



INTERIM REPORT, JANUARY–JUNE 2019

Important customer agreements and financing of Ovzon 3

APRIL–JUNE 2019 QUARTER

- Revenue amounted to 55,987 TSEK (57,092).
- Operating profit totalled -9,049 TSEK (-11,966).
- Operating profit excluding items affecting comparability amounted to 3,248 TSEK (2,057).
- Profit after tax amounted to -12,915 TSEK (-15,051).
- Earnings per share amounted to -0.38 SEK (-2.25).

JANUARY–JUNE 2019 PERIOD

- Revenue amounted to 109,348 TSEK (103,403).
- Operating profit totalled -4,389 TSEK (-23,589).
- Operating profit excluding items affecting comparability amounted to 7,908 TSEK (2,471).
- Profit after tax amounted to 8,418 TSEK (-29,991).
- Earnings per share amounted to 0.29 SEK (-5.13).

SIGNIFICANT EVENTS DURING THE QUARTER

- Agreement with Intelsat regarding future sales on the company's coming satellite Ovzon 3 of MUS\$ 56 (approx. MSEK 520).
Agreement with Intelsat regarding capacity on their new satellite, IS-39, which adds possible capacity for the customers.
- At the AGM on April 10, Anders Björkman was elected a new Director of the Board. He was also elected new Chairman of the Board.
- In early May, Magnus René was appointed new CEO. Per Wahlberg, founder and former CEO continues within the company as Executive Vice President and Head of Business Development.
- Ovzon and Hispasat, a Spanish telecommunications and satellite operator, entered into a strategic cooperation agreement regarding sales of Hispasat's satellite capacity to Ovzon's customers.

SIGNIFICANT EVENTS AFTER THE QUARTER

- The financing of Ovzon 3 was secured through a loan facility led by Proventus Capital Partners consisting of a loan of USD 60 million and a subordinated loan of SEK 200 million.

KEY FIGURES

TSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full-year 2018
Revenue	55 987	57 092	109 348	103 403	207,883
Operating profit/loss	-9 049	-11 966	-4 389	-23 589	-17,536
Adjusted operating profit/loss*	3 248	2 057	7 908	2 471	8,524
Operating margin	neg	neg	neg	neg	neg.
Adjusted operating margin*	6%	4%	7%	2%	4%
Profit/loss for the period after tax	-12 915	-15 051	8 418	-29 991	-25,640
Earnings per share, SEK	-0,38	-2,25	0,29	-5,13	-3.63

*Excluding items affecting comparability

"During the summer, we completed the financing of Ovzon 3 by securing loans of nearly SEK 800 million"



CEO STATEMENT

Important customer agreements and financing of Ovzon 3

During the second quarter, we continued to develop the company according to plan. The last bit of funding for Ovzon 3 is in place and Maxar, our satellite provider, has started the project to build the satellite. As for the launch of the satellite, we have recently contracted Arianespace to launch our satellite in 2021 and we have thus left the preliminary agreements we had. Arianespace is a leading launch service provider with a long track record of successful launches with Ariane 5. Arianespace recently launched Intelsat IS-39.

IMPORTANT COMMERCIAL AGREEMENTS

In April, we signed two very important agreements with Intelsat, the world's largest satellite operator. The first agreement means that Intelsat undertakes to buy Ovzon's services on the planned new satellite Ovzon 3, for a total order value of USD 56 million (approximately SEK 520 million). When Ovzon 3 is in operation, this will give Intelsat the opportunity to resell Ovzon's unique mobile broadband service to its customers.

The second agreement with Intelsat means that Ovzon secures additional capacity to expand its current service. This is a multi-year agreement where Intelsat provides us with capacity and steerable antennas on its new satellite, Intelsat 39 (IS-39). The satellite, which was launched with Arianespace in August, is expected to be deployed in the third quarter of 2019. The agreement enables Ovzon to offer additional coverage in Africa, Europe, the Middle East and Asia.

Furthermore, we have signed a strategic cooperation agreement with Hispasat, a leading Spanish telecommunications and satellite operator, to jointly offer a powerful portable broadband solution supported by Ovzon's technology and the satellite fleet within Hispasat.

