are no remarks in the audit reports.
B.11 <i>Net working capital</i>	It is Cavotec’s assessment that the existing working capital is adequate to the current needs for the next twelve-month period. In this context, the term working capital refers to Cavotec’s ability to access cash in order to meet its payment obligations as they become due.

SECTION C – SECURITIES

C.1 <i>Securities offered</i>	Shares in Cavotec SA, reg. no. CHE-440.276.616. ISIN number CH0136071542.
C.2 <i>Denomination</i>	The shares are denominated in CHF.
C.3 <i>Total number of shares in the Company</i>	As at the date of this Prospectus, there are 78,536,000 shares in the Company, each with a par value of CHF 1.28. The Offering comprises up to 15,707,200 newly issued ordinary shares in the Company based on the full subscription of the Offering.
C.4 <i>Rights associated with the securities</i>	Each share in the Company entitles the holder to one vote at shareholders’ meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. All shares give equal rights to dividends and the Company’s assets and possible surpluses in the event of liquidation. All shareholders on the record date adopted by the shareholders’ meeting shall be entitled to dividends.
C.5 <i>Restrictions in free transferability</i>	Not applicable. The shares are not subject to any restrictions on transferability.
C.6 <i>Admission to trading</i>	The Cavotec share is traded on Nasdaq Stockholm. After the Ticino Registry of Commerce has registered the new Cavotec shares, these will also be traded on Nasdaq Stockholm. The first day of trading in shares that are subscribed for with subscription rights is estimated to be 11 January, 2019.
C.7 <i>Dividend policy</i>	Cavotec’s goal is to distribute dividends of approximately 25 per cent of the Group’s net profit after tax. Account should however be taken of Cavotec’s financial position, cash flow and future prospects.

SECTION D – RISKS

D.1 *Main risks related to the issuer or the industry*

Cavotec's business and market are subject to a number of risks, that are wholly or partly outside Cavotec's control and which may affect the Company's business, financial condition and results of operations. Before a potential investment decision, it is important to carefully examine the risk factors that are considered to be of importance for Cavotec's future development. These risks include, inter alia, the following industry- and business-related risks:

Market conditions

Macroeconomic factors relating to the global economy and the market, such as corporate investments, public investments, globalisation in the international trade, availability of financing, inflation, deflation, interest rate levels, exchange rates, trade tariffs, taxes, unemployment and general economic growth affect Cavotec's business and the economic climate in which the Company operates. Demand for Cavotec's products and systems is affected by the willingness of companies and countries to invest and therefore also by the availability of financing, since only a small part of the Group's revenue from sales of goods are recurring sales.

Political risk

The political, economic and regulatory environment is ever changing and there is a risk of Cavotec not following, or being perceived of not following, applicable laws and regulations for its operations and/or that changes in economic development or in local, regional or political assemblies entail changes of such laws and regulations or changes in the application of current regulations with increased costs, reduced income and reduced demand for Cavotec's services.

Expansion and acquisitions

There is a risk that Cavotec may not be able to successfully identify suitable acquisition candidates or complete transactions on acceptable terms, integrate acquired operations into existing operations or expand into new markets. If the Company would fail to identify suitable strategic opportunities it may restrict Cavotec's ability to grow its business. The strategic opportunities also involve numerous additional risks to Cavotec and its investors, including risks related to retaining acquired management and employees, difficulties in integrating the acquired technology, products, operations and personnel with the Company's existing business, assumption on contingent liabilities, and potentially adverse financial impact of acquisitions.

Key employees

The Group's success depends largely on the continued ability to identify, hire and retain qualified and experienced executives, local managers, engineers and other key employees. The loss of an executive, a local manager, an engineer or another key employee due to, for example, such employee leaving to work for a competitor or retiring, may result in a loss of important know-how and may significantly delay or prevent the achievement of development objectives or the implementation of the Group's business strategy.

Intellectual property

Cavotec possesses a number of patents, trademarks and other intellectual property rights. Cavotec may develop its own and joint products and technologies, which it occasionally patents. There is no guarantee that Cavotec will be granted patents or that the Group will be able to defend patents, trademarks and other intellectual property rights granted or that submitted applications will be granted. In addition, patents are valid only for a limited period of time and there is a risk that the Company's current and future intellectual property rights will not provide adequate protection.

The main industry- and business-related risks that have been described above could have a significant adverse impact on Cavotec's business, results of operations, results of operations and financial condition.

D.3 <i>Main risks related to the securities</i>	<p>All investments in securities are associated with risks. Such risks could cause the price of Cavotec's shares to fall significantly and investors could potentially lose all or part of their investment. Main risks relating to the Offering and Cavotec's shares consists of:</p> <p>Sales of shares by existing shareholders could cause the share price to decline The market price of Cavotec's share could decline if there are substantial sales of the Company's shares, particularly sales by the Company's directors, executive management, and significant shareholders, or otherwise when a large number of shares are sold.</p> <p>The Principal Owner will continue to have a substantial influence over Cavotec after the completion of Offering and could delay or prevent a change in control over the Company After completion of the Offering, and since the rights issue is carried out to current shareholders with preferential rights, Bure Equity will own in aggregate approximately 25.4 per cent of the shares in the Company. Thus, Bure Equity will continue to have a significant influence over the outcome of matters submitted to Cavotec's shareholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of Cavotec's assets. In addition, Bure Equity could have significant influence over the Company's executive management and Cavotec's operations. The interests of Bure Equity may differ significantly from or compete with Cavotec's interests or those of the other shareholders, and the Principal Owner could exercise influence over Cavotec in a manner that is not in the best interest of the other shareholders.</p> <p>Risks related to trading in subscription rights and BTA Subscription rights and BTA (paid subscribed shares) (Sw. <i>Betald Tecknad Aktie</i>) will be traded on Nasdaq Stockholm during the period from 7 December 2018 up to and including 19 December 2018, and from 7 December 2018 up to and including 7 January 2019 respectively. There is a risk that active trading in subscription rights or BTA will not develop on Nasdaq Stockholm, or that satisfactory liquidity will not be available during the subscription period at the time when such securities are traded.</p> <p>Future issuances of shares or other securities in the Company may dilute the shareholding and affect the price of the shares In the future, Cavotec may need to increase its capital by issuance of new shares to fund its business, including finance potential future acquisitions and other investments that the Company may decide upon to strengthen its balance sheet. There is a risk that additional financing will not be available to the Company on acceptable terms when required or may not be available at all. If the Company resolve to raise additional capital, e.g. by way of a new share issuance, it may affect the price of the shares and existing shareholders who cannot participate in such an issue, or choose not to participate, could have their ownership interests diluted.</p>
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SECTION E – OFFERING

E.1 <i>Issue proceeds and issue costs</i>	<p>The subscription price has been set at SEK 13.00 per ordinary share, which means that Cavotec will in total receive MSEK 204 before deduction of rights issue costs, if the rights issue is fully subscribed</p> <p>Cavotec's costs associated with the Offering are expected to amount to approximately MEUR 1.7. Such costs are mainly related to costs for auditors, attorneys, Swiss stamp tax on the issued shares and the fee to Bure Equity for the undertaking commitment.</p>
E.2a <i>Motive and use of proceeds</i>	<p>Cavotec developed a transformation strategy to achieve long term profitable growth. Short-term effects of the restructuring phase as part of the strategy will result in one-off costs expected to amount to MEUR 7, a majority of which will be accounted for in 2018 and as such would put pressure on the Company's current capital structure. The Board of Directors of Cavotec has therefore resolved to strengthen the Company's balance sheet through a rights issue, which will be used in full to reduce the Company's revolving credit facility. In addition to ensuring financial stability in the near-term, this gives the full fire-power needed to swiftly execute on the restructuring and also provides room for quick actions on opportunities for future growth.</p>

E.3 <i>Offering forms and conditions</i>	<p>Those who on the record date were registered as shareholders of Cavotec in the share registers administered by SIX SIS AG and Euroclear Sweden AB will receive one (1) subscription right for each ordinary share held on the record date. Five (5) subscription rights will carry an entitlement to subscribe for one (1) new ordinary share. In connection with a transfer of a subscription right (primary preferential right), the subsidiary preferential right is also transferred to the new holder of the subscription right. The new ordinary shares carry full dividend rights from the first record date for dividend that follows the registration of the new ordinary shares at the Ticino Registry of Commerce. Cavotec is not entitled to revoke the Offering. In the event that a larger amount than necessary has been paid in by a subscriber for new Cavotec shares, Cavotec will ensure that the excess amount is repaid. No interest will be paid on the excess amounts. Subscription for new shares, whether with the use of subscription rights or otherwise, is irrevocable and subscribers cannot withdraw or change such a subscription for new shares, unless otherwise follows from the Prospectus or applicable law.</p> <p>Subscription for shares can be made from December 7, 2018 up to and including December 21, 2018, or such later date as decided by the Board of Directors of Cavotec. The subscription price has been set at SEK 13.00 per new ordinary share.</p>
E.4 <i>Interests and conflict of interests</i>	<p>ABGSC act as financial adviser in connection with the Offering. ABGSC provide financial advisory and other services to the Company in connection with the Offering. From time to time, ABGSC provide services in the ordinary course of business to the Company and parties affiliated to the Company in connection with other transactions.</p>
E.5 <i>Lock-up agreements</i>	<p>The Company's largest shareholder, Bure Equity, holding 25.4 per cent of the total number of outstanding shares and votes in the Company, has on 1 November 2018 entered into a commitment to, until two weeks after the date of the announcement of the final outcome of the Offering, not sell, assign or lend or otherwise deprive itself of voting or other rights attached to its shareholding, so called lock-up undertaking.</p>
E.6 <i>Dilution effect</i>	<p>The new share issue in the Offering can result in an increase in the number of shares in the Company up to 94,243,200, corresponding to a dilution of 16.7 per cent.</p>
E.7 <i>Costs imposed on investors by the issuer or offerer</i>	<p>Not applicable. Brokerage commission will not be charged.</p>

Risk factors

An investment in Cavotec's shares involves various risks. A number of factors affect, or could affect, Cavotec's business, both directly and indirectly. Described below, in no particular order and without claim to be exhaustive, are the risk factors and significant circumstances considered to be material to Cavotec's business and future development. The risks described below are not the only risks to which Cavotec and its shareholders may be exposed. Additional risks that are not currently known to Cavotec, or that Cavotec currently believes are immaterial, may also adversely affect Cavotec's business, results of operations or financial condition. Such risks could also cause the price of Cavotec's shares to fall significantly, and investors could potentially lose all or part of their investment.

In addition to this section, investors should also take into consideration the other information contained in the Prospectus in its entirety. The Prospectus also contains forward-looking statements that are subject to future events, risks and uncertainties. Cavotec's actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below and elsewhere in the Prospectus.

RISKS RELATED TO THE MARKET AND BUSINESS

Market conditions

Macroeconomic factors relating to the global economy and the market, such as corporate investments, public investments, globalisation in the international trade, availability of financing, inflation, deflation, interest rate levels, exchange rates, trade tariffs, taxes, unemployment and general economic growth affect Cavotec's business and the economic climate in which the Company operates. Further, conditions in the global capital market may affect Cavotec. Demand for Cavotec's products and systems is affected by the willingness of companies and countries to invest and therefore also by the availability of financing, since only a small part of the Group's revenue from sales of goods are recurring sales. In the event of a downturn in any of the places where the Company operates, there is a risk that the services and products provided by the Company will be affected by a reduced demand. Fluctuations in raw materials, fuel, and bunker prices can impact the demand for Cavotec products and systems. Decrease of raw material rates can negatively impact the demand of mining equipment, while the decrease of bunker prices may negatively impact demand for equipment from the Oil&Gas sector. These factors, together with increased caution from both businesses and consumers, can lead to further economic slowdown and recession, affecting the Company and its economic situation and ultimately may adversely affect Cavotec's business, results of operations and financial condition.

Political risk

Cavotec is active in a number of countries where the political situation has been, or could become, unstable. The political, economic and regulatory environment is ever changing and there is a risk of Cavotec not following, or being perceived of not following, applicable laws and regulations for its operations and/or that changes in economic development or in local, regional or political assemblies entail changes of such laws and regulations or changes in the application of current regulations with increased costs, reduced income and reduced demand for Cavotec's services. If there are such developments in any of the countries that Cavotec is active in, it could negatively affect Cavotec's business, results of operations and financial condition.

Expansion and acquisitions

Cavotec's growth has historically been enhanced through strategic opportunities, including acquisitions of businesses, products and technologies. Cavotec may continue to identify and engage in strategic opportunities. There is a risk that Cavotec may not be able to successfully identify suitable acquisition candidates or complete transactions on acceptable terms, integrate acquired operations into existing operations or expand into new markets. If the Company would fail to identify suitable strategic opportunities it may restrict Cavotec's ability to grow its business. The strategic opportunities also involve numerous additional risks to Cavotec and its investors, including risks related to retaining acquired management and employees, difficulties in integrating the acquired technology, products, operations and personnel with the Company's existing business, assumption on contingent liabilities, and potentially adverse financial impact of acquisitions. Consequently, there is a risk that acquisitions, and other transactions may not result in revenue growth, operational synergies or service or technology enhancements. Should one or more of these risks materialise, it may have an adverse impact on Cavotec's business, results of operations and financial condition.

Competition

Cavotec is of the opinion that its success depends in part on the Company's ability to develop new and innovative products and to continuously develop existing products further. If Cavotec fails to keep up with its customers' specific needs and expectations by lagging product and/or technical development or if the Company is unable to meet relevant productivity, price and/or quality requirements, the Company carries the risk of losing contracts and/or market shares to competitors. Loss of contracts and/or market shares may have an adverse impact on Cavotec's business, results of operations and financial condition.

The Company considers some of the markets in which it operates as fragmented. There is a risk that other quality suppliers will be more successful in developing their products or sell their products for lower prices than Cavotec, thus the Company may lose business and/or market shares. In the less fragmented markets, there is a risk for new competition or substitutes being developed which could also result in loss of business or market share. Moreover, the Company's customers may develop products and solutions on their own that wholly or partially replace the need for Cavotec's products. In connection herewith, in order to adapt Cavotec's

products to meet the expectations of customers and the market, Cavotec invests capital in product development. Product development and related activities therewith are complex, especially within the Company's industry, and it is difficult to predict the time- and cost-related consequences of individual investments. There is a risk that planned product developments will be more time consuming and costlier than the Company previously assumed in advance or that the Company's products will not be adapted to a commercial environment and this could have an adverse impact on Cavotec's business, results of operations and financial condition.

Competition may also increase in some or all of Cavotec's markets as a result of legislative, regulatory, technological or other factors. Increased competition could cause the Company to lose business or compel it to price products and services on less advantageous terms, or otherwise have an adverse impact on Cavotec's business, results of operations and financial condition.

There is a risk that development of alternative technologies, such as development of wireless or induction technology, affecting equipment using cable hard-wired connection or development of alternative technologies to reduce emissions from vessels at berth, such as the use of liquid natural gas instead of Shore power, could have an adverse impact on Cavotec's business, results of operations and financial condition.

Cavotec's products are often customised to the specific needs of the customer and each individual product is thus produced in relatively small volumes. Cavotec is moving to more standardised products which could adversely impact demand. There is a risk that if the level of product standardisation in industries where Cavotec is active should increase, Cavotec could face competition from companies which can take advantage of greater scale in production and this could have an adverse impact on Cavotec's business, results of operations and financial condition.

Product and project liability, warranties and recalls

Cavotec is exposed to product liability and warranties if its products cause injury to persons or damage to property. The Company is further exposed to project liability in connection with its operations within project management. It is Cavotec's assessment that there are risks especially related to Airports and Ports & Maritime due to the potential of substantial damages suppliers can be forced to bear. Product and project liability, warranties and recalls may have an adverse impact on Cavotec's business, results of operations and financial condition.

The Company's products and components can in the future be integrated into a number of other applications and products. If any of these applications or products prove to be technically malfunctioning or if the Company's products do not meet the criteria promulgated, the Company may become required to participate in or implement action programs or respond to warranties. This in turn may lead to significant costs being recognized by the Company and the Company's reputation might be negatively affected. As a result, the Company risks losing existing and potential customers. Requirements or demands from the Company's partners or customers can further involve costly investigations and disputes that can take into account both the management's focus and operational resources and in turn may have an adverse impact on Cavotec's business, results of operations and financial condition.

Damage to property

Direct damage to Cavotec's property from for example natural disaster may cause an operation stoppage, which can make it impossible or difficult to comply with obligations to customers. In turn, said events and the risk of said events, may cause customers to switch to another supplier. There is a risk that direct damage to Cavotec's property could have an adverse impact on Cavotec's business, results of operations and financial condition.

Cavotec's customers and the customers' other suppliers are affected by the same risk, which could have an effect on Cavotec, as customers may face production halts as a result of damage or insufficient supply of components from other suppliers. There is a risk that direct damage to property for Cavotec's customers and other important suppliers to its customers, could have an adverse impact on Cavotec's business, results of operations and financial condition.

Key employees

The Group's success depends largely on the continued ability to identify, hire and retain qualified and experienced executives, local managers, engineers and other key employees. The Group's ability to hire and retain qualified personnel depends on a number of factors, some of which are beyond Cavotec's control, including the competitive environment on the local employment markets in which the Group operates. Also, if the Company expands its activities there is a necessity to attract employees with relevant qualifications and experience that at least is in line with the qualifications and experience of existing key employees or managers. The loss of an executive, a local manager, an engineer or another key employee due to, for example, such employee leaving to work for a competitor or retiring, may result in a loss of important know-how and may significantly delay or prevent the achievement of development objectives or the implementation of the Group's business strategy. If the Group is unable to hire or retain qualified and experienced executives, local managers, engineers and other key employees, this could have an adverse effect on the Group's business, results of operations and financial condition.

Suppliers

The Company depends on continuing and satisfactory co-operation with its suppliers. To be able to assemble, sell and supply products Cavotec depends on external suppliers complying with agreed requirements relating for example to quantities, quality and delivery times. Incorrect, late or failed deliveries from its suppliers may lead to Cavotec's deliveries also being delayed or having to be interrupted, being defective or incorrect, circumstances which can result in reduced sales and increased costs. Should the co-operation with the suppliers be obstructed or discontinued, Cavotec would also need to replace them with new suppliers, which may have an adverse impact on the Company's business, results of operations and financial condition.

A decline in commodity supplies or drastically increased prices of commodities could influence Cavotec's options for manufacturing and supplying products to its customers. Cavotec is also partly dependent on the availability of and the price of certain intermediate goods which it purchases from external suppliers and refines and then sells to its customers. Adverse developments relating to supplies may have a negative impact on Cavotec's business, results of operations and financial condition.

Customers

Cavotec depends on its customers and the Company may be adversely affected if any of its major customers should be declared bankrupt or should be at risk of bankruptcy, or become the subject of similar action, if it postpones a major contract or if Cavotec's relations with its major customers are impaired. If Cavotec's customers fail to meet their obligations, drastically reduce their operations, completely close their businesses or change supplier it may have an adverse impact on Cavotec's business, results of operations and financial condition.

Internal policies and guidelines

Cavotec's internal regulations and guidelines for, among other things, finance, audit, debt, capitalization, monitoring, ethical behaviour and other activities relevant to the Company's business operations are determined by the Board of Directors. These policies and guidelines may be amended or revised at any time and from time to time at the discretion of Cavotec's Board of Directors without a vote on a general meeting. A change in any of the Company's policies or guidelines could affect shareholders and have an adverse effect on Cavotec's business, results of operations and financial condition.

Reputation risk

For Cavotec's customers the quality and reliability of Cavotec's products are often critical and thus their confidence in Cavotec and Cavotec's products is highly important. Cavotec's reputation can impact the purchasing decisions of new and existing customers. For example, quality, operational and logistical problems or loss of a prominent customer or supplier could damage Cavotec's reputation and thus have a negative effect on Cavotec's ability to retain its existing customers or attract new customers. Cavotec is also exposed to the risk that its employees or other individuals linked to Cavotec could conduct themselves in a manner that is unethical, criminal (including but not limited to breaches of applicable anti-corruption or anti-bribery legislation) or that violates Cavotec's internal guidelines and policies, as applicable. Customers and suppliers may associate Cavotec with such conduct, which could have a material negative effect on Cavotec's reputation, business, results of operations and financial condition.

Statutory requirements and other regulations

Cavotec operates in a number of jurisdictions and is subject to local laws, rules and regulations applying within each of these jurisdictions and to international rules and regulations. Changes in regulatory frameworks, customs and excise regulations and other events, price and currency controls and other public guidelines in the countries where Cavotec operates may adversely affect its business, results of operations and financial condition.

In the future, Cavotec may become established in markets and countries where it has not previously operated. New establishment, in particular in developing countries, may involve unforeseen costs, for example due to delays in obtaining business-related permits, which may have an adverse impact on Cavotec's business, results of operations and financial condition.

Intellectual property rights

Cavotec possesses a number of patents, trademarks and other intellectual property rights. Cavotec may develop its own and joint products and technologies, which it occasionally patents. There is no guarantee that Cavotec will be granted patents or that the Group will be able to defend patents, trademarks and other intellectual property rights granted or that submitted applications will be granted. Nor can it be guaranteed that Cavotec will not be regarded as infringing intellectual property rights held by external parties. In addition, patents are valid only for a limited period of time and there is a risk that the Company's current and future intellectual property rights will not provide adequate protection. If the Company is forced into legal proceedings regarding the right to a patent, the costs of such procedures can be significant, and the Company may also lose such a procedure, which would result in the termination of the protection of one or more of the Company's products or impose an obligation to pay significant damages. Should Cavotec fail to protect and retain its intellectual property rights or should it be regarded as infringing intellectual property rights, this may have an adverse impact on Cavotec's business, results of operations and financial condition.

Environmentally related risks

Cavotec's operations are subject to permit and registration obligations in a number of jurisdictions. All of the Group's operations are either subject to permit obligations or are regulated by each country's environmental legislation. It is Cavotec's assessment that all subsidiaries have the required permits and agreements and comply with specific safety, reporting and inspection requirements. Should Cavotec be deemed by the relevant authorities not to comply with the requirements it may have an adverse impact on Cavotec's business, results of operations and financial condition.

Changes in law or statutory regulations involving more stringent requirements or changed conditions concerning health, safety and the environment or moves toward the stricter application by authorities of laws and regulations may require additional investment and result in increased costs and other measures for the companies of the Group which are subject to such regulation. Should Cavotec fail to deal with such changes in a cost-effective way, this may have an adverse impact on Cavotec's business, results of operations and financial condition.

There is a risk that the Company's current and previous activities have caused contamination to land where the Company has at some time operated. Possible contamination resulting from the Company's operations may oblige the Company to perform restoration work which may have an adverse impact on Cavotec's business, results of operations and financial condition.

Tax related risks

Cavotec manages its operations through companies in a number of countries. The business, including transactions between Group companies, is operated according to Cavotec's understanding or interpretation of current tax laws, tax treaties and other tax law stipulations and in accordance with Cavotec's understanding and interpretation of the requirements of the tax authorities concerned. There is a risk that Cavotec's understanding or interpretation of the laws mentioned above, treaties and other regulations is not correct in every aspect. Nor can it be ruled out that the tax authorities of the countries concerned will make assessments and take decisions which deviate from Cavotec's understanding or interpretation of the abovementioned laws, treaties and other regulations. Cavotec's tax position both for previous years and the present year may change as a result of the decisions of the tax authorities concerned or as a result of changed laws, treaties and other regulations (including in connection with the present rights issue). Such decisions or changes, possibly retroactive, may have an adverse impact on Cavotec's business, results of operations and financial condition.

Disputes

Cavotec and other Group companies are commercial actors operating in an international market. The Group may therefore from time to time become involved in disputes within the framework of their normal business activities and risk being subject to claims in lawsuits concerning agreements, product and project liability, alleged faults in supplies of goods and services, environmental issues and intellectual property rights or subject to investigations or other administrative procedures. Disputes, claims and procedures of this kind can be time consuming, disrupt normal operations, involve significant financial resources and result in considerable costs. Moreover, it can be difficult to predict the outcome of complex disputes. Finally, the risk and complexity is further magnified by Cavotec's international character with operations in many different jurisdictions. Should the Group become involved in disputes as described it may have an adverse impact on Cavotec's business, results of operations and financial condition.

Following the lawsuit against Mr. Colaco, the former owner of INET Airport Systems, the Orange County Superior Court issued a verdict in favour of Cavotec in June 2015. Mr. Colaco has proceeded with an appeal of the judgment, for which the Court of Appeal of the State of California has now issued a verdict entailing that the original award of punitive damages be upheld to Cavotec. The Court did, however, reverse the previous decisions that Mr. Colaco was not entitled to an earn-out payment and to reimburse Cavotec's legal costs. As a result of the verdict, Cavotec made a non-recurring provision in the second quarter 2018 results of MEUR 6.8 including accrued interest, in line with IFRS accounting rules.

There are also legal proceedings in the US state of Delaware that are related to the California case as described above. According to company statutes, Cavotec has paid advancement of legal expenses for Mr Colaco et al, that they have incurred in defending themselves in the California matter. As of 30 October 2018, Cavotec has advanced the sum of MEUR 6.8. These payments are subject to reimbursement to Cavotec in the event that Colaco

and Barry are found not to be entitled to indemnification by Cavotec. As the California case has now concluded Cavotec will proceed to recoup the payments made in full, including accrued interest. However, in the procedure for doing so both sides will have an opportunity to present their respective arguments and it is not guaranteed that Cavotec will be able to recoup the full sum.

Increased trade protectionism

Cavotec is a global company and much of the Group's sales are international to customers in other countries, either directly to the customers or indirectly through Cavotec's own sales companies. Therefore, if restrictions on international trade are increased, through for example decreases in quota levels, increased tariffs or other measures, it could have an adverse impact on Cavotec's business, results of operations and financial condition.

Currency risks

The Group operates internationally and is subject to currency risks arising from different currency exposures, especially with regard to US dollar and EUR. Currency risks are the result of purchases and sales of goods and services in other currencies besides the respective subsidiary's local currency (transaction risk) and of the translation of the balance sheets in foreign currencies into the EUR currency (translation risk).

An area of transaction risk arises from the fact that several of the Group's major manufacturing units, are located in EUR currency-based jurisdictions while significant sales are made in countries where the US dollar has historically had a significant influence. At 31 December 2017, had the EUR 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 1,232 thousand higher/lower (2016: 1,312 thousand). This means that a strong EUR is generally negative for Cavotec. Thus, currency risks, i.e. exchange rate changes, may have an adverse impact on Cavotec's business, results of operations and financial condition.

In connection with translation of the Group's net investments in foreign subsidiaries into EUR, there is a risk that changes in exchange rates will affect the Group's consolidated balance sheet. As the majority of Cavotec's borrowing is in EUR and a large part of the net investments are denominated in other currencies, primarily USD, the Group's comprehensive income is affected by exchange differences. This means that a strong EUR is generally negative for Cavotec.

Interest rate risks

Interest rate risk relates to the risk of the value of financial instruments fluctuating due to changes in market rates. The amount of floating rate debt is the main factor that could impact Cavotec's financial position in the event of an increase in market rates. At 31 December 2017 97 per cent of the net debt was floating rate (2016: 91 per cent). As at 31 December 2017, Cavotec's net debt amounted to EUR 20,440 thousand. The impact of a 1 per cent increase/decrease in interest rates would in 2017 have resulted in a decrease/increase on profit for the year of EUR 476 thousand. The interest rate risk may lead to changes in fair values and cash flows and may have an adverse impact on Cavotec's business, results of operations and financial condition.

Credit risks

Credit risk arises from cash and cash equivalents and transactions with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. These risks may lead to credit losses for Cavotec if for example a customer to Cavotec is not able to meet its obligations. Credit risks may have an adverse impact on Cavotec's business, results of operations and financial condition.

Liquidity and capital risks

The Company is subject to the risk of not being able to adequately cover the operating cash needs of the business in the short and medium term. There is a risk that Cavotec may suffer liquidity problems which can have an adverse impact on Cavotec's business, results of operations and financial condition.

The Group's 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 during a certain period or the lenders do not waive the covenants, there may be grounds for termination under the conditions of the credit facility.

Cavotec's capacity to pay its debts, otherwise comply with its obligations and comply with the terms and conditions of the credit agreement and its capacity to refinance its loans and make payments according to its undertakings depend, among other things, on Cavotec's future results. Some aspects of the Company's future results depend on economic, financial, competitive and other factors beyond the Company's control.

If Cavotec is not able to raise funds, in time, at all, or at acceptable conditions, or if the Company fails to meet its obligations under the Company's credit agreement or breaches the financial loan terms it may have an adverse effect on Cavotec's business, results of operations and financial condition, and on Cavotec's ability to obtain additional financing should this be needed.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business/associate at the date of acquisition. A substantial share of Cavotec's assets consists of goodwill. As at 31 December 2017 the Group's goodwill amounted to EUR 45,186 thousand. The Group's total equity amounted to EUR 104,475 thousand. Goodwill is tested annually to identify any necessary impairment requirements. Tests are continually conducted of carrying amounts to ensure that these do not exceed their assessed value in use. In the financial statements for 2017 based on the changed approach to market airport related product and services, the former Airports CGU was split into 2 CGUs: Powering & Cooling and Airport Ground Connection. The reallocation of goodwill to the new CGUs resulted in the recognition of an impairment for the full amount of the goodwill allocated to the CGU Airports, Powering & Cooling, for a total amount of EUR 18,319 thousand. The process of testing for impairment needs includes a number of assessments, assumptions and estimates that are characterized by high uncertainty. In the event that future tests in respect of sustained decreases in the value of goodwill should lead to impairment, this may have an adverse impact on Cavotec's business, results of operations and financial condition.

RISKS RELATING TO THE SHARES

The market price of the shares or subscription rights may be volatile

The price of Cavotec's shares and subscription rights could fluctuate substantially or decline as a result of, among other things, changes in the results of operations of Cavotec, changes in the estimates of Cavotec's results of operations by securities analysts, potential or actual sales of blocks of shares in the market or short selling of shares, volatility in the market as a whole or investor perception of Cavotec's industries, announcements by Cavotec of significant contracts, loss of major customers, additions or departures of key personnel, new government regulation, the overall economy and the financial markets. Such fluctuations in the future could adversely affect the market price of Cavotec's shares, without regard to the Group's results of operations or financial condition. Hence, there is a risk that investors may not get their invested capital back. In addition, the market price of Cavotec's share and subscription rights may be adversely affected if there are substantial sales of the Company's shares, particularly sales by the Company's directors, executive management, and significant shareholders, or otherwise when a large number of shares are sold. The market price of Cavotec's shares could also be adversely affected by the level of take-up by existing shareholders in the Offering, as well as sales of any shares not subscribed for by exercise of subscription rights.

