

Interim report Q2 2023

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Ovzon at glance

FACTS

- 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 – Ovzon SATCOM-as-a-Service

VISION

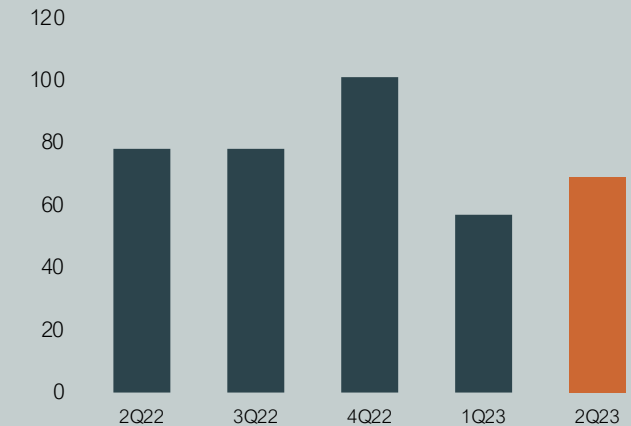
Connecting
the world's
critical missions
via satellite

Performance
Mobility
Resiliency



REVENUE

REVENUE, MSEK



OVZON REVENUE R12M

305 MSEK

CAPEX 2019-Q2 2023

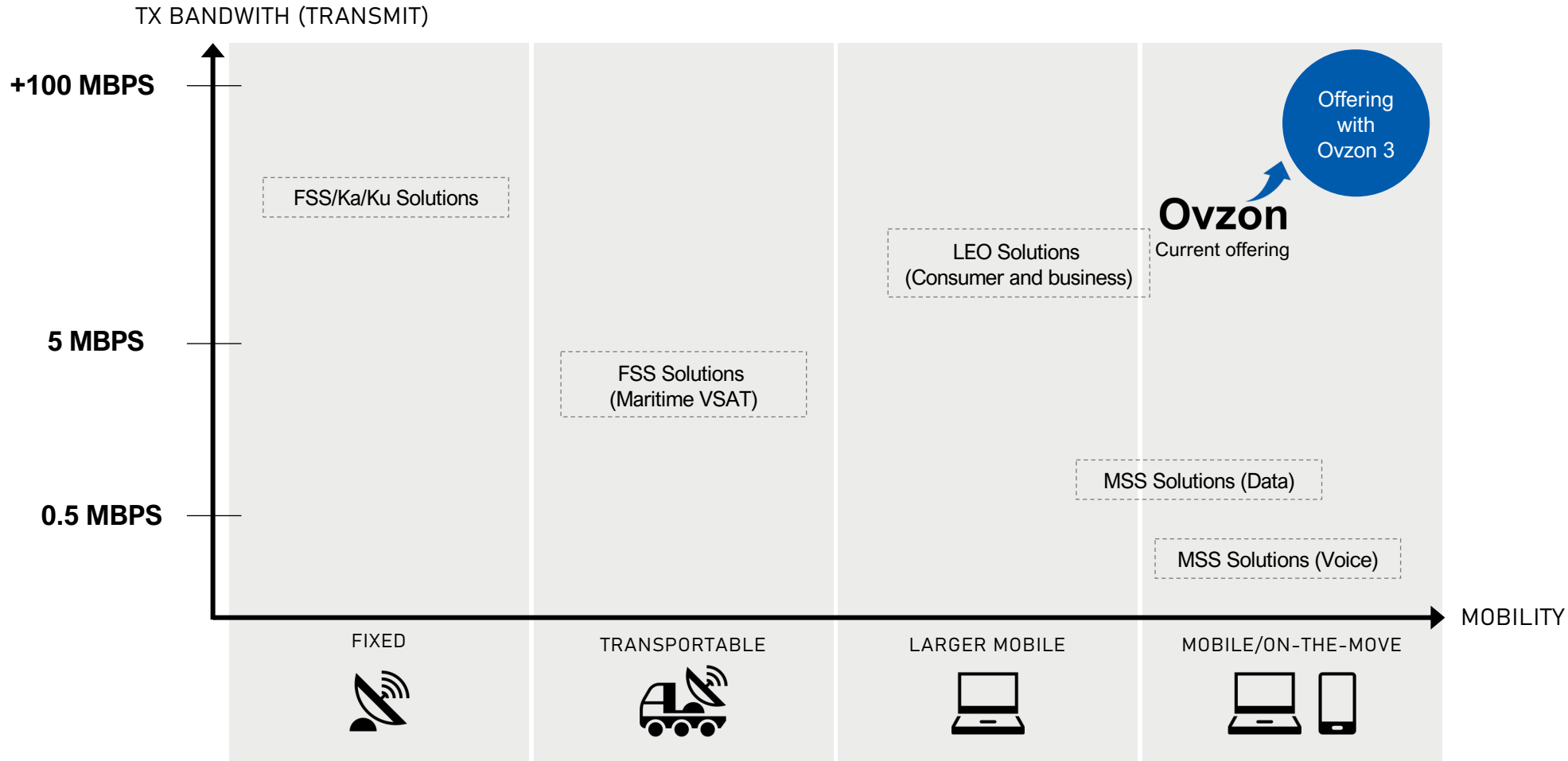
1,830 MSEK