With the new agreements with Intelsat and Hispasat, we can offer our customers almost global coverage. We expect the new agreements will help us generate additional business in the US, Europe and Latin America.

FINANCING SECURED FOR OVZON 3

During the year, we have been working on completing the financing of our first own satellite, Ovzon 3. In January, we completed a rights issue that raised SEK 750 million before transaction costs and in early July we took the second financing step through a loan arrangement led by Proventus Capital Partners. The loan arrangement consists of a senior loan facility of USD 60 million and a subordinated loan of SEK 200 million. With financing in place, Ovzon will now act quickly for the satellite to be launched during 2021. Ovzon 3 is the first of a number of planned satellites to reach global coverage for our advanced service.

The work with financing has been extensive during the first half of the year, and the planned listing on Nasdaq Stockholm's main market, scheduled for this the autumn, thus is postponed until 2020.

EXCITING FUTURE

The new agreements we signed with Intelsat and Hispasat gradually increase both our available capacity and our coverage. Sales for the year is expected to remain relatively constant until the use of our leased capacity increases through the customer agreements we can sign in the future. We have managed to reach important milestones in a short period of time, both commercially and financially, especially when it comes to launching our own satellite Ovzon 3. We are just at the beginning of a long and exciting journey.

Magnus René, CEO Ovzon

PUBLICATION

This information is inside information that Ovzon is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on August 23, 2019.



About Ovzon

Ovzon provides broadband satellite service through its own and leased satellite capacity to customers in various parts of the world.

VISION

To revolutionize mobile broadband via satellite by offering global coverage of the highest bandwidth through the smallest terminals.

BUSINESS IDEA

The Group provides mobile satellite broadband services in areas without functioning infrastructure.

FINANCIAL TARGETS

Ovzon's financial target is to continue to develop and expand its current service offering in the coming years, at the same time as the company prepares the launch of its first self-developed satellite.



OVZON AT A GLANCE

CUSTOMER SEGMENTS



LEASED SATELLITES



2 KEY TRENDS

INCREASED BANDWIDTH AND MOBILITY REQUIREMENTS



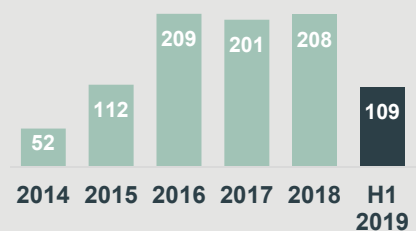
3 OFFICES



12 YEARS OF BUSINESS



SALES, MSEK





Financial overview

GROUP OVERVIEW

TSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full-year 2018
Revenue	55.987	57.092	109.348	103.403	207.883
Operating profit/loss	-9.049	-11.966	-4.389	-23.589	-17.536
Adjusted operating profit/loss*	3.248	2.057	7.908	2.471	8.524
Operating margin	neg	neg	neg	neg	neg.
Adjusted operating margin*	6%	4%	7%	2%	4%
Profit/loss after financial items	-9.968	-15.051	11.353	-29.991	-24.637
Profit/loss for the period after tax	-12.915	-15.051	8.418	-29.991	-25.640

*Excluding items affecting comparability

REVENUE

Net sales for the quarter amounted to TSEK 55.987 (57.092). Net sales for the first six months amounted to TSEK 109.348 (103.403). The decrease in revenue for the quarter is mainly due to lower revenues related to sales of terminals. Revenues and operating margin in SEK has been positively affected by the average USD exchange rate which was 9.30 (8.38) during the quarter.

OPERATING PROFIT/LOSS

Operating loss for the quarter amounted to TSEK -9,049 (-11,966). Operating loss for the first six months amounted to TSEK -4,389 (-23,589). The result was affected by items affecting comparability of TSEK 12,297 (14,023) for the quarter and SEK 12,297 (26,060) for the half year. This year, these costs relate to the write-down of the advance to Orbital and the previous year the costs were attributable to the company's listing and the relocation of a satellite to one of the Group's orbital positions. Adjusted for these items affecting comparability, operating profit for the quarter amounted to TSEK 3,248 (2,057) and for the first half to TSEK 7,908 (2,471). The profit improvement is driven by a stronger dollar and lower booked development costs.

