

# Interim report

January-March 2020

[www.ovzon.com](http://www.ovzon.com)





## Progress in a turbulent world

### January–March 2020

- Revenue increased to TSEK 59,576 (53,361).
- Operating profit increased to TSEK 5,355 (4,660).
- Profit after tax increased to TSEK 33,705 (21,333).
- Earnings per share increased to 0.98 SEK (0.71).

### Significant events during the period

- Directed new share issue of approx. SEK 84.5 million to Stena Finans AB.
- New distributors in Benelux, Colombia and Peru.
- Ozone's mobile broadband service via satellite in use by Italian authorities in the work of limiting the spread of Covid-19.
- Secured renewed contracts, valued at approximately USD 6.9 million, from US DoD.

### Significant events after the period

- Ovzon and Airbus Defence and Space has entered into a partnership through a reseller agreement in which Airbus will include Ovzon's innovative satellite communication services into its portfolio.
- Based on current order book and the difficulty in closing new deals at present, the turnover and result will short term develop weaker.

### Key figures

TSEK	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
Revenue	59,576	53,361	231,642
Operating profit/loss	5,355	4,660	11,419
Adjusted operating profit/loss*	5,355	4,660	23,716
Profit/loss for the period after tax	33,705	21,333	29,230
Earnings per share, SEK	0.98	0.71	0.93

\*Excluding items affecting comparability

# Comments from the CEO

The first months of the year have entailed continued progress for Ovzon, although the effects of Covid-19 naturally make our sales and marketing activities more difficult. We have strengthened our financial position through a directed share issue to Stena Finans. This strengthens our work on our fully financed first own satellite, Ovzon 3, as well as continued product development. During the quarter we also expanded our sales capacity through several new distributors, including Airbus, the leading system provider.

## **New distributors and Airbus as important partner**

In December 2019, Ovzon signed an agreement with Italian Gomedia Satcom and at the same time secured a first order from the Italian army. Ovzon's mobile broadband service via satellite has during the quarter been used by Italian authorities in the work to prevent further spread of Covid-19.

In early 2020, we also engaged Network Innovations as a distributor in Benelux, Bansat in Colombia, Orbita in Peru, Syntelix in Panama and Aicox in Spain and Portugal.

In early April, we signed an agreement with Airbus. Airbus will include Ovzon's satellite communications services in its product portfolio and from late 2021 the offering will be expanded with Ovzon's own satellite Ovzon 3. Airbus is a leading system integrator providing advanced, secure, satellite communications and network services. We are, of course, happy and hopeful for the collaboration, as Airbus's professional team has a long history of providing advanced satellite communications to demanding customers.

## **Renewed contracts and IS 39**

We secured renewed contracts of USD 6.9 million from the US defense through the US service provider Intelsat (IGC). The contracts are for the second half of the customer's financial year 2020, until September 2020. The total order volume for the financial year thus amounts to USD 20.6 million, compared to USD 22.8 million previous financial year.

Intelsat's satellite IS-39, on which we have secured capacity for our service, has shown good performance in tests during the fall of 2019. However, Intelsat has still not been able to set a date for when to start delivering the service within the agreed geography. This delay is beyond our control, but when we receive a green light, we will be able to offer supplementary coverage for our customers.

## **Outlook and Covid-19**

Unfortunately, our market activities have been limited by Covid-19. Fairs have been cancelled as well as trips to potential customers in order to demonstrate our service. Nevertheless, we have maintained a very good dialogue with both defense and media-related players.

Our assessment is that the market for satellite services demanding high mobility and performance will continue to develop positively. We expect to contract additional customers, also interested in capacity on Ovzon 3, during the year. However, the turbulent global situation in the Covid-19 outbreak and the lower volume of the present 6-month contract with US DoD, signed in March, will short term give us a weaker turnover and profitability, compared to last year.



## **Ovzon 3 is just the beginning**

Ovzon 3, which is now in production with our partner Maxar, is scheduled to be launched during the latter part of 2021. Ovzon 3 multiplies our capacity and gives us the opportunity to offer new improved services and features, which further improves our unique mobile broadband service. The project is central and our primary focus in the coming years. It is the first of a number of planned satellites to provide global reach based on own satellites. We are thus well positioned in the satellite market of the future.

