



Year-end report Q4 2022

February 21, 2023

Welcome



Per Norén, CEO



Noora Jayasekara, CFO

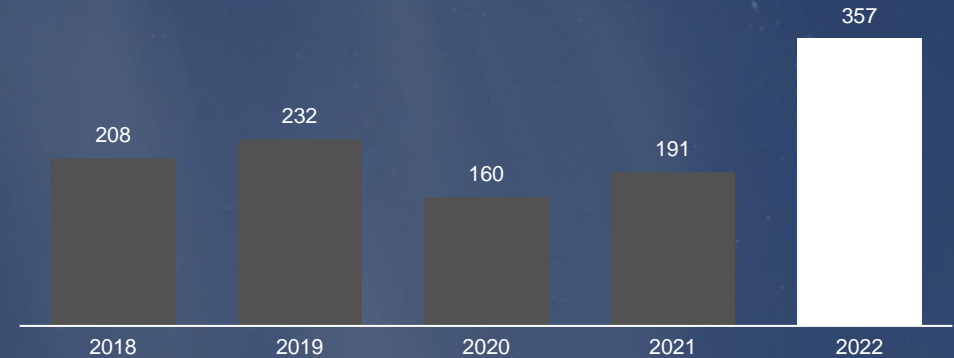
We are Ovzon



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 FY 2022

357
MSEK

Capex 2019–2022

1,441
MSEK

Vision:

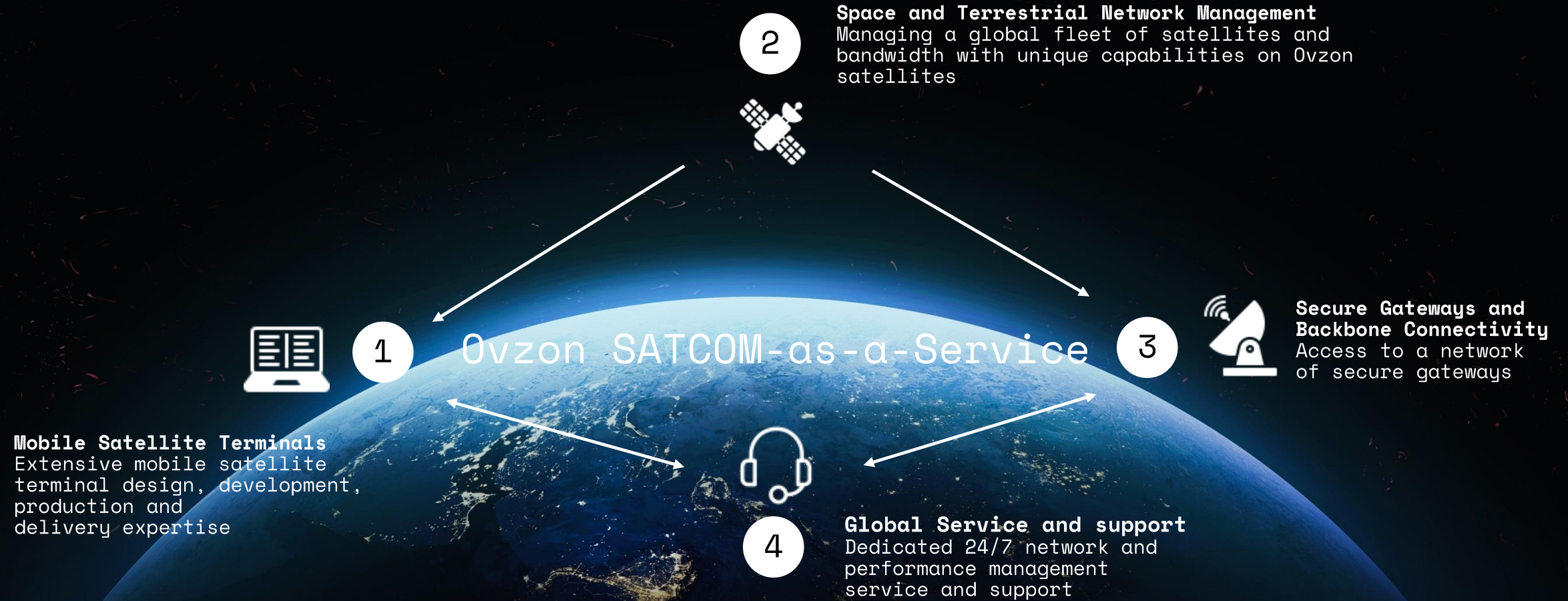
Connecting the world's critical missions via satellite