PROFIT/LOSS AFTER FINANCIAL ITEMS

Net financial items for the quarter amounted to TSEK -919 (-3,085) with a profit after financial items of TSEK -9 968 (-15 051). Net financial items for the first half of the year amounted to TSEK 15,742 (-6,402) with a profit after financial items of TSEK 11,353 (-29,991). The strong net financial income is the result of a lower debt and currency effects of TSEK 16,641 on the part of the company's liquidity and group balances held in US dollars.

PROFIT/LOSS AFTER TAX

Profit after tax for the quarter amounted to TSEK -12,915 (-15,051). Profit after tax for the first half of the year amounted to TSEK 8,418 (-29,991).

CASH FLOW

Cash flow from operating activities for the quarter amounted to TSEK -28,069 (-16,723) and for the first half to TSEK -3,410 (-44,801). Cash flow from investing activities for the quarter amounted to TSEK -4,214 (-642) and for the first half-year to -45,284 (-757). The investments were mainly attributable to the on-board processor (OBP) which is to be integrated into the company's own satellite (Ovzon 3). Cash flow from financing activities for the quarter amounted to TSEK -331 (86,476) and for the first half to TSEK 679,426 (86,476). Total cash flow for the quarter amounted to TSEK -32,614 (69,111) and for the first half to TSEK 630,732 (40,918). During the first half of the year, the company amortized interest-bearing liabilities of SEK 14,293,000 and completed a rights issue which provided the company with TSEK 748,119 (before issue costs of TSEK 53,746).

FINANCIAL POSITION

The Group's cash and cash equivalents amounted to TSEK 719 773 at the balance sheet date, compared with TSEK 77 165 at the beginning of the year. Equity amounted to TSEK 771 335, compared with TSEK 72 978 at the beginning of the year. The equity / assets ratio amounts to 94 percent (41).



Other information

MANAGEMENT AND BOARD CHANGES

At the AGM on April 10, it was resolved to elect Anders Björkman as a new Director of the Board. He was also elected as the new Chairman of the Board. Kennet Lejnell and Peter Näslund declined to be re-elected. In early May, Magnus René was appointed new CEO. Per Wahlberg, founder and former CEO continues within the company as Deputy CEO and Head of Business Development.

ORGANISATION AND EMPLOYEES

The number of employees in the Group at the end of the period was 23 (15).

SIGNIFICANT RISKS AND UNCERTAINTIES

Risks associated with the Group's operations can generally be divided into operational risk related to business activities and risk related to financing activities. There was no major change to significant risks or uncertainties during the period. For a presentation of Ovzon's risks, uncertainties and how they are managed, refer to Ovzon's 2018 Annual Report.

PARENT COMPANY

Parent Company operations comprise senior management and staff functions and other central costs. The Parent Company shall invoice the subsidiaries for these costs. The Parent Company's net sales for the half year amounted to TSEK 2,820 (2,820) with a profit after financial items of TSEK 12,694 (-12,260). Cash and cash equivalents at the balance sheet date are TSEK 687,780 and at the beginning of the year TSEK 41,774. Investments during the period are TSEK - (-). Equity amounted to TSEK 936,275, compared with TSEK 229,197 at the beginning of the year. The number of employees is 2 (-).

RELATED-PARTY TRANSACTIONS

During the first six months, the company amortized TSEK 14,293 of the liabilities and accrued interest to Ethern AB and Equi Performance AB. Amortized liquidity was used in its entirety to subscribe for shares in the company in connection with the rights issue in the first quarter. Remaining liabilities and accrued interest to these companies were finally settled at the beginning of the third quarter.

The company has also invoiced OverHorizon (Cyprus) Plc 828 TSEK for various costs charged to Ovzon AB.

THE COMPANY'S MAJOR SHAREHOLDERS

At the end of the reporting period: Investment AB Öresund (14,9%), Bure Equity AB (14,3%), AFA Försäkring (10,3%) OverHorizon (Cyprus) Plc (9,1%) and other shareholders (51,4%). As of the balance sheet date, the total number of shares was 33,585,596.

