

The background of the slide is a photograph of a sunset or sunrise over a mountain range. The sky is a gradient of dark blue at the top to a bright orange and yellow near the horizon. The silhouettes of the mountains are dark against the bright sky.

Interim report Q1 2023

April 20, 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 and Europe
- Ovzon offers world-class mobile satellite communications solutions – SATCOM-as-a-Service

Orderbook

134

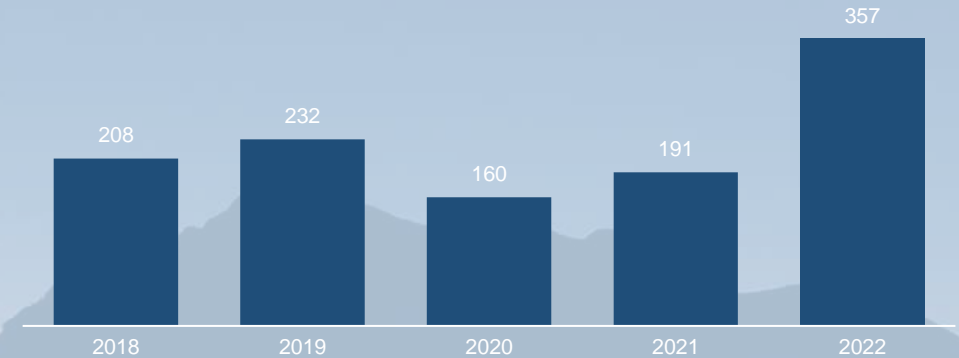
MSEK

Capex Ovzon 3

1,534

MSEK

Revenue (MSEK)



Vision:

Connecting the world's critical missions via satellite

Performance

Mobility

Resiliency

Ovzon SATCOM-as-a-Service

Enabling our customers' critical missions via the world's most advanced, purpose-built SATCOM-as-a-Service with unmatched performance, mobility and resiliency.



Mobile Satellite Terminals

Extensive mobile satellite terminal design, development, production and delivery expertise.



Space and Terrestrial Network Management

Managing a global fleet of satellites and bandwidth with unique capabilities on Ovzon satellites.



Secure Gateways and Backbone Connectivity

Access to a network of secure gateways.



Global service and support

Dedicated 24/7 network and performance management service and support.

To whom we sell and how

Markets

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

Customers

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

Direct sales and via world class re-sellers, distributors and partners



Eventful start of 2023

- New plan and timeline for finalization and launch of Ovzon 3
- Switch to SpaceX as launch partner
- Extended regulatory filings for Ovzon 3 orbital position
- Directed new issue of 200 MSEK and secured additional financing through debt finance for the Ovzon 3 program
- New provisions of 34 MSEK charged to earnings for 2022
- First order in Spain via partner Aicox Solutions
- Continued solid demand for SATCOM-as-a-Service
- Relatively long sales cycles for larger contracts