Performance

Mobility

Resiliency

Our unique solution



To whom we sell and how

Market segments

- Government
- Military and Civil 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
- Spanish National Police

Direct sales via world class distributors and partners






SATCOM is becoming essential

- Environmental, Social and Governance (ESG) imperative
 - Geopolitical
 - Environmental
 - Economic
 - Energy
 - Social
 - Migration
- The connectivity imperative
 - Mobility
 - Data
 - Cloud
 - Integration
 - Cyber



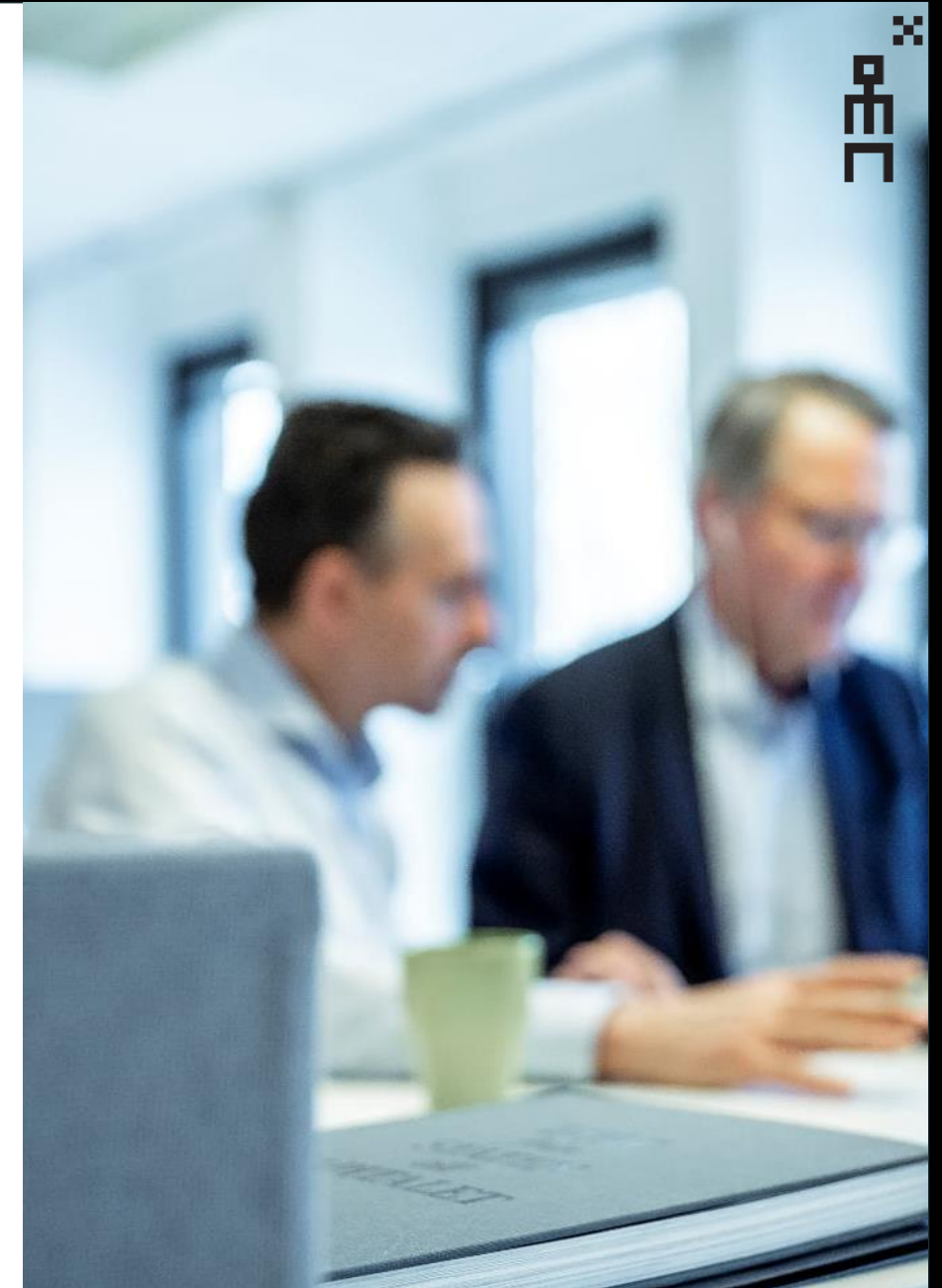
Methods of communications

	Mobile	Fixed	Satellite
			
Advantages	<ul style="list-style-type: none">✓ Highly mobile✓ High bandwidth✓ Mature technologies	<ul style="list-style-type: none">✓ High bandwidth✓ Low cost	<ul style="list-style-type: none">✓ Global coverage✓ Not dependent on land based infrastructure✓ Mobility
Disadvantages	<ul style="list-style-type: none">× Coverage limited to populated areas× Requires investment in local infrastructure	<ul style="list-style-type: none">× Fixed, dependent on local infrastructure	<ul style="list-style-type: none">× Expensive infrastructure× Latency

Record strong Q4, 2022

- Strong revenue growth: 38% in Q4 and 87% growth for FY22
- Improved operating result in Q4: SEK -8.7 million vs -29 in Q4 21
- Solid delivery and service of SATCOM-as-a-Service to all customers
- Expanded and broadened Ovzon SATCOM-as-a-Service to new markets
- Continued strong demand for SATCOM
- Relatively long sales cycles for larger contracts
- IGC pre-capacity agreement expired in December 2022
- Continued proactive dialogue and demonstrations internationally