INCENTIVE PROGRAM

During 2018, the company introduced new incentive programs "Warrants Program 2018/2021" and "Employee Option Program 2018/2021", which were decided at the Extraordinary General Meeting in Ovzon AB on May 9, 2018. At the Extraordinary General Meeting, it was decided to issue a maximum of 226,962 warrants (under the warrant program) to the company's employees in Sweden and 200,000 options (under the employee option program) to the company's employees in the United States. The company's management team has subscribed for the maximum number of options and warrants granted, a total of 167,000 and other employees have subscribed 121,000 options and warrants (non-allocated options and warrants amount to 138,962). Following the rights issue in January 2019, the terms of the warrant program and employee option program have been restated. Each option entitles to subscription of 2.02 new shares in the company at a price of SEK 59.41 per share. If all options and warrants are used in the programs, a dilution of 1.7% of the shares and votes in the company occurs. The time period for the options and warrants runs from 15 May 2021 until 15 June 2021. No dilution effect has been considered in the present report since the average price of the period did not reach the agreed subscription price.

DIVIDEND

The Annual General Meeting on April 10, 2019 resolved that no dividend be paid for the 2018 financial year.



OUTLOOK

The company expects that the market for satellite communication services that require high mobility and performance will continue to develop positively. The company anticipates being able to improve both its sales and earnings for full-year 2019.

FINANCIAL CALENDAR

Interim Report January-September 2019
Year-end Report 2019

November 15, 2019
February 19, 2020

Stockholm, August 23, 2019

Magnus René
CEO and Board member

Anders Björkman
Chairman of the Board

Lennart Hällkvist
Board member

Nicklas Paulson
Board member

Patrik Tigerschiöld
Board member

This report has not been reviewed by the company's auditor.

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Group financial statements

GROUP INCOME STATEMENTS

TSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full-year 2018
Revenue	55,987	57,092	109,348	103,403	207,883
Other operating income	3,307	-65	3,622	48	2,115
Purchased satellite capacity and other direct costs	-30,980	-33,245	-59,461	-58,587	-117,211
Other external costs	-12,078	-27,740	-21,593	-53,923	-75,689
Employee benefit expenses	-10,891	-6,462	-19,869	-11,554	-28,409
Depreciation/amortisation	-14,394	-1,546	-16,436	-2,976	-6,225
Operating profit/loss	-9,049	-11,966	-4,389	-23,589	-17,536
Financial income	-519	721	16,641	1,314	3,577
Financial expenses	-400	-3,806	-899	-7,716	-10,678
Profit/loss after financial items	-9,968	-15,051	11,353	-29,991	-24,637
Tax on the profit for the period	-2,947	–	-2,935	–	-1,003
NET PROFIT/LOSS FOR THE PERIOD	-12,915	-15,051	8,418	-29,991	-25,640
<i>Net profit/loss for the period attributable to:</i>					
Shareholders of the Parent Company	-12,915	-15,051	8,418	-29,991	-25,640
<i>Earnings per share attributable to:</i>					
Shareholders of the Parent Company, SEK ¹⁾	-0.38	-2.25	0.29	-5.13	-3.63
Average number of shares ¹⁾	33,585,596	6,679,538	29,410,591	5,844,409	7,066,488

1) No dilutive effect.

GROUP STATEMENTS OF COMPREHENSIVE INCOME

TSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full-year 2018
Profit/loss for the period	-12,915	-15,051	8,418	-29,991	-25,640
Other comprehensive income:					
Items that can be subsequently reclassified to the income statement:					
- Translation differences	146	-8,936	-4,566	-10,834	-9,643
Other comprehensive income after tax	146	-8,936	-4,566	-10,834	-9,643
Comprehensive income/loss for the period	-12,769	-23,987	3,852	-40,825	-35,283
<i>Comprehensive income/loss for the period attributable to:</i>					
Shareholders of the Parent Company	-12,769	-23,987	3,852	-40,825	-35,283
Comprehensive income/loss for the period	-12,769	-23,987	3,852	-40,825	-35,283



