



Press release March 22, 2023

Ovzon's result for 2022 negatively affected by further provisions of MSEK 34 for bad debt

Following newly unveiled information regarding the financial situation of its Italian distributor, Ovzon has chosen to make further provisions for bad debt related to the distributor. The parties have agreed on a payment plan and Ovzon has secured receivables through a pledge on the distributor's assets. The provision is nevertheless made as a precautionary measure. As a result, the company's previously published result in the year-end report 2022 is negatively affected by an additional MSEK 34. The result for the fourth quarter of 2022 amounts therefore to MSEK -43 (previously MSEK -8) and MSEK -36 (previously MSEK -2) for the full year 2022.

"Our end customer, the Italian Fire and Rescue Services, performs a societal critical function which is why we have made the decision to continue the delivery of the service despite the distributor's financial difficulties. With this customer as reference, we continue to gain interest and opportunities with civil and defense customers in Italy. Our Italian distributor has more severe financial difficulties than previously assessed. Regardless of the agreed repayment plan and a pledge of assets, we are now choosing to make this provision as a precautionary measure", says Per Norén, CEO of Ovzon.

On December 31, 2021, Ovzon signed an agreement at a value of MUSD 9.8 with its Italian distributor for the delivery of Ovzon SATCOM-as-a-Service to the Italian Fire and Rescue Services. The service extends until the end of April 2023 and started in April 2022. During the fall of 2022, it emerged that the distributor was experiencing financial difficulties and had fallen behind with its payments to Ovzon. In the interim report for the third quarter of 2022, bad debt provisions were made regarding the outstanding receivables of MSEK 6 and in the fourth quarter an additional MSEK 10. In total, the bad debt provisions related to the receivables, including this additional provision of MSEK 34, amount to MSEK 50 for the full year 2022, of which MSEK 44 in the fourth quarter. The result for the full year 2022 and the fourth quarter is thus negatively affected by the equivalent amount. Ovzon foresees no need for further funding following this provision.

The accounting consequences of the provisions regarding the fourth quarter and the full year 2022 are summarized in the table below.

	<i>Updated</i>			<i>Previously announced</i>		
	<i>Oct-Dec 2022</i>	<i>Oct-Dec 2022</i>	<i>Oct-Dec 2021</i>	<i>Jan-Dec 2022</i>	<i>Jan-Dec 2022</i>	<i>Jan-Dec 2021</i>
Net sales	101,109	101,109	73,209	356,993	356,993	191,378
Operating loss/profit	-42,792	-8,685	-29,030	-81,064	-46,958	-113,383
<i>whereof provisions</i>	-10,000	-10,000		-16,000	-16,000	
<i>whereof further provisions</i>	-33,772			-33,772		
Net result	-42,692	-8,585	-21,723	-36,185	-2,079	-83,854



Webcast

CEO Per Norén and CFO Noora Jayasekara will answer questions in a webcast on March 22, 2023, at 2 pm CET.

The webcast will be available via the following link:

<https://onlinexperiences.com/Launch/QReq/ShowUUID=30FEE1EC-478D-426E-862C-2BD67E5602E2>

To participate via conference call, please register via the following link and follow the instructions: <https://register.vevent.com/register/B1e2eb9a8675d5418e9a94708367cc0c6d>

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About Ovzon

Ovzon offers world-leading mobile satellite communications solutions, SATCOM-as-a-Service, to customers across the globe. The services combine high data speed with high mobility. Ovzon's SATCOM-as-a-Service meets the growing demand for global connectivity for customers with high performance and security requirements such as Defense, Emergency Services, NGOs, Media, and Commercial organizations. Ovzon was founded in 2006 and has offices in Stockholm, Sweden, Herndon, VA and Tampa, FL in the USA. Ovzon is listed on Nasdaq Stockholm Mid Cap. For more information visit www.ovzon.com.