Ovzon SATCOM-as-a-Service

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



Our unique SATCOM-as-a-Service solution



FROM 2024

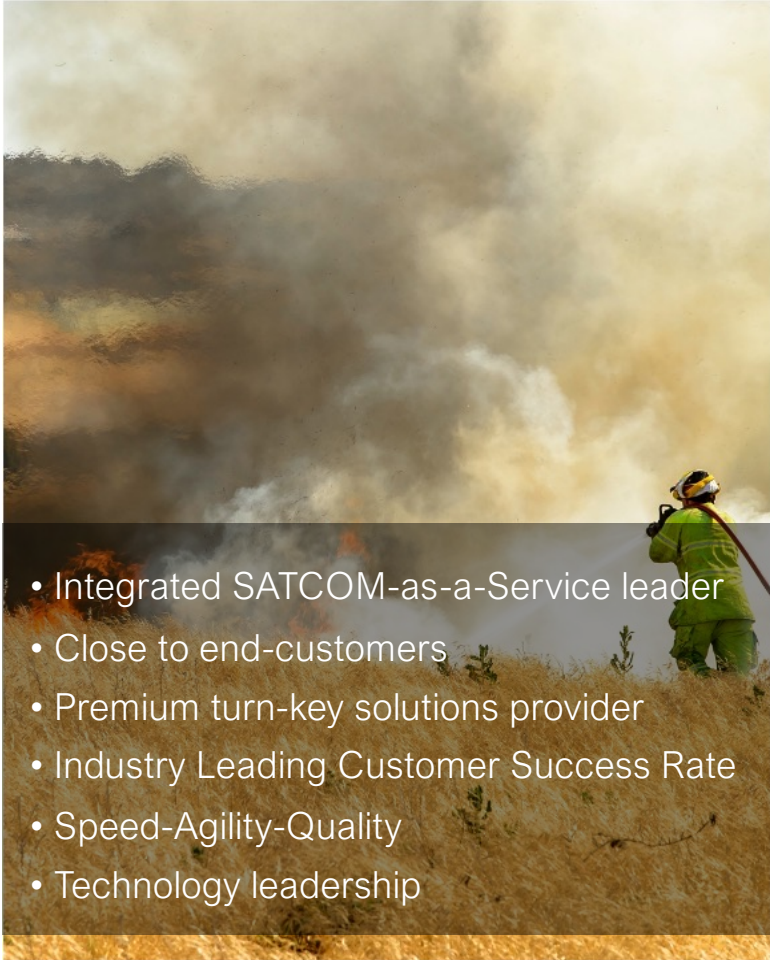
- Ovzon 3
- Ovzon On-Board-Processor
- Ovzon T6 and Ovzon T7 mobile satellite terminals

OVZON'S SATCOM-AS-A-SERVICE ADVANTAGES AND UNIQUENESS

- Unique combination of mobility, performance and resiliency
- Integrated solution
- Guaranteed performance
- Dedicated 24/7/365 service management