CONSOLIDATED CONDENSED BALANCE SHEETS

TSEK	30 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS ¹⁾			
Intangible fixed assets	3,840	9,312	6,515
Property, plant and equipment	70,769	26,770	38,011
Access rights Assets	7,690	–	–
Financial fixed assets	1,085	1,090	1,034
Inventory	9,657	2,502	5,291
Current receivables	12,165	28,171	3,132
Cash and cash equivalents	719,733	97,137	77,165
TOTAL ASSETS	824,939	164,982	131,148
EQUITY AND LIABILITIES ¹⁾			
Equity	771,335	67,274	72,978
Long-term liabilities, interest-bearing	–	–	–
Deferred tax liabilities	1,089	1,288	1,089
Liabilities related to leasing, interest-bearing	7,802	–	–
Current liabilities, interest-bearing	23,800	71,290	37,433
Current liabilities, non-interest-bearing	20,913	25,130	19,648
TOTAL EQUITY AND LIABILITIES	824,939	164,982	131,148

1) The carrying amounts of financial assets and liabilities are either measured at fair value or represent a close approximation of fair value.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

TSEK	30 Jun 2019	30 Jun 2018	31 Dec 2018
Equity at the beginning of the year	72,978	-120,562	-120,562
Comprehensive income/loss for the period	3,852	-40,825	-35,283
Share issue, net after transaction costs	694,373	222,661	222,661
Employee stock options, according to IFRS 2	132	–	162
Unconditional shareholders' contributions	–	6,000	6,000
EQUITY AT THE END OF THE PERIOD	771,335	67,274	72,978

CONSOLIDATED CONDENSED CASH FLOW STATEMENTS

TSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full-year 2018
Cash flow from operating activities before changes in working capital	1,894	-18,366	6,258	-27,655	-19,274
Total change in working capital	-29,963	1,643	-9,668	-17,146	-41,175
Cash flow from operating activities	-28,069	-16,723	-3,410	-44,801	-60,449
Cash flow from investing activities	-4,214	-642	-45,284	-757	-12,101
Cash flow from financing activities	-331	86,476	679,426	86,476	90,493
CASH FLOW FOR THE PERIOD	-32,614	69,111	630,732	40,918	17,943
Cash and cash equivalents at the beginning of the period	752,363	22,095	77,165	49,672	49,672
Exchange-rate difference in cash and cash equivalents	-16	5,931	11,836	6,547	9,550
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	719,733	97,137	719,733	97,137	77,165



Notes, Group

NOTE 1: BASIS OF PREPARATION AND ACCOUNTING POLICIES FOR THE GROUP

Ovzon applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Reporting. The same accounting principles and calculation methods are applied as in the latest Annual Report, except IFRS 16 as described below. This interim report consists of pages 1-14 and is to be read in its entirety.

Accounting principles regarding ongoing investments and advances

Ongoing investments in satellite are valued at direct external and internal costs directly attributable to bringing the satellite into use in accordance with management's intentions.

Ovzon has signed an agreement with SSL, a company owned by Maxar Technology, for the construction of a satellite. While the satellite provider is performing its part of the agreement, Ovzon has its own expenses for its part of the work on the satellite. An integral part of this project is that Ovzon, as the project progresses, finances the project. This means that funding for a certain period is an advance and then becomes the ongoing satellite project. As this is such an integrated project and considered by Ovzon as a project, Ovzon has chosen to report the project in an integrated item called Ongoing new plant and advances in the balance sheet.

Borrowing costs during construction are capitalized as part of the acquisition value. The borrowing expenses that are capitalized are based on the specific borrowing for the investment that the Group makes and which is described in the note Events after the balance sheet date.

NEW OR AMENDED ACCOUNTING STANDARDS IMPLEMENTED IN 2019

Leasing

IFRS 16 replaced IAS 17 from January 1, 2019.

According to the new standard, an asset (relating to a right of use) and a financial liability (relating to an obligation to pay leasing fees) shall be reported in the balance sheet. The lessee shall divide the cost of the leased asset into depreciation and interest payments.