Shareholders who do not participate in the Offering before the expiration date of the subscription period will lose their subscription rights and shareholders who do not exercise their subscription rights face dilution

Shareholders who do not participate in the Offering before the expiration date of the subscription period will lose their rights to subscribe for new shares at the subscription price, and no compensation will be paid to shareholders whose rights lapse as a result of a failure to exercise or sell their subscription rights. Shareholders who do not exercise their subscription rights or only partially exercise their subscription rights, or who cannot exercise subscription rights because of applicable legal restrictions, will experience dilution of their proportional holdings of shares and votes in Cavotec.

The Principal Owner will continue to have substantial influence over Cavotec after the completion of the Offering and could delay or prevent a change in control over the Company

After completion of the Offering, and since the rights issue is carried out to current shareholders with preferential rights, Bure Equity will own in aggregate approximately 25.4 per cent of the shares in the Company.

Thus, Bure Equity will continue to have a significant influence over the outcome of matters submitted to Cavotec's shareholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of Cavotec's assets. In addition, Bure Equity could have significant influence over the Company's executive management and Cavotec's operations.

The interests of Bure Equity may differ significantly from or compete with Cavotec's interests or those of the other shareholders, and the Principal Owner could exercise influence over Cavotec in a manner that is not in the best interest of the other shareholders. By example, there could be a conflict between the interests of Bure Equity on the one hand, and the interests of the

Company or its other shareholders on the other hand with respect to distribution of dividends. Such conflicts could have a material adverse effect on the business, results of operations and financial condition.

It is not certain that the increase of the share capital in connection with the Offering will occur when anticipated or at all

Although the resolution of the Board of Directors to increase the share capital is scheduled to be registered with the Commercial Register in a timely manner, such registration may, for reasons beyond the Group's control, not take place in time or at all. In particular, the entry in the Commercial Register may be blocked temporarily or permanently preventing the registration of the capital increase, which may prevent or delay the completion of the Offering, including a delay in the settlement of the Offering. Furthermore, in the event that the rights issue has not been completed as per 31 March 2019, the underwriting agreement, including the subscription and guarantee commitment, will be terminated. Consequently, investors may suffer losses, in particular, if they entered into short selling transactions and are unable to meet their obligations to deliver.

Risks related to trading in subscription rights and BTA

Subscription rights and BTA (paid subscribed shares) (Sw. *Betalad Tecknad Aktie*) will be traded on Nasdaq Stockholm during the period from 7 December 2018 up to and including 19 December 2018, and from 7 December 2018 up to and including 7 January 2019 respectively. There is a risk that active trading in subscription rights or BTA will not develop on Nasdaq Stockholm, or that satisfactory liquidity will not be available during the subscription period at the time when such securities are traded. The price of the Company's shares, subscription rights and BTA may fluctuate over the Offering period. The price of the Company's share may fall below the subscription price set for subscription of new shares. A general decline in the stock market or a rapid slowdown in the business cycle could also put the Company's share price under pressure without this being caused by the Company's operations.

Cavotec's ability to pay dividends is dependent upon its future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors

The amount of any future dividends that Cavotec will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors. Cavotec also may not have sufficient distributable funds and the Company's shareholders may not resolve to pay dividends in the future.

Differences in currency exchange rates may materially adversely affect the value of shareholdings or dividends paid

Cavotec's shares are quoted in CHF only, and any dividends will be paid in CHF. As a result, shareholders outside Switzerland may experience adverse effects on the value of their shareholding and their dividends, when converted into other currencies if CHF depreciates against the relevant currency.

Future issuances of shares or other securities in the Company may dilute the shareholding and affect the price of the shares

In the future, Cavotec may need to increase its capital by issuance of new shares to fund its business, including finance potential future acquisitions and other investments that the Company may

decide upon to strengthen its balance sheet. In addition, Cavotec may need to make additional investments in equipment and/or technology and may need to raise additional funds through the issuance of equity, equity-related or convertible debt securities. There is a risk that additional financing will not be available to the Company on acceptable terms when required or may not be available at all. If the Company resolve to raise additional capital, for example by way of a new share issuance, it may affect the price of the shares and existing shareholders who cannot participate in such an issue, or choose not to participate, could have their ownership interests diluted. The same applies if an issue is directed to persons other than the Company's existing shareholders. Furthermore, the Company has since 2012 implemented on a yearly basis a Long Term Incentive Plan ("LTIP") for selected employees of the Group in the form of annually offered share matching plan. The purpose of the LTIP is to provide selected key employees with an opportunity to become shareholders of Cavotec. Should an eligible employee decide to participate and purchase shares in the Company, it will correspondingly entail a dilution for other shareholders.

The Principal Owner may not fulfil its undertakings

The Principal Owner has covered the Offering by a subscription undertaking, corresponding to 25.4 per cent of the rights issue, and the remaining portion of the rights issue is underwritten by the Principal Owner. These undertakings from the Principal Owner are associated with certain conditions relating to for example that the Offering is completed within a certain time frame. In the event that any of these conditions are not fulfilled, there is a risk that the Principal Owner do not fulfil its undertakings, which could have an adverse effect on the completion of the Offering.

Shareholders in the United States or other countries outside Sweden may not be able to participate in any potential future cash offers

If the Company issues new shares in a cash issue, shareholders may, under Swiss law, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to the issue. Shareholders in certain other countries may be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited. By example, shareholders in the United States may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), is effective in respect of such subscription rights and shares or an exemption from the registration requirements of the Securities Act is available. Shareholders in other jurisdictions outside Sweden and/or Switzerland may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. Cavotec is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside Sweden and/or Switzerland in respect of any subscription rights and shares and doing so in the future may be impractical and costly. To the extent that shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, their ownership in the Company may be diluted or reduced.

Invitation to subscribe for shares in Cavotec

On 1 November 2018, the Board of Directors of Cavotec resolved to increase the Company's share capital through a rights issue with preferential rights for the Company's shareholders.

The rights issue resolution means that Cavotec's share capital will be increased by a maximum of CHF 20,105,216, through an issue of not more than 15,707,200 new ordinary shares. The Company's shareholders have preferential rights to subscribe for new ordinary shares *pro rata* in relation to ordinary shares owned. The record date for participation in the rights issue was 5 December 2018. The persons who, on the record date, were registered as shareholders in Cavotec may subscribe for one (1) new ordinary share for every five (5) existing ordinary shares held in Cavotec. To the extent new ordinary shares are not subscribed for with preferential rights they shall be allotted to shareholders and other investors that have subscribed for ordinary shares without preferential rights in accordance with what is stated in the section "*Terms and conditions*". Such allotment shall firstly be made to those who have also subscribed for ordinary shares by exercise of subscription rights. Subscription shall take place during the period from 7 December 2018 up to and including 21 December 2018, or such a later date as determined by the Board of Directors and otherwise in accordance with what is stated in the section "*Terms and conditions*".

The subscription price has been set at SEK 13.00 per ordinary share, which means that Cavotec will in total receive MSEK 204 before deduction of rights issue costs, if the rights issue is fully subscribed.¹⁾

Shareholders who choose not to participate in the rights issue will have their holdings diluted by up to 16.7 per cent, but have the possibility to be financially compensated for the dilution by selling their subscription rights.

Declarations of intent, subscription undertakings and underwriting commitments²⁾

The rights issue is covered by a subscription undertaking from Bure Equity AB, corresponding to 25.4 per cent of the rights issue. The remaining portion of the rights issue is underwritten by Bure Equity AB.

The Fourth Swedish National Pension Fund has expressed support for the rights issue and has the intention to subscribe to its *pro rata* share. The founding shareholders and Fabio Cannavale intend to subscribe fully or partially to the rights issue.

The shareholders in Cavotec are hereby invited to, with preferential right, subscribe for new shares in Cavotec in accordance with the terms and conditions outlined in this Prospectus.

Lugano, 6 December 2018

Cavotec SA
The Board of Directors

1) Transaction costs, not estimated to exceed approximately MEUR 1.7 (including a guarantee fee of approximately MEUR 0.3 to the guarantor of the rights issue), will be deducted from the proceeds of the rights issue (MSEK 204). Subsequent to these deductions, the rights issue is estimated to provide Cavotec with approximately MSEK 187 (by applying a EUR/SEK exchange rate of 10.2957).

2) See further "*Subscription undertakings and underwriting commitments*" in the section "*Legal considerations and supplementary information*".

Background and reasons

In the end of 2017, Cavotec developed a transformation strategy to achieve long term profitable growth. The first steps included streamlining and simplifying decision-making, creating three business divisions with clear profit and loss ownership and strengthening the top management team considerably. In addition, a transformation plan called “A New Day”, was launched. A New Day is progressing well with two thirds of the 50 projects completed or almost completed. Cavotec sees clear signs that the transformation is starting to take hold. Higher quality decision making as a result of the new processes has increased the cost control in the Company. This translated into higher gross and EBIT margins in the third quarter 2018.

At the beginning of October 2018, Cavotec announced the second phase in the transformation of the Company with a programme to address structural inefficiencies in the Company caused by a historically fragmented organization. The programme will focus on reducing SG&A and other inefficiencies and is targeting annual savings of approximately MEUR 10 by end of 2021, whereof significant run-rate savings already in 2019.

The reduction in headcount as a consequence of the restructuring is estimated to be around 100 people spread across multiple locations. In addition, the programme will include a reduction in the number of legal entities Cavotec has today. This is expected to improve the effective tax rate and result in lower statutory costs.

Use of proceeds

Short-term, however, the restructuring will result in one-off costs expected to amount to MEUR 7, a majority of which will be accounted for in 2018. This puts pressure on the Company's balance sheet, which is why the Board of Directors of Cavotec has resolved to strengthen the balance sheet through a rights issue of MSEK 204, which will be used in full to reduce the Company's revolving credit facility. In addition to ensuring financial stability in the near-term, this gives the full firepower needed to swiftly execute on the restructuring and also provides room for quick actions on opportunities for future growth.

In other respects, reference should be made to the full particulars of this Prospectus, which has been prepared by the Board of Directors of Cavotec in connection with the Offering.

The Board of Directors of Cavotec is responsible for the contents of this Prospectus. It is hereby assured that all reasonable precautionary measures have been taken to ensure that the information contained in this Prospectus, as far as the Board of Directors is aware, corresponds to the facts and that nothing has been omitted that would affect its import.

Lugano, 6 December 2018

Cavotec SA
The Board of Directors

Terms and conditions

PREFERENTIAL RIGHTS AND SUBSCRIPTION RIGHTS

Those who on the record date, 5 December 2018, were registered shareholders of Cavotec in the share registers administrated by SIX SIS AG, the central securities depository in Switzerland, ("SIX SIS") and Euroclear Sweden have preferential rights to subscribe for new Cavotec shares in proportion to their holdings. If not all of the new ordinary shares are subscribed for by exercise of subscription rights, the Board of Directors shall, up to the maximum amount of the Offering, resolve on allotment of ordinary shares subscribed for without the exercise of subscription rights where in such case, allotment shall be made in the following order:

- a) Those who have subscribed for new ordinary shares by the exercise of subscription rights (irrespective of whether or not they were shareholders on the record date) *pro rata* in relation to the number of new ordinary shares subscribed for by exercise of subscription rights.
- b) Others who have notified the Company of their interest in subscribing for new ordinary shares without the exercise of rights, *pro rata* in relation to such declared interest.
- c) Those who have made an underwriting commitment regarding subscription for new ordinary shares.

Those who on the record date were registered as shareholders of Cavotec in the share registers administrated by SIX SIS and Euroclear Sweden will receive one (1) subscription right for each ordinary share held on the record date. Five (5) subscription rights will carry an entitlement to subscribe for one (1) new ordinary share. In connection with a transfer of a subscription right (primary preferential right), the subsidiary preferential right is also transferred to the new holder of the subscription right.

Not more than 15,707,200 new ordinary shares shall be issued. Assuming full subscription, the number of ordinary shares in the Company will increase from 78,536,000 ordinary shares to 94,243,200 ordinary shares and the nominal share capital will increase from CHF 100,526,080 to CHF 120,631,296, representing an increase of 20 per cent. For existing shareholders who do not participate in the Offering, a dilution effect arises corresponding to 16.7 per cent of the total number of ordinary shares and votes in the Company after the Offering. Shareholders who choose not to participate in the Offering may be financially compensated for the dilution effect by selling their subscription rights.

SUBSCRIPTION PRICE

The new Cavotec shares are issued at a subscription price of SEK 13.00 per new ordinary share, which corresponds to a discount of 35.5 per cent to the theoretical share price post separation of the subscription rights (the so-called TERP – theoretical ex-rights price) based on the closing price of Cavotec's ordinary shares on Nasdaq Stockholm on 1 November 2018 (SEK 21.60). No commission is charged.

RECORD DATE

The record date at SIX SIS and Euroclear Sweden for determination of which shareholders that were entitled to receive subscription rights was 5 December 2018. The shares were traded excluding the right to participate in the Offering from 4 December 2018. The last day for trading including the right to participate in the Offering was 3 December 2018.

SUBSCRIPTION PERIOD

Subscription for new Cavotec shares shall take place during the period as from and including 7 December 2018, up to and including 21 December 2018, at 5:00 p.m. CET. The Company's Board of Directors is entitled to extend the subscription period. Any extension will be announced by the Company through a press release no later than 21 December 2018.

ISSUE STATEMENT

Directly registered shares

A pre-printed issue statement with an attached Bankgiro payment slip will be sent to directly registered shareholders and representatives of shareholders who, on the record date, were registered in the share register administrated by Euroclear Sweden on behalf of Cavotec. However, the aforesaid shall not apply to shareholders who are resident in certain unauthorized jurisdictions. The issue statement sets out, inter alia, the number of subscription rights received and the full number of new shares that may be subscribed for pursuant thereto. Settlement notes (Sw. *VP-avi*) will not be distributed regarding the registration of subscription rights on securities accounts.

Persons included in the special list of pledgees and guardians maintained in connection with the share register administrated by Euroclear Sweden will not receive any issue statement and will instead be informed separately.

The participant accounts at SIX SIS have received a banking instruction letter on how to subscribe for and the delivery of new shares.

Nominee-registered shareholders

Shareholders whose holdings are nominee-registered with a bank or other nominee will not receive an issue statement. Subscription and payment must, instead, be made in accordance with instructions from the nominee.

Shareholders registered in certain unauthorised jurisdictions

The allotment of subscription rights and the issuance of new shares through exercise of subscription rights to persons resident in countries other than Sweden and Switzerland may be affected by securities legislation in such countries. Consequently, subject to certain exceptions, shareholders whose existing Cavotec shares are directly registered on a securities account and whose registered address is in the United States (including its territories and possessions, any state of the United States and the District of

Columbia), Canada, Australia, Japan, Hong Kong, New Zealand, Singapore, South Africa or any other jurisdiction, in which participation in the Offering would not be permissible, will not receive any subscription rights or be allowed to subscribe for new shares. Subscription rights which otherwise would have been delivered to such shareholders may be sold and the sales proceeds, less deduction of costs, will be paid to such shareholders. Amounts of less than SEK 100 will not be paid out.

TRADING IN SUBSCRIPTION RIGHTS

Trading in subscription rights will take place on Nasdaq Stockholm for all subscription rights issued to shareholders registered in the share register administrated by Euroclear Sweden during the period from and including 7 December 2018, up to and including 19 December 2018, under the symbol CCC TR. The ISIN code for the subscription rights is SE0012012474.

No arranged trading will take place in subscription rights issued to shareholders registered in the share register administrated by SIX SIS with ISIN code CH0451623901.

Avanza and other securities institutions with requisite authorization will provide brokerage services regarding purchases and sales of subscription rights. In connection with a transfer of a subscription right (primary preferential right), the subsidiary preferential right is also transferred to the new holder of the subscription right. Subscription rights must either be exercised for subscription no later than 21 December 2018 at 5:00 p.m. CET, or sold no later than 19 December 2018, on Nasdaq Stockholm. No compensation will be paid to holders whose subscription rights lapse due to the subscription rights not being exercised or being sold.

SUBSCRIPTION FOR NEW SHARES WITH SUBSCRIPTION RIGHTS

Subscription for new Cavotec shares with subscription rights will take place during the period from and including 7 December 2018, up to and including 21 December 2018, at 5:00 p.m. CET. Upon expiry of the subscription period, unexercised subscription rights will lapse and be deleted from the holder's securities account, without notification from Euroclear Sweden. In order for the value of the subscription rights not to be lost, the holder must either:

- Exercise the subscription rights to subscribe for new Cavotec shares no later than 21 December 2018, at 5:00 p.m. CET, or in accordance with instructions from the subscriber's nominee; or
- Sell the subscription rights that are not to be exercised no later than 19 December 2018.

SUBSCRIPTION BY DIRECTLY REGISTERED SHAREHOLDERS

Subscription for new shares by exercise of subscription rights issued to shareholders registered in the share register administrated by Euroclear Sweden is effected by means of simultaneous cash payment, either using the pre-printed issue statement with the Bankgiro payment slip provided or by the use of a special subscription form in accordance with one of the following alternatives:

- The pre-printed Bankgiro payment slip shall be used if all subscription rights according to the issue statement from Euroclear Sweden are to be exercised. No additions or changes may be made to the Bankgiro payment slip;

- The subscription form named "Subscription for shares with subscription rights" shall be used if subscription rights have been bought, sold or transferred from another securities account, or if for any other reason another number of subscription rights than what is stated on the pre-printed issue statement shall be exercised for subscription of new shares. When the duly filled in subscription form is submitted, payment shall be made for the new shares being subscribed for; this may be done in accordance with other payments using giro, for example by way of internet bank giro transfer or through a bank branch office.

The subscription form "Subscription for shares with subscription rights" may be obtained from Avanza: telephone +468 40942122, or by email corpemissioner@avanza.se. The subscription form shall be sent to Avanza, Regeringsgatan 103, 111 93 Stockholm, SWEDEN. The subscription form must be received by 21 December no later than 5:00 p.m. CET, 2018. Note that the payment for subscription shall be exact. Do not round off amounts.

The participant accounts at SIX SIS have received a banking instruction letter on how to subscribe for and the delivery of new shares.

DIRECTLY REGISTERED SHAREHOLDERS WHO ARE NOT RESIDENT IN SWEDEN ELIGIBLE FOR SUBSCRIPTION FOR NEW SHARES WITH SUBSCRIPTION RIGHTS

Directly registered shareholders registered in the share register administrated by Euroclear Sweden who are not resident in Sweden and are entitled to subscribe for new shares with subscription rights and who are not subject to the restrictions described above under the heading "*Shareholders registered in certain unauthorized jurisdictions*", but who are unable to use the pre-printed Bankgiro payment slip, may pay in SEK through a foreign bank in accordance with the instructions below:

Address:

AVANZA

Regeringsgatan 103, 111 39 Stockholm
SWEDEN

IBAN number: SE725000000055651065563

Account number: SEB 5565 10 65563

BG: 5099-8178

Swift/BIC: ESSESESSXXX

The subscriber's name, address, securities account number and payment identity stated on the issue statement must be quoted. The payment must be received by 21 December no later than at 5:00 p.m. CET, 2018. Payment shall be made in accordance with the above instructions, however, the payment identity from the subscription form shall be stated. The subscription form must be received by 21 December at the address above no later than at 5:00 p.m. CET, 2018.

NOMINEE-REGISTERED SHAREHOLDERS

Nominee-registered shareholders who wish to subscribe for new Cavotec shares by exercise of subscription rights must apply for subscription in accordance with the instructions from their nominee or, if the holding is registered with more than one nominee, through each of these.

PAID SUBSCRIBED SHARES (“BTA”)

Following subscription and payment, Euroclear Sweden will to shareholders registered in the share register administrated by Euroclear Sweden distribute a settlement note (Sw. *VP-avi*) confirming the registration of paid subscribed shares (Sw. *betalda tecknade aktier*, BTAs) on such subscriber's securities account. The newly subscribed shares will be registered as BTAs on the account until such time as the Offering has been registered by the Ticino Registry of Commerce and booked on the share register administrated by SIX SIS. Registration of new shares is expected to take place at the Ticino Registry of Commerce on or around 10 January 2019. Thereafter, BTAs will be re-registered as shares, which is expected to be made on or around 11 January 2019. No settlement notes (Sw. *VP-avi*) will be issued in connection with such re-registration. No BTAs will be registered in the share register administrated by SIX SIS.

TRADING IN BTAS

Trading in BTAs on Nasdaq Stockholm is expected to take place during the period from and including 7 December 2018, up to and including 7 January 2019, under the symbol CCC BTA. The ISIN code for the BTAs is SE0012012482. Avanza and other securities institutions with requisite authorization will provide brokerage services regarding purchases and sales of BTAs. No BTAs will be registered in the share register administrated by SIX SIS and consequently no trading will be arranged other than on Nasdaq Stockholm for BTAs registered in the system administrated by Euroclear Sweden.

SUBSCRIBING FOR SHARES WITHOUT SUBSCRIPTION RIGHTS

Directly registered shareholders and others

Application for subscription for new Cavotec shares without subscription rights must be made on a designated application form, called “Subscription for shares with subsidiary preferential right/ without subscription rights”. More than one subscription form may be submitted, but only the most recently dated subscription form will be considered. Subscription forms may be obtained from Avanza's website, www.avanza.se or from Cavotec's website, www.cavotec.com. The subscription form shall be sent to Avanza, Regeringsgatan 103, 111 93 Stockholm, Sweden. The subscription form must be received by 21 December no later than 5:00 p.m. CET 2018.

Nominee-registered shareholders

Subscription for new Cavotec shares without subscription rights shall be made to the respective nominee and in accordance with instructions from the nominee or, if the holding is registered with more than one nominee, through each of these.

Legal Entity Identifier

As of 3 January 2018, all legal entities are required to have a global Identification code, known as a Legal Entity Identifier (LEI), to conduct securities transactions in Sweden. To be entitled to participate in the Offering facilitated through the system administrated by Euroclear Sweden and to be allocated new shares subscribed for without subscription rights, a legal entity must possess and state an LEI.

Allotment of new shares subscribed for without subscription rights

New shares not subscribed for with primary preferential right shall be offered for subscription to all shareholders (subsidiary preferential right). If the number of shares so offered is less than the number subscribed for with subsidiary preferential right, the shares shall be distributed among the subscribers in proportion to the number of shares held on the record date, or, to the extent that this is not possible, by lot. In connection with a transfer of a subscription right (primary preferential right), the subsidiary preferential right is also transferred to the new holder of the subscription right.

Regarding new shares that have not been subscribed for by virtue of primary or subsidiary preferential right, the allocation shall firstly be made to the other subscribers, which are reasonable acceptable to the Company after consultation with the Company's financial advisor, and secondly to the underwriter of the Offering, Bure Equity, who has entered into a standby underwriting commitment, subject to customary conditions, for the remaining portion of the Offering. Upon over-subscription of the Offering by other subscribers, the allocation shall be made in relation to the number of subscribed shares, or, to the extent that this is not possible, by lot.

As confirmation of the allotment of new shares subscribed for without subscription rights, a contract note will be sent to the subscriber on or about 4 January 2019. No notice will be sent to subscribers who have not received any allotment. Subscribed and allotted new shares must be paid for in cash in accordance with the instructions stated in the contract note sent to the subscriber. After payment has been made for subscribed and allotted new shares and the new shares have been registered by the Ticino Registry of Commerce, Euroclear Sweden will distribute a settlement note (Sw. *VP-avi*) confirming the registration of the new shares on the subscriber's securities account. The subscriber will receive shares directly, i.e., no BTAs will be registered on the subscriber's securities account. Registration of new shares subscribed for without subscription rights is expected to take place at the Ticino Registry of Commerce on or about 10 January 2019. Booking of shares on securities accounts is expected to take place on 11 January 2019.

Nominee-registered shareholders will receive notice of allotment and payment in accordance with each nominee's procedures.

RIGHT TO DIVIDEND

The new ordinary shares carry full dividend rights as of the date of the entry of the capital increase into the Ticino Registry of Commerce.

ANNOUNCEMENT OF THE SUBSCRIPTION RESULT FOR THE OFFERING

The preliminary subscription result in the Offering will be announced through a press release from Cavotec on or around 2 January 2019. The final subscription result will be announced through a press release from Cavotec on or around 4 January 2019.

TRADING IN NEW CAVOTEC SHARES

The Cavotec share is traded on Nasdaq Stockholm. After the Ticino Registry of Commerce has registered the new Cavotec shares, these will also be traded on Nasdaq Stockholm. The first day of trading in new shares is estimated to be 11 January 2019.

OTHER INFORMATION

Cavotec is not entitled to revoke the Offering. In the event that a larger amount than necessary has been paid in by a subscriber for new Cavotec shares, Cavotec will ensure that the excess amount is repaid. No interest will be paid on the excess amounts.

Subscription for new shares, whether with the use of subscription rights or otherwise, is irrevocable and subscribers cannot withdraw or change such a subscription for new shares, unless otherwise follows from the Prospectus or applicable law.

Incomplete or incorrectly completed subscription forms may be rejected. If the subscription payment is paid too late, is insufficient or is paid in an incorrect manner, the subscription application may be rejected, or subscription may take place at a lower amount. Payments submitted will in this case be refunded.

Avanza is acting as issuing and paying agent in respect of the Offering, i.e., assisting the Company with certain administrative services concerning the Offering. The fact that Avanza is acting as issuing and paying agent does not, in itself, mean that Avanza regards the subscriber as a customer of Avanza. For the purposes of the Offering, the subscriber is regarded as a customer of Avanza only if Avanza has provided advice to the subscriber regarding the Offering or has otherwise contacted the subscriber individually regarding the Offering, or if the subscriber has an

existing customer relationship with the bank. As a consequence of Avanza not regarding the subscriber as a customer in respect of the Offering, the investor protection rules set forth in the Securities Market Act (2007:528) will not apply to the Offering. This means, among other things, that neither customer categorization nor a suitability assessment will take place with respect to the Offering.

Accordingly, the subscriber is personally responsible for ensuring that he or she possesses sufficient experience and knowledge to understand the risks associated with the Offering.

Subscribers in the Offering will provide personal data to Avanza. Personal data provided to Avanza will be processed in data systems to the extent required to provide services and administer matters in Avanza. Personal data obtained from a party other than the customer to whom the processing relates may also be processed. Personal data may also be processed in data systems at companies and organizations with which Avanza cooperate. Information regarding the processing of personal data is provided by Avanza's branch offices, which also accept requests for correction of personal data. Information regarding addresses may be obtained by Avanza through automatic data runs at Euroclear Sweden. In accordance with the new Data Protection Regulation (GDPR), we have the obligation to inform you as a private person about our processing of personal data regarding your application. On Avanzas website (<https://www.avanza.se/sakerhet-villkor/din-integritet.html>) you will find information about Avanzas processing of personal data.

Questions regarding the Offering are answered by Avanza during office hours on telephone number: +46 8 409 42122.

Preliminary timetable	
3 December 2018	Last day of trading for Cavotec's ordinary shares including the right to participate in the Offering
4 December 2018	First day of trading for Cavotec's ordinary shares excluding the right to participate in the Offering
5 December 2018	Record date, i.e. ordinary shareholders registered in the share register on this day will receive subscription rights giving the right to participate in the Offering
6 December 2018	Estimated date of publication of the prospectus
7–19 December 2018	Trading in subscription rights
7–21 December 2018	Subscription period
7 December 2018 – 7 January 2019	Trading in BTAs
2 January 2019	Estimated date of publication of the preliminary result of the Offering
4 January 2019	Estimated date of publication of the final result of the Offering
11 January 2019	Estimated first day of trading in new shares on Nasdaq Stockholm



Market overview

The Prospectus contains information about the Company's activities and the markets in which the Company is active. The information in the Prospectus about market growth and market size concerns the overall evaluation of Cavotec based on both internal and external sources. Unless otherwise stated, the information in this section is based on the Company's analyses and internal market information. The market and sector information includes assessments of future market development and other forward-looking information. Forward-looking information does not give any guarantees concerning future results or development, and actual outcomes may differ significantly from what is stated in forward-looking information. See also "Forward-looking statements" in "Important information to investors" on the inside cover.

This Prospectus contains certain third-party information regarding the market and industry. While Cavotec has reproduced the sources accurately and Cavotec finds the sources to be reliable, Cavotec has not verified the data independently and therefore the accuracy and completeness cannot be guaranteed. As far as Cavotec is aware, and is able to verify by comparing with other information published by these sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

INTRODUCTION TO CAVOTEC'S MARKETS

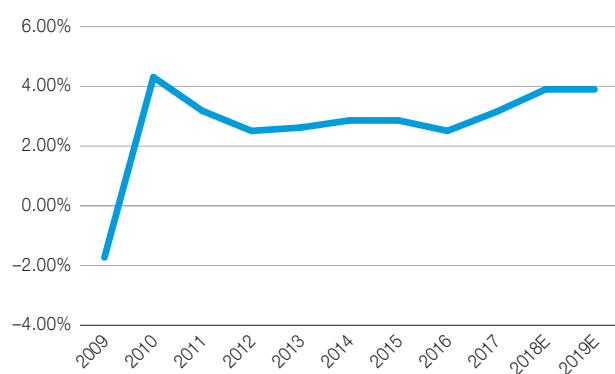
Cavotec is a global engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide.

All of Cavotec's end markets are affected by the general global economic climate, which can be measured as global GDP growth.

After a sharp decline in 2009, global GDP has recovered and grown by an average of 3.7 per cent per year between 2009 and 2017.¹⁾ IMF forecasts global GDP will continue to grow by 3.9 per cent in 2018 and 2019 respectively.²⁾ This forecast supports an overall positive outlook for Cavotec's end markets.

Cavotec develops and manufactures solutions for the ports, maritime, airports and industry sectors. There are significant differences both between and within each of these sectors, below is an overview of the most important characteristics and trends for each.

