

Year-end report

January-December 2020

www.ovzon.com



New customers and products

Full-year January–December 2020

- Revenue amounted to TSEK 160,477 (231,642).
- Operating profit amounted to TSEK -48,284 (11,419).
- Operating profit excluding non-recurring costs amounted to TSEK -48,284 (23,716).
- Profit after tax amounted to TSEK -104,049 (29,230). The result includes currency conversions and financial transaction costs of TSEK -58,759 (25,086).
- Earnings per share amounted to SEK -2.52 (0.93).

The quarter October–December 2020

- Revenue amounted to TSEK 33,633 (65,315).
- Operating profit amounted to TSEK -19,326 (13,666).
- Operating profit excluding non-recurring costs amounted to TSEK -19,326 (13,666).
- Profit after tax amounted to TSEK -55,683 (-5,447). The result includes currency conversions and financial transaction costs of TSEK -36,362 (-18,276).
- Earnings per share amounted to -1.20 SEK (-0,16).

Significant events during the period

- Introduction of Ovzon T6, a new portable satellite terminal
- Agreement with Hellas-sat on capacity in Europe and the Middle East
- Launch of Ovzon GO, a new service for satellite-based mobile broadband
- First order from Airbus for a customer in the UK
- New 12-month order of MUSD 14.6 from IGC, for US DoD
- FHG Security appointed distributor for France
- Order from the national fire corps in Italy

Significant events after the period

- Ovzon certified according to ISO 9001

Outlook

- The company estimates that turnover in 2021 will be higher than in 2020. With Ovzon 3, that will be put into operation in 2022, the company expects to increase turnover further.

TSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Revenue	33 633	65 315	160 477	231 642
Operating profit/loss	-19 326	13 666	-48 284	11 419
Adjusted operating profit/loss*	-19 326	13 666	-48 284	23 716
Profit/loss for the period after tax	-55 683	-5 447	-104 049	29 230
Earnings per share, SEK	-1,20	-0,16	-2,52	0,93

*Excluding items affecting comparability. Items affecting comparability 2019 refer to the write-down of advances to Orbital. See note 5.



Comments from the CEO

Ovzon has during the year, and especially during the second half, advanced its position. During the fourth quarter, we have signed several important agreements with existing and new customers, launched new products and services and entered into new partnerships that will further strengthen our sales capacity. In addition, the production of our upcoming satellite Ovzon 3 is proceeding according to plan, with launch planned at the end of 2021 – a milestone for Ovzon.

During the year, we strengthened the organization, especially on the market side, by welcoming Tom Hopkins as COO, Dan Gager as CCO and Nils Norén as Chief Product Development and Supply. We have also expanded our satellite network through agreements with Intelsat on steerable antennas and with Hellas-sat on regional coverage. This means that we can already now offer our customers nearly global reach. We have been able to deepen the cooperation with our important customer US DoD, and at the end of the year we received an order for a full year, where capacity from a steerable antenna is included in the deal for the first time.

The investments have negatively affected the result, but at the same time we have broadened our network to global reach, added new services and products and strengthened the organization, including agents and partners, to develop our business and prepare for Ovzon 3.

New customers and quarterly outcome as expected

During the quarter, we signed agreements with two new customers. It is very satisfying to see that we are now reaching new customer groups in new geographies. The first order came through the collaboration with Airbus, which began in April 2020, and relates to a UK based end-customer. This order is for 12 months delivery and starts in February 2021. We also received yet another order through our Italian distributor Gomedia, this time for the Italian fire corps. Our business in the Italian market is developing strongly in collaboration with Gomedia. The agreement with the Italian fire corps shows the appetite for Ovzon's mobile broadband services among civilian government customers, but also that our marketing strategy with distributors is beginning to pay off. In December we appointed FGH Security as a distributor in France.

In our report for the third quarter we guided for that sales in the fourth quarter would be in line with the outcome in the second and third quarters. This was also the case, as a result of lower revenue from the US Defense (US DoD) during the March-December period and weaker dollar exchange rates.

Our earnings are also negatively affected by the fact that we do not yet fully utilize our new leased satellite capacity. However, the development in Q4 show that we have laid a good foundation for future growth. In December, we secured a renewed contract totaling MUSD 14.6 from US DoD. The contract runs for 12 months until mid-December 2021 and gives us a solid revenue base and a good start to 2021.

