

Ovzon

Earnings call

The background of the slide is an aerial photograph of a dry, cracked desert landscape. The terrain is a mix of light tan and dark brown, with numerous irregular, winding cracks and ridges that create a complex, textured pattern across the entire scene.

Q3.2022

Per Norén, CEO and Pål Jernhag, Interim CFO

Welcome



Per Norén, CEO



Pål Jernhag, Interim CFO

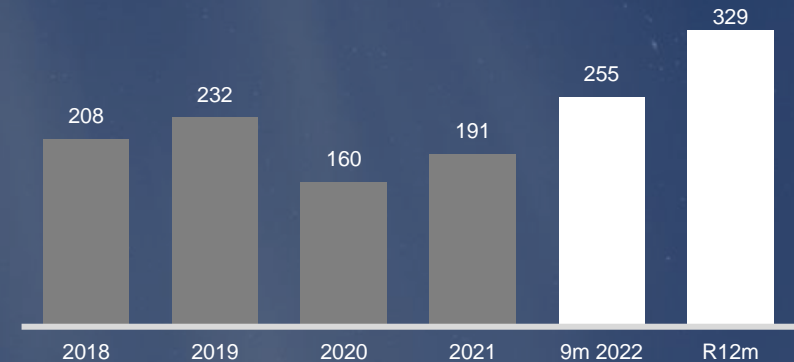
We are Ovzon



Ovzon at glance

- Founded in Sweden 2006
- Listed on Nasdaq Mid Cap, Stockholm, Sweden
- Main operations in USA, Sweden, Italy and UK
- Ovzon offers world-class mobile satellite communications solutions – SATCOM-as-a-Service

Sales (MSEK)



Ovzon Sales R12m

329
MSEK

Capex 2019–Q3 2022

1,404
MSEK

Vision:

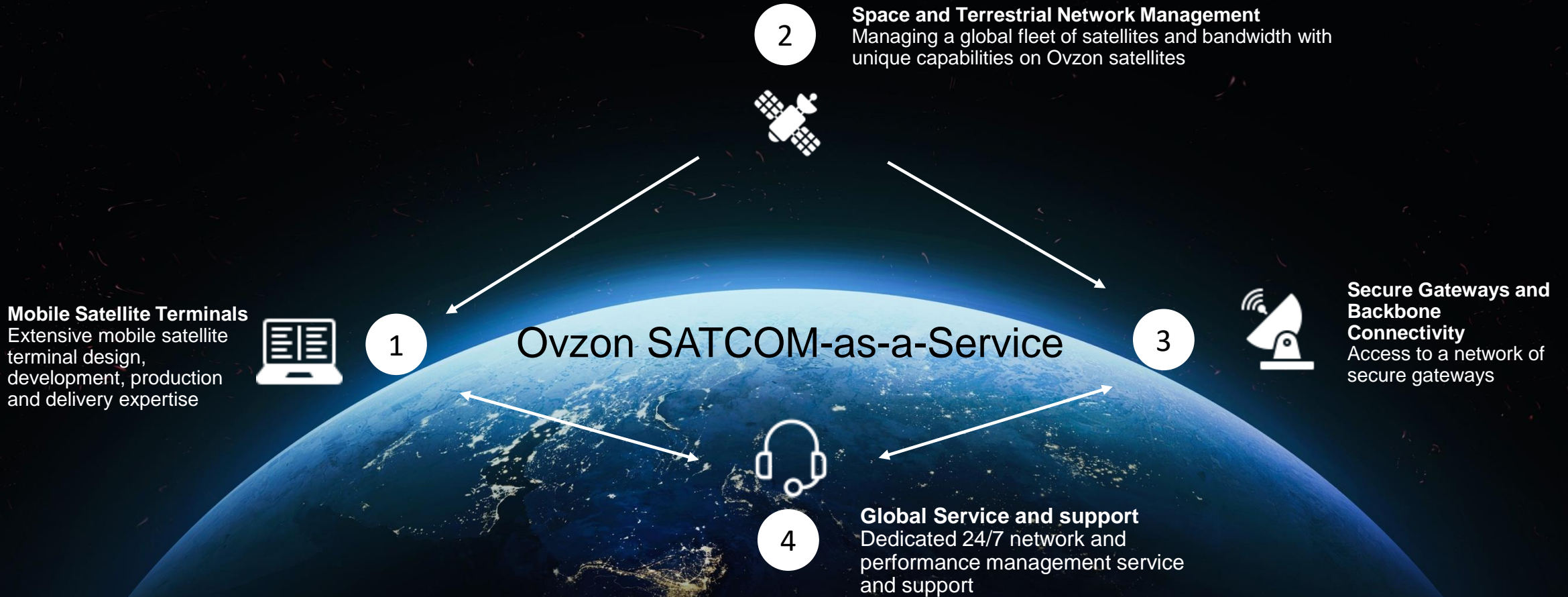
Connecting the world's critical missions via satellite