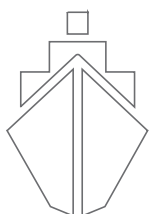
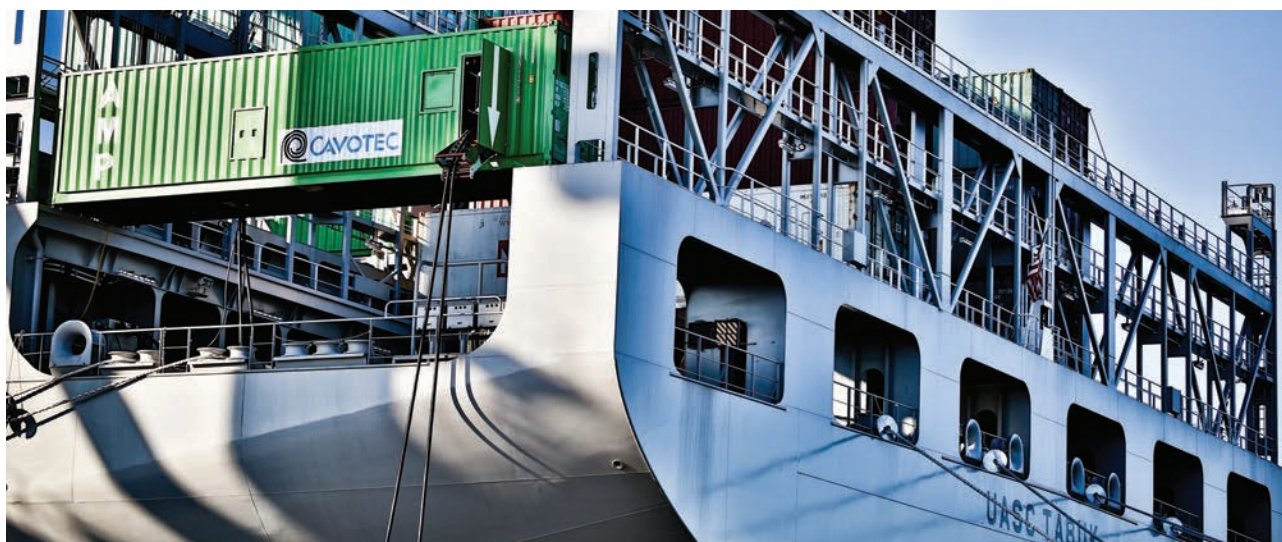
Global GDP growth (annual per cent)



Source: Database, The World Bank and IMF

1) Database, The World Bank.

2) Report, "World Economic Outlook Update", IMF, July 2018.



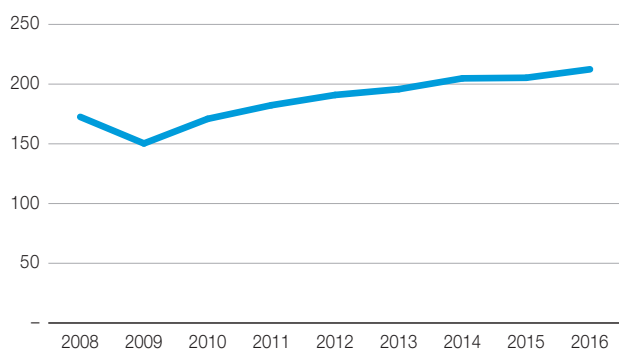
PORTS & MARITIME

Cavotec develops and manufactures a wide range of automation and electrification technologies for the global ports and maritime sectors. Cavotec's customers within the ports and maritime sectors are OEMs, ports, shipping lines, terminals, and EPC contractors. Customers include Konecranes, ZPMC, ABB, A.P. Möller,

Port of Los Angeles, Port of Singapore, China Harbour Engineering, MSC and DP World among others.

Within the ports and maritime sectors, Cavotec operates on the niche markets for crane electrification, shore power, automated mooring and E-charging. Detailed official statistics over the size and growth of these niches are rare. It is Cavotec's management's view that global and regional trade, container shipments by sea and stricter environmental regulations constitute the driving forces for the expansion and modernisation of ports worldwide and hence drive the demand for Cavotec's solutions within the ports and maritime sectors.

Container shipments by sea (OECD member countries) (TEUm*)



Source: Database, OECD

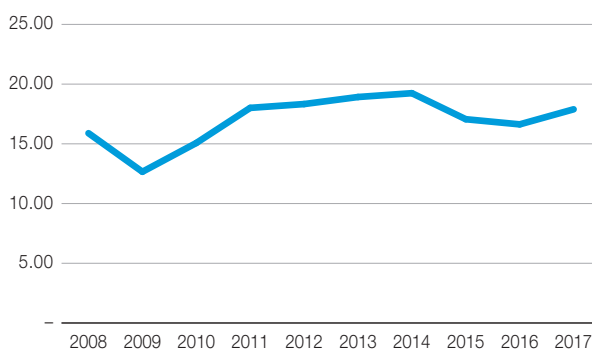
* TEU = Twenty-Foot Equivalent Unit which can be used to measure a ship's cargo carrying capacity. The dimensions of one TEU are equal to that of a standard 20' shipping container (20 feet long, 8 feet tall).

Sector overview

Container transport by sea within the OECD member countries has increased by an average of 5.1 per cent per year between 2009 and 2016.¹⁾ World trade has increased by an average of 4.0 per cent per year over the same period.²⁾ IMF forecasts global trade to increase by 4.8 per cent and 4.5 per cent in 2018 and 2019 respectively.³⁾

The Baltic Dry Index which is used as a proxy for dry bulk shipping stocks as well as a general shipping market bellwether have risen significantly from its lows in 2016. The Baltic Dry Index remains at undemanding levels which suggests the trend will be maintained over the course of 2018.⁴⁾ This trend should further support the recovery in the shipping industry and hence support Cavotec's end markets within the ports and maritime sectors.

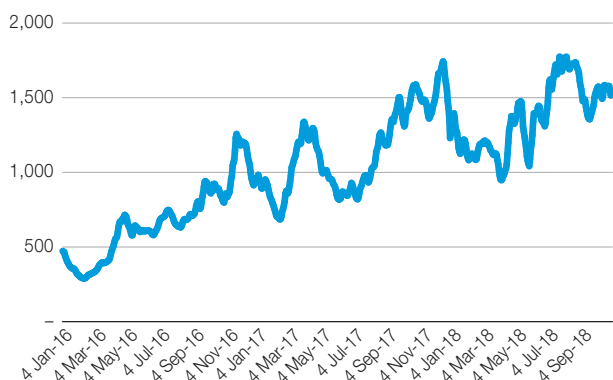
Global trade (USDtn)



Source: Database, The World Bank

1) Database, OECD.
 2) Database, The World Bank.
 3) Report, "World Economic Outlook Update", IMF, July 2018.
 4) Report, "Shipping Markets Outlook", Hartland Shipping Services, 2018.

Baltic dry index



Source: Database, Bloomberg

Underlying market trends

Environmental regulations and initiatives

In recent years, stricter environmental regulations for the ports and maritime sectors have come into force worldwide. These regulations include:

Shore power regulations, driving shore power growth in specific regions

- California decided in 2007 that “any ocean-going vessel equipped to receive shore power shall utilise the shore power during every visit” completion expected in 2020.¹⁾
- The EU requires in directive 2014/94/EU that “...shore-side electricity supply shall be installed as a priority in ports... by 31 December 2025, unless there is no demand and the costs are disproportionate to the benefits”.²⁾
- China decided in its 2015 “Ship and port pollution prevention plan” that all new terminals must be electrified, and that it would focus on 11 ports that account for 60 per cent of Chinese container throughput.³⁾

In response to the new regulations mentioned above, shipping companies are retrofitting existing container ships and ports are installing AMP⁴⁾ capabilities.

Emission control regulations are driving modernisation of ports and the demand for electrification of ships, cranes and other port equipment

Emission regulations for the ports and maritime sectors are becoming stricter. For example the International Maritime Organization introduced in 2010 regulations on nitrogen oxide (NOx)⁵⁾ and sulfur oxide (SOx)⁶⁾ emission, which are expected to be fully implemented by 2020.

Electrification

Cavotec’s management team sees several benefits with operating electrified port equipment compared to non-electrified port equipment. These benefits include:

- A quieter and less polluted working environment for the workforce.
- Lower operating cost due to cheaper energy and reduced maintenance and spares requirements.
- Increased productivity due to elimination of refueling time for cranes electrified by cables.

Automation

Cavotec sees a growing demand from its customers to increase productivity or replace costly labour with automated solutions, such as automated mooring and cranes. Further, automation investments made by customers encourage further automation investments e.g. automated ships requires an automated mooring solution.

Competitive landscape

Cavotec’s core products within the ports and maritime sectors are cable reels for container cranes, shore power solutions, and automated mooring and charging solutions.

Cavotec’s management team believes the Company has a strong position on the less fragmented markets for shore power and automated mooring, where key competitors are Trelleborg, Mampaey, Macgregor, Stemmann-Technik, Wärtsilä, Schneider Electric, Cochran Marine and Igus.

The Company’s management team sees the market for cable reels as a fragmented market, but with Cavotec as one of the global suppliers. Key competitors on this market are Conductix-Wampfler, Vahle and Stemmann-Technik.

1) “Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port” Regulation, California Air Resources Board, 2007.

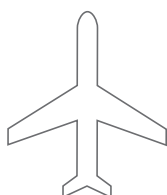
2) EU Directive 2014/94/EU.

3) International Council on Clean Transportation, “Action Plan For Establishing Ship Emission Control Zones In China”, May 2016.

4) AMP (Alternative Maritime Power) system feeds electric power from shore to ship, in order to prevent air pollution due to the exhaust gas from generator engines during container vessel loading and unloading.

5) International Maritime Organization, “Nitrogen Oxides (NOx) – Regulation 13”, 2018.

6) International Maritime Organization, “Sulphur 2020 – cutting sulphur oxide emissions”, 2018.



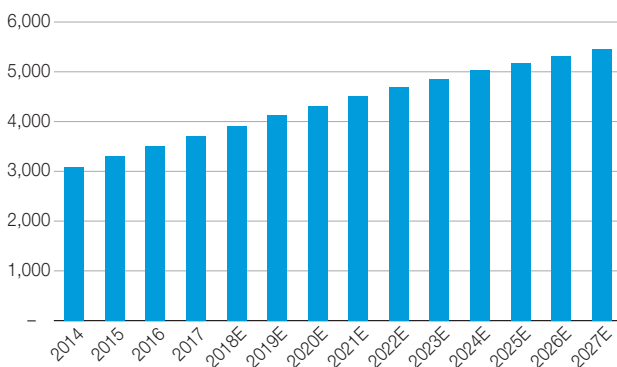
AIRPORTS

Cavotec's engineers a wide range of systems and services for contact gates, remote aprons and maintenance repair and overhaul hangars (MRO) for commercial and military applications. Key customers include Airbus, Boeing Corporation, Bombardier, Dubai International Airport, The Emirates Group and Frankfurt Airport among others.

The Emirates Group and Frankfurt Airport among others.

Within the airports sector, Cavotec operates on the niche markets for fixed ground support equipment, contact gates, remote aprons and MRO hangars. Detailed data on the size and growth of these niches are rare. Cavotec's management's view is that the development of commercial airline and air cargo traffic drive the number of airport construction and renovation projects worldwide and hence describe the growth and size of the market for Cavotec's products within the airports sector.

Global commercial passenger traffic (million passengers)



Source: Report, "20 Year Passenger Forecast", IATA, 2018.

Sector overview

The commercial air traffic market has continuously increased over time and doubled every 15 years since 1977. Over time commercial air traffic growth has continued to prove its resilience as it continues to outperform global GDP growth over the long-term.¹⁾ According to IATA, the number of commercial aircraft passengers worldwide is expected to grow by an average of 4.0 per cent per year between 2017 and 2027.²⁾

In 2017, air cargo traffic saw a rebound in growth, with year over year traffic growth of 9.5 per cent, driven in large part by a global recovery of trade. Most importantly in 2017 cargo load factors and yields also increased. According to forecasts made by the aircraft manufacturer Airbus, air cargo traffic growth worldwide is expected to stabilise in the short-term and grow by an average of 4–5 per cent per year over the next 5 years.³⁾

Underlying market trends

Passenger growth remains strong

Passenger growth expected to remain strong at ~4 per cent per year globally until 2022, only slightly below the 6 per cent per year growth between 2014–17.⁴⁾

The growth in number of passengers are mainly driven by the decline in the average price of air travel, an increase in living standards in the developing world, and a sustained increase in globalisation (e.g. free movement of people).⁵⁾

1) Report, "Global Market Forecast", Airbus, 2018.
 2) Report, "20 Year Passenger Forecast", IATA, 2018.
 3) Report, "Global Market Forecast", Airbus, 2018.
 4) Report, "20 Year Passenger Forecast", IATA, 2018.
 5) Report, "Global Market Forecast", Airbus, 2018.

Gate productivity assumed to level out going forward, driving demand for increased airport capacity worldwide

Airport gate productivity has grown significantly over the past years. The increase is mainly driven by higher aircraft load factors, a shift towards larger planes, and improved plane turnaround times. However, all these are expected to diminish over the coming years.¹⁾

- Aircraft load factors has grown steadily since 2000. However, the increase has started to level out and is not expected to further improve substantially.²⁾
- Reduction in turnaround time for planes is reaching its limits. The use of digital gate management systems and new fly bridges has driven the historic reduction. However, the efficiency gains from these solutions are expected to have been fully utilised by now. Further, boarding time remains a key constraint for further reduction in the turnaround time for planes.³⁾

Cavotec's management expects the combination of diminishing airport gate productivity and aircraft passenger growth to be translated into an increase in the demand for airport gates worldwide. This will represent opportunities for Cavotec's fixed GSE equipment.

Competitive landscape

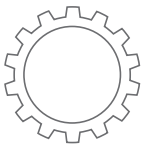
It is the Company's management team's view that Cavotec is positioned as a "niche-expert" and an engineering company with global footprint for airport equipment. The Company's management team sees its competitors within the airport equipment market to be mainly highly specialised, focused, and local engineering companies. Cavotec thus faces a rather fragmented local competition in each country. Key competitors within the airports sector include ITW, Hitzinger, JBT, Meggitt, Powervamp, Weihai Guangtai and TDA Lefebure, GNY Equipment Inc., Utility Systems Specialists, Moser Systemelektrik, Verde and Twist.



1) Report, "Benchmarking Report", Air Transport Research Society, 2017.

2) Report, "Benchmarking Report", Air Transport Research Society, 2017.

3) Report, "Benchmarking Report", Air Transport Research Society, 2017.



INDUSTRY

Within the industry sector, Cavotec is mainly a cable reel supplier for mobile equipment used in underground and surface mining, construction and general industries. Customers include,

Epiroc, Sandvik, Rio Tinto Group, Vale, BHP Billiton Limited, General Electric among others.

Cavotec operates on the niche markets for motorised and spring driven cable and hose reels, human operator interface systems, radio remote controls, power connectors and power units, slip rings and cables. Detailed data on the size and growth of these niches are rare. A majority of Cavotec's customers in the industry sector are large Original Equipment Manufacturers (OEM's) and mining companies. Therefore, Cavotec's management view, capital expenditures made by mining companies worldwide as an indicator of the size and growth of Cavotec's addressable market within the industry sector.

The mining sector has seen challenging ups and downs over the past ten years due to fluctuations in commodity prices.¹⁾ Following the most recent decline in commodity prices, which started 2012 total mining capital expenditures has dropped significantly.²⁾ However, Cavotec's management believes the cycle has started to turn. This view is supported by the Company seeing a strong

pick-up in order intake from mining companies during 2017. Further, the capital expenditures estimates for five of the largest diversified mining companies in the world, suggests capital spending in the mining sector is on the rise again.³⁾

Underlying market trends

Demand picking up

The Company's management team's view is solid global GDP growth combined with developed markets such as the US⁴⁾ re-building their aged infrastructure will drive the demand for its products in the industry sector in the coming years.

Competitive environment

It is the Company's management team's view that Cavotec is positioned as an experienced and global supplier of motorised and spring driven cable and hose reels, human operator interface systems, radio remote controls, power connectors and power units, slip rings and cables to mobile mining equipment and OEMs. In construction applications such as mobile cranes and tunnelling Cavotec's market penetration is significantly lower. The main competitors in the industry segment includes Meglab, Hannay Reels, Austin Engineering, Stemann-Technik, Conductix-Wampfler, Wabtec and Gleason Reel, Vahle, Hartmann & Koenig, HBC Radiomatic and Scanreco.

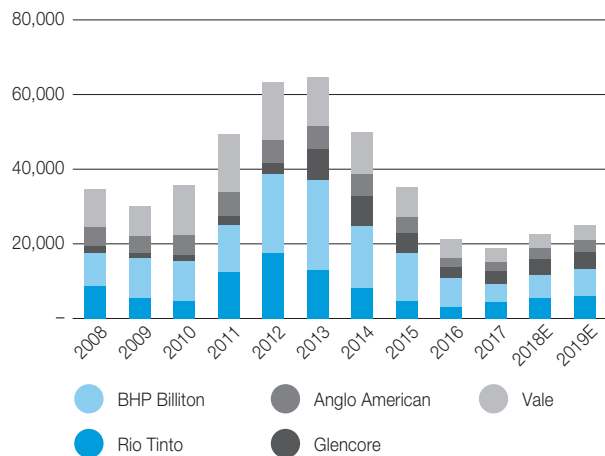
Bloomberg commodity price index



Source: Database, FactSet

1) Database, Bloomberg.
 2) Database, FactSet.
 3) Database, FactSet.
 4) Report, "World needs \$94 trillion spent on infrastructure by 2040", Reuters, 2017.

Capital expenditures made by selected mining companies (USDm)



Source: Database, FactSet

Business overview

OVERVIEW

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

The group is organised into three divisions: Airports & Industry, Ports & Maritime and Services. In the Cavotec segment reporting, Services is included in Airports & Industry and Ports & Maritime respectively. Cavotec markets their solutions mainly through fully owned sales companies located worldwide. Designing and manufacturing of Cavotec's solutions is mainly conducted at the Group's seven Centres of Excellence located in Germany (three), United Kingdom, Italy, the United States, and New Zealand. In 2018, the Centres of Excellences are supported by additional Supply Chain Centres located in China, the United States, India, Sweden, Australia, France and Norway.

In 2017, Cavotec's net sales amounted to MEUR 212 and EBITDA excluding non-recurring items amounted to MEUR 14, which corresponds to an EBITDA excluding non-recurring items margin of 6.6 per cent.¹⁾

Cavotec's headquarters is located in Lugano, Switzerland. As of the 30 September 2018, Cavotec had a headcount of 968 people, of which 904 and 64 were internal employees and external workforce respectively.

BUSINESS IDEA

Cavotec is an engineering group that designs and manufactures automated connection and electrification systems for ports, airports and a wide variety of industrial sectors worldwide. In the view of the Company's management team, Cavotec manufactures innovative technologies, which ensure safe, efficient and sustainable operations for its customers.

CUSTOMER VALUE CREATION

It is the Company's management team's view, that Cavotec ensures ports, airports and a wide variety of industries maximise operational performance, while minimising their environmental footprint with advanced integrated solutions that:

- Power, cool, and fuel aircrafts with fully integrated turnkey solutions: one interface for complete project execution.
- Electrify and automate port operations with innovative solutions such as MoorMaster™ automated mooring, Cavotec APS (automatic plug in system), and HOI systems (human operator interface).
- Connect, power and control industrial equipment to improve safety, sustainability and efficiency.
- Electrify and remotely control drilling equipment in the mining, oil and gas segment for safer and more cost-efficient operations.

STRATEGY

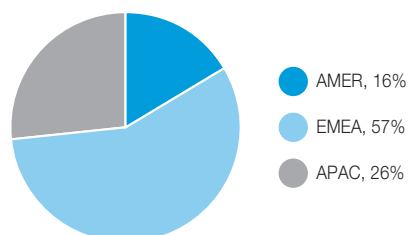
In the fourth quarter of 2017, Cavotec initiated an internal transformation project, called A New Day, to increase the Company's efficiency and capability, after years of stagnant growth and unsatisfactory profitability. Furthermore, it was decided to streamline and simplify decision-making by creating three business divisions with clear profit and loss ownership, from product development through to sales and delivery. This new organizational structure became effective 1 January 2018.

In total, "A New Day" includes 50 transformation projects, covering everything from customer and key account management to procurement, SOP deployment, and production planning. The programme is progressing well with two thirds of the 50 projects completed or almost completed by September 2018. As a result, there is improved cost control across the group, proven by higher gross and EBIT margins in the July – September 2018 reporting period.

At the beginning of October 2018, Cavotec announced a restructuring programme as a second phase in the Company's transformation. This programme focuses on addressing structural inefficiencies in the Group caused by its historically fragmented organisation. The programme is set to reduce SG&A across the Group and hence further improve the profitability and cost competitiveness of Cavotec. The programme is expected to result in a reduction in headcount of around 100 employees spread across multiple locations. Furthermore, the program also includes a reduction in the number of legal entities the Group has, which is expected to reduce the Group's effective tax rate and statutory costs

A majority of the changes presented in the restructuring program launched in October 2018 are expected to be implemented in 2018 and therefore lead to significant run-rate savings already in 2019. Full annual savings of about MEUR 10 are expected to be achieved in 2021. The costs related to the program are expected to amount to MEUR 7; a majority of which will be accounted for in 2018.

Revenue split by geography, 2017²⁾



1) "EBITDA excluding non-recurring items" and "EBITDA excluding non-recurring items margin" are alternative key figures not defined by IFRS. For complete information about the Company's alternative key figures including calculations of alternative key ratios, see section "Selected financial information – Financial definitions of alternative key figures not defined by IFRS".

2) Information gathered from the Company's audited annual report for financial year 2017.

In 2018, Cavotec also completed a granular market assessment. The objectives of this included:

- Granularity of growth – building a complete and granular understanding of market sizes and potential by offering.
- Developing thorough fact-based perspectives on market trends and competitiveness in end-markets.
- Ensuring robust starting point to drive clear and targeted growth priorities and aspirations for the future.

As an outcome of the granular market assessment, the Company's assessment is that the opportunities are there. In the management team's view, Cavotec is well positioned in terms of underlying market trends and has innovative technologies suited to meet the demands of our customers.

Overall, the transformation of Cavotec aims to build a foundation for sustainable and profitable growth over the long term by building on the Company's strengths – including customer focus and innovation – while relentlessly addressing any identified commercial or operational deficiencies.

VISION AND IDEOLOGY

Cavotec wants to contribute to a future world that is cleaner, safer and more efficient by providing innovative connection solutions for ships, aircraft and mobile equipment.

Cavotec thrives by shaping the future expectations in its markets. Cavotec sees its credibility comes from its application expertise, dedication to innovation and global operations. Additionally, the Company believes its success is dependent on its core values: Integrity, Accountability, Performance and Team Work.

BUSINESS MODEL

With more than 40 years' experience, Cavotec has become trusted for its global operational and innovation excellence. The Company enables value creation with advanced systems for ports, airports, and a wide variety of industries. Cavotec supports the constantly evolving landscape of transportation through well-implemented, innovative systems and services.

The Company facilitates improved electrification and connection systems for powering mobile equipment such as aircraft, ships, and mobile industrial equipment. Cavotec's personnel provides customers with local support, backed by the Group's global network of engineering expertise.

The business is divided into three divisions, with Services being included under Airports & Industry and Ports & Maritime in the financial segment reporting.

Airports & Industry

Cavotec Airports

Cavotec is a Ground Support Equipment (GSE) manufacturer that engineers a wide range of systems and services for contact gates, remote aprons and Maintenance Repair and Overhaul (MRO) hangars for commercial and military applications. The Company works closely with customers and industry bodies, and is the only manufacturer of fully integrated gate and remote apron solutions that minimise the use of auxiliary power units, thereby reducing fuel costs and emissions.

Cavotec's comprehensive range of systems meet all aircraft requirements including the new generation of aircrafts such as the A380, B787 and A350. Cavotec's product offering for airports includes:

- 400Hz (point of use and central systems) and 28VDC Ground Power Units.
- Pre-Conditioned Air systems (point of use and central) integrated into in-ground solutions and under passenger boarding bridges.
- In-ground pits (for distributing ground power, air, potable water, compressed air).
- In-ground pits tunnel systems and fuelling (fuel hydrant pits, fuel high point vent and fuel low point drain pits, prefabricated isolation valve pits and vault access covers and fueling pantographs).

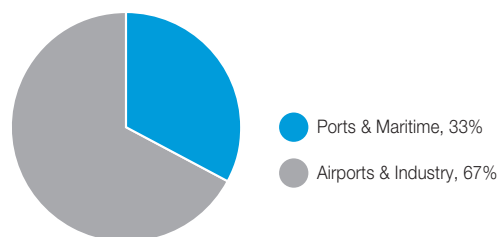
Production

Cavotec's solutions for the airports market are assembled in Cavotec's own Centers of Excellence in Los Angeles, Cypress in the US (fuel hydrant pits, fuel high point vent and fuel low point drain pits, prefabricated isolation valve pits and vault access covers, point of use and central PCA and point of use and central 400Hz), Dietzenbach in Germany (aircraft ground connection system including hatch and pop up pits for distributing ground power, air, potable water, compressed air and 400Hz cable assemblies) and Stockton on Tees in the UK (fuel hydrant pits, fuel high point vents pits, fuel low point drain pits, prefabricated isolation valve pits and vault access covers and fueling pantographs).

Customers

Cavotec's customers and end users within the airports market are airport operators, the military, airlines and aircraft manufactures such as Airbus, Boeing Corporation, Bombardier, Dubai International Airport, The Emirates Group, Frankfurt Airport, Heathrow International Limited, Lufthansa AG, ThyssenKrupp, Paris Charles de Gaulle Airport, and the US Air Force among others.

Revenue split by segment, Q3 2018 YTD¹⁾



1) Information gathered from the Company's unaudited quarterly report for the third quarter 2018.

Sales

Cavotec's solutions for the airport market are mainly marketed through the internal sales offices worldwide. In some markets, the solutions are also marketed through local intermediaries.

Cavotec Industry

Cavotec supports customers in a wide variety of industrial sectors, such as energy, processing and transportation, surface and underground mining, and tunnelling. Cavotec's product offering for the industry and mining sectors includes motorised and spring driven cable and hose reels, human operator interface systems, radio remote controls, power connectors, and power units, slip rings and cables.

Production

The solutions for industry application are assembled in Cavotec's own Centers of Excellence in Milan, Italy (motorised reels and sliprings), Overath, Germany (spring driven reels and sliprings), Hausen, Germany (radio remote control and human operator interface systems), and Supply Chain Centre in Shanghai, China (motorised reels and sliprings).

Customers

Cavotec's customers and end users within the industry sector are primarily OEM and mining and tunnelling companies, but its solutions may be used in a variety of sectors. Customers include Sandvik, Epiroc, Terex, Manitowoc, Sany, Rio Tinto Group, BHP Billiton Limited, Caterpillar Inc., General Electric, Robbins Company, ThyssenKrupp AG, Vale S.A, and Zoomlion Limited among others.

Sales

Cavotec's solutions for industry applications are mainly marketed through the internal sales offices worldwide. In some markets, the solutions are also marketed through local intermediaries.

Ports & Maritime

Cavotec's Ports & Maritime division, develops and manufactures automation and electrification technologies for the global ports and maritime sector. Cavotec's product offering for the ports and maritime sectors includes automated mooring, shore power technologies, E-charging systems for ferries, crane electrification solutions that connect and electrify STS, RTG, ASC, RMG and mobile harbour cranes, motorised cable reels, cable protection and power connection systems, radio remote control, connectors and sliprings units.

Production

The solutions for the ports and maritime market are assembled in Cavotec's own Centers of Excellence in Milan, Italy (cable reels, automated mooring), and Supply Chain Centre in Shanghai, China (shore power, cable reels).

Customers

Cavotec's customers and end users within the ports and maritime sector are OEMs, ports, shipping lines, terminals, and EPC contractors. Customers include Konecranes, ZPMC, ABB, A.P. Möller, Port of Los Angeles, Port of Singapore, China Harbour Engineering, MSC and DP World among others.

Sales

Cavotec's solutions for the Ports and Maritime market are mainly marketed through the internal sales offices worldwide. In some markets, the solutions are also marketed through local intermediaries.

SERVICES

Cavotec's local sales offices located worldwide, are backed by the Company's engineering centers and are ready to respond to any service and support request from customers. The Service Division helps customers increase the life cycle of Cavotec's systems and reduce operating costs. Cavotec sees its service offering as a key element of its long-term working partnership with customers.

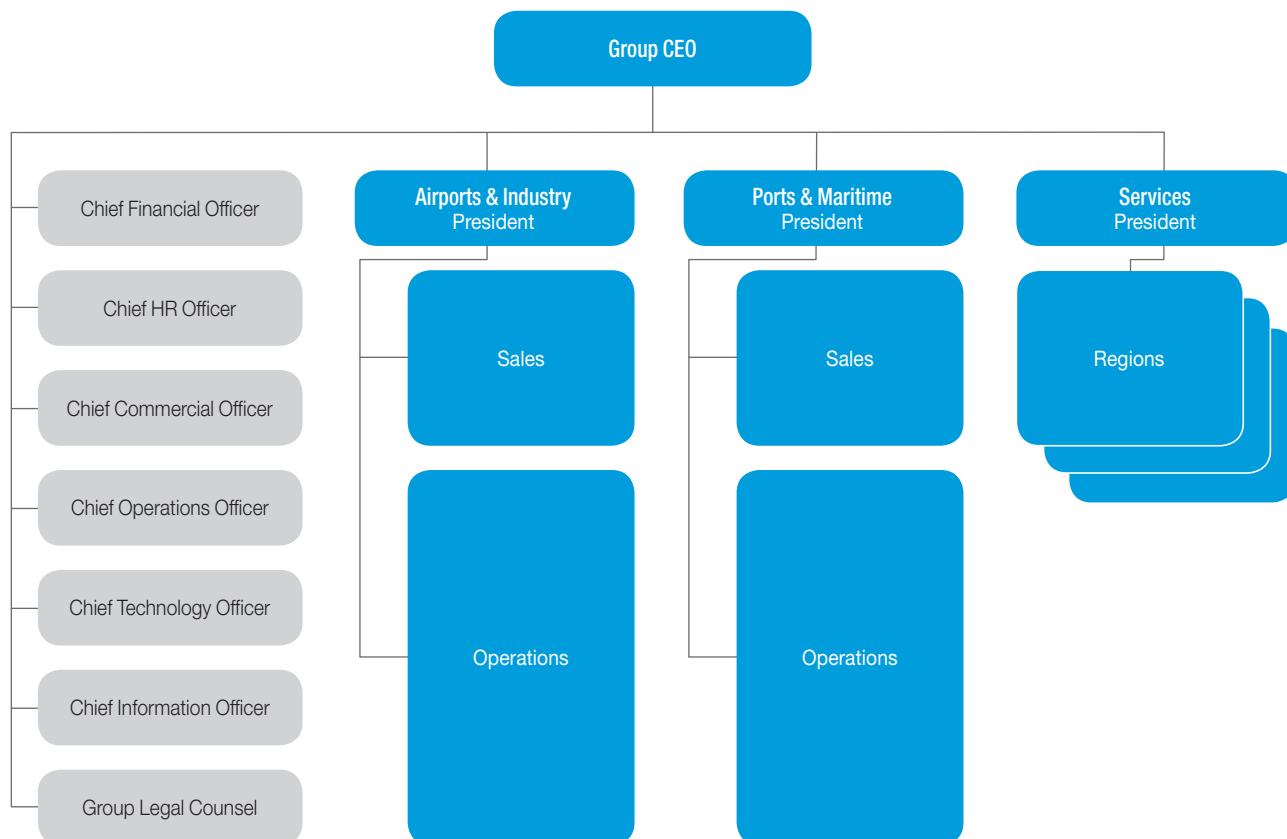
Support services are offered around the world and around the clock within the following fields:

- Commissioning.
- Parts and repairs.
- Inspection, assessments and training.
- Preventive and corrective maintenance.
- Service agreements.
- Refurbishment and upgrades.