New products and services

During the quarter we launched our new satellite terminal Ovzon T6. The new Ovzon T6 is the world's smallest and lightest satellite communications terminal with measured performance of 120 Mbps received data speed and 50 Mbps transmission. Ovzon T6 has already been procured by the US DoD.



Performance is in a class of its own and with our coming satellite Ovzon 3 we will be able to increase the transmission speed even further.

Furthermore, we have launched the Ovzon Go service, a packaged product that complements our customized, high-performance Ovzon Hero service. Ovzon Go offers data speeds up to 10 Mbps and targets a wider customer group, including media. In the quarter we also signed an agreement with Hellas-sat, where we get access to their satellite capacity across large parts of Europe and the Middle East. With the agreement in place we can now offer global reach for our services.

Ovzon 3 on schedule, increased leased capacity

Ovzon 3, which is now under production at our partner Maxar in the US, is planned to be launched during the fourth quarter of 2021. Final testing of functionality, assembly and quality will take place at Maxar during the second and third quarters of 2021. With Ovzon 3, our capacity will be multiplied, and the satellite makes possible services with even better performance and enhanced functionality. Ovzon 3 is the first of a number of satellites planned for global reach of our service based on our own satellites.

During the third quarter, we secured the capacity of steerable antennas on Intelsat satellites IS-39 and IS-37. This capacity is similar to the capacity that Ovzon 3 will provide when it is in service and, with the agreement, Ovzon's current offering is strengthened with additional capacity and coverage. This is an important investment in capacity as it increases our ability to serve customers with requirements for global coverage and high bandwidth and it thus paves the way for our upcoming satellite Ovzon 3. Already in Q3, we received a confirming first order from IGC for the US DoD for one of these steerable antennas.

Gearing up for growth

The pandemic continues to be challenging and it affects our ability to meet customers, demonstrate our services and take on new business. Nevertheless, we have managed to make several deals, both with existing and new customers, confirming the strength of our offering. We have today an order backlog, including contracts for Ovzon 3, of about 70 MUSD. In the present challenging environment we do not expect all our available capacity to be sold in the first part of 2021. However, we believe that the market for satellite communications services that require high mobility and performance will develop positively and that sales in 2021 will be higher than in 2020. The company expects to continue secure new customers in 2021, that will also be interested in capacity on Ovzon 3, put into service in 2022. With a strengthened organization, an offer with global reach and the large revenue opportunities that Ovzon 3 offers, we have great opportunities to continue strengthening our position in 2021.

Magnus René, CEO

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

This information is information that Ovzon AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014). The information in this press release has been published through the agency of the contact persons set out below, at the time stated by Ovzon AB's (publ) news distributor Cision, upon publication of this press release.



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

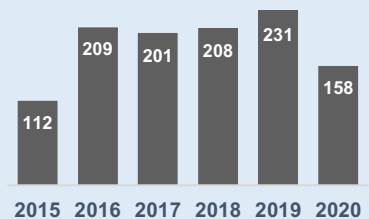
Customer segments



Key trends

- Increased demand for:
- Bandwidth
 - Mobility

Sales, MSEK





Financial overview

Development during the quarter

TSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Revenue	33 633	65 315	160 477	231 642
Operating profit/loss	-19 326	13 666	-48 284	11 419
Adj Operating profit/loss*	-19 326	13 666	-48 284	23 716
Profit/loss for the period after tax	-55 683	-5 447	-104 049	29 230
Earnings per share, SEK	-1,20	-0,16	-2,52	0,93

*Excluding items affecting comparability. Items affecting comparability 2019 refer to the write-down of advances to Orbital. See note 5.

Revenue

Revenue for the year amounted to TSEK 160,477 (231,642) of which the fourth quarter amounted to TSEK 33,633 (65,315). The lower revenue was a result of the, in comparison to previous contracts, lower contract with the US DoD that for the period March to December amounted to 10.8 MUSD through two contracts. The lower volume is due to different geographical needs, some budget constraints as well as validation of new capacity on IS-39. In addition to the lower contract volumes, revenue and operating profit was negatively impacted by the lower comparable exchange rate for USD which for the full year amounted to 9.20 (9.46).