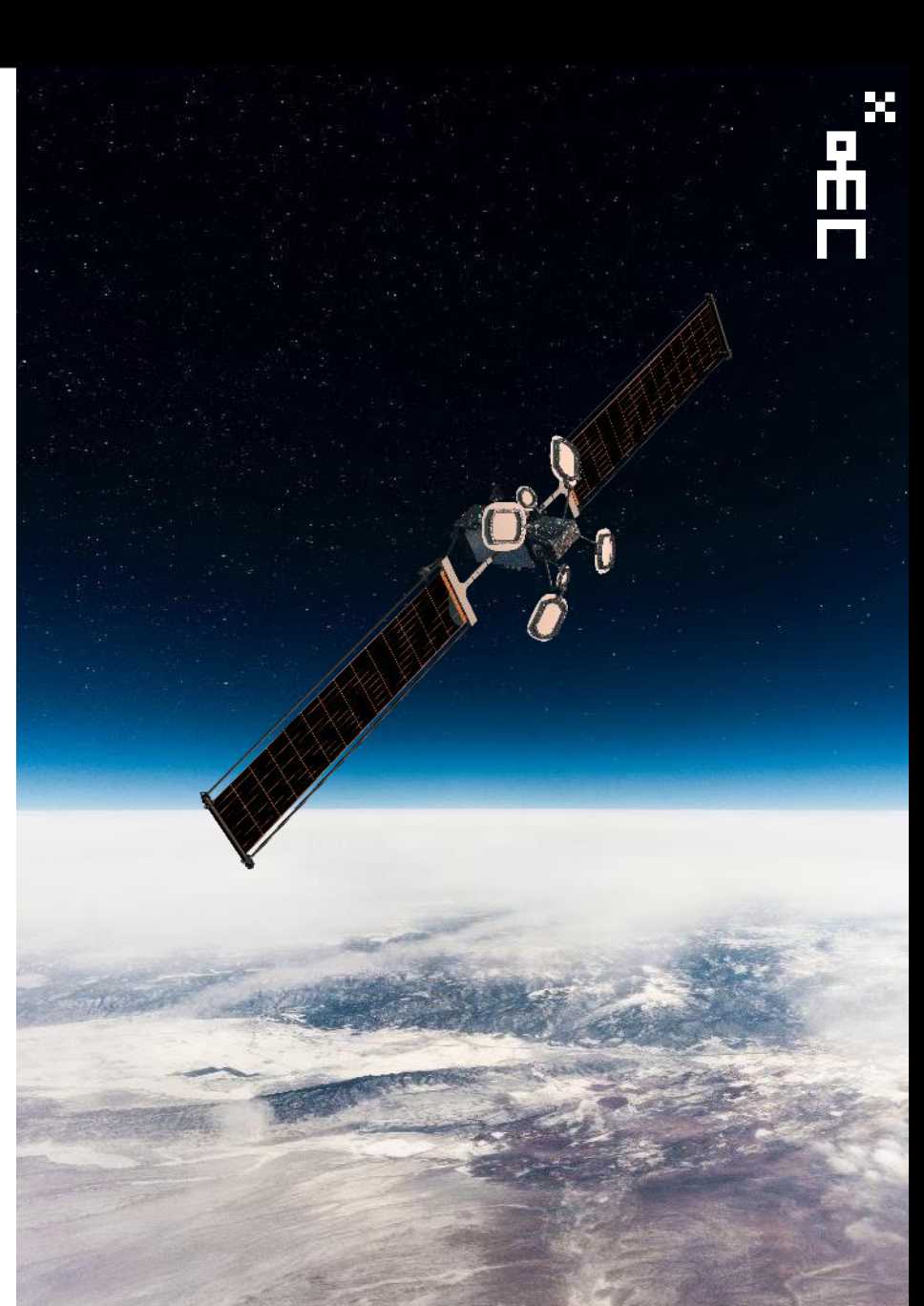
Record growth and revenue in 2022



Significant events after Q4, 2022

- Additional delays in the manufacturing of Ovzon 3
- Delay is expected to increase cost with ~ USD 25 million
- SpaceX contracted as new launch provider
- Launch expected July- Sep 2023
- Ovzon secured additional financing to ensure speed of execution
 - Increased current loan facility to USD 65 million
 - A directed share issue of SEK 200 million
 - Extra general meeting will be held on March 3, 2023
- Strong commitment and long-term support by our shareholders
- Continued progressive collaboration with P Capital Partners
- Working relentlessly with Maxar and SpaceX to finalize and launch Ovzon 3 at first available opportunity