ORGANISATION

Since the beginning of 2018, Cavotec is organised in three business divisions with clear profit and loss ownership, from product development through to sales and delivery. These are Airports & Industry, Ports & Maritime, and Services. The Services Division provides spare parts and services to the customers of the two other Divisions.

As support to the Division's there are central support functions that work across the divisions. These include for example Finance and HR.



Headcount	30 Sep 2018	2017	2016	2015
Internal	904	940	953	962
External	64	48	61	116
Total	968	988	1,014	1,078

HISTORY

Cavotec has grown steadily to become a global engineering group supplying customers worldwide. Below follows a snapshot of the Company's progress.

1974	<ul style="list-style-type: none"> ● Specimas AB is incorporated in Sweden as a sales agent to Specimas SpA.
1976	<ul style="list-style-type: none"> ● Specimas AB is renamed Cavotec AB.
1984	<ul style="list-style-type: none"> ● Cavotec AB acquires Specimas SpA.
1997	<ul style="list-style-type: none"> ● Cavotec acquires Alfo Apparatebau GmbH in Germany. ● Incorporation of Cavotec's sales company in Singapore.
1999	<ul style="list-style-type: none"> ● Cavotec acquires Metool Pty Ltd. in Australia and RMS Enrouleurs SA in France. ● Incorporation of Cavotec's sales company in Denmark.
2002	<ul style="list-style-type: none"> ● Cavotec acquires Gantrex Group in Canada, South Africa and the US.
2004	<ul style="list-style-type: none"> ● Cavotec acquires Fladung GmbH in Germany and Micro-control AS in Norway.
2007	<ul style="list-style-type: none"> ● Cavotec and Mooring Systems Limited announce their intention of merging their business interests through a reverse acquisition in a share for share transaction. ● Cavotec MSL is listed on the New Zealand Stock Exchange. ● Group Corporate Office is established in Switzerland.
2008	<ul style="list-style-type: none"> ● Cavotec acquires Dabico Group in US and UK, Meyerinck GmbH in Germany and Gantrex operations.
2011	<ul style="list-style-type: none"> ● Incorporation of Cavotec's sales companies in Spain and Brazil. ● Cavotec acquires INET Group in the US. ● Cavotec SA is listed on NASDAQ OMX Stockholm.
2017	<ul style="list-style-type: none"> ● The Group confirmed its leadership in automated mooring and charging for electric ferries, with the first connection of an Elektra battery powered vessel in Finland. ● Mikael Norin is appointed CEO as of 1 July 2017. ● A New Day is launched, an internal transformation plan consisting of 50 projects focused on every aspect of how the Group operates.
2018	<ul style="list-style-type: none"> ● Cavotec signs two landmark orders; a MEUR 8 order for the Bahrain International Airport modernisation and a MEUR 9 order for automated mooring of electric ferries in Norway. ● Cavotec strengthens its executive team with the recruitments of a new Chief Human Resources Officer, a President of Cavotec Services, a Chief Operations Officer, and a Group Vice President for Project and Program Management. ● In May Cavotec opens its new production facility in Milan. ● The "One Cavotec culture" and identity is established. This includes new clear core values Integrity, Accountability, Performance, and Teamwork. ● At the beginning of October, Cavotec announces the second phase in the ongoing transformation of the Company with a restructuring programme to address structural inefficiencies in the Group caused by a historically fragmented organisation.

GROUP STRUCTURE DEVELOPMENT

Cavotec Group Holding was the parent company of the Group until 2007, when it was acquired through a reverse takeover by Cavotec MSL who then became the Parent company of the Group. In 2011, Cavotec SA acquired Cavotec MSL through another reverse takeover and became the parent company of the Group, which it remains today.

CORPORATE SOCIAL RESPONSIBILITY

As a global engineering group, with operations in many parts of the world, Cavotec considers the continued development of its CSR goals and initiatives as integral elements of the Group’s future success. The Company actively seeks to conduct business responsibly and hence ensuring it contributes to a more sustainable and more equitable world. Cavotec is committed to meet its CSR objectives towards its customers, suppliers, employees, investors and society as a whole. In December 2015, the Cavotec Board of Directors formulated a new vision and business concept that incorporated an updated Code of Conduct based on the UN Global Compact, underlining the Group’s commitment to CSR.

Clear business ethics

Cavotec believes sound business ethics play an integral role in all of its transactions and relationships with customers, suppliers, and others. As a multinational group, it is crucially important Cavotec’s staff conduct their work with sensitivity and exemplary ethical behaviour at all times. Cavotec employees are given a copy of the Cavotec Code of Conduct, which provides detailed guidelines on ethical standards, cultural differences and business practices. Also in 2017, Cavotec added a Group Legal Counsel and Compliance Officer to the Group to ensure the compliance to CSR within the Group. Trainings on Anti-Fraud and Anti-Bribery FCPA Compliance were rolled out to the employees and more Compliance trainings are foreseen for the near future to. Further, Cavotec introduced new policies to formalise the Company’s commitment to all stakeholders:

Anti-fraud
Anti-bribery
Environment
Equal opportunities & diversity
Human rights
“In society”
Operational Health & Safety
Quality

To support the implementation and fulfilment of the above policies, Cavotec has also implemented a whistleblower system. Cavotec’s Code of Conduct outlines the principles and standards that Cavotec expects and requires all its employees and directors to observe and uphold. It summarises the internal policy documents related to business ethics, quality, and social and environmental responsibility. Key targets and performance indicators in terms of CSR objectives are defined at a group level and implemented through a steering committee, which is comprised of the EMT and key business and product managers throughout the Group.

Progress and actions in 2017

Cavotec is improving the safety for its employees

Cavotec seeks to continuously improve the safety and quality of its manufacturing processes. For example, Cavotec Airports USA initiated the implementation of SQDEC (Safety Quality Delivery Employee Cost) dashboard. During a daily “Gemba walk”, each manufacturing team leader assesses, reports and presents the status and incidents in his area related to safety, quality, delivery and resources. Acting with full transparency and with the aid of easy colour codes, team leaders hang the dashboards visibly in the workshop. The updates are consolidated monthly to help work out corrective actions. The initiative was started in January 2017 and has already resulted in a strong improvement of manufacturing KPIs and employee safety. A dedicated programme – Safety 2021 – was launched in November 2017 to implement key initiatives identified thanks to the implementation of SQDEC. Following initial positive results, other Cavotec sites will progressively implement the SQDEC approach.

Cavotec acting for the community

Cavotec continued to support a wide variety of cultural and educational events. For example, since its establishment in 2011, Cavotec has supported the Orchestra dei Popoli in Milan. The orchestra works for the social inclusion of Roma children living in Milan. In 2017, Cavotec initiated Education Days in Germany to promote education and apprenticeships. The Education Day, which was organised in September, gathered 6 mechanical and electrical apprentices from Cavotec Industry Germany and Cavotec Airports Germany, as well as their trainers. The apprentices had the opportunity to learn more about Cavotec’s business and understand Cavotec’s training programme.

Cavotec acting for the environment

As part of efforts to support the Group’s commitment to sustainable operations, the construction of the new Cavotec facility in Nova Milanese incorporate the latest standards and state-of-the-art technologies. The building’s insulation has been done in accordance with the latest environmental norms, and the facility includes 230kW of solar power generation as well as geothermal technology and LED lighting. Energy consumption is expected to be 44 per cent lower compared to previous facilities. Cavotec is also actively promoting its programme to make electric vehicle (EV) charging stations available at its offices and manufacturing sites. Charging stations are available at Cavotec Airports USA in Cypress, Cavotec UK in Stockton On-Tees, along with three stations at Cavotec Industry in southern Sweden and one station in Cavotec Industry Germany. Cavotec Ports & Maritime Italy’s new facility will also include charging stations for electric vehicles.

Selected financial information

The selected consolidated financial information presented below has been derived from Cavotec's audited consolidated financial statements for the years ended 2017, 2016 and 2015, and have been prepared in accordance with IFRS, unless otherwise stated. The information has also been derived from the reviewed interim report for January – September 2018, prepared in accordance with IFRS (IAS 34, which includes the minimum content of an interim financial report that is in compliance with IFRS).

In addition, the prospectus contains certain key figures that have not been defined in accordance with IFRS. These financial key figures have been neither reviewed nor audited by the Company's auditor. Cavotec believes that, to a large extent, these key figures are used by certain investors, securities analysts and other interest parties as supplementary measures of earnings trend and financial condition. Cavotec's key figures that have not been defined in accordance with IFRS are not necessarily comparable with similar measures presented by other companies and, as analysis tools, are subject to certain restrictions. Accordingly, they should not be considered separately from, or as a substitute for, Cavotec's financial information prepared in accordance with IFRS.

Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company's auditor as outlined herein originates from the Company's internal accounting and reporting systems.

The following information should be read in conjunction with section "Operating and financial review" and Cavotec's audited consolidated financial statements and the reviewed interim report for January – September 2018 including the related notes.

INCOME STATEMENT

EUR 000's	1 Jan – 30 Sep 2018 Unaudited IFRS	1 Jan – 30 Sep 2017 Unaudited IFRS	1 Jan – 31 Dec 2017 Audited IFRS	1 Jan – 31 Dec 2016 Audited IFRS	1 Jan – 31 Dec 2015 Audited IFRS
Revenue from sales of goods and services	148,145	155,760	212,360	211,518	232,223
Other income	2,474	2,888	4,187	8,745	5,982
Cost of materials	-70,518	-82,371	-107,931	-97,965	-113,580
Employee benefit costs	-47,357	-50,526	-65,866	-64,964	-68,132
Operating expenses	-32,191	-26,896	-36,428	-39,959	-44,130
Gross Operating Result	553	-1,146	6,322	17,375	12,363
Depreciation and amortisation	-3,305	-4,338	-4,334	-5,094	-4,768
Impairment losses	-	-	-19,986	-	-
Operating Result	-2,752	-5,484	-17,998	12,281	7,595
Interest income	62	160	259	764	52
Interest expenses	-1,511	-1,199	-1,702	-1,850	-1,312
Currency exchange differences – net	1,530	-2,713	-3,409	77	6,484
Other financial item	-	-242	-242	-	-
Profit / Loss before income tax	-2,671	-9,478	-23,092	11,272	12,819
Income taxes	-2,393	-1,879	-8,679	-4,788	-6,695
Profit / Loss for the period	-5,064	-11,357	-31,771	6,484	6,124
Other comprehensive income:					
Remeasurements of post employment benefit obligations	-13	34	18	122	-113
Items that will not be reclassified to profit or loss	-13	34	18	122	-113
Currency translation differences	-2,328	-5,573	-6,084	1,168	-973
Items that may be subsequently reclassified to profit / loss	-2,328	-5,573	-6,084	1,168	-973
Other comprehensive income for the year, net of tax	-2,341	-5,538	-6,066	1,290	-1,086
Total comprehensive income for the year	-7,405	-16,895	-37,837	7,774	5,038
Total comprehensive income attributable to:					
Equity holders of the Group	-7,406	-16,891	-37,833	7,773	5,035
Non-controlling interest	1	-4	-4	1	3
Total	-7,405	-16,895	-37,837	7,774	5,038
Profit attributed to:					
Equity holders of the Group	-5,064	-11,357	-31,771	6,484	6,124
Total	-5,064	-11,357	-31,771	6,484	6,124
Basic and diluted earnings per share attributed to the equity holders of the group (EUR/Share)	-0.065	-0.145	-0.405	0.083	0.078
Average number of shares	78,451,825	78,415,813	78,415,902	78,475,939	78,475,939

BALANCE SHEET

EUR 000's	30 Sep 2018 Unaudited IFRS	30 Sep 2017 Unaudited IFRS	31 Dec 2017 Audited IFRS	31 Dec 2016 Audited IFRS	31 Dec 2015 Audited IFRS
ASSETS					
Current assets					
Cash and cash equivalents	14,786	16,905	28,718	14,982	20,812
Trade receivables	45,672	40,696	40,958	51,585	62,431
Tax assets	720	658	914	1,096	1,035
Other current receivables (including contract assets)	15,781	22,055	10,630	6,086	7,339
Inventories	42,341	41,720	36,819	40,213	45,065
Assets held for sale	3,211	3,816	4,815	3,953	–
Total current assets	122,511	125,850	122,854	117,915	136,682
Non current assets					
Property, plant and equipment	23,178	19,636	18,168	22,060	26,736
Intangible assets	53,309	71,818	52,971	75,124	71,534
Non-current financial assets	272	269	264	299	289
Deferred tax assets	10,634	20,010	9,294	20,425	19,005
Other non-current assets	7,351	7,240	7,134	7,763	5,731
Total non-current assets	94,744	118,973	87,831	125,671	123,295
Total assets	217,255	244,823	210,685	243,586	259,977
EQUITY AND LIABILITIES					
Current liabilities					
Bank overdrafts	–	–	–	–	–202
Current financial liabilities	–2,246	–2,212	–2,873	–3,801	–2,661
Trade payables	–43,471	–34,795	–33,585	–30,047	–38,048
Tax liabilities	–1,970	–2,007	–1,110	–3,630	–4,012
Provision for risk and charges, current	–9,911	–6,409	–5,362	–6,123	–5,484
Other current liabilities	–12,077	–11,154	–9,676	–11,109	–15,149
Total current liabilities	–69,675	–56,577	–52,606	–54,710	–65,556
Non-current liabilities					
Non-current financial liabilities	–43,317	–51,129	–45,627	–32,952	–43,345
Deferred tax liabilities	–2,599	–6,651	–2,813	–6,854	–6,359
Other non-current liabilities	–653	–586	–777	–351	–215
Provision for risk and charges, non-current	–6,259	–4,537	–4,387	–3,269	–4,632
Total non-current liabilities	–52,828	–62,903	–53,604	–43,426	–54,551
Total liabilities	–122,503	–119,480	–106,210	–98,136	–120,107
Equity					
Equity attributable to owners of the parent	–94,724	–125,316	–104,448	–145,418	–139,840
Non-controlling interests	–28	–27	–27	–32	–30
Total equity	–94,752	–125,343	–104,475	–145,450	–139,870
Total equity and liabilities	–217,255	–244,823	–210,685	–243,586	–259,977

CASH FLOW

EUR 000's	1 Jan – 30 Sep 2018 Unaudited IFRS	1 Jan – 30 Sep 2017 Unaudited IFRS	1 Jan – 31 Dec 2017 Audited IFRS	1 Jan – 31 Dec 2016 Audited IFRS	1 Jan – 31 Dec 2015 Audited IFRS
Profit / Loss for the year	-5,064	-11,357	-31,771	6,484	6,124
Adjustment for:					
Net interest expenses	1,171	796	1,123	763	1,096
Current taxes	3,875	2,494	2,438	5,403	6,990
Depreciation and amortisation	3,305	4,338	4,334	5,093	4,768
Impairment losses	-	-	19,986	-	-
Deferred tax	-1,482	-615	6,241	-615	-295
Provision for risks and charges	6,805	5,407	1,613	-268	2,887
Capital gain or loss on assets	-259	-112	-119	-153	-45
Other items not involving cash flows	-1,211	3,659	3,410	-643	-5,688
Interest paid	-1,180	-698	-1,110	-742	-1,114
Taxes paid	-2,819	-3,681	-4,874	-5,845	-6,088
Total adjustments	8,205	11,588	33,042	2,993	2,511
Cash flow before change in working capital	3,141	231	1,271	9,477	8,635
Impact of changes in working capital					
Inventories	-6,345	-6,503	1,372	2,356	-5,393
Trade receivables	-4,123	11,758	11,309	11,095	-3,774
Other current receivables	-5,156	-15,964	-4,595	893	-621
Trade payables	9,886	4,748	3,630	-7,980	5,138
Other current liabilities	2,414	-58	-1,143	-3,883	978
Long term receivables and liabilities	-344	760	1,017	-1,828	-5,231
Impact of changes in working capital	-3,668	-5,259	11,590	653	-8,903
Net cash inflow / outflow from operating activities	-528	-5,028	12,861	10,130	-268
Financial activities					
Proceeds of loans and borrowings	6,621	19,877	16,063	345	10,097
Repayments of loans and borrowings	-9,979	-1,560	-2,649	-10,252	-2,308
Capital reduction	-1,357	-3,605	-3,539	-2,156	-3,777
Purchase of own shares	-	-	-	-347	-
Net cash inflow / outflow from financial activities	-4,715	14,712	9,875	-12,410	4,012
Investing activities					
Investments in property, plant and equipment	-6,981	-1,692	-2,112	-2,409	-3,173
Investment in intangible assets	-895	-1,540	-1,585	-1,859	-651
Sales of non-current financial assets	-	-	-	-	-25
Increase in other assets	-1	-	-	-	-
Disposal of assets	228	204	207	287	1,767
Net cash outflow from investing activities	-7,649	-3,028	-3,490	-3,981	-2,082
Cash at the beginning of the year	28,718	14,982	14,982	20,610	17,071
Cash flow for the year	-12,891	6,656	19,246	-6,261	1,662
Currency exchange differences	-1,041	-4,733	-5,510	633	1,877
Cash at the end of the year	14,786	16,905	28,718	14,982	20,610
Cash comprises:					
Cash and cash equivalents	14,786	16,905	27,718	14,982	20,812
Bank overdrafts	-	-	-	-	-202
Total	14,786	16,905	27,718	14,982	20,610

SEGMENT INFORMATION

Operating segments have been determined on the basis of the Group management structure in place and on the management information and used to make strategic decisions.

In 2016, the Group organization was based on geographic regions. The principal regional grouping which constituted operating segments were: AMER (US, Canada, Mexico, Central and South America), EMEA (Europe, including Russia, Middle East and Africa) and APAC (East Asia, South Asia, South East Asia including Singapore and Oceania), as well as HQ (parent company, sub-holdings and the service companies).

In January 2017, alongside the implementation of the new Strategic Plan, the Group introduced a new organizational structure based on two Business Units: "Ports & Maritime" and "Airports & Industry". These two business units are also operating segments.

The corresponding amounts as of 1 January – 31 December, 2016 have been restated to the new basis. For 1 January – 31 December 2015, the Company has not produced audited figures for the current segment structure, which is why this period is shown in accordance with the previous segment structure, as outlined above, and is not comparable with the other periods.

EUR 000's	1 Jan – 30 Sep 2018 Unaudited IFRS	1 Jan – 30 Sep 2017 Unaudited IFRS	1 Jan – 31 Dec 2017 Audited IFRS	1 Jan – 31 Dec 2016 Audited IFRS
Revenue from sales of goods and services				
Ports & Maritime	49,091	56,734	79,715	95,094
Airports & Industry	99,054	99,026	132,645	116,424
Other reconciling items	–	–	–	–
Total	148,145	155,760	212,360	211,518
Other income				
Ports & Maritime	808	1,189	1,868	1,685
Airports & Industry	1,666	1,699	2,319	2,240
Other reconciling items	–	–	–	4,820
Total	2,474	2,888	4,187	8,745
Cost of materials and operating expenses before depreciation and amortisation				
Ports & Maritime	–49,336	–61,043	–80,769	–86,370
Airports & Industry	–96,264	–94,025	–123,110	–109,452
Other reconciling items	–4,466	–4,725	–6,346	–7,066
Total	–150,066	–159,793	–210,225	–202,888
Gross operating result				
Ports & Maritime	563	–3,120	814	10,409
Airports & Industry	4,456	6,700	11,854	9,212
Other reconciling items	–4,466	–4,725	–6,346	–2,246
Total	553	–1,146	6,322	17,375

1 January – 31 December 2015						
EUR 000's	AMER	EMEA	APAC	HQ	Group elimination	Total
Revenue from sales of goods and services	51,930	201,865	81,065	–	–102,637	232,223
Other income	722	7,634	5,806	4,622	–12,802	5,982
Cost of materials and operating expenses before depreciation and amortisation	–62,809	–198,511	–77,727	–2,437	115,642	–225,842
Gross operating result	–10,157	10,988	9,144	2,185	203	12,363

KEY INFORMATION AND DATA¹⁾

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
Operational key figures					
Order intake	167,266	150,105	194,618	216,396	229,699
Order book	104,691	97,534	85,577	103,325	98,443
Financial, income statement					
Revenue from sales of goods and services	148,145	155,760	212,360	211,518	232,223
EBITDA excluding non-recurring items impacting EBITDA	7,101	5,940	13,925	16,945	15,680
EBITDA excluding non-recurring items impacting EBITDA, %	4.8%	3.8%	6.6%	8.0%	6.8%
EBITDA	553	-1,146	6,322	17,375	12,363
EBITDA, %	0.4%	-0.7%	3.0%	8.2%	5.3%
EBIT excluding non-recurring items impacting EBIT	3,798	2,689	9,587	12,077	10,912
EBIT excluding non-recurring items impacting EBIT, %	2.6%	1.7%	4.5%	5.7%	4.7%
EBIT	-2,752	-5,484	-17,998	12,281	7,595
EBIT, %	-1.9%	-3.5%	-8.5%	5.8%	3.3%
Result for the period	-5,064	-11,357	-31,771	6,484	6,124
Financial, balance sheet					
Net debt	-31,227	-37,180	-20,441	-22,713	-26,695
Equity/assets ratio	43.6%	51.2%	49.6%	59.7%	53.8%
Leverage ratio	2.07x	2.34x	1.47x	1.34x	1.70x
Financial, cash flow					
Operating cash flow	-528	-5,028	12,861	10,130	-268
Data per share					
Basic and diluted earnings per share, EUR	-0.065	-0.145	-0.405	0.083	0.078
Dividends per share*	-	-	-	-	-

* Cavotec has not distributed any dividends in the last five years. However, nominal capital reductions have been carried out, please see section "Share capital development".

1) For definitions, see section "Selected financial information" below.

FINANCIAL DEFINITIONS OF ALTERNATIVE KEY FIGURES NOT DEFINED BY IFRS

Defined by IFRS	Definition	Explanation
Basic and diluted earnings per share, EUR	Net results attributable to shareholders of Cavotec divided by average number of shares outstanding during the period.	

Not defined by IFRS	Definition	Explanation
OPERATIONAL KEY FIGURES		
Order intake	Value of orders received during the period.	Provides a useful measurement of the Company's ability to increase revenue.
Order book	Value of binding orders signed with customers but not yet delivered that represent future revenue.	Provides a useful measurement of the total value of orders not yet delivered to the Company's customers.

FINANCIAL, INCOME STATEMENT

Non-recurring items impacting EBITDA	Adjustments for restructuring activities of an entity and reversals of any provision for the cost of restructuring is defined under IFRS; disposals of non-current assets; disposals of assets associated with discontinued operations; extraordinary provisions; on-going litigation costs.	Separating non-recurring items provides investors with a useful tool to measure the Company's ongoing operations.
Non-recurring items impacting EBIT	Adjustments for restructuring activities of an entity and reversals of any provision for the cost of restructuring is defined under IFRS; disposals of non-current assets; disposals of assets associated with discontinued operations; extraordinary provisions; on-going litigation costs; as well as asset write-offs.	Separating non-recurring items provides investors with a useful tool to measure the Company's ongoing operations.
EBIT	Operating result, as stated in the Income Statement in section "Income Statement".	EBIT provides a measurement of the Company's profitability.
EBIT, %	Operating result as a percentage of revenue from sales of goods and services.	The EBIT margin is a useful measure to assess the Company's profitability, taking into account depreciation, amortisation and impairment losses.
EBITDA	Operating result before depreciation and amortisation and impairment losses. Stated as Gross Operating Result in section "Income Statement".	EBITDA provides a measurement of the Company's profitability before depreciation, amortisation and impairment losses.
EBITDA, %	EBITDA as a percentage of revenue from sales of goods and services.	The EBITDA margin is a useful measurement to assess the Company's underlying profitability.
EBITDA excluding non-recurring items impacting EBITDA	EBITDA excluding non-recurring items that impacts EBITDA.	EBITDA excluding non-recurring items provides a measurement of the Company's profitability in its ongoing operations.
EBITDA excluding non-recurring items impacting EBITDA, %	EBITDA excluding non-recurring items that impacts EBITDA as a percentage of revenue from sales of goods and services.	The EBITDA margin excluding non-recurring items is a useful measurement to assess the Company's underlying profitability, taking into account non-recurring items.
EBIT excluding non-recurring items impacting EBIT	EBIT excluding non-recurring items that impacts EBIT.	EBIT excluding non-recurring items provides a useful measurement to assess the Company's underlying profitability, excluding non-recurring items but including depreciation and amortisation.
EBIT excluding non-recurring items impacting EBIT, %	EBIT excluding non-recurring items that impacts EBIT as a percentage of revenue from sales of goods and services.	The EBITDA margin excluding non-recurring items is a useful measurement to assess the Company's underlying profitability, taking into account non-recurring items, but including depreciation and amortisation.

Selected financial information

FINANCIAL, BALANCE SHEET		
Senior net debt	All interest bearing indebtedness that is not subordinated, minus liquid assets.	Provides a measurement of the Company's senior debt.
Net debt	The sum of cash and cash equivalents, current financial assets, bank overdraft, short-term debt and long-term debt.	Net debt shows the Company's total debt situation.
Equity/assets ratio	Defined as total equity as a percentage of total assets.	Equity/assets ratio provides a measurement of the share of the Company's balance sheet that is constituted by equity.
Leverage ratio	Defined as senior net debt divided by EBITDA excluding non-recurring items impacting EBITDA.	Leverage ratio provides a measurement of the Company's senior net debt in relation to the underlying profitability, defined as EBITDA excluding non-recurring items.

FINANCIAL, CASH FLOW		
Operating cash flow	Underlying cash flow from ongoing operations, defined as cash flow before change in working capital including changes in net working capital and excluding investment and financing activities.	Operating cash flow provides a useful measurement of the cash generation of the Company's ongoing operations.

RECONCILIATION TABLES

Non-recurring items impacting EBITDA

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
Restructuring costs	-433	-1,069	-1,486	-1,444	-353
Litigation costs	-6,959	-177	-317	-560	-2,965
Non-recurring income	844	485	500	4,820	-
Other non-current items	-	-6,325	-6,300	-2,386	-
Non-recurring items impacting EBITDA	-6,548	-7,086	-7,603	430	-3,319

Non-recurring items impacting EBIT

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
Restructuring costs	-433	-1,069	-1,486	-1,444	-353
Litigation costs	-6,959	-177	-317	-560	-2,965
Non-recurring income	844	485	500	4,820	-
Other non-current items	-	-6,325	-6,300	-2,386	-
Asset write-offs	-	-1,086	-19,982	-227	-
Non-recurring items impacting EBIT	-6,548	-8,172	-27,585	204	-3,319

EBITDA

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
Operating Result (EBIT)	-2,752	-5,484	-17,998	12,281	7,595
(+) Depreciation and amortisation	3,305	4,338	4,334	5,094	4,768
(+) Impairment losses	-	-	19,986	-	-
EBITDA	553	-1,146	6,322	17,375	12,363
<i>EBITDA, %</i>	<i>0.4%</i>	<i>-0.7%</i>	<i>3.0%</i>	<i>8.2%</i>	<i>5.3%</i>

EBITDA excluding non-recurring items

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
EBITDA	553	-1,146	6,322	17,375	12,363
(-) Non-recurring items impacting EBITDA	6,548	7,086	7,603	-430	3,319
EBITDA excluding non-recurring items	7,101	5,940	13,925	16,945	15,680
<i>EBITDA excluding non-recurring items, %</i>	<i>4.8%</i>	<i>3.8%</i>	<i>6.6%</i>	<i>8.0%</i>	<i>6.8%</i>

EBIT excluding non-recurring items

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
EBIT	-2,752	-5,484	-17,998	12,281	7,595
(-) Non-recurring items impacting EBIT	6,548	8,172	27,585	-204	3,319
EBIT excluding non-recurring items	3,798	2,689	9,587	12,077	10,912
<i>EBIT excluding non-recurring items, %</i>	<i>2.6%</i>	<i>1.7%</i>	<i>4.5%</i>	<i>5.7%</i>	<i>4.7%</i>

Operating cash flow

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
Cash flow before change in working capital	3,141	231	1,271	9,477	8,635
Impact of changes in working capital	-3,668	-5,259	11,590	653	-8,903
Operating cash flow	-527	-5,028	12,861	10,130	-268

Net debt

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
Cash and cash equivalents	14,786	16,905	28,718	14,982	20,812
Current financial assets	83	78	80	83	12
Bank overdraft	-	-	-	-	-202
Short-term debt	-2,246	-2,212	-2,873	-3,801	-2,661
Long-term debt	-43,850	-51,950	-46,365	-33,977	-44,656
Net debt	-31,227	-37,180	-20,441	-22,713	-26,695

Equity/assets ratio

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
(+) Equity	94,752	125,343	104,475	145,450	139,870
Total assets	217,255	244,823	210,685	243,586	259,977
Equity/assets ratio (%)	43.6%	51.2%	49.6%	59.7%	53.8%

Leverage ratio

EUR 000's	1 Jan – 30 Sep 2018	1 Jan – 30 Sep 2017	1 Jan – 31 Dec 2017	1 Jan – 31 Dec 2016	1 Jan – 31 Dec 2015
EBITDA excluding non-recurring items impacting EBITDA	15,086	15,906	13,925	16,945	15,680
Credit facility	-39,571	-50,542	-45,691	-32,345	-41,373
Obligations under finance lease agreements	-4,887	-139	-124	-234	-151
Other interest-bearing debt	-1,622	-3,456	-3,403	-5,164	-5,945
Cash and cash equivalents	14,786	16,905	28,718	14,982	20,812
Senior net debt	-31,294	-37,232	-20,500	-22,761	-26,657
(-) Leverage ratio	2.07x	2.34x	1.47x	1.34x	1.70x

Operating and financial review

The information presented below should be read in conjunction with section "Selected financial information" and the Company's audited consolidated financial statements and any reviewed interim financial statement for the period 2015 to 2018. The information below contains forward-looking statements that are subject to various risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of many different factors, including, but not limited to, those described in this Prospectus, including those in the section "Risk factors" and elsewhere in this Prospectus. The audited consolidated financial statements and the unaudited interim report for January – September 2018 have been prepared in accordance with IFRS (IAS 34, which includes the minimum content of an interim financial report that is in compliance with IFRS).