Performance

Mobility

Resiliency

Our unique solution



To whom we sell and how

Market segments

- Government
- Defense
- Emergency, Rescue and Public Safety
- NGO and Humanitarian Organizations
- Media and Broadcast

Key customers

- U.S. DOD
- UK MoD
- Italian Fire and Rescue Services
- United Nations
- The Colombian Government

Direct sales via world class distributors and partners



Interim report

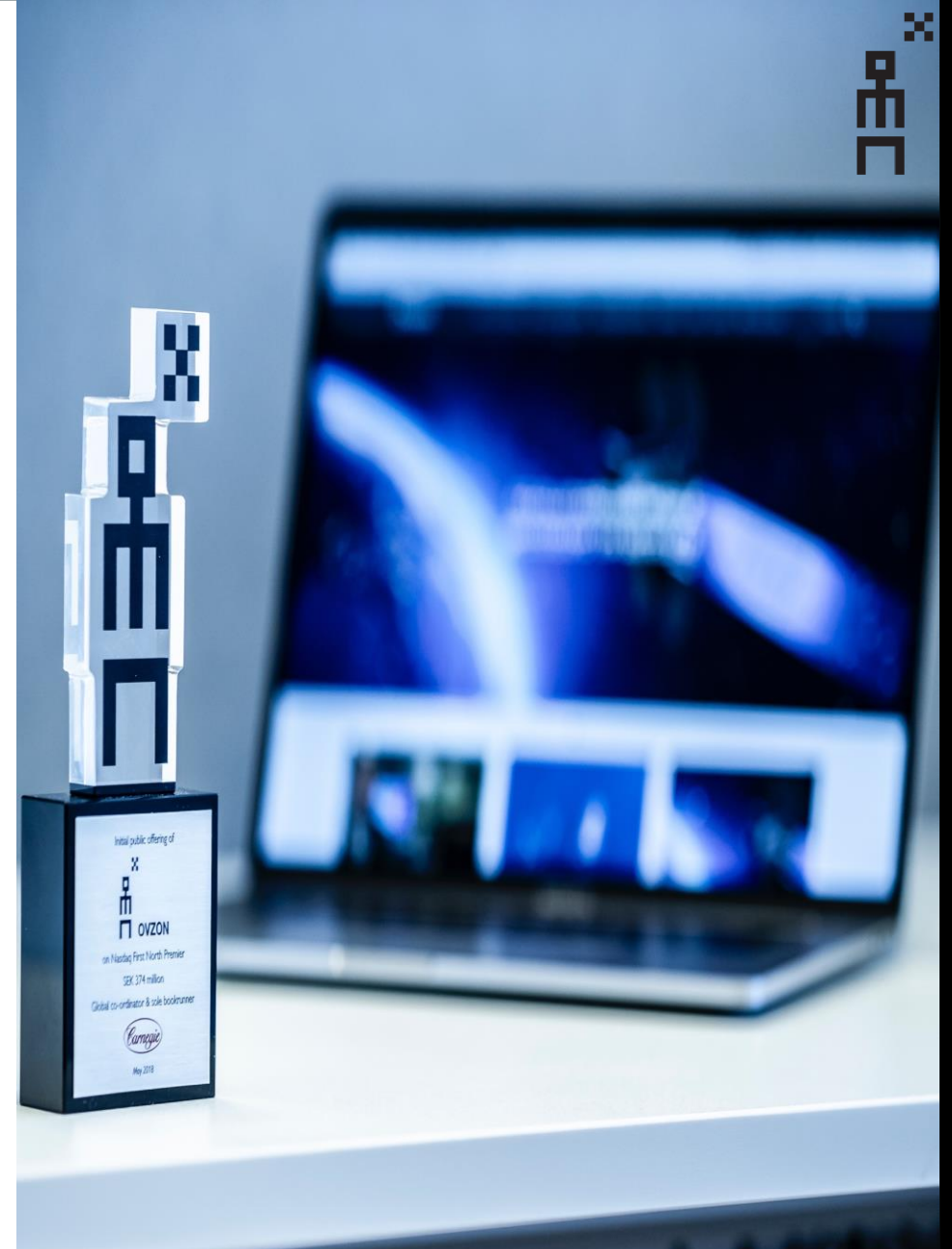
January–September 2022

Q3 and YTD highlights

- Strong revenue growth, up 63 percent YTD. Improved operating result