Operating profit

Operating profit for the year amounted to TSEK -48,284 (11,419) of which the fourth quarter amounted to TSEK -19,326 (13,666).

Operating profit has been significantly affected by the two shorter contracts with the US defense in March (for six months) and July (for three months) respectively. The contract volume for these nine months amounted in total to MUSD 10,8, compared to MUSD 18.0 the corresponding period last year. The lower volume has also meant that the company during the year has had costs for unsold satellite capacity amount circa MUSD 2.3.

The new capacity agreement with Intelsat regarding capacity on IS-39 and IS-37 extends over a total of 48 months. The company gained access to IS-39 on the first of September and has had 50% occupancy during the last tertial (capacity on one of the two steerable antennas is contracted). In January 2021 the company gained access also to IS-37.

Profit/loss after financial items

Net financial items for the year amounted to TSEK -58,714 (27,369) with a loss after financial items of TSEK -106,998 (38,788). Net financial items for the fourth quarter amounted to TSEK -36,363 (-16,208) with a loss after financial items of TSEK -55,689 (-2,542).

Along with currency effects of -43,941 on the part of the company's liquidity and group balances held in US dollars, the weak net financial items were a result of expensed prepaid transaction expenses in



connection with financing of TSEK -14,818 during the second quarter. The prepaid transaction expenses were linked to the subordinated loan facility which was replaced by equity during the quarter.

Profit/loss after tax

Loss after tax for the year amounted to TSEK -104,049 (29,230). Loss after tax for the fourth quarter amounted to -55,683 (-5,447).

Cash flow

Cash flow from operating activities for the year amounted to TSEK -155,111 (9,625) and for the fourth quarter to TSEK -168,767 (3,572). The outcome, together with the result outcome, been characterized by the settlement of significant incoming accounts payables linked to Ovzon 3 and prepaid transaction costs paid.

Cash flow from investing activities for the year amounted to TSEK -496,127 (-509,108) and for the fourth quarter to TSEK -120,241 (-200,074). 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 5).

Cash flow from financing activities for the year amounted to TSEK 583,195 (654,947) and for the fourth quarter to TSEK 219 (-342). During the year, the company carried out two directed issues and a rights issue which contributed a total of TSEK 588,624 to the company (before issue costs of TSEK 7,630).

Financial position

The Group's cash and cash equivalents on the balance sheet date amounted to TSEK 185,025, compared with TSEK 257,382 at the beginning of the year. Equity amounted to TSEK 1,292,611, compared with TSEK 796,296 at the beginning of the year. The equity/assets ratio amounted to 97 percent (89).

Incentive program

During 2018, the company introduced new incentive programs "Warrants Program 2018/2021" and "Employee Option Program 2018/2021". 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. Following the rights issue in January 2019 and June 2020, the terms of the warrant program and employee option program have been restated. Each option entitles to subscription of 2.06 new shares in the company at a price of SEK 58.32 per share. If all options and warrants are used in the programs, a dilution of 1.3% 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.

In connection with the raising of the subordinated loan facility of TSEK 200,000 on July 3, 2019, 1,500,000 warrants were issued to the subordinated lenders. Following the rights issue in June 2020, the terms of the warrants have been recalculated. Each option entitles the holder to subscribe for 1.02 new shares in the company at a price of SEK 98.16 per share. The warrants run over a maximum of 5 years and may be exercised for subscription of shares up to and including 3 July 2024.

At an Extraordinary General Meeting on May 18, 2020, it was decided to issue a maximum of 900,000 warrants under the "Warrant Program 2020/2023". The company's management team has subscribed for the maximum number of warrants granted, a total of 450,000 and other personnel have subscribed for a total of 200,000 options. Each warrant entitles the holder to subscribe for one new share in the Company at a price of SEK 102.10 per share. If all granted warrants and options are used in the programs, there



will be a dilution of 1.4 percent of the shares and votes in the company. The exercise period for the warrants runs from 18 June 2023 to 18 July 2023.

Management and organization

The number of employees in the Group at the end of the period was 31 (25).

Significant risks and uncertainties

Risks associated with the Group's operations can generally be divided into strategic and 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 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 an 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.