PERIOD ON PERIOD COMPARISON

Comparison between January – September 2018 and January – September 2017

Revenues

Cavotec's revenue from sales of goods and services decreased from MEUR 155.8 in January – September 2017 to MEUR 148.1 in January – September 2018, representing a decrease of –4.9 per cent. The decrease in revenue from sales of goods and services was mainly due to a soft order book at the end of 2017 and to some extent continuing start-up issues in the Company's new production facility in Italy. Negative FX currency exchange differences also had an impact. During the same period, the Company's other income declined by MEUR 0.4, from MEUR 2.9 in January – September 2017 to MEUR 2.5 in January – September 2018. Other income consisted primarily of carriage, insurance and freight.

Costs

Cost of materials decreased in January – September 2018 compared to the corresponding period in 2017, from MEUR –82.4 to MEUR –70.5, a decrease of –14.4 per cent, largely explained by improved operational profitability and better general cost control.

Employee benefit costs decreased by –6.3 per cent from MEUR –50.5 in January – September 2017 to MEUR –47.4 in January – September 2018. Employee costs were primarily lower as a result of the implementation of the transformation plan, leading to higher efficiency.

Other operating expenses, consisting primarily of external services, travelling expenses, general expenses, rent and leasing, as well as warranty costs, increased from MEUR –26.9 in January – September 2017 to MEUR –32.2 in January – September 2018.

Depreciation and amortization was MEUR –1.0 lower, amounting to MEUR –3.3 in January – September 2018, compared to MEUR –4.3 in January – September 2017. The decrease was primarily due to extraordinary write-offs performed in the first nine months of 2017.

Operating result

Despite lower revenues, Cavotec's operating result, or EBIT, improved from MEUR –5.5 in January – September 2017 to MEUR –2.8 in January – September 2018. This was a direct result of Cavotec's transformation program, A New Day, which resulted in higher quality decision making and new processes improving cost control in the Company, along with the reasons outlined under *Revenues* and *Costs* above.

Net financial items and currency exchange differences

Interest expenses increased during the period, from MEUR –1.2 in January – September 2017 to MEUR –1.5 in January – September 2018 due to a higher level of interest-bearing debt.

Net currency exchanges differences amounted to MEUR 1.5 in January – September 2018, compared to MEUR –2.7 in January – September 2017. The positive net currency effect in January – September 2018 is in line with the fluctuation of our main currencies.

Profit / Loss before income taxes

Loss before income tax amounted to MEUR –2.7 in January – September 2018, a significant improvement from January – September 2017, when loss before income tax amounted to MEUR –9.5. The reason for the improvement are provided under *Net financial items and currency exchange differences* and *Operating results* above.

Profit / Loss for the period and income taxes

Income taxes amounted to MEUR –2.4 in January – September 2018, an increase by MEUR 0.5 compared to January – September 2017, when income taxes amounted to MEUR –1.9. Combined with the background and reasons provided in *Profit / Loss before income taxes* above, this resulted in an improvement in Profit / Loss for the period over the periods, amounting to MEUR –5.0 in January – September 2018 and MEUR –11.4 in January – September 2017.

Cash flow

Cash flow before change in working capital amounted to MEUR 3.1 in January – September 2018, an increase by MEUR 2.9 compared to January – September 2017, when cash flow before changes in working capital amounted to MEUR 0.2. The increase was primarily due to changes in Profit / Loss for the periods.

Impact of changes in working capital was MEUR –3.7 in January – September 2018 compared to MEUR –5.3 in January – September 2017. The difference can be explained primarily by changes in trade receivables amounting to MEUR –4.1 in January – September 2018, compared to MEUR 11.8 in January – September 2017. The difference in change in trade receivables between the periods was due to higher outstanding accounts receivable in 2017 due to the delivery of longer and more complex projects.

Net cash from financial activities amounted to MEUR –4.7 in January – September 2018, compared to MEUR 14.7 in January – September 2017. The change was caused by proceeds from

loans amounting to MEUR 19.9 in January – September 2017, compared to MEUR 6.6 in January – September 2018, with repayments of loans and borrowings amounting to MEUR –1.6 and MEUR –9.9 in the respective periods. Furthermore, in 2017, the amount of the capital reduction to the shareholders was MEUR 3.6 compared to MEUR 1.4 in 2018.

Cash flow from investing activities increased by MEUR 4.6 over the periods, amounting to MEUR –7.6 in January – September 2018, compared to MEUR –3.0 in January – September 2017. This was due to investments in property, plant and equipment increasing from MEUR –1.7 in January – September 2017 to MEUR –7.0 in January – September 2018, largely related to investments in the new production facility in Italy. Cash flow for the period decreased from EUR 6.7 in January – September 2017 to MEUR –12.9 in January – September 2018, for the reasons explained in this section, *Cash flow*.

Liquidity and financial position

As of 30 September 2018, Cavotec's total equity amounted to MEUR 94.8, compared to MEUR 125.3 as of 30 September 2017. The decrease of MEUR 30.5 was primarily due to extraordinary operational write-offs performed in October – December 2017, including a goodwill impairment of MEUR 18.3. Cash and cash equivalents decreased by MEUR –2.1 over the periods, amounting to MEUR 14.8 and MEUR 16.9 as of 30 September 2018 and 30 September 2017 respectively. The decrease was primarily attributable to the circumstances described in *Cash flow* above. The Company's net debt amounted to MEUR –31.3 as of 30 September 2018, compared to MEUR –37.2 as of 30 September 2017.

Comparison between the years 2017 and 2016

Revenues

Cavotec's revenue from sales of goods and services increased from MEUR 211.5 in 2016 to MEUR 212.4 in 2017, representing an increase of 0.4 per cent. The increase in revenue from sales of goods and services was largely due to an increase in revenue from sales of goods and services in the Airport and Industry division more than offsetting a decline in the Ports & Maritime segment.

Costs

Cost of materials increased over the period, from MEUR –98.0 in 2016 to MEUR –107.9 in 2017, an increase of 10.2 per cent, largely explained by an inventory write-off of MEUR 4.8. Employee benefit costs increased by 1.4 per cent from MEUR –65.0 in 2016 to MEUR –65.9 in 2017. Other operating expenses decreased from MEUR –40.0 in 2016 to MEUR –36.4 in 2017. The decrease was partly due to credit losses, amounting to MEUR –0.0 in 2017, compared to MEUR –2.7 in 2016.

Depreciation and amortization was MEUR 0.8 lower, amounting to MEUR –4.3 in 2017, compared to MEUR –5.1 in 2016. In 2017, impairment losses amounted to MEUR –20.0, compared to no impairment losses in 2016. The impairment losses in 2017 constituted an impairment of goodwill in relation to the acquisition of INET Airport Systems Inc., made in 2011 and other fixed assets write-offs.

Operating result

Cavotec's operating result, or EBIT, declined from MEUR 12.3 in 2016 to MEUR –18.0 in 2017. The decline was attributable to the reasons outlined under *Revenues* and *Costs* above, with the impairment losses in 2017 being the primary contributor.

Net financial items and currency exchange differences

Interest expenses decreased during the period, from MEUR –1.9 in 2016 to MEUR –1.7 in 2017. Net currency exchange differences amounted to MEUR –3.4 in 2017, compared to MEUR 0.1 in 2016.

Profit / Loss before income taxes

Loss before income tax amounted to MEUR –23.1 in 2017 compared to MEUR 11.3 in 2016. The reasons for the development are provided under *Net financial items and currency exchange differences* and *Operating results* above.

Profit / Loss for the period and income taxes

Income taxes amounted to MEUR –8.7 in 2017, an increase by MEUR 3.9 compared to 2016, when income taxes amounted to MEUR –4.8. The higher income taxes were due to impact of change in United States Corporate Tax rate amounting to MEUR –2.8 in 2017 and write-down of previously recognized deferred tax assets on losses carried forward in the United States amounting to MEUR –3.8 in 2017. Combined with the background and reasons provided in *Profit / Loss before income taxes* above, this resulted in a decline in Profit / Loss for the period over the years, amounting to MEUR –31.7 in 2017 and MEUR 6.5 in 2016.

Cash flow

Cash flow before change in working capital amounted to MEUR 1.3 in 2017, a decrease by MEUR –8.2 compared to 2016, when cash flow before changes in working capital amounted to MEUR 9.5. The decrease was primarily due a lower gross operating result for the period.

Impact of changes in working capital was MEUR 11.6 in 2017 compared to MEUR 0.7 in 2016. The difference between the periods was due to an efficient working capital management.

Net cash impact financial activities amounted to MEUR 9.9 in 2017, compared to MEUR –12.4 in 2016, representing an increase of MEUR 22.3. The change was caused primarily by an increase in the utilization of the revolving credit facility amounting to MEUR 0.3 in 2016, compared to MEUR 16.1 in 2017, with repayments of loans and borrowings amounting to MEUR –10.3 and MEUR –2.6 in the respective years.

Cash flow from investing activities decreased by MEUR 0.5, amounting to MEUR –3.5 in 2017, compared to MEUR –4.0 in 2016. Both investments in property, plant and equipment as well as investment in intangible assets were MEUR 0.3 lower in 2017 compared to 2016. Cash flow for the period increased from MEUR –6.3 in 2016 to MEUR 19.3 in 2017, for the reasons explained in this section, *Cash flow*.

Liquidity and financial position

As of 31 December 2017, Cavotec's total equity amounted to MEUR 104.5, compared to MEUR 145.4 as of 31 December 2016. The decrease of MEUR 40.9 was primarily due to the loss for the period as described in *Profit / Loss for the period and income taxes* above. Cash and cash equivalents increased by MEUR 13.7 over the periods, amounting to MEUR 28.7 and MEUR 15.0 as of 31 December 2017 and 31 December 2016 respectively. The increase was primarily attributable to the circumstances described in *Cash flow* above. The Company's net debt amounted to MEUR –20.4 as of 31 December 2017, compared to MEUR –22.7 as of 31 December 2016.

Comparison between the years 2016 and 2015

Revenues

Cavotec's revenue from sales of goods and services decreased from MEUR 232.2 in 2015 to MEUR 211.5 in 2016, representing a decrease of –8.9 per cent. The decrease in revenue from sales of goods and services was largely due to a decline in Cavotec's oil and gas business and postponements and delays in major projects, both in ports and airports.

Costs

Cost of materials decreased over the period, from MEUR –113.6 in 2015 to EUR –98.0 in 2016, a decrease of –13.7 per cent, largely explained by the decrease in sales of goods and services, but also by business restructuring in Norway, Germany and the US. Employee benefit costs decreased by –4.6 per cent from MEUR –68.1 in 2015 to MEUR –65.0 in 2016. Other operating expenses decreased from MEUR –44.1 in 2015 to MEUR –40.0 in 2016. The decrease was primarily due to a reduction in general expenses and travelling expenses.

Depreciation and amortization was MEUR 0.3 higher, amounting to MEUR –5.1 in 2016, compared to MEUR –4.8 in 2015.

Operating result

Cavotec's operating result, or EBIT, improved from MEUR 7.6 in 2015 to MEUR 12.3 in 2016, despite lower revenues. The reasons are outlined under *Revenues* and *Costs* above.

Net financial items and currency exchange differences

Interest expenses increased during the period, from MEUR –1.3 in 2015 to MEUR –1.9 in 2016.

Net currency exchanges differences amounted to MEUR 0.1 in 2016, compared to MEUR 6.5 in 2015.

Profit / Loss before income taxes

Profit before income tax amounted to MEUR 11.3 in 2016 compared to MEUR 12.8 in 2015. The reason for the slight decline are provided under *Net financial items and currency exchange differences* and *Operating results* above.

Profit / Loss for the period and income taxes

Income taxes amounted to MEUR –4.8 in 2016, a decrease by MEUR 1.9 compared to 2015, when income taxes amounted to MEUR –6.7. The lower income taxes were due to lower current taxes in 2016 compared to 2015. Combined with the background and reasons provided in *Profit / Loss before income taxes* above, this resulted in an improvement in Profit / Loss for the period over the periods, amounting to MEUR 6.5 in 2016 and MEUR 6.1 in 2015.

Cash flow

Cash flow before change in working capital amounted to MEUR 9.5 in 2016, an increase by MEUR 0.9 compared to 2015, when cash flow before changes in working capital amounted to MEUR 8.6. The increase was primarily due to the increase in gross operating result for the period.

Impact of changes in working capital was MEUR 0.7 in 2016 compared to MEUR –8.9 in 2015. The difference can be explained primarily by changes in accounts receivables amounting to MEUR 11.1 in 2016, compared to MEUR –3.8 in 2015. The difference was due to the implementation of a successful procedure for the collection of overdue receivables.

Net cash impact from financial activities amounted to MEUR –12.4 in 2016, compared to MEUR 4.0 in 2015. The change was caused by proceeds of loans and borrowings amounting to MEUR 10.1 in 2015, compared to MEUR 0.3 in 2016, with repayments of loans and borrowings amounting to MEUR –2.3 and MEUR –10.3 in the respective years.

Cash flow from investing activities decreased by MEUR 1.9, amounting to MEUR –4.0 in 2016, compared to MEUR –2.1 in 2015. This was primarily due to disposal of assets, amounting to MEUR 0.3 in 2016, compared to MEUR 1.8 in 2015. In 2015, disposals of assets constituted primarily the sale of a building in Germany. Cash flow for the period decreased from MEUR 1.7 in 2015 to MEUR –6.3 in 2016, for the reasons explained in this section, *Cash flow*.

Liquidity and financial position

As of 31 December 2016, Cavotec's total equity amounted to MEUR 145.5, compared to MEUR 139.9 as of 31 December 2015. The increase of MEUR 5.6 was primarily due to the profit for the period as described in *Profit / Loss for the period and income taxes* above. Cash and cash equivalents decreased by MEUR 5.8 over the periods, amounting to MEUR 15.0 and MEUR 20.8 as of 31 December 2016 and 31 December 2015 respectively. The decrease was primarily attributable to the circumstances described in *Cash flow* above. The Company's net debt amounted to MEUR –22.7 as of 31 December 2016, compared to MEUR –26.7 as of 31 December 2015.

Capitalization, indebtedness and other financial information

The tables in this section describe the Company's capitalization and indebtedness at Group level as of 30 September 2018. See section "Share capital and ownership structure" for further information about the Company's share capital and shares. The tables in this section should be read in conjunction with section "Operating and financial review" and the Company's financial information, including the related notes, which may be found elsewhere in this Prospectus.

CAPITALIZATION

EUR 000'	Per 30 September 2018
Current debt	
Guaranteed	0
Secured ¹⁾	-1,268
Unguaranteed/unsecured	-979
Total current debt	-2,246
Non-current debt	
Guaranteed	-39,571
Secured ²⁾	-4,262
Unguaranteed/unsecured	-17
Total non-current debt (excluding the current debt as part of the non-current debt)	-43,850
Shareholders' equity	
Share capital	-82,339
Legal reserve	0
Other reserves	-12,413
Total equity	-94,752

- 1) The security relates to short-term property loans and current financial leasing.
2) The security relates to long-term property loans and non-current financial leasing.

HISTORIC INVESTMENTS

The table below summarises Cavotec's historic investments in tangible and intangible assets. The historic investments primarily relates to investments in the new production facility in Italy, investment in a test room for product testing in 2015 as well as capital-

EUR 000'	1 Jan–30 Sep 2018 Unaudited IFRS	1 Jan–30 Sep 2017 Unaudited IFRS	1 Jan–31 Dec 2017 Unaudited IFRS	1 Jan–31 Dec 2016 Unaudited IFRS	1 Jan–31 Dec 2015 Unaudited IFRS
Investment in the production facility in Italy	5,500	300	1,100	145	0
Investment in Test Room	0	0	0	0	1,200
Capitalised expenditure for research and development	570	600	700	1,400	100
Other investments in tangible and intangible assets	1,806	2,332	1,897	2,723	2,524
Total	-7,876	-3,232	-3,697	-4,268	-3,824

NET INDEBTEDNESS

Cavotec's net indebtedness as of 30 September 2018 is presented in the table below. The table only includes interest bearing liabilities. As of 30 September 2018 the Company has no indirect indebtedness. As of 30 September 2018 the Company has contingent indebtedness related to the US litigation amounting to MEUR 6.8.

EUR 000'	Per 30 September 2018
(A) Cash	14,786
(B) Cash equivalents	0
(C) Trading securities	0
(D) Liquidity (A)+(B)+(C)	14,786
(E) Current financial receivables	83
(F) Current bank debt	-1,192
(G) Current portion of non-current debt	0
(H) Other current financial debt	-1,055
(I) Other current financial debt (F)+(G)+(H)	-2,246
(J) Net current financial indebtedness (I)-(E)-(D)	12,623
(K) Non-current bank loans	-40,001
(L) Bonds issued	0
(M) Other current financial debt	-3,849
(N) Non-current financial indebtedness (K)+(L)+(M)	-43,850
(O) Net financial indebtedness (J)+(N)	-31,227

STATEMENT ON WORKING CAPITAL

It is Cavotec's assessment that the existing working capital is adequate to the current needs for the next twelve-month period. In this context, the term working capital refers to Cavotec's ability to access cash in order to meet its payment obligations as they become due.

ised expenditure for research and development. Other investments in tangible and intangible assets are for example investments in office equipment, licenses, plant improvements and machinery. No significant investments have been made from 30 September 2018 up to the date of the publication of this Prospectus.

CURRENT AND FUTURE INVESTMENTS

In June 2016, Cavotec entered into a preliminary rent agreement for a new production facility in Italy with Toselli SpA, which has signed a lease agreement with UBI Leasing SpA for the purchase of the land and the construction of the new warehouse. For Cavotec, the total rental payment for the 12 year period will amount to the total cost of the underlying land and the construction of the warehouse, paid in 24 instalments, 4 of which will be paid in advance at the beginning of the contract. The annual impact on EBIT for 2018–2030 is estimated to MEUR 1.5. These investments will be financed through cash flow from the Company's operating activities.

BANK FINANCING

On June 2015, Cavotec SA entered into a syndicated credit facility agreement regulated by Swiss law with UBS Switzerland AG (master lead), Banca IMI S.p.A., HSBSC Bank plc., London, Zurich Branch, SEB AG, Intesa Sanpaolo S.p.A., Banca dello Stato del Cantone Ticino and Banca Coop AG maturing in 2020. The agreement includes (i) Facility A, a committed senior revolving credit facility in the amount of MEUR 70 and (ii) Facility B, a senior

revolving bank guarantee facility in the amount of MEUR 25, which can be extended to MEUR 100 and MEUR 30 respectively. The syndicated loan facility bears interest for each interest period at a rate per annum equal to EURIBOR/LIBOR plus a variable margin which will be adjusted every quarter to reflect any changes in the leverage ratio. The facility agreement is subject to certain restrictive covenants, including, but not limited to, additional borrowing, certain financial ratios, limitations on acquisitions and disposals of assets.

In addition to the syndicated credit facility agreement, Cavotec SA has an uncommitted credit facility with Corner Banca SA in Lugano amounting to CHF 5 million and signed in August 2012.

Cavotec has, through Cavotec Group Holdings N.V., a bank overdraft facility on the EUR pool account at SEB AB (Frankfurt Branch) amounting to MEUR 0.9.

SIGNIFICANT CHANGES SINCE 30 SEPTEMBER 2018

On 2 November 2018, the intention to carry out the present right issue was announced.

Board of Directors, executive management and auditor

BOARD OF DIRECTORS

Cavotec's Board of Directors consists of six ordinary members, including the chairman of the board, with no deputy board members, all of whom are elected for the period up until the end of the annual shareholders' meeting 2019. The table below shows

the members of the Board of Directors, when they were first elected and whether they are considered to be independent of the Company and/or the major shareholders.

Name	Position	Member since	Independent of	
			The Company and executive management	The major shareholders
Patrik Tigerschiöld	Chairman	2014	Yes	No
Fabio Cannavale	Board member	2010	Yes	No
Roberto Italia	Board member	2018	Yes	Yes
Erik Lautmann	Board member	2007	Yes	Yes
Heléne Mellquist	Board member	2016	Yes	Yes
Helena Thrap-Olsen	Board member	2016	Yes	Yes



PATRIK TIGERSCHIÖLD

Born 1964. Swedish citizen, resident in Stockholm, Sweden. Board member since 2014 and Chairman of the board since 2018. Member of the Nomination Committee, Audit Committee and Remuneration Committee.

Education: Patrik Tigerschiöld holds an M.Sc. in Business and Economics.

Other current assignments: Chairman of Bure Equity AB and Mycronic AB. Member of the Board of Directors of Bure Financial Services AB, Ovzon AB, Självregleringen i Sverige Service AB, Anna Kirtap AB, Idevall & Partners Holding AB and Idevall & Partners Fonder AB.

Previous assignments (last five years): Member of the Board of Directors of Stockholm University and Mercuri International Group AB.

Shareholding in the Company:

Patrik Tigerschiöld holds 100,000 shares in the Company.



FABIO CANNAVALE

Born 1965. Italian citizen, resident in Collina d'Oro, Switzerland. Board member since 2010.

Education: Fabio Cannavale holds a diploma in engineering from Politecnico di Milano and an MBA from INSEAD, Fontainebleau, France.

Other current assignments: CEO of Last-minute.com group (LMN.SW). Member of the Board of Directors of a number of private companies associated with his investment activities.

Previous assignments (last five years): –

Shareholding in the Company:

Fabio Cannavale holds 7,298,046 shares in the Company, (through Nomina SA, in which Fabio, together with related parties, hold 100 per cent of the shares).



ROBERTO ITALIA

Born 1966. Italian citizen, resident in Collina d'Oro, Switzerland. Board member since 2018. Member of the Audit Committee.

Education: Roberto Italia graduated cum laude in Business and Economics from LUISS, Rome (Italy) and has an MBA with distinction from INSEAD, Fontainebleau (France).

Other current assignments: Chairman of Avio (AVIO.MI). Member of the Board of Directors of lastminute.com Group (LMN.SW) and of a number of private companies associated with his investment activities.

Previous assignments (last five years): Partner at Cinven.

Shareholding in the Company:

Roberto Italia does not hold any shares or warrants in the Company.



ERIK LAUTMANN

Born 1950. Swedish citizen, resident in Stockholm, Sweden. Board member since 2007. Chairman of the Remuneration Committee.

Education: Erik Lautmann holds a BSc from the Stockholm School of Economics.

Other current assignments: Chairman of PAXXO AB. Member of the Board of Directors of Radela and Bostadsrättsföreningen Isbjörnen 35. Fellow of the Royal Swedish Academy of Engineering Sciences (IVA).

Previous assignments (last five years): Chairman of MYBW gruppen Holding AB, Attendo AB and Actic AB.

Shareholding in the Company: Erik Lautmann holds 107,802 shares in the Company.



HELÉNE MELLQUIST

Born 1964. Swedish citizen, resident in Göteborg, Sweden. Board member since 2016. Chairman of the Audit Committee.

Education: Heléne Mellquist holds a BA in International Business Administration at the University of Gothenburg and completed the Executive Program IFL at Stockholm School of Economics.

Other current assignments: Senior vice president of Volvo Trucks International. Member of the Board of Directors of Thule Group AB.

Previous assignments (last five years): Managing director of TransAtlantic AB, CFO of Rederi AB TransAtlantic and Volvo Lastvagnars International division.

Shareholding in the Company: Heléne Mellquist does not hold any shares or warrants in the Company.



HELENA THRAP-OLSEN

Born 1954. French citizen, resident in Paris, France. Board member since 2016. Member of the Remuneration Committee.

Education: Helena Thrap-Olsen holds a M.A. in Philosophy from Paris University and an International Marketing degree at INSEAD.

Other current assignments: Director of HO, an independent Management consulting company specialised in global pooling and outsourcing organisation programs.

Previous assignments (last five years): Director Organisation at Veolia.

Shareholding in the Company: Helena Thrap-Olsen does not hold any shares or warrants in the Company.

EXECUTIVE MANAGEMENT

**MIKAEL NORIN**

Born 1963. Swedish and US citizen, resident in Lugano, Switzerland. CEO since 2017.

Education: Mikael Norin holds a B.Sc. in Business Administration and Economics with a specialisation in International Business from Lund University.

Other current assignments: Chairman of the Board, Quant AB.

Previous assignments (last five years): President of Rolls-Royce Marine Services. Principal at CMN Corporate Advisors LLC.

Shareholding in the Company: Mikael Norin holds 96,248 shares in the Company.

**KRISTIINA LEPPÄNEN**

Born 1969. Finnish citizen, resident in Montagnola, Switzerland. CFO since 2015.

Education: Kristiina Leppänen holds a Master of Business Administration in International Finance from the Helsinki School of Economics and a Bachelor of Business Administration from the University of South Carolina.

Other current assignments: –

Previous assignments (last five years): CFO of GS-Hydro and of Marioff Corporation Oy.

Shareholding in the Company: Kristiina Leppänen holds 10,000 shares in the Company.

**PATRICK BAUDIN**

Born 1971. Canadian and French citizen, resident in Porlezza, Italy. President Services Division since 2018.

Education: Patrick Baudin holds an MBA from HEC School of Business, Paris (France) and a Bachelor in Mechanical Engineering from McGill University, Montreal (Canada).

Other current assignments: –

Previous assignments (last five years): President and member of the Board of Directors of GE Renewable Energy Canada Inc. and ALSTOM SITCA Canada Inc., Member of the Board of Directors for ALSTOM General Turbo SA (Romania).

Shareholding in the Company: Patrick Baudin does not hold any shares or warrants in the Company.

**GIORGIO LINGIARDI**

Born 1958. Italian citizen, resident in Genoa, Italy. Group Chief Information Officer since 2013.

Education: Giorgio Lingiardi holds a degree in Mechanical Engineering from the University of Genoa and is a member of the Italian Institution of Engineers.

Other current assignments: –

Previous assignments (last five years): Project Engineer at Ansaldo Sistemi Industriali.

Shareholding in the Company: Giorgio Lingiardi holds 63,202 shares in the Company.

**RENÉ MELDEM**

Born 1966. Swiss citizen, resident in Vevey, Switzerland. Chief Human Resources Officer since 2018.

Education: René Meldem holds a Master in Mechanical Engineering from the Ecole Polytechnique Fédérale de Lausanne and an MBA from HEC School of Management Lausanne.

Other current assignments: Member of the Board of Directors of the Institut Philantropos in Fribourg, Switzerland.

Previous assignments (last five years): Head of Group Human Resources Bobst Group SA.

Shareholding in the Company: René Meldem does not hold any shares or warrants in the Company.

**GUSTAVO MILLER¹⁾**

Born 1964. Australian citizen, resident in Hong Kong. Division President, Ports & Maritime since 2007.

Education: Gustavo holds a degree in Mechanical Engineering from the Catholic University of Cordoba, Argentina.

Other current assignments: –

Previous assignments (last five years): Managing Director at Impsa Malaysia. General Manager Tower Cranes Division at Lindores Group in Australia.

Shareholding in the Company: Gustavo Miller holds 79,595 shares in the Company.

1) Gustavo Miller has decided to leave the Group, but will remain in his position until the end of the year. An internal and external search for his successor has started.



PATRICK ROSENWALD

Born 1970. Australian and Dutch citizen, resident in Vedano al Lambro, Italy. Group Chief Technical Officer since 2015.

Education: Patrick Rosenwald holds a Bachelor of Engineering (Mechanical), and a Graduate Diploma in Business from Curtin University, Western Australia, and is a Member of The Australian Institution of Engineers.

Other current assignments: Country Manager, Cavotec Specimas SpA.

Previous assignments (last five years): Managing Director, Cavotec Specimas SpA. Managing Director, Cavotec MoorMaster Ltd.

Shareholding in the Company:

Patrick Rosenwald holds 147,334 shares in the Company.



ISABELLE SCHERER-FRIEDHOFF

Born 1977. German citizen, resident in Origlio, Switzerland. Group Legal Counsel & Group Compliance Officer since 2017.

Education: Isabelle Scherer-Friedhoff is attorney at law. She attended the University of Duesseldorf, was admitted to the Courts in Duesseldorf and obtained a Dr.iur. with a specialization in IP law.

Other current assignments: –

Previous assignments (last five years):

Corporate Counsel for Clariant International Ltd in Basel, Switzerland. Legal Counsel for a Caterpillar Company in Riazzino, Switzerland.

Shareholding in the Company:

Isabelle Scherer-Friedhoff does not hold any shares or warrants in the Company.



JUERGEN STROMMER

Born 1970. German citizen, resident in Dubai, UAE. Division President, Airports & Industry since 2018.

Education: Juergen holds a degree in Mechanical Engineering from May Eyth TH, Kirchheim/Teck, and a degree in Business Management from GARP Stuttgart.

Other current assignments: –

Previous assignments (last five years):

BU COO Airports & Industry in Cavotec; COO EMEA in Cavotec; MD and RM MEAI in Cavotec.

Shareholding in the Company:

Juergen Strommer holds 125,135 shares in the Company.



MARTIN RIEGGER

Born 1966. Canadian and German citizen, resident in Sorengo, Switzerland. COO and Group SVP Operations since July 2018.

Education: Martin Riegger holds a Degree in Business-Engineering (Dipl. Wirtschaftsingenieur) from the University of Applied Sciences, Giessen-Friedberg, Germany.