Significant events after the end of the quarter

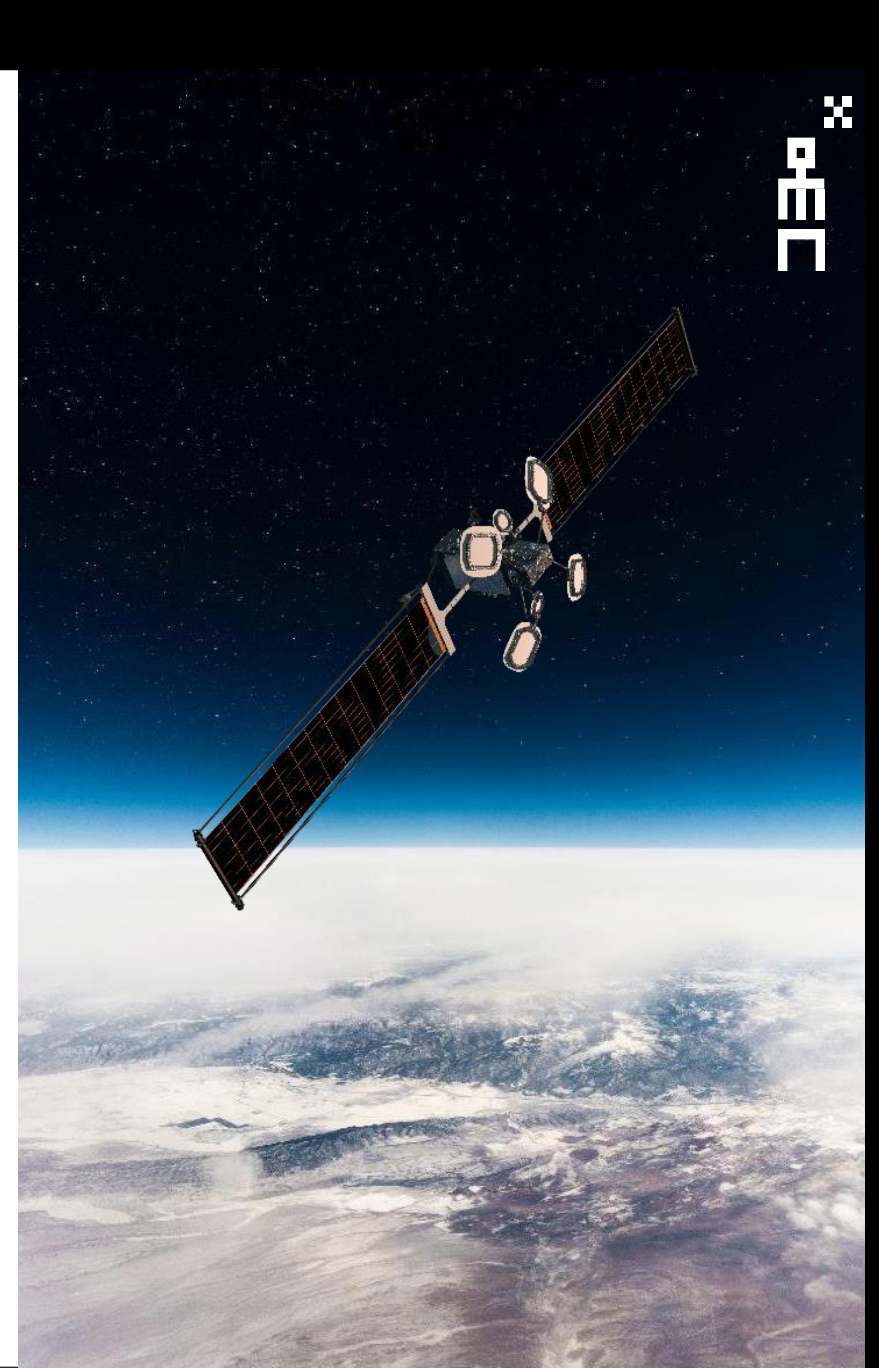
- Follow-up order on 0.6 MUSD from French partner Nigma Conseil



Ovzon 3 update

- Additional delays in the finalization of Ovzon 3 announced in the quarter
- Increased Ovzon 3 program cost with ~ USD 25 million
- SpaceX contracted as new launch provider
- Ovzon secured additional financing to ensure speed of execution
- Relentless work with Maxar and SpaceX to finalize, test and launch of Ovzon 3
- Extended regulatory filings for Ovzon 3 orbital position
- Marketing and sales activities on Ovzon 3 underway
- Ovzon's new mobile satellite terminal Ovzon T7 development progressing well
- Ovzon T7 incl. On-Board-Processor modem to be released with Ovzon 3