Ovzon's recognized assets relate primarily to leased premises. Short-term leases and leases for which the underlying asset has a smaller value have been excluded. Upon the introduction of the standard on January 1, 2019, an asset and leasing debt (the present value of future lease payments) of TSEK 8,306 was recognized.

In the income statement, operational leasing costs have been replaced by depreciation of the asset and interest expenses attributable to the leasing debt. For this reason, operating profit will increase, compared with previous periods, as part of the lease payments are reported as an interest expense.

In the cash flow statement, the lease payments are allocated between interest paid in the operating cash flow and the amortization of leasing liabilities in the financing activities. Thus, this results in a positive effect on the operating cash flow. Ovzon has chosen to apply the simplified transition method and has therefore not calculated the comparative figures.

Other new standards

No other EU-approved new and amended standards from IASB and interpretative statements from the IFRS Interpretations Committee are deemed to have a significant impact on the Group's financial position.

NOTE 2: BUSINESS SEGMENT REPORTING

Segment information is not presented because the business activities comprise one segment.

NOTE 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group has no derivative instruments or other financial instruments measured at fair value. The fair value of long-term and current interest-bearing liabilities is not considered to deviate materially from their carrying amount. For financial instruments measured at amortised cost (accounts receivable, other receivables, cash



and cash equivalents, trade payables and other interest-free liabilities), their fair value is considered equal to their carrying amount.

NOTE 4: CURRENT MATERIAL FIXED ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS

In 2015, OverHorizon AB signed an agreement with Orbital Sciences Corporation on the acquisition of a communications satellite with associated ground equipment, support and training. Advances paid and work performed will only to a certain extent be reusable in the Ovzon-3 project, which is why the company, in the second quarter of 2019, has written down previously paid advances of TSEK 12,297.

	30 Jun 2019	30 Jun 2018
Ongoing investment Ovzon 3, TSEK		
Opening balance accrued costs and advances paid	35 613	24 595
Costs and advances paid during the year ¹⁾	44 103	11 018
Translation difference	735	–
Closing balance accumulated capitalized costs	80 451	35 613
Opening balance write-downs	–	–
Wrote-downs for the year ²⁾	-12 297	–
Closing balance accumulated write-downs ²⁾	-12 297	–
Closing balance, reported value	68 154	35 613

1) Of the period's capitalization TSEK 2,746 relates to internal work and TSEK 440 to financing expenses

2) Write-down refers to part of the advance paid in 2015 to Orbital

NOTE 5: TAX

Deferred tax assets on tax-loss carry forwards are not included on the balance sheet.

NOTE 6: PLEDGED ASSETS AND CONTINGENT LIABILITIES

The Group had no pledged assets, nor contingent liabilities at the end of the period.

NOTE 7: RELATED-PARTY TRANSACTIONS

During the first half of the year, the company paid off TSEK 14,293 of loan debt and accrued interest to Etheron AB and Equi Performance AB. Amortized liquidity was used in its entirety to subscribe for shares in the company in connection with the rights issue in the first quarter. Remaining liabilities and accrued interest to these companies were finally settled at the beginning of the third quarter.

The company has also invoiced OverHorizon (Cyprus) Plc 828 TSEK for various costs charged to Ovzon AB.

NOTE 8: EVENTS AFTER THE BALANCE SHEET DATE

The financing of Ovzon 3 was secured through a loan facility led by Proventus Capital Partners consisting of a loan of USD 60 million and a subordinated loan of SEK 200 million.

NOTE 9: DISTRIBUTION OF NET SALES

The Group's services have mainly been provided in the US, as well as a minor part in the UK.



Financial statements, Parent Company

CONDENSED PARENT COMPANY INCOME STATEMENTS

TSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full-year 2018
Revenue	1.131	1.410	2.820	2.820	6,640
Other operating income	2.195	16	2.195	16	18
Other external costs	-4.054	-9.485	-8.177	-16.315	-23,882
Personnel costs	-1.437	–	-3.373	–	-2,408
Operating profit/loss	-2.165	-8.059	-6.535	-13.479	-19,632
Financial revenues	1.810	1.219	19,229	1,219	5,844
Financial expenses	25	–	–	–	-169
Profit/loss after financial items	-330	-6.840	12.694	-12.260	-13,957
Appropriations	–	–	–	–	14,000
Tax on the profit for the period	11	–	11	–	-11
NET PROFIT/LOSS FOR THE PERIOD	-319	-6.840	12.705	-12.260	32