Other current assignments: –

Previous assignments (last five years):

Vice President and General Manager of Engine Products West of GKN Aerospace. Director of Operations Europe and Managing Director of the Walterscheid GmbH. Vice President Global Operations and Vice President Commercial Vehicle Products Europe of Eberspächer Exhaust Systems GmbH.

Shareholding in the Company:

Martin Riegger does not hold any shares or warrants in the Company.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

There are no family ties between any of the members of the Board of Directors or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of Directors and executive management of the Company and their private interests and/or other undertakings.

During the last five years, none of the members of the Board of Directors or the members of the executive management have (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy, (iii) been the subject to accusations and/or sanctions by any agency authorized by law or regulation (including approved professional organisations) or (iv) been prohibited by a court of law from being a member of any company's administrative, management or supervisory body or from holding a senior or overarching position of any company.

All members of the Board of Directors and the members of the executive management are available at the Company's main office at Via Serafino Balestra 27, CH-6900 Lugano, Switzerland.

AUDITOR

PricewaterhouseCoopers SA has been the Company's auditor during the financial years 2015–2017 and was, at the annual shareholders' meeting 2018, re-elected until the end of the annual shareholders' meeting 2019. Daniel Anliker is the auditor in charge. He is a certified audit expert and a member of EXPERT-suisse (professional institute for authorized public accountants). PricewaterhouseCoopers's office address is Via della Posta 7, CH-6901 Lugano, Switzerland. PricewaterhouseCoopers has been auditor throughout the entire period which the historic financial information in this Prospectus covers.

CORPORATE GOVERNANCE

Since Cavotec 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").

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 already aware of will as far as possible be explained in this Prospectus or otherwise in the Company's corporate governance report which will be drawn up for the 2018 financial year annual report.

Modalities of communication with the shareholders

Notices of the Company shall be made by letter or by publication in the Swiss Commercial Gazette.

Board of Directors

The composition of the Board of Directors is set out in Section "Board of Directors, management and auditors" and the members of the Board are elected by the shareholders' meeting for the period until the end of the next annual 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 Chairperson 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 ultimate 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.

Currently, the Company's Board of Directors consists of six ordinary members elected by the shareholders' meeting, who are presented in section "Board of Directors, executive management and auditor".

Board committees

The Board of Directors currently has two Board committees, the Nomination Committee and the Audit Committee. Furthermore, the shareholders' meeting has constituted a Remuneration Committee. 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).

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 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 Board members to 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, judgement and the ability to work with other Board members).

The current members of the Nomination Committee in Cavotec are Henrik Blomquist (representing Bure Equity AB), Thomas Ehlin (representing The Fourth Swedish National Pension Fund), Fabio Cannavale (representing Nomina SA), Stefan Widegren (representing the Founding Shareholders) 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. Members of the Audit Committee shall comprise members of the Board appointed by the Board and in accordance with the Code. The members of the Audit Committee shall be not less than three, all of whom shall be Board members with a majority to be independent Board members. One member must have a financial or accounting background.

The current members of the Audit Committee in Cavotec are Heléne Mellquist (Chairman), Patrik Tigerschiöld, and Roberto Italia.

Remuneration committee

The main purpose of the Remuneration Committee is to act as remuneration committee pursuant to Federal Ordinance of 20 November 2003 against excessive compensation with respect to listed corporations (so-called "Minder Ordinance"). The Remuneration Committee shall regularly review, and recommend changes to Board members' remuneration to ensure that it is at an appropriate level, and effectively managed, to best advance the business objectives of Cavotec and assist the Board of Directors in the establishment of remuneration policies and practices for, and in discharging the Board of Directors responsibilities relative to remuneration setting and review of, the Company's CEO, other senior executives, and Board members. The compensation plans should reflect market conditions in the various countries where Cavotec is operating.

The current members of the Remuneration Committee in Cavotec are Erik Lautmann (Chairman), Patrik Tigerschiöld and Helena Thrap-Olsen.

Remuneration to the members of the Board of Directors, CEO and executive management

Remuneration to the Board of Directors during the 2017 financial year

The remuneration to the members of the Board of Directors in Cavotec SA, is, in deviation from the Code, resolved by the Board of Directors as set out in the Articles of Association. Furthermore, the yearly shareholders' meeting approves the total maximum aggregate remuneration for the Board of Directors for the following business year. In addition, Board members may receive remuneration for consultancy services provided to the Company. None of the members of the Board of Directors are entitled to any benefits when resigning from the Board, in their capacity as Board members. However, Board members may be entitled to benefits according to employment or consultancy agreements that will continue even if the Board member would resign as Board member. The table below presents an overview of remuneration to the Board of Directors elected by the shareholders for the 2017 financial year.

Name	Board fees	Short-term employee benefits	Post-employment benefits	Consultancy	Total 2017	Total 2016
Fabio Cannavale	33,750	–	–	–	33,750	35,000
Leena Essén ¹⁾	8,750	113	243	–	9,106	36,717
Nicola Gerber	7,500	255	379	–	8,134	32,652
Roberto Italia ²⁾	–	–	–	–	–	–
Erik Lautmann ³⁾	38,800	585	1,261	8,800	49,446	40,613
Heléne Mellquist	39,500	1,408	2,096	–	43,004	32,245
Ottonel Popesco	–	231,279	39,046	–	270,325	–
Helena Thrap-Olsen ⁴⁾	35,000	1,248	1,857	5,000	43,105	28,572
Patrik Tigerschiöld ⁵⁾	40,000	1,426	2,122	–	43,548	43,537
Stefan Widegren (Chairman) ⁶⁾	110,000	90,162	–	66,313	266,475	379,964

1) Lena Essen and Nicola Gerber did not stand for re-election as Board members at OGM March 2017.

2) Roberto Italia was elected on the general shareholders meeting 2018. No previous board fees or other remuneration has been paid.

3) Erik Lautmann through Radel AB, has provided consulting services to the Group totalling EUR 9 thousand.

4) Helena Thrap-Olsen through H.O S.a.S, has provided consulting services to the Group totalling EUR 5 thousand.

5) During 2017 Patrik Tigerschiöld has been compensated with EUR 43,548 in his capacity as Board member.

6) Stefan Widegren through Solden Sagl, has provided consulting services to the Group totalling EUR 66 thousand.

Current employment agreements for the CEO and other executive management

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other members of the executive management have been resolved by the Board of Directors. Furthermore, each year the shareholders' meeting approves the maximum total remuneration for the CEO, relating to the next business year.

The table below presents an overview of remuneration to the CEO and other members of executive management for the 2017 financial year. Their total remuneration, including salary and other short-term benefits, amounted to a total of EUR 3,566 thousand (2016: 3,105).

Agreements concerning pensions shall, wherever possible, be based on fixed premiums and must be in accordance with the levels, practice and collective bargaining agreements applicable in the country where the relevant member of the executive management is employed.

A mutual period of notice of twelve months applies for the CEO. For members of the executive management, a mutual period of notice of six to 24 months applies. The CEO has a non-compete clause effective for 12 months after termination of employment with compensation amounting to one year base salary, and variable remuneration based on average annual compensation for the last three years. With regard to other members of the executive management, they are entitled to severance pay amounting to between 0–24 months' base salary.

Name	Short term employee benefits	Post-employment benefits	Other long term benefits	Share based payment	Total
Chief Executive Management ¹⁾	777	281	–	13	1,071
Executive Management Team	2,250	138	–	107	2,495
Total	3,027	419	–	120	3,566

1) The CEO remuneration shows the cumulative amounts for Mikael Norin and former CEO Ottonel Popesco.

Auditing

The auditor shall review the Company's annual reports and accounting, as well as the management of the Board of Directors and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the annual shareholders' meeting.

The Company's auditor is PricewaterhouseCoopers SA, with Daniel Anliker as auditor in charge. The Company's auditor is presented in more detail in section "*Board of Directors, executive management and auditor*".

In 2017, the total remuneration of the Company's auditors amounted EUR 725,000.

Share capital and ownership structure

GENERAL INFORMATION

Pursuant to the Company's articles of association, Cavotec's share capital amounts to CHF 100,526,080 and is divided into 78,536,000 fully paid registered shares, and which are freely transferrable. Each share has a par value of CHF 1.28. As of 31 December 2017, the Company held 87,585 treasury shares, corresponding to 0.11 per cent of the total share capital.

The offered shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year. The Principal Owner has undertaken the commitments which are stated in section "*Legal considerations and supplementary information – Subscription undertakings and underwriting commitments*" in relation to the Principal Owner.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The offered shares are all of the same class. The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swiss law.

Voting rights

Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

Preferential rights to new shares etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Rights to dividends and balances in case of liquidation

All shares give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.

Resolutions regarding the appropriation of profits are taken at shareholders' meetings. All shareholders on the record date adopted by the shareholders' meeting shall be entitled to dividends. Payments will be managed by Euroclear Sweden for shareholders that are registered through a securities register held by Euroclear Sweden and by SIX SIS AG. Dividends are normally distributed to shareholders as a cash sum per share through Euroclear Sweden or SIX SIS AG, but may also be paid out in kind and not in cash. Dividends are subject to 5-year prescription rules. Upon prescription, the dividend falls to the Company. Dividends are not cumulative. There are no restrictions on the right to dividends for shareholders domiciled outside Switzerland. There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. However, shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax, see also section "*Tax issues in Sweden*".

TREASURY SHARES

At 31 December 2017, Cavotec held treasury shares amounting to 87,585, equal to 0.11 per cent of the total share capital. A reserve for treasury shares of CHF 212 thousand equal to 87,585 shares at CHF 2.42 has been established. During the year, according to the LTIP 2014 plan, 32,602 shares were allocated to the employees of the Group. The average selling price was EUR 3.12 each.

THE OFFERING

On 2 November 2018, Cavotec announced a fully underwritten rights issue of MSEK 204. Not more than 15,707,200 new ordinary shares shall be issued. Assuming full subscription, the number of ordinary shares in the Company will increase from 78,536,000 ordinary shares to 94,243,200 ordinary shares and the nominal share capital will increase from CHF 100,526,080 to CHF 120,631,296, representing an increase of 20 per cent. For existing shareholders who do not participate in the Offering, a dilution effect arises corresponding to 16.7 per cent of the total number of ordinary shares and votes in the Company after the Offering.

Those who on the record date, 5 December 2018, were registered shareholders of Cavotec in the share registers administrated by SIX SIS and Euroclear Sweden have preferential rights to subscribe for new Cavotec shares in proportion to their holdings. The shares was traded excluding the right to participate in the Offering from 4 December 2018. The last day for trading including the right to participate in the Offering was 3 December 2018. For further information regarding the Offering, please see section "*Terms and conditions*".

In connection with the Offering, ABGSC has entered into an agreement with Cavotec under which ABGSC has undertaken to deliver any amount needed to cover the par value of CHF 1.28 per share (i.e. the minimum issue price mandated by Swiss corporate law) in order to effectuate the capital increase, up to a maximum exchange rate of CHF/SEK of 10.156250.

PROVISIONS REGARDING AUTHORISED OR CONTINGENT SHARE CAPITAL AND THE BOARD OF DIRECTORS' RESOLUTION ON THE OFFERING

Provisions regarding authorised or contingent share capital, including the Board of Directors' authorisation to issue new share and increase the share capital, are stipulated in the Articles 4ter to 4octies of the Company's Articles of Association, for further information, please see section "*Articles of Association*".

The Board of Directors resolves as follows, based on the authorization of the shareholders' meeting dated 12 April 2018 (Art. 4quater of the Articles of Association):

- Approval of capital increase.
- Full nominal amount by which the share capital shall be increased: CHF 20,105,216.
- The amount of the contributions: SEK 13.00 per share, i.e. a total of SEK 204,193,600 (to be converted for registration purposes in CHF upon the funds being transferred into the blocked account in the Company's name with a Swiss bank).

- Number, nominal value and type of shares: 15,707,200 registered ordinary shares with a nominal value of CHF 1.28 each.
- Preferential rights of individual categories: none.
- Issue price: the issue price will be SEK 13.00 per share.
- Commencement of dividend entitlement: the newly issued registered shares are entitled to receive dividend payments as of the date of the entry of the capital increase into the Ticino Registry of Commerce.
- Type of contribution: the newly issued registered shares will be fully paid-up by way of contribution in cash for a number of 15,707,200 registered shares with a nominal value of CHF 1.28 each at an issue price of SEK 13.00 each, i.e. totally SEK 204,193,600 (to be converted for registration purposes in CHF upon the funds are transferred into the blocked account in the Company's name with a Swiss bank). The issue price exceeding the nominal value of the subscribed shares shall be booked in the Company's capital contribution reserve as premium.
- Acquisition of assets: none.
- Special benefits: none.
- Transfer restrictions of newly issued registered shares: none.
- Limitation or withdrawal of pre-emptive rights: none. The Board of Directors shall decide on the allotment of not exercised pre-emptive rights.

SHARE CAPITAL DEVELOPMENT

The below table shows historic changes in the Company's share capital since the Company's incorporation, 14 June 2011, and the changes in the number of shares and the share capital which will be made in connection with the Offering.

Description	Date	Shares	Share capital (CHF)
Incorporation	14 June 2011	100,000	100,000
Consolidation of shares – step 1	29 September 2011	100,006	100,006
Consolidation of shares – step 2	3 October 2011	64,520	100,006
Scheme of Arrangement	3 October 2011	71,397,220	110,665,691
Listing on Nasdaq Stockholm	19 October 2011	71,397,220	110,665,691
Reduction share capital	4 May 2012	71,397,220	109,237,747
Reduction share capital	23 April 2013	71,397,220	105,667,886
Reduction share capital	23 April 2014	71,397,220	102,098,025
Increase share capital	19 September 2014	78,536,000	112,306,480
Reduction share capital	22 April 2015	78,536,000	108,379,680
Reduction share capital	22 April 2016	78,536,000	106,023,600
Reduction share capital	29 March 2017	78,536,000	102,096,800

CONVERTIBLES, WARRANTS, ETC.

As of the date of this Prospectus, there are no outstanding warrants, convertibles or other share-related instruments in the Company.

INCENTIVE PROGRAMME

Cavotec's Board of Directors has reviewed current remuneration practices in order to retain and attract talented Senior Executives as well as aligning Senior Executives' and shareholders' interests. As a result of the review, the Board of Directors recommended a share based long-term incentive plan with performance requirements, which was introduced in 2012 (LTIP 2012). The LTIP 2012 was approved by Cavotec's Ordinary General Meeting (OGM) in May 2012 and was subscribed to for over 90 per cent by the selected management. This plan was successfully closed in 2015.

Identical plans (LTIP 2013, 2014, 2015, and 2016) have been approved by the OGM in their respective years. The LTIP 2018

The Board of Directors will accordingly amend respectively delete Article 4quater of the Articles of Association concerning the authorized share capital.

DIVIDEND POLICY

Cavotec's goal is to distribute dividends of approximately 25 per cent of the Group's net profit after tax. Account should however be taken of Cavotec's financial position, cash flow and future prospects.

DIVIDEND RIGHTS

The company has no outstanding dividend rights.

CENTRAL SECURITIES REGISTER

The Company's shares are registered in a CSD register in accordance with the Federal Intermediated Securities Act (FISA). This register is managed by Computershare Switzerland Ltd, Baslerstrasse 90, 4600 Olten, Switzerland. No share certificates have been issued for the Company's shares. The ISIN code for the shares are CH0136071542.

The Company's shares are also registered with SIX SIS AG, Baslerstrasse 100, 4600 Olten, Schweiz, and mirrored in the system administrated by Euroclear Sweden AB, Box 191, SE 101 23 Stockholm, Sweden ("Euroclear Sweden").

has been approved by the Board in February 2018. Like in 2017, the current LTIP will not be presented to the OGM 2018, since it will not require any new issue of shares.

The LTIP is a long-term incentive plan that is aimed at creating a management shareholder culture by allowing selected key employees of the Group to become shareholders of Cavotec. The incentive from the LTIP is expected to be a maximum of 25–30 per cent of the total direct compensation as decided by the Company's Remuneration Committee. Participants have the possibility, but is not obligated to, purchase shares and/or warrants at market value on the stock-market during the investment period as stipulated under each incentive programme. In turn, the Company delivers the shares to participants by utilizing the treasury shares held by Cavotec, or, in respect of the 2018 program, compensate their value by cash, based on the request of the LTIP plan participants.

OWNERSHIP STRUCTURE

The shareholder overview as presented below is based on official registers as of 31 December 2017 and other information that has come to the Company's knowledge.

Shareholder	Shareholding before the Offering		Voting rights
	Number Ordinary shares	Per cent	Per cent
<i>Shareholders with holdings exceeding 5 per cent of the shares</i>			
Bure Equity AB ¹⁾	19,914,837	25.4%	25.4%
Fjärde AP-Fonden	7,608,721	9.7%	9.7%
Lars Hellman (LCL life & Pension)	5,200,000	6.6%	6.6%
Stefan Widegren & family	4,975,000	6.3%	6.3%
Catella Fonder	4,797,827	6.1%	6.1%
Michael Colaco	3,942,946	5.0 %	5.0 %
<i>Shareholding members of the Board of Directors and executive management, and other shareholders</i>			
Fabio Cannavale (Nomina SA)	7,298,046	9.3%	9.3%
Juergen Strommer	125,135	0.2%	0.2%
Patrick Rosenwald	119,258	0.2%	0.2%
Erik Lautmann	107,802	0.1%	0.1%
Mikael Norin	96,248	0.1%	0.1%
Gustavo Miller	79,595	0.1%	0.1%
Giorgio Lingiardi	63,202	0.1%	0.1%
Yann Duclot	26,068	0.0%	0.0%
Kristiina Leppänen	10,000	0.0%	0.0%
Cavotec SA ²⁾	87,585	0.11%	0.11%
Other existing shareholders	24,083,730	30.7%	47.1%
Total	78,536,000	100%	100%

1) Bure Equity's address is Nybrogatan 6, 114 34 Stockholm, Sweden.

2) Treasury shares held by the Company at 31 December 2017 were 87,585, equal to 0.11 per cent of the total share capital.

LOCK UP-ARRANGEMENTS

The Company's largest shareholder, Bure Equity AB, holding 25.4 per cent of the total number of outstanding shares and votes in the Company, has committed to subscribe for new shares corresponding to its pro-rata share of the Offering and thereby subscribe for new shares equivalent to its shareholding in Cavotec, i.e. in total 25.4 per cent. The remaining portion of the Offering is underwritten by Bure Equity AB. Furthermore, Bure Equity AB has undertaken to, until two weeks after the date of the announcement of the final outcome of the Offering, not sell, assign or lend or otherwise deprive itself of voting or other rights attached to its shareholding, so called lock-up undertaking. For further information, see section "Legal considerations and supplementary information – Subscription undertakings and underwriting commitments".

Articles of Association

Articles of Association
of
Cavotec SA
(Cavotec Ltd)

domiciled in Lugano, Switzerland

I. COMPANY NAME, DOMICILE, PURPOSE AND DURATION OF THE COMPANY

Art. 1

Company Name and Registered Office

Under the company name of

Cavotec SA **(Cavotec Ltd)**

a corporation exists according to the provisions of the Swiss Code of Obligations (CO) having its seat in Lugano, Switzerland.

Art. 2

Purpose

¹The purpose of the Company is to acquire, manage, sell participations in companies of any kind in Switzerland and abroad, in the industrial, commercial, financial and service sectors.

²The Company belongs to the Cavotec group, which focus its activities in sales and marketing, engineering, design, production and service of its customers, providing power, communication and other support services to mobile equipment such, as airplanes, ships, cranes, mining machinery and other mobile vehicles.

³The Company is empowered to open and maintain branch offices and subsidiaries in Switzerland and abroad, to represent third parties, to engage in business and to enter into agreements which are appropriate to promote the purpose of the Company. The Company may grant direct or indirect financing to its direct or indirect subsidiaries and other group companies and provide guarantees or sureties of any kind for liabilities of such entities, including through rights of lien on or fiduciary transfers of assets of the Company or through guarantees of any kind, even if these guarantees or sureties are granted without remuneration or compensation. The company can purchase, manage and sell real estate.

Art. 3

Duration

The duration of the Company is unlimited.

I. SHARE CAPITAL

Art. 4

Share Capital

The share capital of the Company is CHF 100'526'080.00 and is divided into 78'536'000 fully paid registered shares. Each share has a par value of CHF 1.28.

Art. 4bis

Contribution in kind

The Company, as of Contribution Agreement dated 3 October 2011, assumes from the holders of ordinary shares of the company Cavotec MSL Holdings Limited, Christchurch, New Zealand at the close of trading of shares at the New Zealand stock exchange on 26 September 2011, represented by Stefan Widgren under the authority of the shareholders' resolutions of Cavotec MSL Holdings Limited, the option right in 71'332'700 registered shares of Cavotec MoorMaster, Christchurch, New Zealand, for a total amount of CHF 112'705'666.00, accepted by the Company for this amount. CHF 110'565'685.00 are imputed on the nominal share capital, whereas CHF 2'139'981.00 as share premium, for an equivalent to the contributor of 71'332'700 fully paid up registered shares of Cavotec SA with a nominal value of CHF 1.55 each.

Art. 4ter

Contingent Share Capital

The share capital may be increased in an amount not to exceed CHF 913'884.16 through the issuance of up to 713'972 fully paid registered shares with a par value of CHF 1.28 per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan approved by the Board of Directors. Shares or subscription rights may be issued to employees at 10% discount compared with the market price quoted on the stock exchange of that time.

Art. 4quater

Authorized Share Capital

¹The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 20'105'216.00 through the issuance of up to 15'707'200 fully paid registered shares with a par value of CHF 1.28 per share by not later than April 12, 2020. Increases in partial amounts shall be permitted.

²The Board of Directors shall determine the date of issue of new shares, the issue price, the type of payment, the conditions for the exercise of pre-emptive rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting ("Festübernahme") through a banking institution, a syndicate or another third party with a subsequent offer of these shares to the shareholders. The board of directors may permit pre-emptive rights that have not been exercised to expire or it may place these rights and/or shares as to which pre-emptive rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.

³The Board of Directors is further authorized to restrict or deny the pre-emptive rights of shareholders and allocate such rights to third parties if the shares are to be used:

- a) for the acquisition of an enterprise, parts of an enterprise, or participations, or for new investments, or, in case of a share placements, for the financing or refinancing of such transactions; or
- b) for the purpose of broadening the shareholder constituency in connection with a listing of shares on domestic or foreign stock exchanges or for the purpose of the participation of strategic partners.

Art. 4quinquies

Contingent Share Capital

The share capital may be increased in an amount not to exceed CHF 913'884.16 through the issuance of up to 713'972 fully paid registered shares with a par value of CHF 1.28 per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan 2013 approved by the Board of Directors. Shares or subscription rights may be issued to employees at 10% discount compared with the market price quoted on the stock exchange of that time.

Art. 4sexies

Creation of contingent share capital

The share capital may be increased in an amount not to exceed CHF 913'884.16 through the issuance of up to 713'972 fully paid registered shares with a par value of CHF 1.28 per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan 2014 approved by the Board of Directors. Shares or subscription rights may be issued to employees at 10% discount compared with the market price quoted on the stock exchange of that time.

Art. 4septies

Creation of contingent share capital

The share capital may be increased in an amount not to exceed CHF 1'005'260.80 through the issuance of up to 785'360 fully paid registered shares with a par value of CHF 1.28 per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan 2015 approved by the Board of Directors. Shares or subscription rights may be issued to employees at 10% discount compared with the market price quoted on the stock exchange of that time.

Art. 4octies

Contingent share capital

The share capital may be increased in an amount not to exceed CHF 1'005'260.80 through the issuance of up to 785'360 fully paid registered shares with a par value of CHF 1.28 per share by the issuance of new shares to employees of the Company and

group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan 2016 approved by the Board of Directors. Shares or subscription rights may be issued to employees at a 10% discount compared with the market price quoted on the stock exchange at that time.

III. SHARE REGISTER

Art. 5

Share Register

¹The Company shall maintain a share register in which the full name, address and nationality (in case of legal entities, the company name and registered office) of the holders and usufructuaries of registered shares are recorded.

²Upon application with the Company, acquirers of registered shares will be recorded in the share register as shareholders with the right to vote, provided they explicitly declare to have acquired the registered shares that are to be registered in their own name and for their own account.

³Notwithstanding paras. 1–2 of this article, the Company's shares may be registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

IV. NO PRINTING OF SHARES

Art. 6

No Printing of Shares

¹Any shareholder registered in the share register held by the Company may at any time request a confirmation of the number of his registered shares, which is to be issued by the company. Shareholders are not entitled, however, to request the printing and delivery of certificates for registered shares.

²The rights of shareholders whose shares are registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) shall be determined in accordance with Swedish law.

³Registered shares held as intermediated securities can be transferred in accordance with the Swiss Federal Act on Intermediated Securities. Shares that are registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) shall be transferred in accordance with such Act.

⁴Registered shares that are not held as intermediated securities and the rights resulting there from may be transferred only by assignment. In order to be valid, such assignment requires notification to the company.

⁵Registered shares can only be pledged in accordance with the Swiss Federal Act on Intermediated Securities. A security interest in any such intermediated securities also cannot be granted by way of assignment. Uncertificated registered shares registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479), may be pledged in accordance with Swedish law.

V. ORGANISATION OF THE COMPANY

A. General Meeting of Shareholders

Art. 7

Ordinary and Extraordinary General Meetings of Shareholders

¹An ordinary general meeting of shareholders 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.

²Extraordinary general meetings of shareholders may be called by the board of directors, the liquidators or the auditors as often as necessary to safeguard the interests of the Company.

³Stating the purpose of the meeting and the agenda to be submitted, one or more shareholders representing at least ten per cent of the share capital may request the board of directors, in writing to call an extraordinary general meeting of shareholders. In such case, the board of directors must call a general meeting of shareholders within two weeks.

⁴General meetings of shareholders are held at the domicile of the Company or at such other place as the board of directors shall determine.

⁵As long as the shares are listed on a Swedish stock exchange, the Company shall comply with the relevant rules and regulations that are applied in that country with regard to the subject of this article.

Art. 8

Convening

¹Notice of a general meeting of shareholders is given by means of a single publication in the Swiss Commercial Gazette or by letter to the shareholders of record. 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 general meeting of shareholders must indicate the agenda and the motions.

²As long as the shares are listed on a Swedish stock exchange, the notice of a general meeting of shareholders shall also be kept available 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.

Art. 9

Voting Rights and Proxies

¹In a general meeting of shareholders each share entitles its owner to one vote. Art. 693 Para. 3 and Art. 704 Para. 1 CO remain reserved.

²Shareholders can be represented by proxy at general meetings of shareholders. The chair of the general meeting of shareholders decides as to the acceptance of proxies.

³A proxy must be in writing. Proxies to the independent representative may also be conferred electronically without requiring an electronic signature. The board of directors shall ensure that shareholders can grant a proxy and issue instructions to the independent proxy electronically.

Art. 9a

Independent Proxy

¹The independent proxy shall be elected by the general meeting of shareholders for a term of one year. The term of office expires at the end of the next ordinary general meeting of shareholders. Re-election is permitted.

²If the office of the independent proxy is vacant or if the independent proxy is unable for any reason to attend the general meeting of shareholders, the board of directors shall appoint the independent proxy for the next general meeting of shareholders. Proxies and voting instructions that were issued to any previous independent proxy shall remain valid for the new independent proxy as long as a shareholder does not explicitly determine otherwise.

Art. 10

Resolutions and Elections

¹Unless mandatory statutory provisions or the articles of association provide otherwise, the general meeting of shareholders passes its resolutions and performs elections with the absolute majority of the votes represented at the meeting without regard to the number of shareholders present and shares represented in such meeting.

²The chairman of the general meeting of shareholders decides on the voting procedure.

Art. 11

Chairman, Secretary, Scrutinisers

General meetings of shareholders are presided over by the chairman of the board of directors or, in his absence, by a chairman of the day to be elected by the general meeting of shareholders. The chairman appoints a secretary and some scrutinisers neither of whom need be shareholders.

Art. 12

Powers

The general meeting of shareholders has the following exclusive competences:

1. Amendments to the articles of association;
2. Approval of the annual report and, as the case may be, of the consolidated statements of accounts;
3. Approval of the annual financial statement as well as resolutions on the use of the balance sheet profits, in particular, the declaration of dividends and of profit sharing by directors in accordance with Art. 671 and Art. 677 CO;
4. Discharge of the members of the board of directors and of the Chief Executive Officer (CEO);
5. Election of the board members, the chairman of the board of directors and the members of the remuneration committee;
6. Election of the independent proxy;
7. Election of the auditors;
8. Approval of the remuneration of the members of the board of directors and the CEO according to article 16b of the articles of association;
9. Resolutions on all other matters which, under the articles of association or according to the law, are in the exclusive competence of the general meeting of shareholders or which have been submitted to the meeting for its decision by the board of directors.

B. BOARD OF DIRECTORS

Art. 13

Organization, Term of Office

¹The board of directors shall be composed of a minimum of five and a maximum of ten members.

²Each member of the board, the chairman of the board of directors and each member of the remuneration committee is individually elected by the general meeting of shareholders for a one year term. The term of office expires in each case at the end of the next ordinary general meeting of shareholders. Re-election is permitted. If the office of the chairman becomes vacant the board of directors appoints from among its members a new chairman for the remainder of the current term of office. If there are vacancies within the remuneration committee and to the extent the number of members of the remuneration committee falls below the minimum set forth in art. 15a para. 1 of the Articles of Association, the board of directors shall appoint new members of the remuneration committee for the remainder of the current term of office.

³The board of directors shall constitute itself autonomously.

⁴In case of a deadlock, the Chairman has a casting vote.

Art. 14

Convening and Resolutions

The chairman of the board of directors calls the meetings and presides over the debates. Each director is entitled to re-quest the calling of a meeting by giving written notice to the chairman. The board of directors sets out the particular rules on passing resolutions in the organisational regulations.

Art. 15

Duties and Powers

¹The board of directors governs the Company. It decides on all corporate matters not reserved by law or the articles of association for the general meeting of shareholders or another governing body.

²The board of directors has the following non-transferable and inalienable duties:

1. The ultimate management of the Company and the issuance of the necessary directives;
2. The establishment of the organization;
3. The structuring of the accounting system and of the financial controls and, if necessary, of the financial planning;
4. The appointment and removal of the persons entrusted with the management and the representation;
5. The ultimate supervision of the persons entrusted with the management, in particular, in view of compliance with the law, the articles of association, regulations and directives;
6. The preparation of the annual report and the remuneration report as well as the preparation of the general meeting of shareholders and the implementing of its resolutions;
7. The notification of the judge in case of over indebtedness;
8. All further duties conferred to the board of directors by mandatory law.