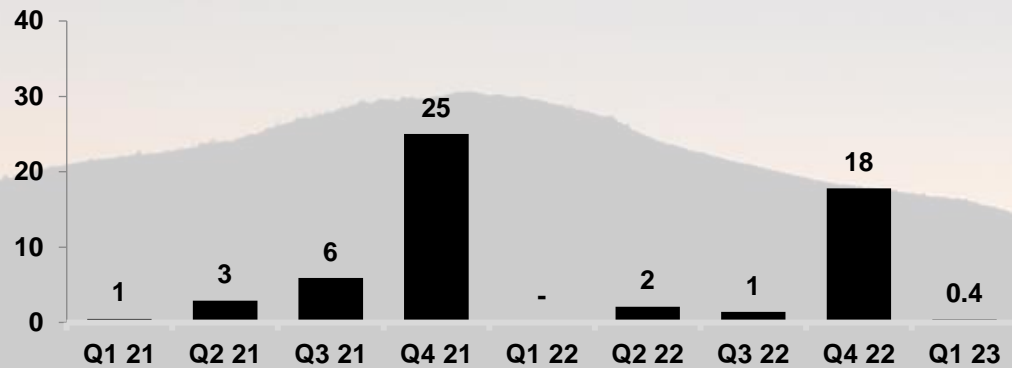
Launching Ovzon 3 in 2023





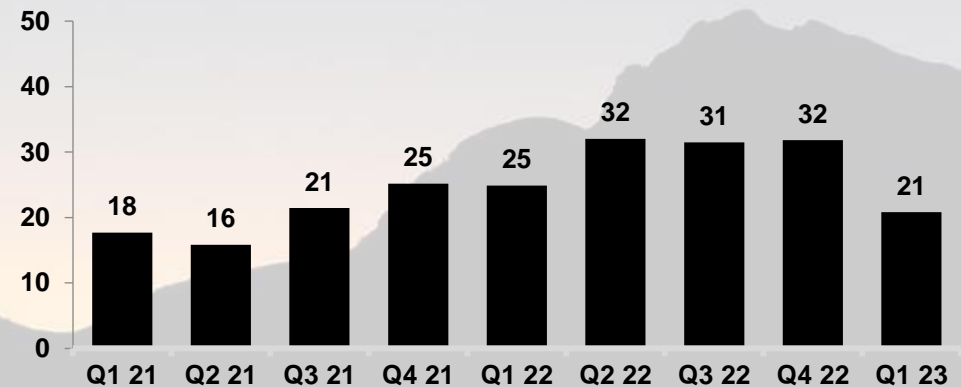
Order intake follows trend

Order intake (MUSD)



Run rate revenue (MUSD)

SATCOM-as-a-Service

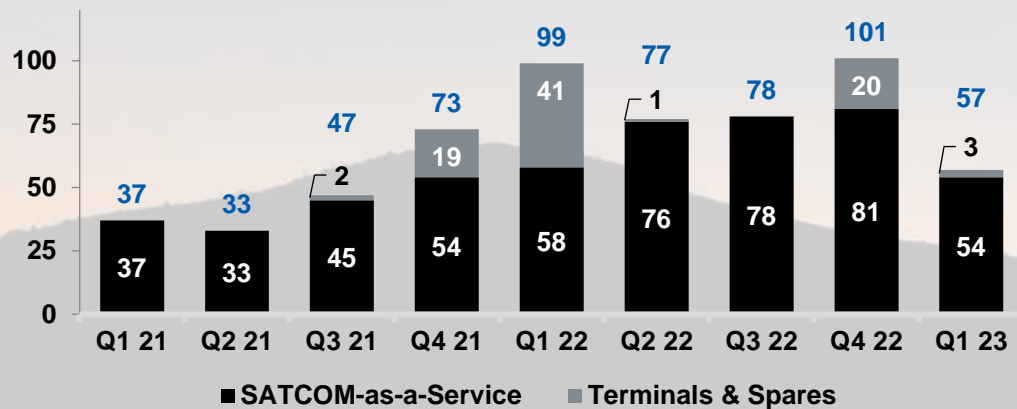


- Order intake in the quarter totaled 0.4 (0.0) MUSD or 4 (0) MSEK
- First order in Spain via partner Aicox Solutions.
- Follow-up order from partner, Nigma Conseil in France
- Order book amounts to 13 (22) MUSD, or 134 (208) MSEK
- Long sales cycles continues for larger contracts

Revenue



Revenue (MSEK)