Launching Ovzon 3 in 2023

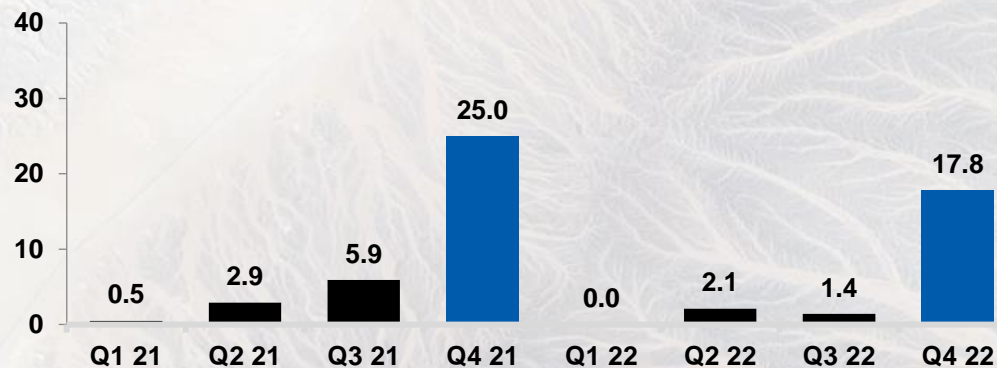




Continued strong order intake

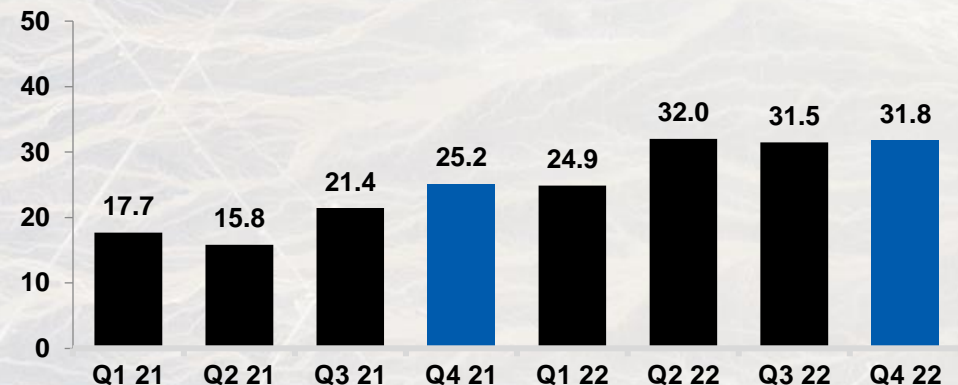
Order intake (MUSD)

SATCOM-as-a-Service excl terminals



Rolling 12-month revenue (MUSD)

SATCOM-as-a-Service recurring

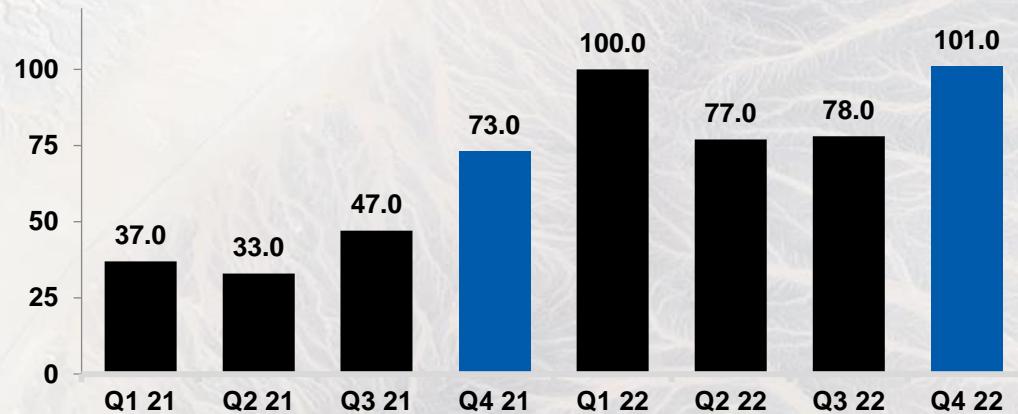


- U.S. DOD continued trust in Ovzon led to renewed USD 16.0 million contract for 12 months
- Expanded customer base and new applications in Europe: Sweden, France, UK
- Trend in strong Q4 order intake due to government customers procurement cycles
- Order book for SATCOM-as-a-Service amounts to USD 20.8 million (29.1)