- Continued strong delivery of Ovzon SATCOM-as-a-Service to our core customer base; U.S. DOD, UK MoD, Italian Fire and Rescue Services
- MUSD 1.1 order from UK MoD for renewal of SATCOM-as-a-Service
- Geopolitical situation globally has led to an increased demand for surveillance, security, and critical communication. Decision makers and procurement organizations require deeper insights and understanding for increased speed of decision-making
- Active dialogue and demonstrations for international government, defense, humanitarian and civil organization

Significant events after the quarter

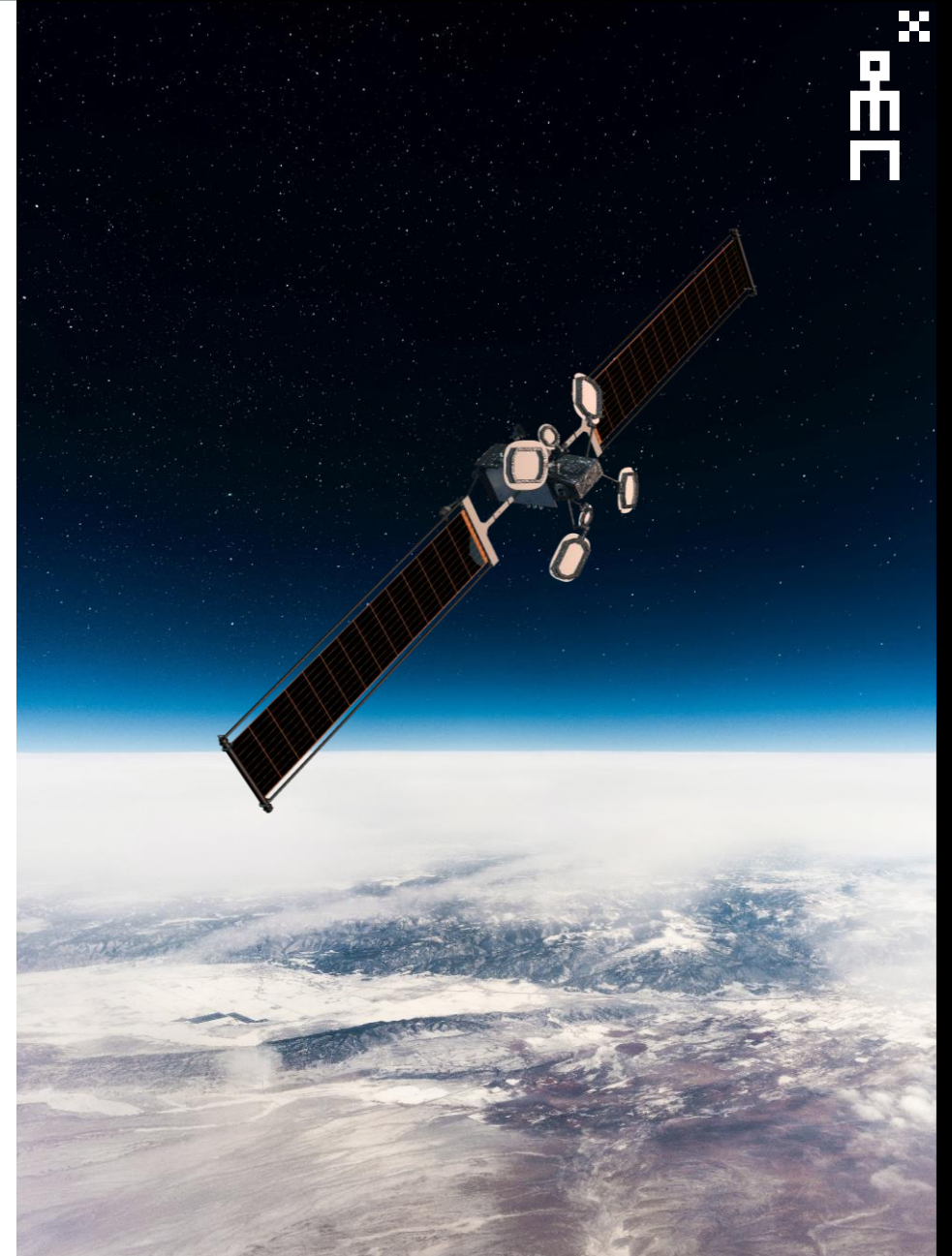
- Noora Jayasekara appointed as CFO from November 1, 2022