*Magnus René, CEO*

## **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 April 28, 2020.*

# 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

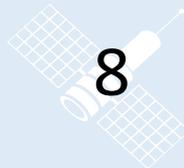
Ovzon's financial target is to continue to develop and expand its current service offering in the coming years, at the same time as the company prepares the launch of its first self-developed satellite.

## Ovzon at a glance

### Customer segments



### Leased satellites



### 2 key trends

Increased bandwidth and mobility requirements



### 3 offices



### 14 years of business



### Sales, MSEK



# Financial overview

## Development during the quarter

TSEK	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
Revenue	59 576	53 361	231 642
Operating profit/loss	5 355	4 660	11 419
Adjusted operating profit/loss*	5 355	4 660	23 716
Profit/loss after financial items	33 705	21 333	29 230
Earnings per share, SEK	0,98	0,71	0.93

\*Excluding items affecting comparability

### Revenue

Revenue for the full year increased to TSEK 59,576 (53,361). The revenue is in line with the same period last year but has in SEK, together with the gross margin, been affected positively by the higher average exchange rate for the USD which was 9.67 (9.17).

### Operating profit/loss

Operating profit for the quarter increased to TSEK 5,355 (4,660). The result is driven by the favorable (contract volume USD 13.7 million) six-month contract with the US defense (through Intelsat General Corporation), which was signed in September 2019 and a stronger dollar. In March, the contracts were renewed for the coming six months, but this time at a lower level (contract volume USD 6.9 million).

### Profit/loss after financial items

Net financial items for the quarter increased to TSEK 28,361 (16,661) with a profit after financial items of TSEK 33,716 (21,321). The strong financial net for the full year is primarily the result of significant currency effects on the part of the company's liquidity and group balances held in USD.

### Profit/loss after tax

Profit after tax for the quarter increased to TSEK 33,705 (21,333).

### Cash flow

Cash flow from operating activities for the quarter amounted to TSEK 13,673 (24,659). Cash flow from investing activities for the quarter amounted to TSEK -96,898 (-41,070). The investments were mainly attributable to the company's first own satellite (Ovzon 3), a project that is expected to be completed in 2021 (see also Note 4). Cash flow from financing operations for the quarter amounted to TSEK 83,935 (679,757). The total cash flow for the quarter amounted to TSEK 710 (663,346). During the quarter, the company has completed a directed new share issue which contributed TSEK 84,475 (before issue costs of TSEK 187).

## Financial position

The Group's cash and cash equivalents amounted to TSEK 265,401 at the balance sheet date, compared with TSEK 257,382 at the beginning of the year. Equity amounted to TSEK 904,114, compared with TSEK 796,296 at the beginning of the year. The equity / assets ratio amounts to 86 percent (89).

## 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 taken into account in the current report, as the average price for the period has not reached the adjusted subscription price.

At the Annual General Meeting of Ovzon AB on April 1, 2020, it was decided to issue a maximum of 700,000 options under "Warrants Program 2020/2023". Each warrant entitles the holder to subscribe for a new share in the Company at a subscription price corresponding to 200 percent of the volume-weighted average price of the Company's share on the Nasdaq First North Premier Growth Market during the period April 14, 2020 through April 27, 2020. The warrants may be exercised to subscribe for shares during the period from May 1, 2023 to May 31, 2023. No allocation under this program has occurred on the balance sheet date.

# Other information

## Management and Board changes

At the AGM on April 1, 2020 Dan Jangblad and Cecilia Driving were elected as members of the board. Lennart Hällkvist, declined to be re-elected.

## Organization and employees

The number of employees in the Group at the end of the period was 27 (19).

## 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 apart from Covid-19. For a detailed description of Ovzon's risks, uncertainties and how they are managed, refer to page 26 in Ovzon's 2019 Annual Report.

## Effects of Covid-19

In addition to the risks and uncertainties presented in the annual report, the outbreak of Covid-19 has a potential impact on Ovzon's operations. The main risk areas associated with Covid-19 include delayed commercial activities, potential disruptions in supply chains, the well-being of our employees, and the financial stability of our customers and suppliers.