In 2020, Covid-19 has mainly affected our operations in terms of delayed commercial activities and the fact that employees have worked at home. During the year, the subsidiaries in the US and Sweden have received some minor government support and reliefs linked to personnel costs.

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 year amounted to TSEK 19,824 (21,807), with a profit after financial items of TSEK -21,582 (42,465). Cash and cash equivalents at the balance sheet date are TSEK 122,559 and at the beginning of the year TSEK 211,070. Investments during the year are TSEK - (-). Equity amounted to TSEK 1,532,525, compared with TSEK 970,863 at the beginning of the year. The number of employees is 2 (2).

The company's major shareholders

At the end of the reporting period: Investment AB Öresund (11.8%), Bure Equity AB (11.3%), AFA Försäkring (9.3%), Fjärde AP-Fonden (8.8%), Futur Pension (8.4 %), Handelsbanken Fonder (7.5%), Nortal Investment AB (6.1%) and other shareholders (36.8%). As of December 31st, the total number of shares was 46,244,688.

Nomination Committee

The Nomination Committee prior to the Annual General Meeting on April 13, 2021 consists of representatives appointed by the three largest owners, as well as the company's chairman. The Nomination Committee consists of Andreas Hofmann, appointed by Investment AB Öresund, Sophie Hagströmer, appointed by Bure Equity, Anders Algotsson appointed by Afa Försäkring and Anders Björkman, Chairman of the Board of Ovzon.



The Annual General Meeting will be held at the company's head office at Anderstorpsvägen 10 in Solna, Sweden. Shareholders who wish to submit a proposal to Ovzon's Nomination Committee can do so via e-mail to: andreas.hofmann@oresund.se or by telephone 08 402 33 03 or by letter to Ovzon AB, Attn.Valberedningen, Anderstorpsvägen 10, 171 54 Solna, latest on March 1, 2021.

Dividend

At the Annual General Meeting on April 1, 2020, it was decided that no dividend will be paid for the 2019 financial year. The Board of Directors proposes that the next Annual General Meeting resolves that no dividend be paid for the financial year 2020.

Outlook

External factors continue to be challenging and we do not expect all contracted capacity to be sold during the beginning of 2021. However, the company believes that the market for satellite communications services that require high mobility and performance will develop positively and that sales 2021 will be higher than in 2020. In December, the US Defense signed an order that extends over 12 months and the company expects to continue contracting new customers in 2021 who will also be interested in capacity on Ovzon 3, put into service in 2022.



Financial calendar

Annual Report publication	March 18, 2021
Annual General Meeting 2021	April 13, 2021
Interim report January-March 2021	April 28, 2021
Interim report January-June 2021	August 18, 2021
Interim report January-September 2021	October 21, 2021

Review by auditors

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

Certification

The Board of Directors 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, February 19, 2021

Magnus René
CEO and Board member

Anders Björkman
Chairman of the Board

Cecilia Driving
Board member

Dan Jangblad
Board member

Nicklas Paulson
Board member

Patrik Tigerschiöld
Board member

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Group financial statements

Group income statements

TSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Revenue	33 633	65 315	160 477	231 642
Other operating income	3 031	7 497	12 648	13 681
Purchased satellite capacity and other direct costs	-27 470	-31 976	-108 986	-122 518
Other external costs	-15 644	-11 338	-48 368	-45 065
Employee benefit expenses	-13 850	-15 640	-55 988	-47 542
Depreciation/amortisation	-2 035	-192	-6 370	-18 779
Other operating expenses	3 009	–	-1 697	–
Operating profit/loss	-19 326	13 666	-48 284	11 419
Financial income	-1	-16 105	45	28 498
Financial expenses	-36 362	-103	-58 759	-1 129
Profit/loss after financial items	-55 689	-2 542	-106 998	38 788
Tax on the profit for the period	6	-2 905	2 949	-9 558
NET PROFIT/LOSS FOR THE PERIOD	-55 683	-5 447	-104 049	29 230
<i>Net profit/loss for the period attributable to:</i>				
Shareholders of the Parent Company	-55 683	-5 447	-104 049	29 230
<i>Earnings per share attributable to:</i>				
Shareholders of the Parent Company, SEK ¹	-1,20	-0,16	-2,52	0,93
Earnings per share after dilution	-1,20	-0,16	-2,52	0,93
Average number of shares	46 244 688	33 585 596	41 345 031	31 515 251