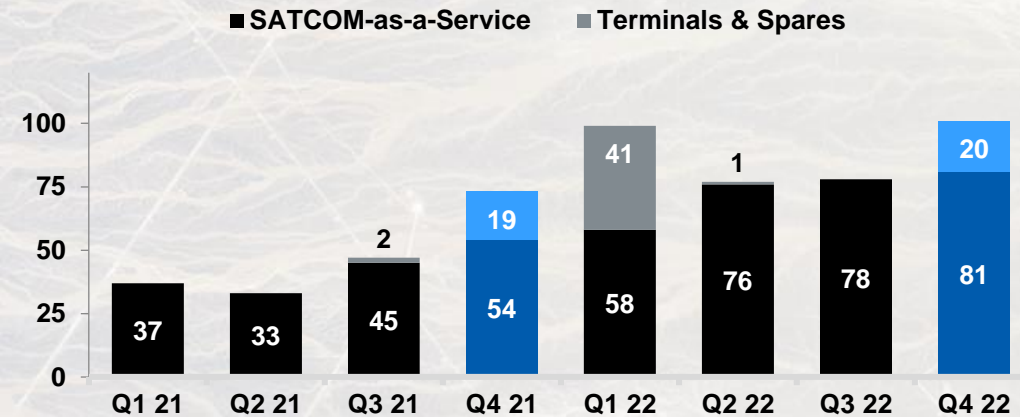


Significant improvements in revenue

Net revenue (MSEK)



Revenue split (MSEK)

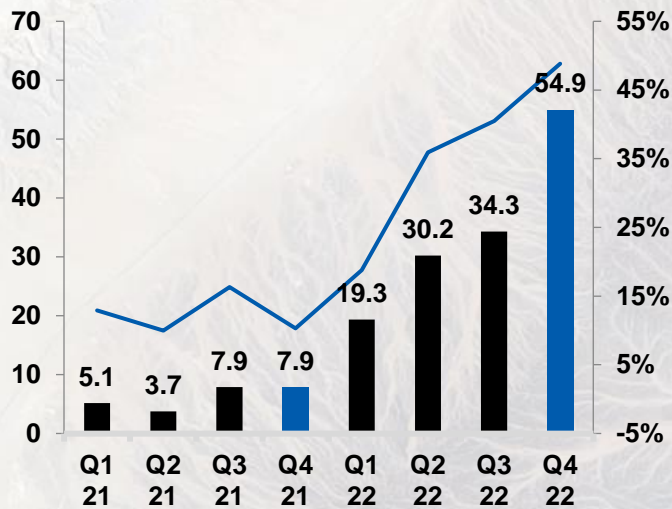


- Net revenue up 38 percent to SEK 101 million for Q4 and 87 percent to SEK 357 million for 2022 from SEK 191 million 2021
- Adjusted for one offs and currency effects growth of 57 percent in Q4 and 76 percent for 2022
- Growth driven by both increased utilization of purchased satellite capacity as well as adding new customers