## Parent company

Parent Company operations comprise senior management and staff functions and other central costs. The Parent Company invoices the subsidiaries for these costs.

The Parent Company's revenue for the period amounted to TSEK 1,412 (1,689), with a profit after financial items of TSEK 30,951 (13,024). Cash and cash equivalents at the balance sheet date are TSEK 248,845 and at the beginning of the year TSEK 211,070. Investments during the period are TSEK - (-). Equity amounted to TSEK 1,086,102, compared with TSEK 970,863 at the beginning of the year.

The number of employees is 2 (2).

## Related-party transactions

There were no related-party transactions in the first quarter. During the previous year, the company has finalized amortisations of TSEK 38,093 (of the liabilities and accrued interest) to Ethern AB and Equi Performance AB. Of amortized liquidity, TSEK 14,293 was used to subscribe for shares in the company in connection with the rights issue in the first quarter 2019. During the previous year the company also invoiced OverHorizon (Cyprus) Plc TSEK 828 for various costs charged to Ovzon AB.

## The company's major shareholders

At the end of the reporting period: Investment AB Öresund (14.3%), Bure Equity AB (13.7%), AFA Försäkring (11.1%) OverHorizon (Cyprus) Plc (8.8%) and other shareholders (52.1%). As of the balance sheet date, the total number of shares was 34,944,155.

## Outlook

The company believes that the market for satellite communications services that require high mobility and long-term performance will continue to develop positively. The company expects to contract new customers during the year who will also be interested in capacity at Ovzon 3. The turbulent situation in the world economy following the outbreak of Covid-19 and the smaller six-month contract from the US DoD that was signed in March, will in the short term have an impact in turnover and net result.

## Financial calendar

Interim report January-June 2020	August 18, 2020
Interim Report January-September 2020	October 21, 2020
Year-end report 2020	February 19, 2021

## Review by auditors

The year-end report has not been subject to review by the company's auditors.

## Certification

The Board of Directors and the CEO hereby declare that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings, and describes significant risks and uncertainties such as the parent company and the companies of the Group are assessed to be facing.

**Stockholm, April 28, 2020**

Magnus René  
CEO and Board member

FNCA Sweden AB, +46(0)8 528 003 99, [info@fnca.se](mailto:info@fnca.se), is the company's Certified Adviser.

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# Group financial statements

## Group income statements

TSEK	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
Revenue	59 576	53 361	231 642
Other operating income	3 535	315	13 681
Purchased satellite capacity and other direct costs	-29 252	-28 481	-122 518
Other external costs	-9 353	-9 515	-45 065
Employee benefit expenses	-12 741	-8 978	-47 542
Depreciation/amortisation	-1 676	-2 042	-18 779
Other operating expenses	-4 734	-	-
<b>Operating profit/loss</b>	<b>5 355</b>	<b>4 660</b>	<b>11 419</b>
Financial income	28 441	17 160	28 498
Financial expenses	-80	-499	-1 129
<b>Profit/loss after financial items</b>	<b>33 716</b>	<b>21 321</b>	<b>38 788</b>
Tax on the profit for the period	-11	12	-9 558
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>33 705</b>	<b>21 333</b>	<b>29 230</b>
<i>Net profit/loss for the period attributable to:</i>			
Shareholders of the Parent Company	33 705	21 333	29 230
<i>Earnings per share attributable to:</i>			
Shareholders of the Parent Company, SEK <sup>1)</sup>	0,98	0,71	0,93
Average number of shares <sup>1)</sup>	34 511 208	30 413 623	31 515 251

1) No dilutive effect.