Group statements over comprehensive income

TSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Profit/loss for the period	-55 683	-5 447	-104 049	29 230
Other comprehensive income:				
Items that can be subsequently reclassified to the income statement:				
- Translation differences	12 915	6 873	16 903	-5 369
Other comprehensive income after tax	12 915	6 873	16 903	-5 369
Comprehensive income/loss for the period	-42 768	1 426	-87 145	23 861
<i>Comprehensive income/loss for the period attributable to:</i>				
Shareholders of the Parent Company	-42 768	1 426	-87 145	23 861
Comprehensive income/loss for the period	-42 768	1 426	-87 145	23 861



Consolidated condensed balance sheets

TSEK	31 Dec 2020	31 Dec 2019
ASSETS ¹⁾		
Intangible fixed assets	20 710	3 110
Property, plant and equipment ²⁾	984 206	532 093
Access rights Assets	5 040	6 944
Financial fixed assets	64	1 089
Inventory	34 686	15 960
Current receivables ³⁾	99 634	75 407
Cash and cash equivalents	185 025	257 382
TOTAL ASSETS	1 329 365	891 985
EQUITY AND LIABILITIES		
Equity	1 292 611	796 296
Deferred tax liabilities	—	—
Liabilities related to leasing, interest-bearing	5 343	7 154
Current liabilities, non-interest-bearing	31 412	88 535
TOTAL EQUITY AND LIABILITIES	1 329 365	891 985
1) The carrying amounts of financial assets and liabilities are either measured at fair value or represent a close approximation of fair value.		
2) See note 5		
3) See note 6		

Consolidated condensed statement of changes in equity

TSEK	31 Dec 2020	31 Dec 2019
Equity at the beginning of the year	796 296	72 978
Comprehensive income/loss for the period	-87 145	23 861
Share issue, net after transaction costs	580 994	694 373
Employee stock options, according to IFRS 2	265	266
Issued warrants	2 201	4 818
EQUITY AT THE END OF THE PERIOD	1 292 611	796 296



Consolidated condensed cash flow statements

TSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flow from operating activities before changes in working capital	-15 338	7 754	-55 034	27 026
Total change in working capital	-153 429	-4 182	-100 077	-17 401
Cash flow from operating activities	-168 767	3 572	-155 111	9 625
Cash flow from investing activities	-120 241	-200 074	-496 127	-509 108
Cash flow from financing activities	219	-342	583 195	654 947
CASH FLOW FOR THE PERIOD	-288 789	-196 844	-68 042	155 464
 Cash and cash equivalents at the beginning of the period	 476 182	 457 101	 257 382	 77 165
Exchange-rate difference in cash and cash equivalents	-2 368	-2 875	-4 315	24 753
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	185 025	257 382	185 025	257 382



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 1-19 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 only 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: Leasing

According to IFRS 16 (Leasing agreements), an asset (relating to a right of use) and a financial liability (relating to an obligation to pay leasing fees) must be reported in the balance sheet. The lessee shall divide the cost of the leased asset into depreciation and interest payments.

The company's agreement with Intelsat regarding capacity on IS-39 and IS-37 amounts to MUSD 39.4 and runs over 4 years. Since the capacity leased on the antennas does not correspond to substantially the entire capacity of the antennas, the capacity parts leased are not identified assets and therefore the agreements are not deemed to meet the definition of a leasing agreement in accordance with IFRS 16.



Note 5: Current material fixed assets under construction and advance payments

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

	31 Dec 2020	31 Dec 2019
Ongoing investment: Ovzon 3, TSEK		
Opening balance accrued costs and advances paid	538 307	35 613
Costs and advances paid during the year	468 546	504 246
Translation difference	-19 906	-1 552
Closing balance accumulated capitalized costs ¹⁾	986 947	538 307
Opening balance write-downs	-12 297	–
Wrote-downs for the year		-12 297
Closing balance accumulated write-downs ²⁾	-12 297	-12 297
Closing balance, reported value ³⁾	974 650	526 010

1) Of the period's capitalization TSEK 16 312 relates to internal work (of which TSEK 8 033 was activated during 2019)

2) In 2015, OverHorizon AB signed an agreement with Orbital Sciences Corporation for the acquisition of a communications satellite with associated ground equipment, support and training. Advances paid and work done will only be able to be reused in the Ovzon 3 project to some extent, which is why the company in the second quarter of 2019 wrote down previously paid advances by TSEK 12,297.