Large growing market

OVZON'S POSITION



- Integrated SATCOM-as-a-Service leader
- Close to end-customers
- Premium turn-key solutions provider
- Industry Leading Customer Success Rate
- Speed-Agility-Quality
- Technology leadership

CUSTOMER SEGMENTS

- Government & Defense
- Police, Emergency & Rescue Services
- Surveillance & unmanned systems
- NGOs
- Media & Broadcast

MARKET DEMANDS

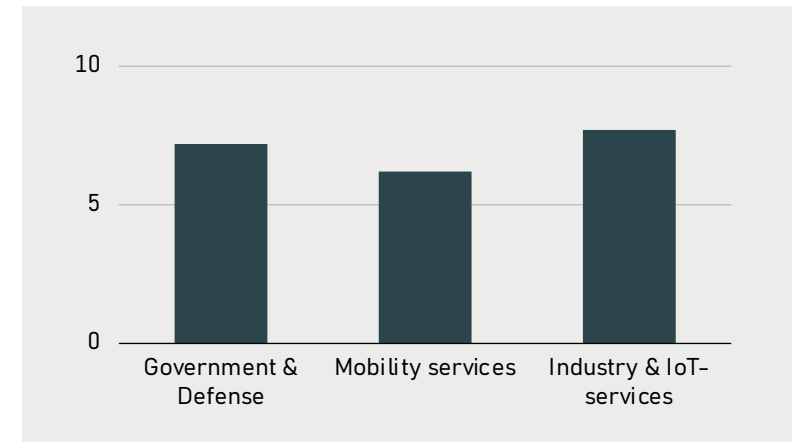
- Integrated solutions
- Efficient bandwidth
- High mobility
- Cyber security

MARKET TRENDS

- Satellite operators → Service providers
- Satellite operators → M&A
- Terminal providers → Service providers
- Single orbit → Multi-orbit