## Group statements over comprehensive income

TSEK	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
<b>Profit/loss for the period</b>	<b>33 705</b>	<b>21 333</b>	<b>29 230</b>
<b>Other comprehensive income:</b>			
Items that can be subsequently reclassified to the income statement:			
- Translation differences	-10 242	-4 712	-5 369
<b>Other comprehensive income after tax</b>	<b>-10 242</b>	<b>-4 712</b>	<b>-5 369</b>
<b>Comprehensive income/loss for the period</b>	<b>23 463</b>	<b>16 621</b>	<b>23 861</b>
<i>Comprehensive income/loss for the period attributable to:</i>			
Shareholders of the Parent Company	23 463	16 621	23 861
<b>Comprehensive income/loss for the period</b>	<b>23 463</b>	<b>16 621</b>	<b>23 861</b>

## Consolidated condensed balance sheets

TSEK	31 Mar 2020	31 Mar 2019	31 Dec 2019
<b>ASSETS <sup>1)</sup></b>			
Intangible fixed assets	2 575	5 299	3 110
Property, plant and equipment <sup>2)</sup>	639 834	79 713	532 093
Access rights Assets	6 858	8 077	6 944
Financial fixed assets	1 104	1 060	1 089
Inventory	23 929	6 359	15 960
Current receivables <sup>3)</sup>	105 626	22 248	75 407
Cash and cash equivalents	265 401	752 363	257 382
<b>TOTAL ASSETS</b>	<b>1 045 327</b>	<b>875 119</b>	<b>891 985</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	904 114	784 037	796 296
Deferred tax liabilities	–	1 089	–
Liabilities related to leasing, interest-bearing	7 117	8 135	7 154
Current liabilities, interest-bearing	–	23 493	–
Current liabilities, non-interest-bearing	134 096	58 365	88 535
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 045 327</b>	<b>875 119</b>	<b>891 985</b>

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

<sup>2)</sup> See Note 4

<sup>3)</sup> As of 2020-03-31 "Prepaid costs and accrued income" amounted to 77,345 TSEK

## Consolidated condensed statement of changes in equity

TSEK	31 Mar 2020	31 Mar 2019	31 Dec 2019
Equity at the beginning of the year	796 296	72 978	72 978
Comprehensive income/loss for the period	23 463	16 621	23 861
Share issue, net after transaction costs	84 288	694 373	694 373
Employee stock options, according to IFRS 2	67	65	266
Issued warrants	–	–	4 818
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>904 114</b>	<b>784 037</b>	<b>796 296</b>



## Consolidated condensed cash flow statements

TSEK	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
<b>Cash flow from operating activities before changes in working capital</b>			
working capital	6 575	4 364	27 026
Total change in working capital	7 098	20 295	-17 401
<b>Cash flow from operating activities</b>	<b>13 673</b>	<b>24 659</b>	<b>9 625</b>
<b>Cash flow from investing activities</b>	<b>-96 898</b>	<b>-41 070</b>	<b>-509 108</b>
<b>Cash flow from financing activities</b>	<b>83 935</b>	<b>679 757</b>	<b>654 947</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>710</b>	<b>663 346</b>	<b>155 464</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>257 382</b>	<b>77 165</b>	<b>77 165</b>
Exchange-rate difference in cash and cash equivalents	7 309	11 852	24 753
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>265 401</b>	<b>752 363</b>	<b>257 382</b>

# 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 1-17 and is to be read in its entirety.

New or revised IFRS and IFRIC interpretative statements are currently not considered to have any significant impact on Ovzon's financial reports.

## **Note 2: Business segment reporting**

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

## **Note 3: Fair value of financial instrument**

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.

Ongoing investment relates to the company's own satellite Ovzon 3, the satellite is expected to be completed in 2021.

	31 Mar 2020	31 Dec 2019
<b>Ongoing investment Ovzon 3, TSEK</b>		
Opening balance accrued costs and advances paid	538 307	35 613
Costs and advances paid during the year <sup>1)</sup>	95 817	504 246
Translation difference	11 033	-1 552
<b>Closing balance accumulated capitalized costs</b>	<b>645 157</b>	<b>538 307</b>
Opening balance write-downs	-12 297	–
Wrote-downs for the year <sup>2)</sup>	–	-12 297
Closing balance accumulated write-downs <sup>2)</sup>	-12 297	-12 297
<b>Closing balance, reported value<sup>3)</sup></b>	<b>632 860</b>	<b>526 010</b>

1) Of the period's capitalization TSEK 2,683 relates to internal work for Q1 2020 and TSEK 8,033 for 2019.