Ovzon 3

- Ovzon's unique On-Board-Processor integrated and tested on the satellite
- Satellite in final stages of integration with active final tests ongoing at Maxar
- Launch window remains December 2022 to February 2023
- External risk factors exist
- The satellite will be operational and can be used for customer services four months after launch
- Continued strong interest from the market and customers for the unique capabilities of Ovzon 3 based SATCOM-as-a-Service

Making progress towards finalization and launch of Ovzon 3

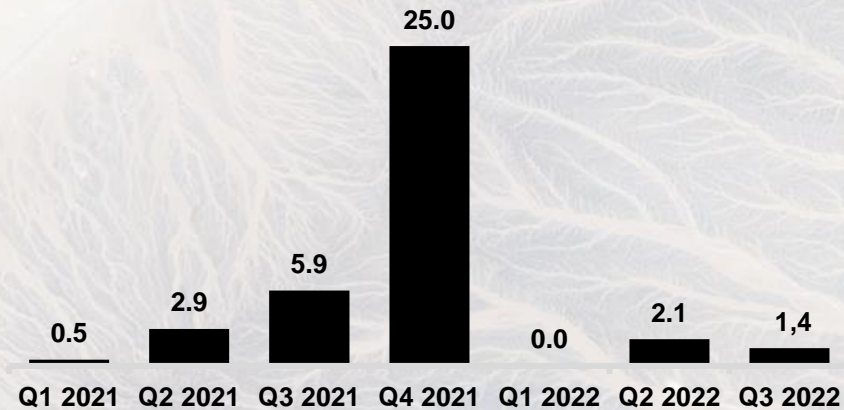




Order intake and Order book

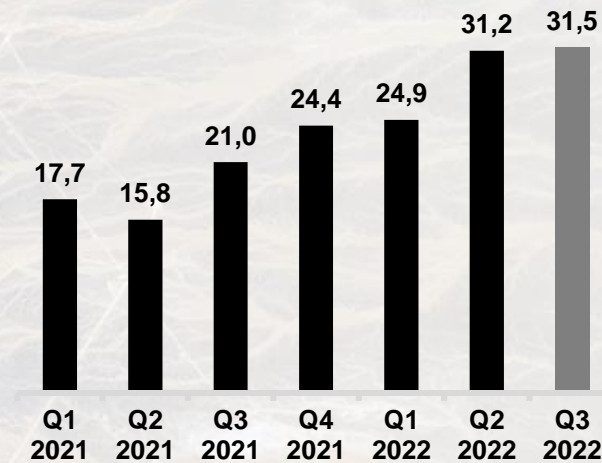
Order intake (MUSD)

SATCOM-as-a-Service excl terminals



Rolling 12-month revenue (MUSD)

SATCOM-as-a-Service excl terminals



- Improved order intake last 12 month of MUSD 28.5 – long sales cycles
- Solid execution on deliveries of order book during first nine month of 2022 and increasing rolling 12-month revenue
- Continued active dialogues and demonstrations with international government, defense, humanitarian and civil organizations