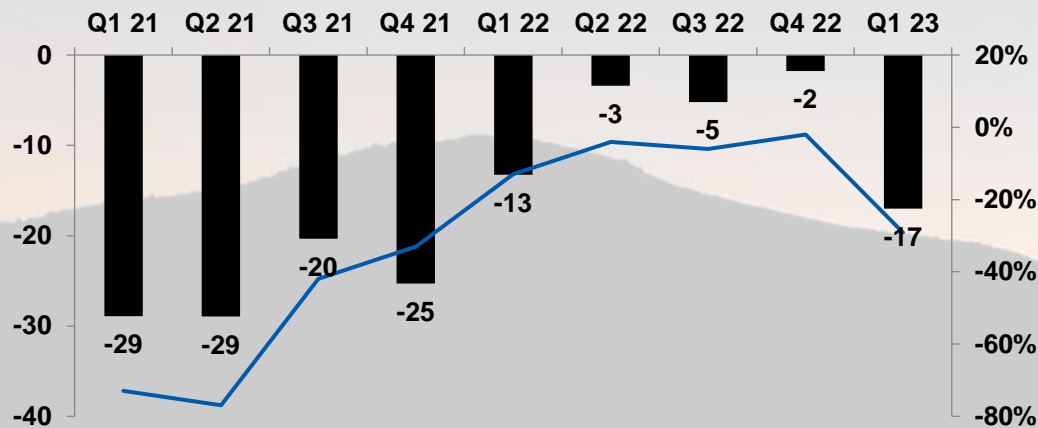


- Revenue totaled 57 (100) MSEK in the quarter
- A large quantity of Ovzon T6 mobile satellite terminals for a value of 39 MSEK was delivered to the U.S. DOD in Q1 2022
- Q1 revenue does not include revenue from Ovzon's Italian distributor relating to service delivery to the Italian fire and rescue services, even though 2.1 MUSD (21.8 MUSD) was invoiced

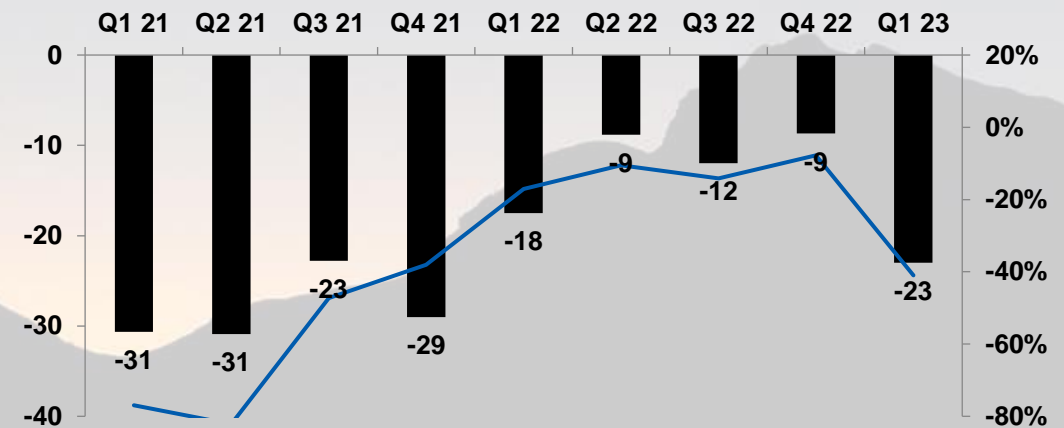


Lower revenue impacts profit

EBITDA and EBITDA margin (MSEK)



EBIT and EBIT margin (MSEK)