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

3) In addition to the carrying amount, prepaid transaction expenses of TSEK 77,345 are reported in accordance with IFRS 9

## 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

To changes per balance sheet date since the published annual report 2019.

## Note 7: Related-party transactions

During the previous year, the company finalized amortizations of TSEK 38,093 (regarding loan debt and accrued interest) to Etheron AB and Equi Performance AB. Of amortized liquidation, TSEK 14,293 was used to subscribe for shares in the company in connection with the rights issue in the first quarter of 2019. During the previous year, OverHorizon (Cyprus) Plc TSEK 1,380 was also invoiced for various costs charged to Ovzon AB.

## Note 8: Events after the balance sheet date

Ovzon and Airbus have signed a cooperation agreement whereby Airbus, as a reseller for Ovzon, will include Ovzon's innovative satellite communications services in its product portfolio.

## Note 9: Distribution of net sales

The Group's services have, as in previous year, mainly during the period been provided from the subsidiary in the US.

# Financial statements, Parent Company

## Condensed parent company income statements

TSEK	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
Revenue	1 412	1 689	21 807
Other operating income	937	–	3 324
Other external costs	-3 454	-4 123	-14 767
Personnel costs	-3 040	-1 936	-8 580
<b>Operating profit/loss</b>	<b>-4 145</b>	<b>-4 370</b>	<b>1 784</b>
Financial revenues	35 096	17 419	40 681
Financial expenses	–	-25	–
<b>Profit/loss after financial items</b>	<b>30 951</b>	<b>13 024</b>	<b>42 465</b>
Appropriations	–	1	–
Tax on the profit for the period	–	-1	11
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>30 951</b>	<b>13 024</b>	<b>42 476</b>

## Parent company statements of comprehensive income

TSEK	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
<b>Profit/loss for the period</b>	<b>30 951</b>	<b>13 024</b>	<b>42 476</b>
<b>Other comprehensive income:</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Comprehensive income for the period</b>	<b>30 951</b>	<b>13 024</b>	<b>42 476</b>

## Condensed parent company balance sheet

TSEK	31 Mar 2020	31 Mar 2019	Full-year 2019
<b>ASSETS <sup>1)</sup></b>			
Shares in Group companies	26 605	1 605	26 605
Receivables from Group companies	738 005	212 558	695 251
Current receivables	81 271	1 621	66 637
Cash and cash equivalents	248 845	725 664	211 070
<b>TOTAL ASSETS</b>	<b>1 094 726</b>	<b>941 448</b>	<b>999 563</b>
<b>EQUITY AND LIABILITIES <sup>1)</sup></b>			
Equity	1 086 102	936 594	970 863
Current liabilities, non-interest bearing	8 624	4 854	28 700
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 094 726</b>	<b>941 448</b>	<b>999 563</b>

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



## Condensed parent company statement of changes in equity

TSEK	31 Mar 2020	31 Mar 2019	31 Dec 2019
Equity at the beginning of the year	970 863	229 197	229 197
Comprehensive income for the period	30 951	13 024	42 476
Share issue, net after transaction costs	84 288	694 373	694 373
Issued warrants	–	–	4 817
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>1 086 102</b>	<b>936 594</b>	<b>970 863</b>

# 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 1,380 for various expenses charged to Ovzon AB.

## Note 3: Pledged assets and contingent liabilities

No changes since the annual report 2019 was submitted.

## Note 4: Receivables in group companies

	31 Mar 2020	31 Dec 2019
<b>Receivables in group companies, TSEK</b>		
OverHorizon AB	425 447	409 775
OverHorizon OHO 1 Limited	125 734	115 047
OverHorizon Communications Group LLC	355	285
OverHorizon LLC	186 470	170 144
<b>Total</b>	<b>738 006</b>	<b>695 251</b>

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

## Note 5: Events after the balance sheet date

Ovzon and Airbus have signed a cooperation agreement whereby Airbus, as a reseller for Ovzon, will include Ovzon's innovative satellite communications services in its product portfolio.

# 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/asset ratio**

Equity in relation to total assets.