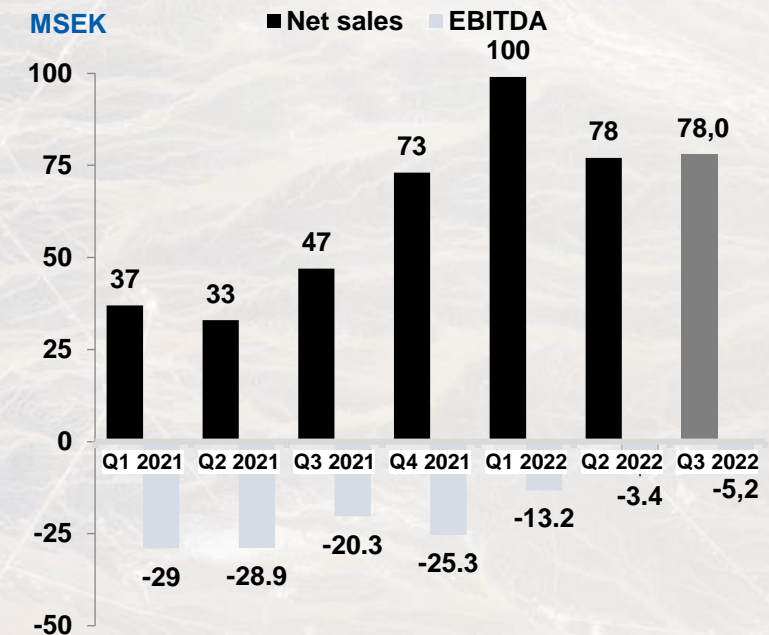


Financial performance

Q3 and YTD 2022, MSEK

| | Jul-sep 2022 | Jul-sep 2021 | Jan-sep 2022 | Jan-sep 2021 | Helår 2021 |
|------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Net sales | 78.1 | 47.8 | 255.9 | 118.2 | 191.4 |
| Gross profit * | 27.7 | 7.5 | 68.0 | 9.2 | 14.1 |
| Gross margin (%) | 35,4% | 15,6% | 26,6% | 7,8% | 7,3% |
| Opex | -33.6 | -32.7 | -66.2 | -66.7 | -128.1 |
| EBITDA | -5 204 | -20 319 | -21 809 | -78 185 | -103 488 |

* Net sales minus purchased satellite capacity and other direct costs



Revenues

- Q3: +63% (40% organic) to MSEK 78.1 (47.8)
- YTD: +117% (85% organic) to MSEK 255.9 (118.2)

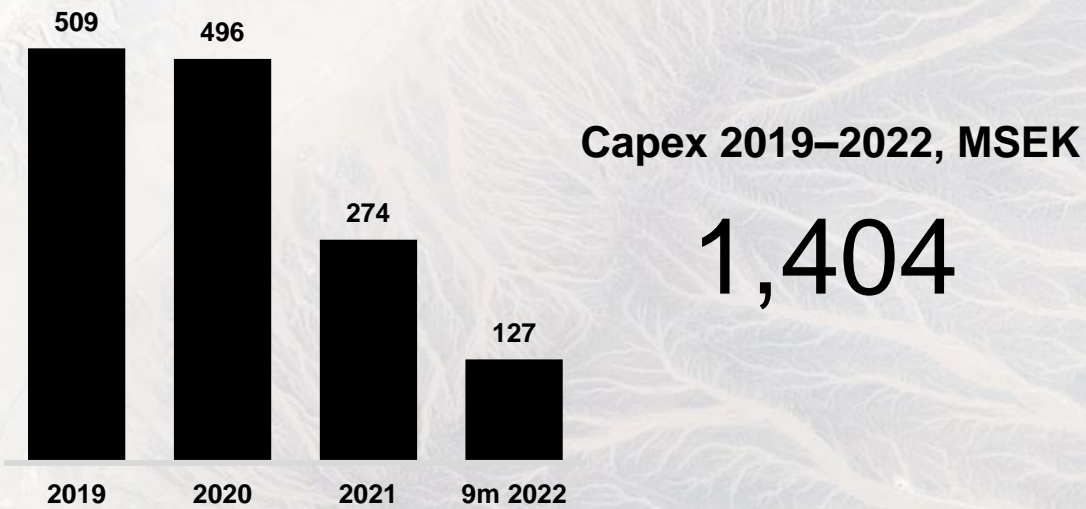
EBITDA

- Q3: Improved capacity utilization from April 1, 2022
- YTD: Improved capacity utilization and deliveries of terminals in Q1 2022



Balance sheet and Capex

Capex (MSEK)



Balance sheet (MSEK)

| | Sep 30, 2022 | Dec 31, 2021 |
|-------------------------------------|--------------|--------------|
| Fixed intangible assets | 54 | 24 |
| Property, plant & equipment | 1,465 | 1,345 |
| Access rights | 9 | 7 |
| Fixed financial assets | 0 | 0 |
| Inventory | 47 | 25 |
| Current receivables | 67 | 46 |
| Cash & cash equivalents | 349 | 406 |
| Total Assets | 1,991 | 1,853 |
| Equity | 1,421 | 1,450 |
| Long-term liabilities (interest) | 500 | 317 |
| Leasing liabilities (interest) | 10 | 7 |
| Current liabilities (non-interest) | 58 | 79 |
| Total Equity and Liabilities | 1,991 | 1,853 |