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

TSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full-year 2018
Profit/loss for the period	-319	-6,840	12,705	-12,260	32
Other comprehensive income:	–	–	–	–	–
Comprehensive income for the period	-319	-6,840	12,705	-12,260	32

CONDENSED PARENT COMPANY BALANCE SHEET

TSEK	30 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS ¹⁾			
Shares in Group companies	1,605	305	1,605
Receivables from Group companies	248,168	148,686	187,574
Current receivables	1,537	2,420	1,119
Cash and cash equivalents	687,780	79,466	41,774
TOTAL ASSETS	939,090	230,877	232,072
EQUITY AND LIABILITIES ¹⁾			
Equity	936,275	216,905	229,197
Liabilities to Group companies/related parties ²⁾	–	11,977	–
Current liabilities, non-interest-bearing	2,815	1,995	2,875
TOTAL EQUITY AND LIABILITIES	939,090	230,877	232,072

1) The carrying amounts of financial assets and liabilities are either measured at fair value or represent a close approximation of fair value.

2) Related to the former parent company OverHorizon (Cyprus) Plc

CONDENSED PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

TSEK	30 Jun 2019	30 Jun 2018	31 Dec 2018
Equity at the beginning of the year	229,197	504	504
Comprehensive income for the period	12,705	-12,260	32
Share issue, net after transaction costs	694,373	222,661	222,661
Unconditional shareholder contribution	–	6,000	6,000
EQUITY AT THE END OF THE PERIOD	936,275	216,905	229,197



Notes, Parent Company

NOTE 1: ACCOUNTING POLICIES

The company has prepared the interim report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The accounting policies applied in the preparation of this interim report apply to all periods and are consistent with the accounting policies presented in Note 2 Summary of significant accounting policies in the 2018 Annual Report for Ovzon AB (publ).

NOTE 2: RELATED-PARTY TRANSACTIONS

The company has also invoiced OverHorizon (Cyprus) Plc TSEK 828 for various expenses charged to Ovzon AB.

NOTE 3: PLEDGED ASSETS AND CONTINGENT LIABILITIES

No changes as of the balance sheet date since the annual report 2018 was submitted.

NOTE 4: RECEIVABLES IN GROUP COMPANIES

	30 Jun 2019	30 Jun 2018
Receivables in Group companies, TSEK		
OverHorizon AB	84 034	50 197
OverHorizon OHO 1 Limited	143 978	136 672
OverHorizon Communications Group LLC	145	70
OverHorizon LLC	20 011	635
Total	248 168	187 574

Ovzon AB (publ) is the parent company of the Group, which also consists of the subsidiaries OverHorizon AB, OverHorizon OHO 1 Limited, OverHorizon Communications Group LLC and OverHorizon LLC, a wholly owned subsidiary of OverHorizon Communications Group LLC.

NOTE 5: EVENTS AFTER THE BALANCE SHEET DATE

The financing of Ovzon 3 was secured through a loan facility led by Proventus Capital Partners consisting of a loan of USD 60 million and a subordinated loan of SEK 200 million.



Alternative key ratios

The company reports alternative key ratios in this interim report. The alternative key ratios provide valuable supplementary information to investors and other stakeholders as they enable evaluation of the company's performance. The alternative key ratios in this report may differ from the calculation method of similar measurements used by other companies.

Adjusted operating profit/loss

Operating profit/loss excluding items affecting comparability.

Operating margin

Operating profit/loss in relation to revenue.

Adjusted operating margin

Operating profit/loss, excluding items affecting comparability, in relation to revenue.

Earnings per share

Profit for the period in relation to the average number of shares. Average number of shares is calculated as the number of shares at the end of the period multiplied by the number of days that this number of shares has existed during the period, plus any other number of shares during the period multiplied by the number of days that this number of shares has existed during the period, divided by the total number of days in the period.

Equity/assets ratio

Equity in relation to total assets.