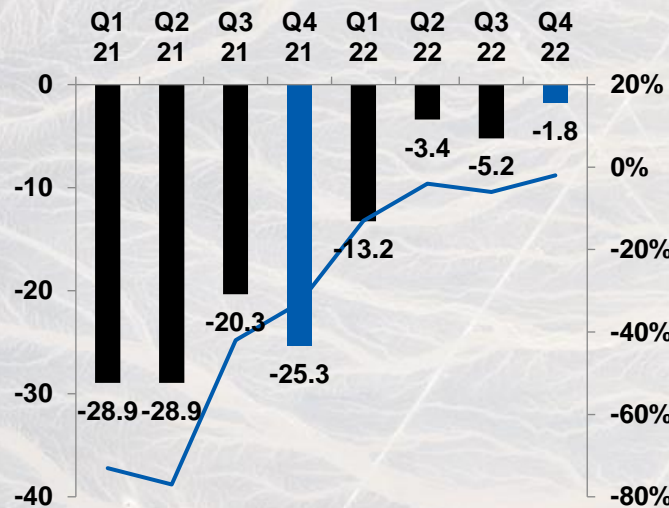


Sequentially improving performance

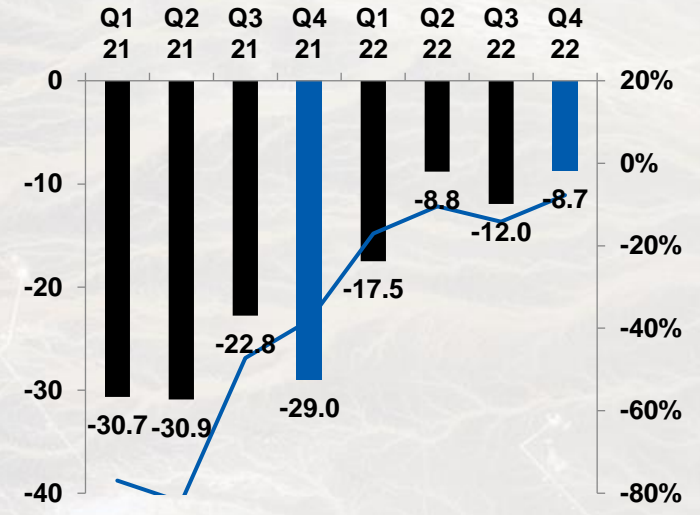
Gross profit* and gross margin (MSEK)



EBITDA and EBITDA margin (MSEK)



EBIT and EBIT margin (MSEK)



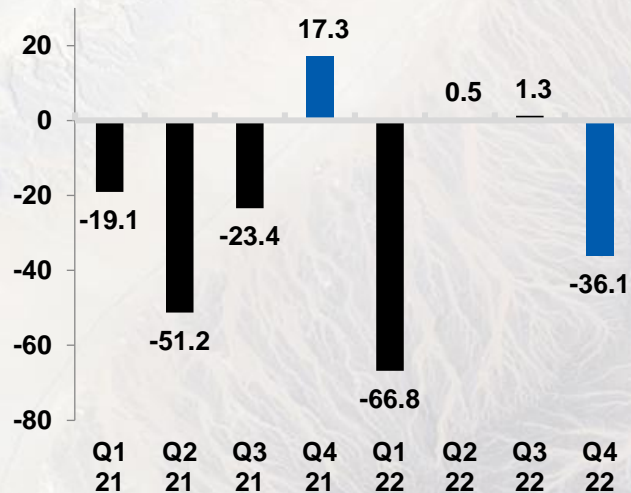
- Gross profit for Q4 increased to SEK 54.9 million corresponding to a gross margin of 48.8 percent, a significant improvement from Q4 2021 - a direct effect of the increased utilization of purchased satellite capacity
- Improved EBIT due to the sale of the purchased satellite capacity was negatively impacted by a bad debt reservation