Equity ratio

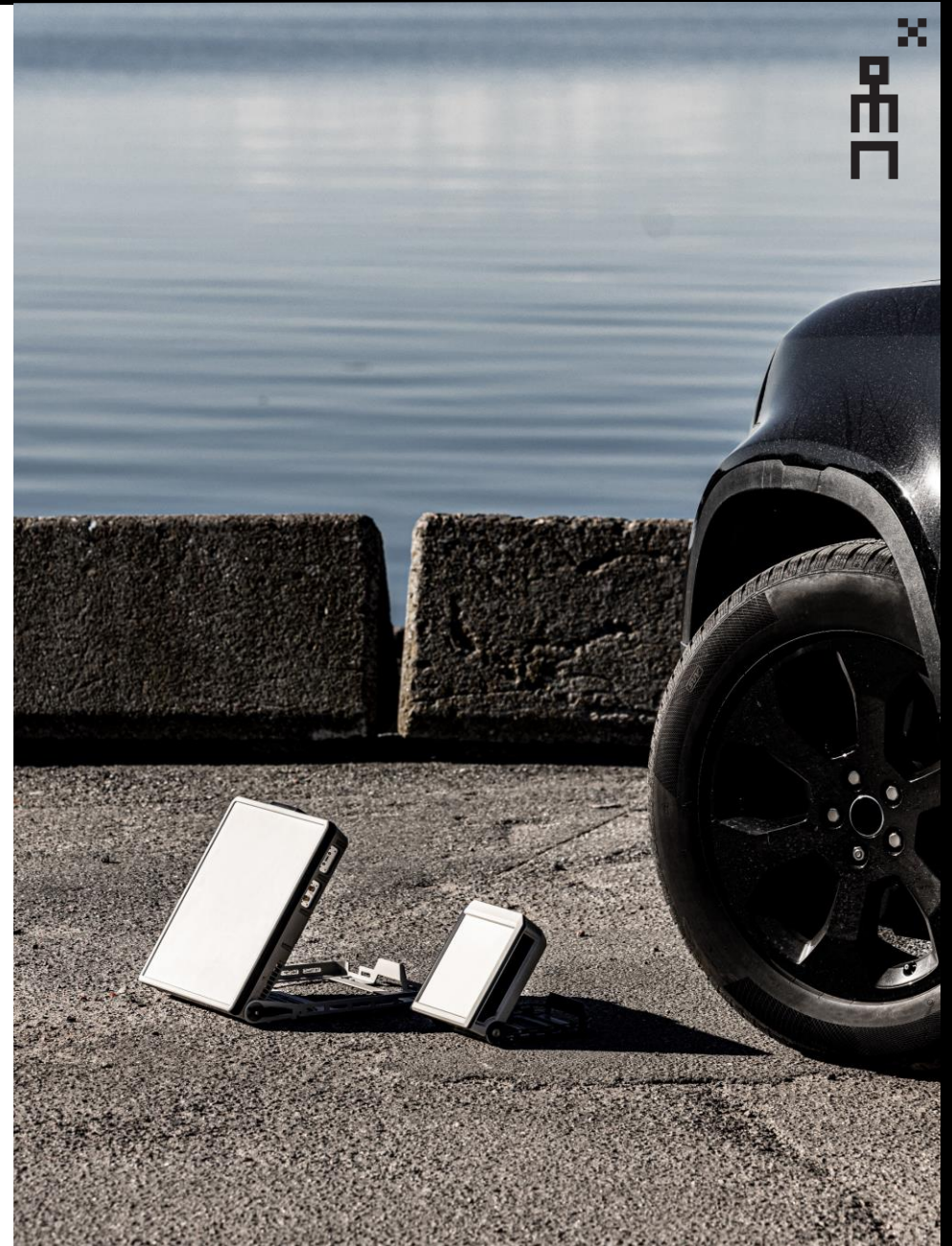
71%

- Capex during 2019–2022 related to Ovzon 3. Majority of capex related to Ovzon 3 already taken
- MSEK 350 in cash position at end of Q3 2022

Going forward

- We continue to drive a step-change in profitable growth and significantly deliver higher sales in 2022 vs 2021. Creating a solid platform for 2023
- Work closely with all our partners to ensure testing and finalization for a successful launch of Ovzon 3
- Focus on markets and customers where Ovzon's SATCOM-as-a-Service is uniquely positioned to deliver the highest value
- Educating the markets we serve to ensure Ovzon SATCOM-as-a-Service becomes the "standard" for mission critical, high-performing, resilient and mobile communications
- Prepared for speed of execution and service delivery
- Continue to strengthen and develop the organization

"Connecting the world's critical missions via satellite"



Thank you