3) In addition to the carrying amount, prepaid transaction expenses of TSEK 86 201 are reported in accordance with IFRS 9

Note 6: Receivables

The financing of the company's first own satellite (Ovzon 3), which is under construction, consists partly of equity and partly of externally borrowed capital. Transaction costs paid for the secured loan facility before the loan is taken out are reported as prepaid costs and are reported against the loan when the loan is executed in accordance with IFRS 9.

	31 Dec 2020	31 Dec 2019
Total current receivables		
Prepaid transaction costs	86 201	60 299
Other receivables	13 433	15 108
Total	99 634	75 407

Note 7: Tax

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

Note 8: Pledged assets and contingent liabilities

Of the Group's cash and cash equivalents, TSEK 7,013 consists of blocked funds.

**Note 9: 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 10: Distribution of net sales

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

Note 11: Events after the balance sheet date

- Ovzon certified according to ISO 9001 in January 2021.



Financial statements, Parent Company

Condensed parent company income statements

TSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Revenue	15 588	17 577	19 824	21 807
Other operating income	107	173	3 246	3 324
Other external costs	-4 867	-3 666	-15 241	-14 767
Personnel costs	-2 223	-3 211	-9 320	-8 580
Operating profit/loss	8 605	10 873	-1 491	1 784
Financial revenues	10 410	-6 970	33 780	40 680
Financial expenses	-31 646	–	-53 871	–
Profit/loss after financial items	-12 631	3 903	-21 582	42 464
Tax	49	–	49	11
NET PROFIT/LOSS FOR THE PERIOD	-12 582	3 903	-21 533	42 475

Parent company statements of comprehensive income

TSEK	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Profit/loss for the period	-12 582	3 903	-21 533	42 476
Other comprehensive income:	–	–	–	–
Comprehensive income for the period	-12 582	3 903	-21 533	42 476

Condensed parent company balance sheet

TSEK	31 Dec 2020	31 Dec 2019
ASSETS ¹⁾		
Shares in Group companies	1 033 491	26 605
Receivables from Group companies ²⁾	295 192	695 251
Current receivables	88 539	66 637
Cash and cash equivalents	122 559	211 070
TOTAL ASSETS	1 539 781	999 563
EQUITY AND LIABILITIES ¹⁾		
Equity	1 532 525	970 863
Current liabilities, non-interest bearing	7 256	28 700
TOTAL EQUITY AND LIABILITIES	1 539 781	999 563

- 1) The carrying amounts of financial assets and liabilities are either measured at fair value or represent a close approximation of fair value.
 2) Refers to the former parent company OverHorizon (Cyprus) Plc See note 4.



Condensed parent company statement of changes in equity

TSEK	31 Dec 2020	31 Dec 2019
Equity at the beginning of the year	970 863	229 197
Comprehensive income for the period	-21 533	42 475
Share issue, net after transaction costs	580 994	694 373
Other contributed capital	–	4 818
Issued warrants	2 201	–
EQUITY AT THE END OF THE PERIOD	1 532 525	970 863



Notes, Parent Company income statement and balance sheet

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 2019 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 Dec 2020	31 Dec 2019
Receivables in group companies, TSEK		
Ovzon Sweden AB	11 196	409 775
OverHorizon OHO 1 Limited	43 253	115 047
Ovzon LLC	240 240	170 144
Ovzon US LLC	503	285
Total	295 192	695 251

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

During the financial year, Ovzon AB provided TSEK 925,000 in an unconditional shareholder contribution to Ovzon Sweden AB and TUSD 10,000 in an unconditional shareholder contribution to OverHorizon OHO1 Ltd.

Note 5: Events after the balance sheet date

Ovzon certified according to ISO 9001 in January 2021.



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.