* Net sales minus purchased satellite capacity and other direct costs

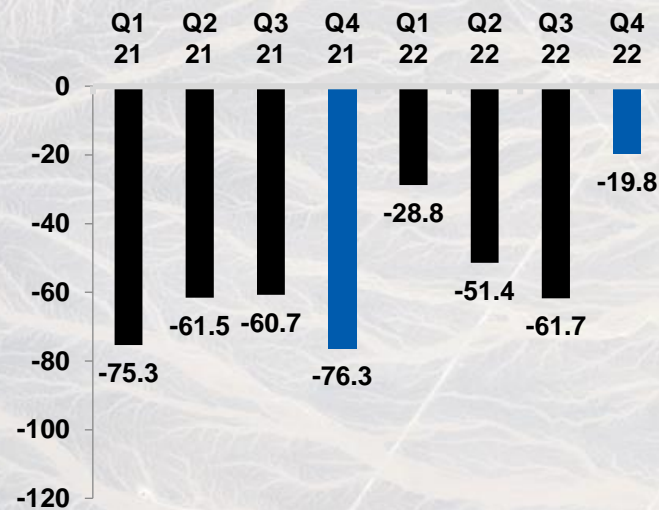


Investments in Ovzon 3 continues

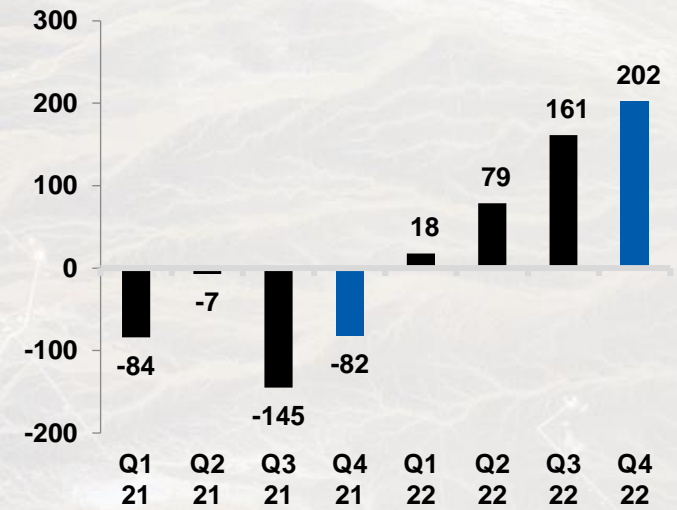
Cash flow from operations (MSEK)



Cash flow from investments (MSEK)



Net debt (MSEK)



- Despite improved EBIT Ovzon had a negative cash flow from operations driven by increased inventory and delayed customer payments in the fourth quarter
- Significant investments in Q4 and full year 2022 in Ovzon 3 and Ovzon T7, our new mobile satellite terminal
- Net debt has increased from a net cash position at year end 2021 to net debt of SEK 202 million at the end of 2022 mainly driven by the continued investments during the year

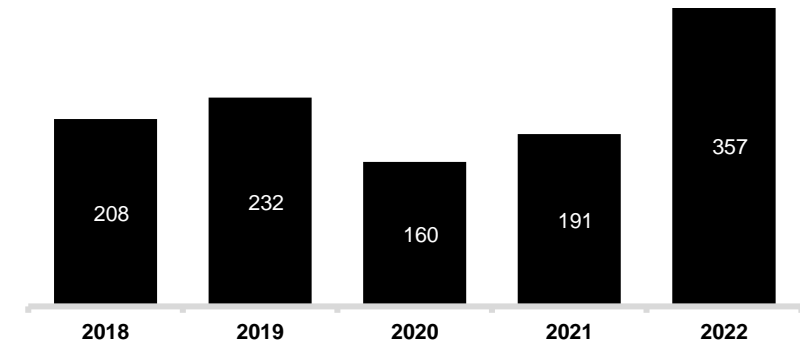
Going forward

- Drive a step-change in profitable growth
- Launch Ovzon 3 in the July-September 2023 time frame
- Broaden and deepen market and customer penetration
- Expand the product and services offering
- Position Ovzon's SATCOM-as-a-Service as the premium solution in the market
- Advance our industrialization initiatives
- Continue transformation of Ovzon

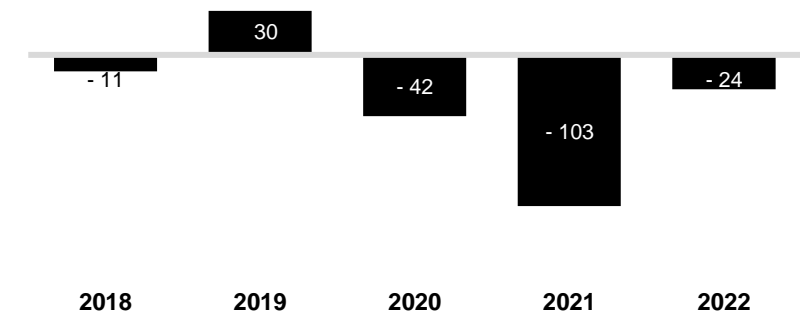
"Connecting the world's critical missions via satellite"



Net revenue (MSEK)



EBITDA (MSEK)



Thank you