³The board of directors regulates the signatory powers, inclusive that of its own members.

⁴The board of directors may entrust the preparation and the execution of its decisions or the supervision of certain transactions to committees or to particular members. It is empowered to assign the management of the Company in whole or in part to one or several of its members or to a chief executive officer who may be a member of the board of directors. For this purpose, the board of directors will issue organizational regulations.

Art. 15a

Remuneration Committee

¹The remuneration committee shall consist of at least three members of the board of directors. The board of directors shall appoint the chair from among the members of the remuneration committee.

²The remuneration committee has the following duties and competences:

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 so as to develop consistent group-wide 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.

³The board of directors may delegate further duties and responsibilities to the remuneration committee. The board of directors will enact a written charter governing the rules of procedure of the remuneration committee as well as its duties, responsibilities and relationship with the board of directors.

Art. 15b

Additional Mandates

¹No member of the board of directors may hold more than 5 additional mandates in listed companies and 5 in non-listed companies.

²The CEO may not hold more than 3 additional mandates in listed companies and 5 in non-listed companies.

³The following mandates are not subject to these limitations:

1. Mandates in companies which are controlled by the Company;
2. Mandates which a member of the board of directors or the CEO holds at the request and on behalf of the Company. No member of the board of directors or the CEO shall hold more than 10 such mandates; and

3. Mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. Members of the board of directors and the CEO shall not hold more than 10 such mandates each.

⁴Mandates shall mean mandates in the supreme body of a legal entity which is required to be registered in the commercial register or a comparable foreign register.

C. STATUTORY AND GROUP AUDITORS

Art. 16

Term of Office, Authority and Duties

¹An auditing company subject to governmental supervision as required by law is to be appointed as auditors.

²The general meeting of shareholders shall elect the auditors for a term of one year. The rights and duties of the auditors are determined by the provisions of the law.

³The auditors must be independent according to Art. 728 CO.

VI. REMUNERATION AND OTHER PROVISIONS REGARDING THE BOARD OF DIRECTORS AND OF THE CEO

Art. 16a

Elements of Remuneration

¹The board members and the CEO shall be appropriately compensated for their services in view of their functions and responsibilities.

²Both the members of the board of directors and the CEO shall receive a fixed and, if applicable, a variable remuneration.

³The fixed remuneration may consist of a base salary plus social security contributions on the part of the employer, benefits and pension benefits.

⁴The variable remuneration consists of annual compensation ("STIP") and/or long term incentives ("LTIP") plus social security contributions on the part of the employer and, if applicable, additional pension benefits.

⁵The STIP is a variable compensation that provides incentives for senior executives by providing them with bonus based on Cavotec profitability.

⁶The LTIP is a long-term incentive plan for senior executives which shall be aligned to the long-term value creation of the company and may include or be based on shares and/or options.

⁷The pension benefits are based on defined contributions, that are determined based on the mandatory and elective pension plans of the country of employment. Pension benefits may include retirement benefits (such as pensions, purchase of medical insurances etc.) outside of the scope of occupational pension benefit regulations and may amount to up to 50% of the last paid out fixed remuneration per year.

⁸The board members and the the CEO shall be entitled to the reimbursement of all expenses incurred in the interests of the Company. In particular, but not limited to, the Company may reimburse the members of the board of directors and the CEO for costs incurred in connection with court proceedings and grant respective advances or subscribe for insurance policies covering such risks. Such payments are not part of the remuneration.

Art. 16b

Approval of Remuneration by the General Meeting of Shareholders

¹The general meeting of shareholders shall annually approve the maximum aggregate amount each of:

1. the remuneration for the board of directors for the next business year;
2. the remuneration for the CEO for the next business year.

²The aggregate amount shall cover the fixed remuneration, the STIP and the LTIP payable during the next business year.

³In the event the general meeting of shareholders does not approve a proposal of the board of directors, the board of directors may submit another proposal at the same general meeting of shareholders or convene a new general meeting of shareholders to approve the remuneration.

⁴The general meeting of shareholders may at any time approve a subsequent increase of an approved aggregate amount.

Art. 16c

Additional Amount for new CEO

If a new CEO is appointed after the remuneration has been approved, the board of directors is authorized to use for a given year, in addition to any approved amount, an additional amount of 100% of the approved amount of the remuneration of the CEO to remunerate any such new CEO to the extent that the approved total remuneration for the CEO is not sufficient to remunerate the new CEO until the next general meeting of shareholders. This additional amount does not need to be approved by the general meeting of shareholders.

Art. 16d

Remuneration within the Group

Legal entities which are directly or indirectly controlled by the Company may pay remuneration to members of the board of directors or of the CEO for services provided to such entities, provided that it is covered by the approved aggregate amount according to article 16b of the articles of association or the extra amount according to article 16c of the articles of association.

Art. 16e

Contracts with Members of the Board of Directors and the CEO

¹Indefinite contracts regulating remuneration with members of the board of directors or with the CEO shall have a notice period for such not exceeding 12 months.

²Fixed-term contracts regulating remuneration with members of the board of directors, if applicable, or with the CEO are allowed to provide a duration of up to 12 months.

Art. 16j

Loans, Benefits outside of the Scope of Occupational Pension Benefit Regulations

¹The Company does not grant loans or extend credit to the members of the board of directors and to the CEO.

²The Company may grant to the members of the board of directors and to the CEO pension benefits outside of the scope of occupational pension benefit regulations as provided in Article 16b, para 7.

VII. BUSINESS YEAR, BUSINESS REPORT, NOTICES, LIQUIDATION

Art. 17

Business Year

¹The business year is to be determined by the board of directors.

²At the end of each business year, the business report, consisting of the annual accounts, the annual report and as the case may be, the consolidated accounts, is to be prepared pursuant to the statutory provisions (Art. 662 et seq. CO).

Art. 18

Availability for Inspection

¹The business report and the report of the auditors must be available for inspection to the shareholders at the domicile of the Company at least twenty days preceding the ordinary general meeting of shareholders. The Company must send a copy of these reports without delay to any shareholder upon request.

²As long as the shares are listed on a Swedish stock exchange, the Company shall abide by the disclosure rules and regulations of such stock exchanges.

Art. 19

Notices and Publications

¹Notices of the Company shall be made by letter or by publication in the Swiss Commercial Gazette (Foglio ufficiale svizzero di commercio).

²The publication organ of the Company is the Swiss Commercial Gazette (Foglio ufficiale svizzero di commercio).

³As long as the shares are listed on a Swedish stock exchange, the Company shall abide by the disclosure rules and regulations of such stock exchange.

Art. 20

Dissolution and Liquidation

¹In case of Company's dissolution, the liquidation will be carried out by the board of directors then in office, unless the general meeting of shareholders decides otherwise.

²The liquidators have unencumbered power and authority to liquidate all corporate assets and wind up the Company.

VIII. VARIOUS

Art. 21

Implementation of the new Provisions on the Remuneration of the Members of the Board of Directors and of the CEO

¹The ordinary general meeting of shareholders 2014 elects the chairman of the board of directors, the members of the remuneration committee as well as the independent proxy for a term of office until the end of the ordinary general shareholders' meeting 2015.

²Contracts with members of the board of directors and the CEO shall be adapted to the new Articles of Association within 31 December 2015.

³The remuneration committee in terms of article 15a of the articles of association will begin its work as soon as the board of directors adopts the written charter as provided for in article 15a para. 3 of the articles of association.

Art. 22

Prevailing Version

These articles of association are provided in English and Italian version. The Italian version shall prevail.

Lugano, 12 April 2018

Legal considerations and supplementary information

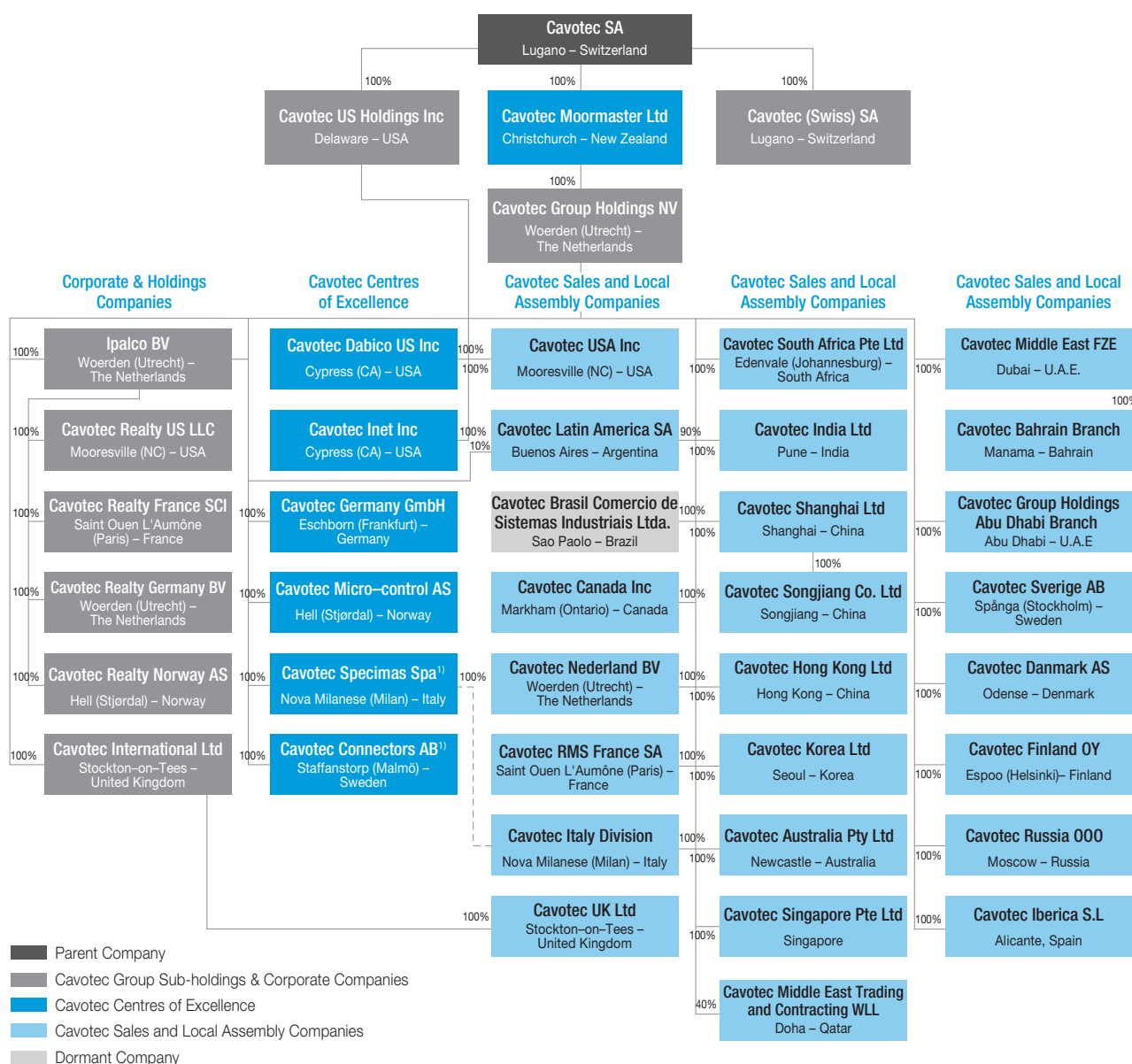
LEGAL GROUP STRUCTURE

Cavotec's full corporate name is Cavotec SA (registration no. CHE-440.276.616) being a company limited by shares incorporated under Swiss law on 14 June 2011. Cavotec is a company existing according to the provisions of the Swiss Code of Obligations having its legal seat in Lugano and company address in Via Serafino Balestra 27, 6900 Lugano, Switzerland. Cavotec has been listed on Nasdaq Stockholm since 19 October 2011.

The purpose of the Company is to acquire, manage, sell participations in companies of any kind in Switzerland and abroad, in the industrial, commercial, financial and service sectors. For more

information about corporate characteristics of Cavotec SA, please refer to the full Articles of Association of Cavotec, in the section "Articles of Association" and for further information about share capital related questions, please refer to the section "Share capital and ownership structure".

As of the date of this Prospectus, the Group comprises the parent company Cavotec SA and 41 directly and indirectly owned subsidiaries, the group chart below outlines the Company and its subsidiaries.



1) Cavotec Connectors will be closed beginning of 2018. Production is moved to Specimas.

MATERIAL AGREEMENTS

Financial arrangements

On June 2015, Cavotec SA entered into a syndicated credit facility agreement regulated by Swiss law with UBS Switzerland AG (master lead), Banca IMI S.p.A., HSBC Bank plc., London, Zurich Branch, SEB AG, Intesa Sanpaolo S.p.A., Banca dello Stato del Cantone Ticino and Banca Coop AG maturing in 2020. The agreement includes (i) Facility A, a committed senior revolving credit facility in the amount of MEUR 70 and (ii) Facility B, a senior revolving bank guarantee facility in the amount of MEUR 25, which can be extended to MEUR 100 and MEUR 30 respectively. The syndicated loan facility bears interest for each interest period at a rate per annum equal to EURIBOR/LIBOR plus a variable margin which will be adjusted every quarter to reflect any changes in the leverage ratio. The facility agreement is subject to certain restrictive covenants, including, but not limited to, additional borrowing, certain financial ratios, limitations on acquisitions and disposals of assets.

In addition to the syndicated credit facility agreement, Cavotec SA has an uncommitted credit facility with Corner Banca SA in Lugano amounting to CHF 5 million and signed in August 2012.

Cavotec has, through Cavotec Group Holdings N.V., a bank overdraft facility on the EUR pool account at SEB AB (Frankfurt Branch) amounting to MEUR 0.9.

Customer agreements

Customer agreements are generally concluded on an order-by-order basis, rather than as continuing agreements. However, there are a few exceptions where framework agreements have been entered into with different Group companies, generally on a limited term. These framework agreements set forth basic terms that shall apply during the contract term.

There are no individual customer agreements that would be critical to lose.

Supplier agreements

There are no individual supplier agreements that would be critical to lose.

Real estate and lease agreements

In June 2016, Cavotec entered into a preliminary rent agreement for a new production facility in Italy. For Cavotec, the total rental payment for the 12-year period will amount to the total cost of the underlying land and the construction of the warehouse, approximately MEUR 17.4, paid in 24 instalments, four of which will be paid in advance at the beginning of the contract. The annual impact on EBIT for 2018–2022 and 2023–2029 is estimated to MEUR 2.8 and MEUR 1.5 respectively. In addition, Cavotec signed a leasing agreement to buy main machinery and mechanical and electrical systems for an amount of MEUR 6.9. The two corresponding agreements entail an aggregated amount of MEUR 24.5.

INTELLECTUAL PROPERTY

The Group's strategy is to apply for patent protection when possible. External patent consultants are engaged to monitor the Group's intellectual property rights. Cavotec is of the opinion that it has meaningful protection for its products and technical innovations. However, the Company do not believe that the loss or expiration of any specific patent would have a material affect on the Group' business and Cavotec do not consider its business, or any of its business segments, to be materially dependent upon any individual patent, trademark or license.

The Board of Directors deem the patents relating to MoorMaster™ mooring systems to be the most important for the Group. Hence, below follows an overview including which patent family is covered, where Cavotec has applied for a patent, where Cavotec has been granted patents and when such granted patents will expire.

Automated docking and mooring system	MoorMaster	Europe, Brazil	Malaysia, Japan, Singapore, Australia, Canada	2027
Method for accommodating large movements in a mooring system	MoorMaster	–	Austria, Australia, Belgium, Canada, Cyprus, Finland, France, Germany, Greece, Denmark, Spain, Hong Kong, Japan, Norway, USA, Ireland, Italy, Netherlands, New Zealand, Portugal, Singapore, Sweden, Turkey, UK	2021
Mooring device	MoorMaster	–	Australia, Belgium, Canada, Cyprus, Finland, France, Germany, Greece, Denmark, Spain, Japan, Norway, USA, Ireland, Italy, Netherlands, New Zealand, Portugal, Singapore, Sweden, Turkey, UK	2021
Mooring system with active control	MoorMaster	–	Australia, Belgium, Canada, China, Finland, France, Germany, Greece, Denmark, Spain, Japan, Norway, USA, Italy, Netherlands, New Zealand, Poland, Singapore, Sweden, UK, Korea, Hong Kong	2023

DISPUTES

Following a lawsuit against Mr. Colaco, the former owner of INET Airport Systems, the Orange County Superior Court issued a verdict in favour of Cavotec in June 2015. Mr. Colaco proceeded with an appeal of the judgement, for which the Court of Appeal of the State of California issued a verdict. In the verdict the Court upheld the original award of punitive damages to Cavotec. However, the Court reversed the previous decisions that Mr. Colaco was not entitled to the earn-out payment and to reimburse Cavotec's legal costs. Cavotec has, as a result of the verdict, made a non-recurring provision in the second quarter 2018 results of MEUR 6.8 including accrued interest, in line with IFRS accounting rules.

There are also legal proceedings in the US state of Delaware that are related to the California case as described above. According to company statutes, Cavotec has paid advancement of legal expenses for Mr Colaco et al, that they have incurred in defending themselves in the California matter. As of 30 October 2018, Cavotec has advanced the sum of MEUR 6.8. These payments are subject to reimbursement to Cavotec in the event that Colaco and Barry are found not to be entitled to indemnification by Cavotec. As the California case has now concluded Cavotec will proceed to recoup the payments made in full, including accrued interest. However, in the procedure for doing so both sides will have an opportunity to present their respective arguments and it is not guaranteed that Cavotec will be able to recoup the full sum.

Other than as set out above the Group is not, and has not been, party to any legal or arbitration proceedings during the last 12 months which may have, or have had, significant effects on Cavotec's financial condition or profitability.

INSURANCE

The Company has insurance policies with international reputable insurance companies, policies which include property damage, business interruption, third party and product liability (including aviation), directors' and officers' liability, transport, legal protection, professional indemnity insurance and accident insurance for employees.

The Board of Directors considers the Company's insurances to be in line with those of other companies in the same industry and that they are sufficient for the risks normally connected with its operations. However, there can be no assurance that the Company will not incur losses that are not covered by its insurances.

REGULATORY MATTERS AND ENVIRONMENT

The Board of Directors assesses that all Group companies have the required permits and agreements and, in all material respects, comply with specified safety, reporting and inspection requirements in the environmental area.

EXCERPT FROM THE COMMERCIAL REGISTRIES OF THE CANTON TICINO

Below follows information extracted from the Ticino Registry of Commerce, outlining information required by Swiss law.

Remarks

Date Journal	Date SOGC	Remark
29.09.2011	04.10.2011	Ordinary capital increase.
04.10.2011	07.10.2011	Ordinary capital increase.
04.10.2011	07.10.2011	Communications of the Company to shareholders are made by mail.
07.05.2012	10.05.2012	The general meeting of shareholders has included a provision relating to conditional capital increase in the Articles of Association with decision of 4 May 2012. See the Articles of Association for details.
13.07.2012	18.07.2012	Capital reduction pursuant to Article 732 CO from CHF 110,665,691.00 to CHF 109,237,746.60 via a reduction of nominal value of shares from CHF 1.55 to CHF 1.53 per share and reimbursement to shareholders. The formalities required by Article 734 CO were ascertained in the public deed of 12 July 2012.
25.04.2013	30.04.2013	The general meeting of shareholders has included a provision relating to conditional capital increase in the Articles of Association with decision of 23 April 2013. See the Articles of Association for details.
02.07.2013	05.07.2013	Capital reduction pursuant to Article 732 CO from CHF 109,237,746.60 to CHF 105,667,885.60 via a reduction of nominal value of shares from CHF 1.53 to CHF 1.48 per share and reimbursement to shareholders. The formalities required by Article 734 CO were ascertained in the public deed of 2 July 2013.
24.04.2014	29.04.2014	The general meeting of shareholders has included a provision relating to conditional capital increase in the Articles of Association with decision of 23 April 2014. See the Articles of Association for details.
03.07.2014	08.07.2014	Capital reduction pursuant to Article 732 CO from CHF 105,667,885.60 to CHF 102,098,024.60 via a reduction of nominal value of shares from CHF 1.48 to CHF 1.43 per share and reimbursement to shareholders. The formalities required by Article 734 CO were ascertained in the public deed of 2 July 2014.
16.09.2014	19.09.2014	Authorised capital increase of CHF 10,208,455.40 based on the general meeting of shareholders' decision of 23 April 2014.

Remarks, *cont.*

Date Journal	Date SOGC	Remark
24.04.2015	29.04.2015	The general meeting of shareholders has included a provision relating to conditional capital increase in the Articles of Association with decision of 22 April 2015. See the Articles of Association for details.
02.07.2015	07.07.2015	Capital reduction pursuant to Article 732 CO from CHF 112,306,480.00 to CHF 108,379,680.00 via a reduction of nominal value of shares from CHF 1.43 to CHF 1.38 per share and reimbursement to shareholders. The formalities required by Article 734 CO were ascertained in the public deed of 2 July 2015.
02.05.2016	06.05.2016	The general meeting of shareholders has included a provision relating to conditional capital increase in the Articles of Association with decision of 22 April 2016. See the Articles of Association for details.
02.05.2016	06.05.2016	The general meeting of shareholders has included a provision relating to authorised capital increase in the Articles of Association with decision of 22 April 2016. See the Articles of Association for details.
05.07.2016	08.07.2016	Capital reduction pursuant to Article 732 CO from CHF 108,379,680.00 to CHF 106,023,600.00 via a reduction of nominal value of shares from CHF 1.38 to CHF 1.35 per share and reimbursement to shareholders. The formalities required by Article 734 CO were ascertained in the public deed of 5 July 2016.
09.06.2017	14.06.2017	Capital reduction pursuant to Article 732 CO from CHF 106,023,600.00 to CHF 102,096,800.00 via a reduction of nominal value of shares from CHF 1.35 to CHF 1.30 per share and reimbursement to shareholders. The formalities required by Article 734 CO were ascertained in the public deed of 7 June 2017.
05.06.2018	08.06.2018	The general meeting of shareholders has included a provision relating to authorised capital increase in the Articles of Association with decision of 12 April 2018. See the Articles of Association for details.
02.07.2018	05.07.2018	Capital reduction pursuant to Article 732 CO from CHF 102,096,800.00 to CHF 100,526,080.00 via a reduction of nominal value of shares from CHF 1.30 to CHF 1.28 per share and reimbursement to shareholders. The formalities required by Article 734 CO were ascertained in the public deed of 28 June 2018.

Qualified facts

Date Journal	Date SOGC	Qualified fact
04.10.2011	07.10.2011	Contributions in kind: contribution of option rights for 71,332,700 nominative shares of the company Cavotec MoorMaster Limited (no. 1876545), in Christchurch (NZ) for the total value of CHF 112,705,666.00, accepted by the Company in this amount, of which CHF 110,565,685.00 credited against share capital, against issuance of 71,332,700 nominative shares with a nominal value of CHF 1.55. The difference of CHF 2,139,981.00 is booked as premium. Agreement: 3 September 2011.

SUBSCRIPTION UNDERTAKINGS AND UNDERWRITING COMMITMENTS

The Company's largest shareholder, Bure Equity, holding 25.4 per cent of the total number of outstanding shares and votes in the Company, has on 1 November 2018 entered into a commitment with Cavotec to subscribe for new shares corresponding to its pro rata share of the Offering and thereby subscribe for new shares equivalent to its shareholding in Cavotec, i.e. in total 25.4 per cent. Bure Equity also agreed to underwrite the remaining portion of the Offering. Furthermore, Bure Equity has undertaken to, until two weeks after the date of the announcement of the final outcome of the Offering, not sell, assign or lend or otherwise deprive itself of voting or other rights attached to its shareholding, so called lock-up undertaking. As consideration for the underwriting commitment, Cavotec shall pay to Bure Equity an amount corresponding to 2.0 per cent of the undertaking commitment. The payment falls due ten (10) banking days following final registration of the Offering with the Ticino Registry of Commerce.

In addition, the Fourth Swedish National Pension Fund, representing 9.7 per cent of the total number of outstanding shares and votes in the Company has expressed its support for the rights issue and has the intention to subscribe to its *pro rata* share. Also, the founding shareholders and Fabio Cannavale, representing 12.9 per cent and 9.3 of the total number of outstanding shares and votes in the Company, respectively, has expressed their intention to subscribe fully or partially to the Offering. However, these expressed subscriptions are not secured. Consequently, there is a risk that one or more shareholders concerned will not be able to fulfil its commitment.

RELATED PARTY TRANSACTIONS

As of 31 December 2017, the company has granted no loans, advances, borrowings or guarantees in favour of member of the

Board of Directors and members of the executive management or parties closely related to such persons.

The tables below summarise the Group's transactions with related parties.

As of 31 December 2017

EUR 000's					Revenues		Costs	
Company	Country	Receivables	Payables	Guarantees	Goods and services	Others	Goods and services	Others
HO Sas	France	-	-	-	-	-	5	-
Lastminute.com Group NV	Netherlands	30	-	-	(24)	-	-	-
Port Equipment Manufacturing Association (PEMA)	Belgium	-	-	-	-	-	2	-
Radela AB	Sweden	-	-	-	-	-	9	-
Soliden Sagl	Switzerland	-	-	-	-	-	60	-
Total		30	-	-	(24)	-	76	-

As of 31 December 2016

EUR 000's					Revenues		Costs	
Company	Country	Receivables	Payables	Guarantees	Goods and services	Others	Goods and services	Others
Aivot AB	Sweden	-	-	-	-	-	43	-
Lastminute.com Group NV	Netherlands	-	-	-	(22)	-	-	-
Mantisien Group	Finland	-	-	-	(351)	-	-	-
Port Equipment Manufacturing Association (PEMA)	Belgium	-	-	-	-	-	2	-
Soliden Sagl	Switzerland	-	-	-	-	-	122	-
Total		-	-	-	(373)	-	167	-

As of 31 December 2015

EUR 000's					Revenues		Costs	
Company	Country	Receivables	Payables	Guarantees	Goods and services	Others	Goods and services	Others
Aivot AB	Sweden	-	-	-	-	-	43	-
Lastminute.com Group NV	Netherlands	-	-	-	(22)	-	-	-
Mantisien Group	Finland	-	-	-	(351)	-	-	-
Port Equipment Manufacturing Association (PEMA)	Belgium	-	-	-	-	-	2	-
Soliden Sagl	Switzerland	-	-	-	-	-	122	-
Total		-	-	-	(373)	-	167	-

INTERESTS OF ADVISORS

ABGSC provide financial advisory and other services to the Company in connection with the Offering, for which they will receive a commission from the Company equal to 2.6 per cent of the gross proceeds of the shares sold in the Offering. In addition, the Company may choose to pay to ABGSC a discretionary fee equal to at least 0.4 per cent of the gross proceeds of the shares sold in the Offering. The total compensation received by ABGSC is dependent on the success of the Offering. The Company will not pay any commission to ABGSC.

From time to time, ABGSC provide services in the ordinary course of business to the Company and parties affiliated to the Company in connection with other transactions.

COSTS RELATED TO THE OFFERING

In consideration of ABGSC's assistance in the Offering, ABGSC will, subject to certain reservations, be reimbursed by the Company for external expenses incurred by them.

Cavotec's costs associated with the Offering are expected to amount to approximately MEUR 1.7. Such costs primarily relate to costs for auditors, attorneys, Swiss stamp tax on the issued shares, and the fee to Bure Equity for the undertaking commitment.

DOCUMENTS AVAILABLE FOR INSPECTION

Cavotec's and its subsidiaries' (i) articles of associations, and (ii) annual reports for the financial years 2015, 2016 and 2017, including auditors' reports, are available for inspection during office hours at the Company's head office at Via Serafino Balestra 27, CH-6900 Lugano, Switzerland. These documents (except for articles of associations and annual reports of subsidiaries) are also available in electronic form on Cavotec's website, www.cavotec.com.

Tax considerations in Sweden

Below is a summary of certain Swedish tax issues related to the Offering for private individuals and limited liability companies that are residents of Sweden for tax purposes (unless otherwise stated) and that hold shares, BTAs or subscription rights in the Company. The summary is based on current legislation and is only intended to provide general information regarding shares, BTAs and subscription rights during the period when the securities are traded on Nasdaq Stockholm.

The summary does not cover:

- situations where securities are held as current assets in business operations (for tax purposes);
- situations where securities are held by a limited partnership or a partnership;
- situations where securities are held in an investment savings account (Sw. *investeringssparkonto*);
- the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares, BTAs or subscription rights in the Company that are deemed to be held for business purposes (for tax purposes);
- the special rules that may be applicable to private individuals who make or reverse a so called investor deduction (Sw. *investeraravdrag*);
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies (Sw. *fåmansföretag*) or to shares acquired by means of such shares;
- foreign companies conducting business through a permanent establishment in Sweden; or
- foreign companies that have been Swedish companies.

Further, special tax rules apply to certain categories of companies, for example, investment companies and life insurance companies. The tax consequences for each individual security holder depend on the holder's particular circumstances. Each holder of securities is advised to consult an independent tax advisor as to the tax consequences relating to the holder's particular circumstances that could arise from the Offering, including the applicability and effect of foreign tax legislation (including regulations) and provisions in tax treaties.

GENERAL

Private individuals

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30 per cent.

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value for all shares of the same series and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). In this context, it should be noted that BTAs are not regarded as being of the same series and type as the existing shares in the Company that entitled the shareholder to the preferential right in the Offering until the resolution concerning the new issue has been registered with the Swedish Companies Registration Office. As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 per cent of the consideration less selling expenses.

Capital losses on listed shares and other listed securities taxed as shares (such as BTAs and subscription rights) may be fully offset against taxable capital gains the same year on shares, as well as on listed securities taxed as shares (however not mutual funds, Sw. *värdepappersfonder*, or hedge funds, Sw. *specialfonder*, containing Swedish receivables only, Sw. *räntefonder*). Capital

losses not absorbed by these set-off rules are deductible at 70 per cent in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 per cent of the net loss that does not exceed SEK 100,000 and 21 per cent of any remaining net loss. A net loss cannot be carried forward to future tax years.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and dividends, is taxed as income from business operations at a rate of 22 per cent. The Swedish Parliament has in June 2018 passed a law which provides for a decrease of the corporate income tax rate in two steps, from 22 per cent to 21.4 per cent as of 1 January 2019 and to 20.6 per cent as of 1 January 2021. Capital gains and capital losses are calculated in the same way as described for private individuals above.