Long-term large investments continues

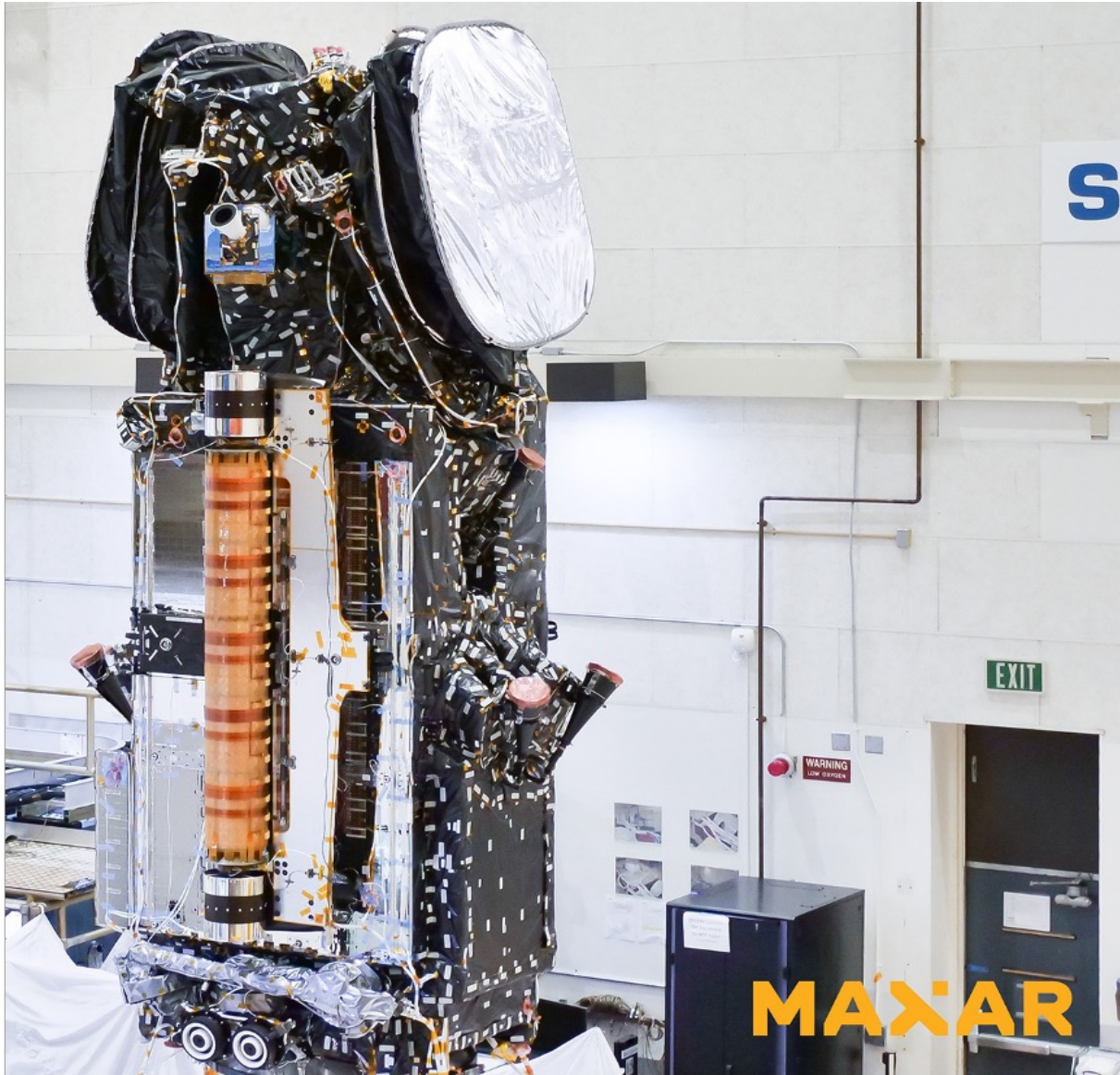
ADDRESSABLE MARKET, BUSD



New orders, launch of Ovzon T7 and progress with Ovzon 3

- Expanded customer base in Europe
- Renewals from current customers
- Ovzon 3 passed critical dynamic test milestone – in its final phase
- Market launch of an industry first mobile satellite terminal – Ovzon T7
- Solid long-term position as critical mission connectivity provider for guaranteed performance, mobility and resiliency
- Focus on growth and delivery of major programs for the rest of 2023





Ovzon 3 update

- Relentless work with Maxar, SpaceX and other partners to test, finalize and prepare for launch of Ovzon 3
- Successfully completed dynamics testing of the spacecraft in early August
- Adjusted timeline still holds; launch expected late 2023–early 2024
- Detailed launch date to be communicated
- No impact on current commercial activities or the delivery of Ovzon SATCOM-as-a-Service



Ovzon T7 – An industry first

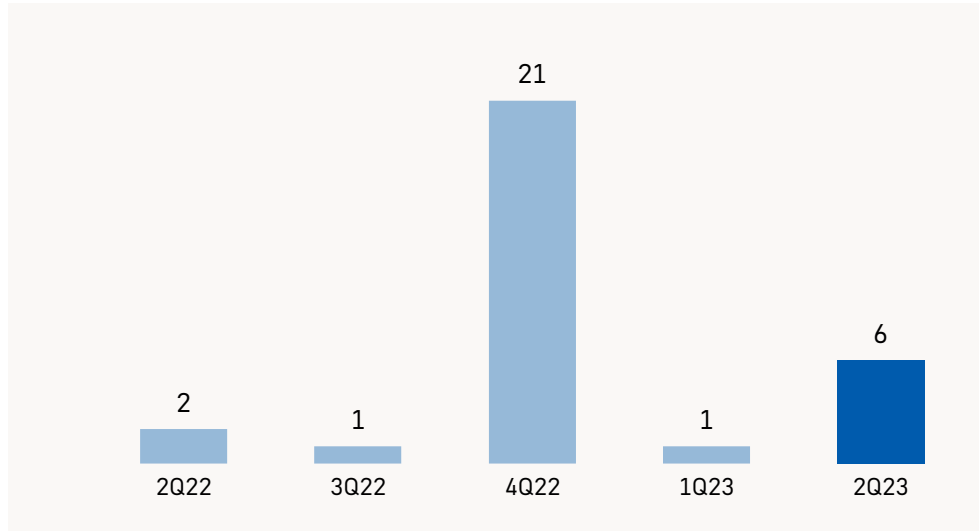
A smaller, lighter, more mobile and resilient satellite terminal specifically designed for customers with critical mission requirements