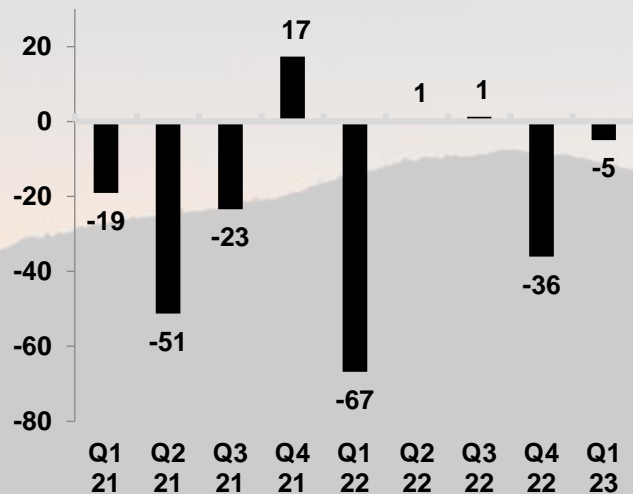


- Profit in the quarter lower than in the comparative period due to lower delivery of services and mobile satellite terminals
- Adjusted for a positive exchange rate effect related to a repayment EBIT amounted to -34 MSEK.
- EBITDA-margin for the period was -29 (-13)% and EBIT margin -41 (-18)%, due to higher overhead costs related to sales and personnel

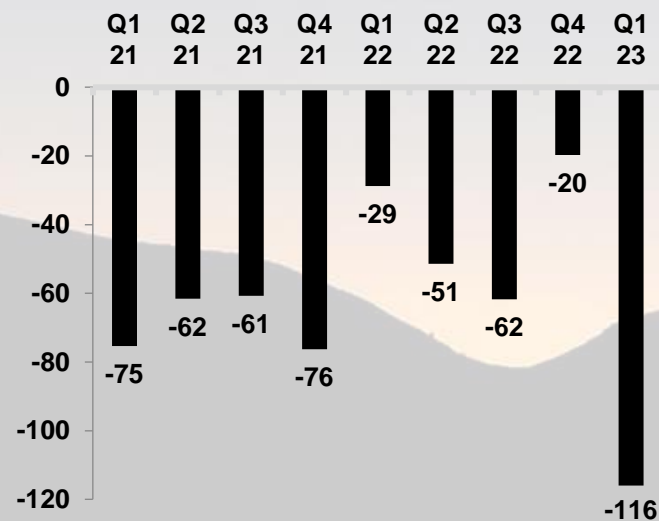


Investments in Ovzon 3 continues

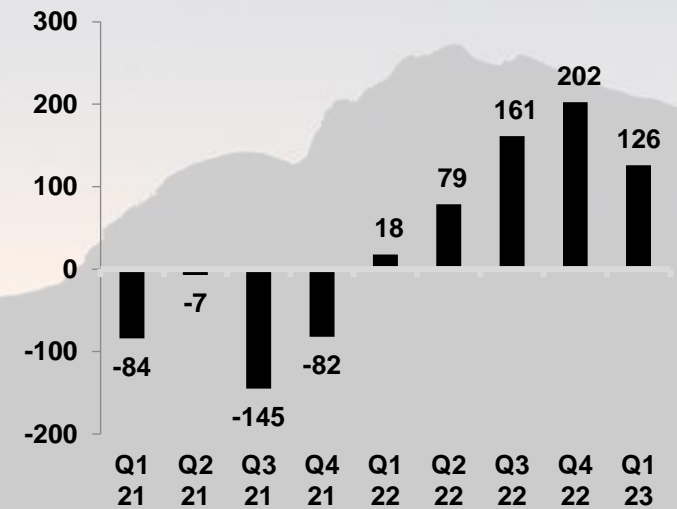
Cash flow from operations (MSEK)



Cash flow from investments (MSEK)



Net debt (MSEK)



- Cash flow from operating activities for Q1 amounted to -5 (-67) MSEK. The improvement is linked primarily to decreased working capital
- Cash flow from investing activities for Q1 amounted to -116 (-29) MSEK. Investments were attributable primarily to Ovzon 3 and the change in launch partner, as well as development of new mobile satellite terminal, Ovzon T7
- Net debt amounted to 126 (18) MSEK as a result of above mentioned investments

Going forward

- Continue to drive a step-change in profitable growth
- Launch Ovzon 3 in the July–September 2023 time frame
- Finalize and launch new mobile satellite terminal Ovzon T7
- Broaden and deepen market and customer penetration
- Accelerating solution sales of Ovzon 3
- Advance our industrialization initiatives
- Solidify Ovzon’s SATCOM-as-a-Service position as the premium solution in the market

”Connecting the world’s critical missions via satellite”



Thank you