Deductible capital losses on shares and other securities taxed as shares may only be offset against taxable capital gains on such securities. A net capital loss on shares and other securities taxed as shares that cannot be utilized during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company

that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies and life-insurance companies.

SUBSCRIPTION RIGHTS

Exercise of received subscription rights

If shareholders in the Company exercise their received subscription rights to acquire new shares, no tax is levied. The acquisition cost for shares received is the issue price.

Sale of received subscription rights

Shareholders that do not wish to make use of their pre-emption right to participate in the Offering can sell their subscription rights. At the disposal of subscription rights the taxable capital gain shall be calculated. Subscription rights deriving from the holding of shares in the Company are deemed to be acquired for SEK 0. The standard method may not be used to determine the acquisition value in this situation. The entire consideration less selling expenses is thus liable to taxation. The acquisition value of the original shares is not affected. A subscription right that is not exercised or sold and therefore expires is deemed to be disposed of for SEK 0. Since subscription rights received in the aforementioned manner, are deemed to be acquired for SEK 0, neither a capital gain nor a capital loss will arise.

Acquired subscription rights

The amount payable by anyone buying or similarly acquiring subscription rights in the Company constitutes the acquisition value of the same. No tax is levied if these subscription rights are exercised to subscribe for shares. The acquisition value of the subscription rights shall be included when calculating the acquisition value of the shares. If the subscription rights on the other hand are sold, capital gains taxation is triggered. The tax basis for subscription rights is calculated in accordance with the average method. The standard method may be used for listed subscription rights acquired in the aforementioned manner. If the subscription right is not exercised or sold and therefore expires, the subscription right is deemed to be disposed of for SEK 0.

TAXATION OF DIVIDENDS

Swiss withholding tax at a rate of 35 per cent will normally be levied on dividend payments from the Company to private individuals and companies resident in Sweden for tax purposes (see "*Tax considerations in Switzerland*"). According to the tax treaty for the avoidance of double taxation between Sweden and Switzerland, the withholding tax rate is reduced to 15 per cent on portfolio investments of both private individuals and companies,

provided the shareholder meets the conditions of the treaty. The reduction of the Swiss withholding tax is normally carried out by a refund of the excess withholding tax. Private individuals and companies resident in Sweden for tax purposes are thus allowed to claim a refund of the 20 per cent withholding tax exceeding the treaty rate. The refund must be claimed within three years from the end of the calendar year in which the dividend payment is due (see "*Tax issues in Switzerland*").

The gross dividend, i.e. the dividend before deduction of Swiss withholding tax, is taxable in Sweden as capital income at a rate of 30 per cent for private individuals and as income from business operations at a rate of 22 per cent for limited liability companies¹⁾. For private individuals resident in Sweden for tax purposes, Swedish preliminary tax at a maximum of 30 per cent is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee. However, if Swiss withholding tax has been withheld at 35 per cent, no Swedish preliminary tax will be withheld on the dividend. Since dividends are generally taxable in both Switzerland and Sweden, double taxation may occur. However, Swiss withholding tax on dividends can normally be neutralized, fully or partly, through a tax deduction and a foreign tax credit (but only up to the treaty rate of 15 per cent on portfolio investments). If there is no Swedish tax against which a foreign tax credit can be granted in the same fiscal year, for instance when a private individual shareholder declares a deficit in the capital income category, the foreign tax credit cannot be claimed that year. Instead, subject to certain limitations, the credit may be carried forward and utilized in any of the five following years. However, a tax credit of at least SEK 500 is permitted each year.

HOLDERS OF SHARES, BTAS AND SUBSCRIPTION RIGHTS NOT RESIDENT IN SWEDEN FOR TAX PURPOSES

Holders of shares, BTAs and subscription rights not resident in Sweden for tax purposes are normally not liable for capital gains taxation in Sweden upon disposals of shares, BTAs or subscription rights. Holders of shares, BTAs and subscription rights, respectively, may however be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares, BTAs and subscription rights in the Company, if they have been residents of Sweden due to a habitual abode or stay for more than six consecutive months in Sweden at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. An additional requirement for the legislation's applicability in relation to securities issued by a foreign company is that the securities must have been acquired when the individuals were considered to be unlimitedly liable to tax in Sweden. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty.

1) Note that the Swedish Parliament has passed a law which provides for a decrease of the corporate income tax rate in two steps, from 22 per cent to 21.4 per cent as of 1 January 2019 and to 20.6 per cent as of 1 January 2021.

Tax considerations in Switzerland

The following overview contains a description of the principal Swiss tax consequences of the allotment and exercise of rights and the acquisition, ownership and disposition of shares, but it does not purport to be a comprehensive description of all of the Swiss tax considerations that may be relevant to a decision to exercise the subscription rights and to purchase, own or dispose of shares. In particular but not exclusively, the overview does not take into account the specific circumstances of any particular investor.

This overview is based on the tax laws, regulations and regulatory practices of Switzerland as in effect on the date of this Prospectus, all of which are subject to change (or subject to changes in interpretation), possibly with retroactive effect. This overview does not address any aspects of Swiss taxation other than aspects of Swiss Federal Withholding Tax, Swiss federal, cantonal and communal income taxes and Swiss Federal Issuance Stamp Tax and Swiss Federal Securities Transfer Stamp Tax turnover tax. Investors are urged to consult their own tax advisors regarding the Swiss tax consequences of allotting and exercising of pre-emptive subscription rights and of acquiring, owning and disposing of shares or the receipt of dividends or distributions, if any, on shares.

TAX CONSIDERATIONS WITH REGARD TO THE OFFERING

Taxation of rights

Barring tax avoidance cases, the receiving, exercising and selling or otherwise disposing of rights are not subject to Swiss Federal Withholding Tax, Swiss Federal Issuance Stamp Tax and Swiss Federal Securities Transfer Stamp Tax.

Swiss Federal, Cantonal and Communal Individual Income Tax and Corporate Income Tax

A Non-Swiss Shareholder (as defined below) and Swiss Private Shareholders (as defined below) are in respect of rights not subject to any Swiss federal, cantonal or communal income tax on receiving, exercising and selling or otherwise disposing of rights. See “*International Automatic Exchange of Information in Tax Matters*” below for a summary on the exchange of information in respect of holding rights in an account or deposit with a financial institution or paying agent in Switzerland.

Swiss Commercial Shareholders (as defined below) are required to recognise a gain or loss realised on the sale or other disposition of rights in their income statement for the respective taxation period and are subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings or income for such taxation period. This taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as “professional securities dealers for tax purposes” for reasons of, inter alia, frequent dealing and leveraged investments in securities.

TAX CONSIDERATIONS WITH REGARD TO THE HOLDING OF SHARES

Swiss Federal Withholding Tax

Dividends or similar distributions that the Company pays on the shares that are not a repayment of share capital or of legal reserves from qualifying capital contributions are, with their gross amount, subject to Swiss Federal Withholding Tax at a rate of 35 per cent. The Company is required to withhold the Swiss Federal Withholding Tax from the dividend and remit it to the Swiss Federal Tax Administration.

The Swiss Federal Withholding Tax on a dividend will be refundable in full to a Swiss Private Shareholder (as defined below) and to a Swiss Commercial Shareholder (as defined below), who, in each case, inter alia, as a condition to a refund, duly reports the dividend in his or her individual income tax return as income or recognises the dividend in his or her income statement as earnings, as applicable.

A Non-Swiss Shareholder (as defined below) may be entitled to a partial or full refund of the Swiss Federal Withholding Tax on a dividend if the country of his or her residence for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and the conditions of such treaty are met. Such shareholders should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) might differ from country to country.

Federal Stamp Taxes

Swiss Federal Issuance Stamp Tax of 1 per cent of the subscription price levied on the issue of the shares, less certain costs, will be borne by the Company.

Dealings in shares (secondary market) where a bank or another securities dealer in Switzerland (as defined in the Swiss Federal Stamp Tax Act) acts as an intermediary, or is a party, to the transaction, may be subject to Swiss Federal Securities Transfer Tax at an aggregate rate of up to 0.15 per cent of the consideration paid for such shares.

Federal, Cantonal and Communal Individual Income Tax and Corporate Income Tax

Non-Swiss Shareholders

Shareholders who are not resident in Switzerland for tax purposes, and who, during the respective taxation year, have not engaged in a trade or business carried on through a permanent establishment or a fixed place of business situated in Switzerland for tax purposes (the “*Non-Swiss Shareholders*”), are in respect of shares not subject to any Swiss federal, cantonal and communal income tax neither on dividends (or repayments of share capital or legal reserves from capital contributions) paid to them on shares nor on any gain realised on the sale or other disposition of shares. See “*Taxation of rights*” above for a summary on Swiss federal withholding tax on dividend distributions on Shares.

Resident Private Shareholders

Individuals resident in Switzerland who hold their shares as private assets (the “*Swiss Private Shareholders*”) are required to include dividends (but not repayments of the share capital and legal reserves from capital contributions in their personal income tax return for the relevant taxation period and are subject to Swiss federal, cantonal and communal income tax on any net taxable income (including the dividends but not repayments of share capital or legal reserves from capital contributions for such taxation period at the prevailing tax rates. A gain or loss realised by them on the sale or other disposition of shares will be a tax-free private capital gain or a not tax-deductible capital loss, as the case may be (see below for a summary on the tax treatment of individuals classified as “professional securities dealers”).

Swiss Commercial Shareholders (including individuals classified as “professional securities dealers for tax purposes”)

Corporate entities and individuals who hold shares as part of a trade or business in Switzerland (the “*Swiss Commercial Shareholders*”), in the case of residents abroad, carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise dividends (and repayments of share capital) received on shares and capital gains or losses realised on the sale or other disposition of shares in their income statement for the respective taxation period and are subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings or income for such taxation period. This taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as “professional securities dealers for tax purposes” for reasons of, inter alia, frequent dealing and leveraged investments in securities.

Swiss Commercial Shareholders who are corporate taxpayers may be eligible for participation relief in respect of dividends (and repayments of share capital) if the shares held by them as part of a Swiss business have an aggregate market value of at least CHF 1 million.

Cantonal and Communal Private Wealth Tax and Capital Tax

Holders of shares who are Non-Swiss Shareholders are not subject to Swiss cantonal and communal private wealth tax or capital tax.

Holders of shares who are Swiss Private Shareholders or individuals that are Swiss Commercial Shareholders are required to report shares as part of their private wealth or as part of their Swiss business assets, as the case may be, and are subject to annual cantonal and/or communal private wealth tax on any net taxable wealth (including the shares), in the case of individuals that are Swiss Commercial Shareholders, however, only to the extent aggregate taxable wealth is allocable to Switzerland. Corporate Swiss Commercial Shareholders are required to report shares as part of their assets in their financial statements and are subject to cantonal and communal capital tax on net taxable equity, in the case of a non-Swiss resident corporate Swiss Commercial Shareholder holding shares as part of a Swiss permanent establishment, however, only to the extent aggregate taxable equity is allocable to Switzerland. No net worth tax and no capital tax are levied at the federal level.

INTERNATIONAL AUTOMATIC EXCHANGE OF INFORMATION IN TAX MATTERS

On November 19, 2014, Switzerland signed the Multilateral Competent Authority Agreement (the “MCAA”). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the “AEOI”). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the “AEOI Act”) entered into force on January 1, 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of speciality (i.e., the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Based on such multilateral or bilateral agreements and the implementation of Swiss law, Switzerland collects and exchanges data in respect of financial assets held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in a EU member state or in a treaty state.

Documents incorporated by reference

The documents below are incorporated by reference and constitute a part of the Prospectus. The parts of the below documents that are not incorporated by reference is deemed not relevant to investors. Cavotec's consolidated financial statements for the financial years 2015, 2016 and 2017 have been audited by PricewaterhouseCoopers SA with authorized auditor Daniel Ketterer as auditor in charge at the time. The auditors' reports contain no observations. The financial report for the period 1 January, 2018 – 30 September, 2018, has been prepared in accordance with IAS 34, and has been reviewed by Cavotec's auditors.

The documents incorporated by reference are available throughout the entire period of validity of the Prospectus from Cavotec on its website, www.cavotec.com.

- i. The Company's financial report for the period 1 January, 2018 – 30 September, 2018 ("**3Q18 Report**");
- ii. The Company's audited annual report for the financial year 2017, ("**Cavotec SA – Annual Report 2017**");
- iii. The Company's audited annual report for the financial year 2016, ("**Cavotec SA – Annual Report 2016**"); and
- iv. The Company's audited annual report for the financial year 2015, ("**Cavotec SA – Annual Report 2015**")

Information	Pages
Income statement, comprehensive income, balance sheet, cash flow statement, change in equity and notes to the financial statements	Q3 report 2018, pages 6–9, and page 12.
Consolidated income statement, consolidated comprehensive income, consolidated balance sheet, consolidated cash flow statement, change in consolidated equity, Auditor's report and notes to the consolidated financial statements	Annual report 2017, pages 45–67 and pages 72–77.
Consolidated income statement, consolidated comprehensive income, consolidated balance sheet, consolidated cash flow statement, change in consolidated equity, Auditor's report and notes to the consolidated financial statements	Annual report 2016, pages 60–86 and pages 92–97.
Consolidated income statement, consolidated comprehensive income, consolidated balance sheet, consolidated cash flow statement, change in consolidated equity, Auditor's report and notes to the consolidated financial statements	Annual report 2015, pages 72–98 and pages 104–105.

Statutory financial statements

Please note that all reported amounts are in CHF.

INCOME STATEMENT

Cavotec SA

CHF	Notes	01.01.2018– 30.09.2018	01.01.2017– 30.09.2017
Net proceeds of services		2,905,017	2,537,826
Staff cost		(922,831)	-1,124,205
External services		-710,398	-881,183
Travelling expenses		-22,771	-20,374
General expenses		-202,429	-167,130
Operating result		1,046,588	344,935
Finance costs – net		-22,820	-22,038
Foreign exchange – net		-91,875	-459,810
Profit / (Loss) before taxes		931,894	-136,913
Income taxes		-171,323	-198,873
Profit / (Loss) for the year		760,571	-335,786

BALANCE SHEET

Cavotec SA

Assets	Notes	30.09.2018	30.09.2017
Current assets			
Cash and cash equivalents		271,386	144,675
Other short-term receivables		494,454	533,327
<i>from third parties</i>		11,327	–
<i>from group companies</i>		483,126	533,327
Accrued income and prepaid expenses		1,986,617	710,035
Total current assets		2,752,457	1,388,037
Non-current assets			
Investments in subsidiary companies	3	155,374,973	178,295,799
Total non-current assets		155,374,973	178,295,799
Total assets		158,127,430	179,683,836
Liabilities			
Short-term liabilities			
Other short-term liabilities		-204,016	-71,834
<i>to third parties</i>		-157,389	-33,898
<i>to group companies</i>		-46,626	-37,936
Short-term interest-bearing liabilities	8	-74,296,986	-73,229,119
<i>due to investments</i>		-74,296,986	-73,229,119
Accruals and deferred income		-424,093	-196,488
Other liabilities		-69,329	(55,019)
Translation provision		-6,607,335	(7,101,333)
Total short-term liabilities		-81,601,758	-80,653,793
Other Long-term liabilities		(457,144)	(462,840)
<i>to related parties</i>		(457,144)	(462,840)
Total long-term liabilities		-457,144	(462,840)
Total liabilities		-82,058,901	-81,116,633
Equity			
Share capital	4	-100,526,080	-102,096,800
Share premium reserve		-16,709,216	-16,709,216
Loss brought forward	4	41,748,005	19,612,363
Result for the period	4	-760,571	335,786
Treasury shares	4,5	179,334	290,664
Total equity		-76,068,528	-98,567,203
Total equity and liabilities		-158,127,429	-179,683,836

Notes to Statutory Financial Statements

NOTE 1. GENERAL

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

Cavotec is a global engineering Group that manufactures power transmission, distribution and control technologies that form the link between fixed and mobile equipment in Ports & Maritime, Airports, Mining & Tunnelling and General Industry sectors. All engineering and most manufacturing of Cavotec's products and systems take place at eight specialised engineering Centres of Excellence in Germany (two), Sweden, Norway, Italy, the United States (two) and New Zealand. Cavotec has fully owned sales companies spread across the world which monitor local markets and cooperate with Cavotec's Centres of Excellence. Cavotec SA is listed on NASDAQ OMX in Stockholm, Sweden.

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).

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.

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 recognized 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.

NOTE 3. INVESTMENT IN SUBSIDIARY COMPANIES

Company name	Purpose	Domicile	Ownership interest	Currency	Share Capital
Cavotec (Swiss) SA	Services Company	Switzerland	100%	CHF	200,000
Cavotec MoorMaster Ltd	Holding & engineering	New Zealand	100%	NZD	10,000,000
Cavotec US Holdings Inc	Holding	USA	100%	USD	68,000,000

NOTE 4. SHAREHOLDERS' EQUITY

Description	Date	Shares	Share capital (CHF)
Incorporation	14 June 2011	100,000	100,000
Consolidation of shares – step 1	29 September 2011	100,006	100,006
Consolidation of shares – step 2	3 October 2011	64,520	100,006
Scheme of Arrangement	3 October 2011	71,397,220	110,665,691
Listing on NASDAQ OMX Stockholm	19 October 2011	71,397,220	110,665,691
Reduction share capital	4 May 2012	71,397,220	109,237,747
Reduction share capital	23 April 2013	71,397,220	105,667,886
Reduction share capital	23 April 2014	71,397,220	102,098,025
Increase share capital	19 September 2014	78,536,000	112,306,480
Reduction share capital	22 April 2015	78,536,000	108,379,680
Reduction share capital	22 April 2016	78,536,000	106,023,600
Reduction share capital	29 March 2017	78,536,000	102,096,800
Reduction share capital	12 April 2018	78,536,000	100,526,080

The share capital as of 30 September 2018 is divided into 78,536,000 shares at a par value CHF 1.28 each.

Note 4. Shareholders' equity, cont.

CHF	Share Capital	Legal Reserve Treasury shares	Share Premium Reserve	Prior Year Retained Earnings	Result for the period	Total Shareholder's equity
Opening balance January 1, 2017	106,023,600	(300,278)	16,709,216	(18,713,070)	(899,293)	102,820,175
Purchase of Treasury shares	-	-	-	-	-	-
Sales of Treasury shares	-	-	-	-	-	-
Reduction share capital	(3,926,800)	9,615	-	-	-	(3,917,186)
Result of the period	-	-	-	-	(335,786)	(335,786)
Allocation prior year result	-	-	-	(899,293)	899,293	-
Balance at September 30, 2017	102,096,800	-290,664	16,709,216	-19,612,363	-335,786	98,567,203
Opening balance January 1, 2017	106,023,600	(300,278)	16,709,216	(18,713,070)	(899,293)	102,820,175
Purchase of Treasury shares	-	-	-	-	-	-
Sales of Treasury shares	-	78,846	-	-	-	78,846
Reduction share capital	(3,926,800)	9,615	-	-	-	(3,917,186)
Result of the period	-	-	-	-	(22,135,641)	(22,135,641)
Allocation prior year result	-	-	-	(899,293)	899,293	-
Balance at December 31, 2017	102,096,800	-211,818	16,709,216	-19,612,363	-22,135,641	76,846,193
Opening balance January 1, 2018	102,096,800	(211,818)	16,709,216	(19,612,363)	(22,135,641)	76,846,193
Purchase of Treasury shares	-	-	-	-	-	-
Sales of Treasury shares	-	30,990	-	-	-	30,990
Reduction share capital	(1,570,720)	1,495	-	-	-	(1,569,225)
Result of the period	-	-	-	-	760,571	760,571
Allocation prior year result	-	-	-	(22,135,641)	22,135,641	-
Balance at September 30, 2018	100,526,080	-179,334	16,709,216	-41,748,004	760,571	76,068,529
Share capital 30 September 2018	No of registered shares		Par value (CHF)		Total (CHF)	
Issued shares	78,536,000		1.28		100,526,080	
Authorised shares	15,707,200		1.28		20,105,216	

NOTE 5. TREASURY SHARES

Treasury shares held at 30 September 2018 were 74,711, equal to 0.10 % of the total share capital. A reserve for own shares of CHF 179 thousands equal to 74,711 share at CHF 2.40 has been established. During the year, according to the LTIP 2014 plan, 12,874 shares were allocated to the employees of price was Cavotec Group. The average selling was EUR 3.12 each.

NOTE 6. SIGNIFICANT SHAREHOLDERS

As of September, based on the available information, five main shareholders are:

30 September 2018			
Bure Equity AB	Financial institution	19,914,837	25.4%
Fjärde AP-Fonden	Investment Fund	7,608,721	9.7%
Fabio Cannavale (Nomina SA)	Board member	7,298,046	9.3%
Lars Hellman (LCL life & Pension)	Founder shareholder	5,200,000	6.6%
Stefan Widegren & family	Founder shareholder	3,500,000	4.5%
Total		43,521,604	55.4%
30 September 2017			
Bure Equity AB	Financial institution	15,759,837	20.1%
Fjärde AP-Fonden	Investment Fund	7,608,721	9.7%
Fabio Cannavale (Nomina SA)	Board member	7,298,046	9.3%
Lars Hellman (LCL life & Pension)	Founder shareholder	5,200,000	6.6%
Stefan Widegren & family	Chairman & Founder shareholder	5,020,000	6.4%
Total		40,886,604	52.1%

NOTE 7. SHARE OWNERSHIP – BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

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

Shareholders as of 31 December 2017			
Fabio Cannavale & family – Nomina SA	Board member	7,298,046	9.3%
Patrick Rosenwald	EMT Member	147,334	0.2%
Juergen Strommer	EMT Member	125,135	0.2%
Erik Lautmann	Board member	101,302	0.1%
Giorgio Lingiardi	EMT Member	63,202	0.1%
Mikael Norin	CEO	96,248	0.1%
Gustavo Miller	EMT Member	79,595	0.1%
Yann Duclot	EMT Member	26,068	0.0%
Kristiina Leppänen	EMT Member	10,000	0.0%
Total		7,946,930	10.1%

NOTE 8. SHORT-TERM INTEREST BEARING LIABILITIES

Cavotec SA is the borrower under certain debt securities including the Group syndicated credit facilities signed with UBS Switzerland AG, Banca dello Stato del Cantone Ticino, Banca Coop AG, Intesa Sanpaolo S.p.A, SEB AG and HSBC Bank plc and the credit facility signed with Cornér Bank. As of quarter-end the main amount, CHF 73,216 thousands, was related to the Group Cash Pooling balance, and CHF 1,081 thousands was the utilization of Corner bank facilities.

NOTE 9. GUARANTEES AND COMMITMENTS

Cavotec SA is a guarantor for the existing MEUR 95 syndicated credit facility. More over during the year a parent guarantee of MEUR 13.75 was given to third party to the lease or the building for Cavotec Specimas Spa.

Cavotec SA carries joint liability in respect of the federal tax authorities for value added tax liabilities of its Swiss subsidiary.

NOTE 10. RISK ASSESSMENT DISCLOSURE

Cavotec SA, as the ultimate parent company of Cavotec Group, is fully integrated into the Company-wide 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 ICS is designed to identify, communicate, and mitigate risks in order to minimise their potential impact on the Group. A risk assessment analysis was performed by the Board of Directors, This analysis provided a high-level mapping of risks to allow Group Management to make appropriate decisions on the future of the Group. This map identified the following main areas of risks related to:

- Information and Consolidated Reporting
- Engaging the Group, Protecting its Assets, Compliance
- The Group's Industry
- The Group's Business
- Information, Subsidiary Reporting, Social Security and Tax
- Engaging Subsidiaries, Protecting their Assets, Local Compliance.

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

NOTE 11. RELATED PARTY TRANSACTIONS

As of 30 September 2018, the company has granted no loans, advances, borrowings or guarantees in favour of member of the Board of Directors and members of the Executive Management Team or parties closely related to such persons.

NOTE 12. SIGNIFICANT EVENTS

There are no significant events after the Balance Sheet date which could impact the book value of the assets or liabilities or which should be disclosed.

NOTE 13. LEGAL RISKS

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. There are currently no legal proceedings currently considered to involve material risks.

NOTE 14. FULLTIME EQUIVALENTS

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

Selling and transfer restrictions

GENERAL

The grant of subscription rights and issue of paid subscription shares and new shares to persons resident in, or who are citizens of countries other than Sweden and Switzerland, may be affected by the laws of the relevant jurisdiction. Shareholders and other investors should consult their professional advisors as to whether they require any governmental or other consents or need to observe other formalities to exercise subscription rights and purchase paid subscription shares and new shares.

Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any territory other than Sweden and Switzerland, such investor may not treat this Prospectus as constituting an invitation or offer to it, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor.

The investor should not distribute or send the Prospectus, or transfer the subscription rights, the paid subscription shares and new shares to any person in or into any jurisdiction where to do so would contravene local securities laws or regulations. If the investor forwards this Prospectus into any other jurisdiction (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this section.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the subscription rights, the paid subscription shares and new shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, the United States, Canada, Australia, Japan, Hong Kong, New Zealand, Singapore, South Africa, or any other jurisdiction in which it would not be permissible to offer the subscription rights, paid subscription rights and/or new shares ("**Ineligible Jurisdictions**") unless otherwise determined by the Company in its sole discretion; (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of subscription rights to an account of a person who is resident in an Ineligible Jurisdiction (referred to as "**Ineligible Persons**") does not constitute an offer to such persons of the subscription rights, paid subscription shares or the new shares.

INELIGIBLE PERSONS MAY NOT EXERCISE SUBSCRIPTION RIGHT

If an investor takes up, delivers or otherwise transfers subscription rights, exercises paid subscription rights to purchase paid subscription shares or new shares or trades or otherwise deals in the subscription rights, paid subscription shares or new shares, that investor will be deemed to have made the following representations and warranties to Cavotec and any person acting on Cavotec's behalf unless Cavotec in its sole discretion determines otherwise on a case-by-case basis:

- i. the investor is not located in an Ineligible Jurisdiction;
- ii. the investor is not an Ineligible Person;
- iii. the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;

- iv. the investor acknowledges that Cavotec is not taking any action to permit a public offering of the subscription rights or the new shares (pursuant to the exercise of the subscription rights or otherwise) in any jurisdiction other than Sweden and Switzerland;
- v. the investor is located outside the United States, and any person for whose account or benefit it is acting on a non-discretionary basis is located outside the United States and, upon acquiring the paid subscription shares or the new shares, the investor and any such person will be located outside the United States;
- vi. the investor understands that neither the subscription rights, the paid subscription shares nor the new shares being granted and offered in the Offering have been or will be registered under the Securities Act and that none of such securities may be offered, sold, pledged, resold, delivered, allotted, taken up or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and
- vii. the investor may lawfully be offered, take up, subscribe for and receive subscription rights, paid subscription shares and new shares in the jurisdiction in which it resides or is currently located.

If a person is acting on behalf of a holder of subscription rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to Cavotec with respect to the exercise of subscription rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, Cavotec will not be bound to authorize the allocation of any of the subscription rights, the paid subscription rights and new shares to that person or the person on whose benefit the other is acting.

The subscription right will initially be credited to financial intermediaries for the accounts of all shareholders who hold paid subscription shares or new shares registered through a financial intermediary on the record date. Subject to certain exceptions, financial intermediaries, which include brokers, custodians and nominees, may not exercise any subscription rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of subscription rights to provide certifications to that effect.

Financial intermediaries may sell any and all subscription rights held for the benefit of Ineligible Persons to the extent permitted under their agreement with such Ineligible Persons and applicable law and remit the net proceeds to the accounts of such Ineligible Persons.

Cavotec reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such subscription rights, paid subscription shares and new shares, who is unable to represent or warrant that

such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is acting on a non-discretionary basis for such persons, or who appears to Cavotec or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, Cavotec reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of subscription rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Neither Cavotec nor ABGSC, nor Avanza, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of subscription rights, paid subscription shares and/or new shares regarding the legality of an investment in the subscription rights, paid subscription shares and/or the new shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before subscribing for paid subscription shares or the new shares or purchasing subscription rights and/or new shares. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of a subscription for paid subscription rights or new shares.

UNITED STATES

The subscription rights, the paid subscription shares and new shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

The subscription rights, the paid subscription shares and new shares are being offered and sold outside the United States to certain institutional investors in reliance on Regulation S under the Securities Act.

Until 40 days after the closing of the Offering, any offer or sale of the subscription rights, paid subscription shares and new shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

ABGSC or Avanza will not engage in any actions or assume any responsibility with regard to the Offering within the United States.

EEA

Within the EEA, no public offering of securities is made in other countries than Sweden. In other member states of the EEA which have implemented the Prospectus Directive, any offer of securities may only be made to “qualified investors” as defined in Article 2.1 e) of the Prospectus Directive, or under other circumstances which do not require Cavotec to publish any additional prospectuses in the relevant member state under Article 3 of the Prospectus Directive. Each recipient of this prospectus will be considered to have represented and guaranteed that they do not have or will not make any offer to the public in any member state of the EEA.

The term “public offering” refers to the definition under Article 2.1 d) of the Prospectus Directive. The term “Prospectus Directive” means European Parliament and Council Directive 2003/71/EC as well as any relevant implementing measures (including measures for the implementation of European Parliament and Council Directive 2010/73/EU amending the Prospectus Directive, etc.) in the relevant member state.

Generally, any person exercising their preferential subscription rights outside Sweden must ensure that doing so does not contravene applicable laws. Neither the prospectus nor any other document relating to the capital increase may be distributed outside Sweden other than in accordance with the laws and regulations applicable locally, or constitute a subscription offer in countries where such an offer would infringe on the local applicable legislation.

Definitions

The terms defined below are used in the Prospectus:

Cavotec, the Company or the Group	Cavotec SA, the group in which Cavotec SA is the parent company or a subsidiary of the group, as the context may require.
ABGSC	ABG Sundal Collier AB.
The Code	The Swedish Code of Corporate Governance.
EUR	Euro.
Euroclear Sweden	Euroclear Sweden AB.
MEUR	Million Euro.
CHF	Swiss franc.
Nasdaq Stockholm	The regulated market operated by Nasdaq Stockholm AB.
Offering	The offer of shares as set out in the Prospectus.
Principal Owner or Bure Equity	Bure Equity AB.
Prospectus	This Prospectus.
SEK	Swedish krona.

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