- Easier and faster: deploys in less than one minute
- Smaller: 20.2×17.9×7.8 cm
- Lighter: only 2.8 kg
- Low power consumption
- Resilient: Ovzon On-Board-Processor compatible
- Rugged: works in any environment

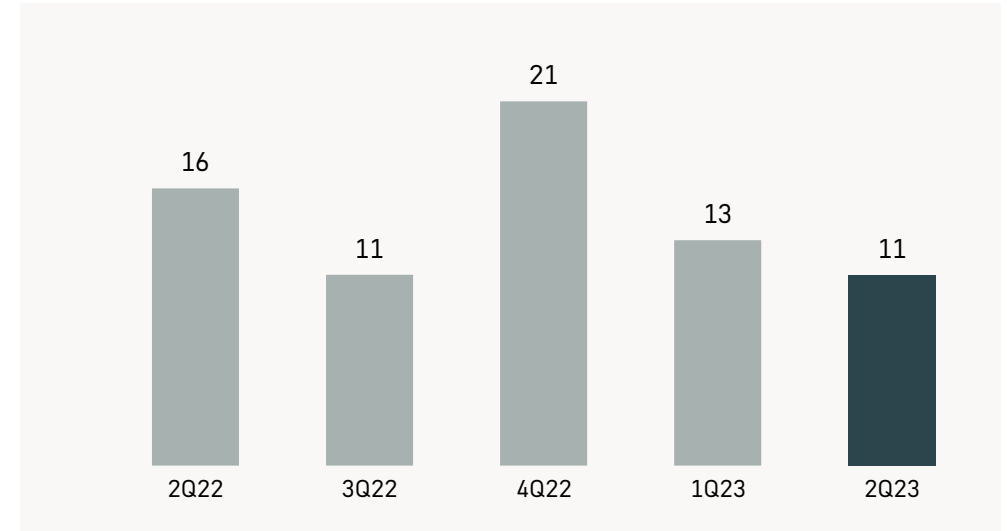
Performance – Mobility – Resiliency

Order intake – multiple renewals and new orders

ORDER INTAKE (MUSD)



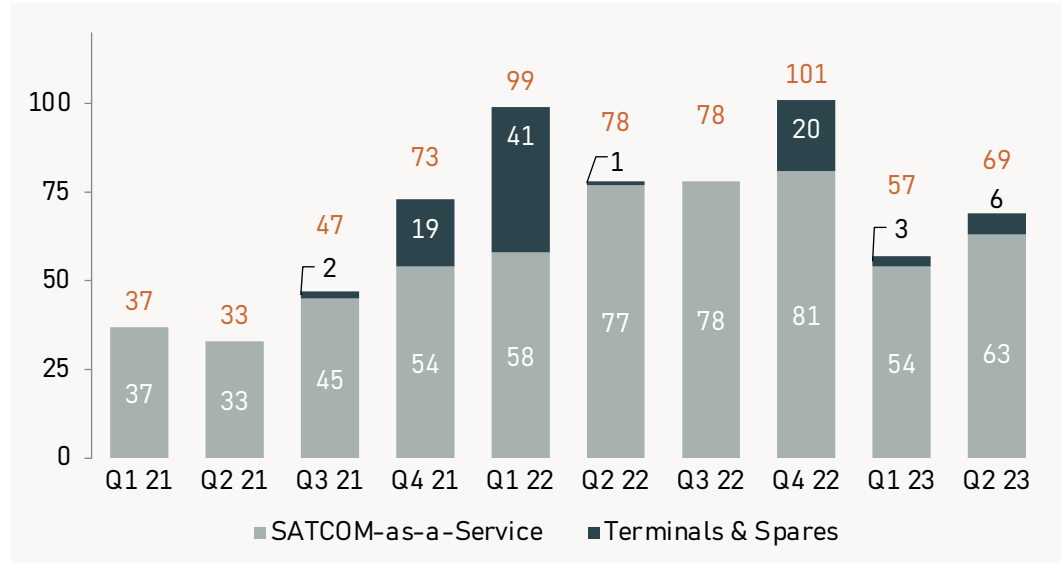
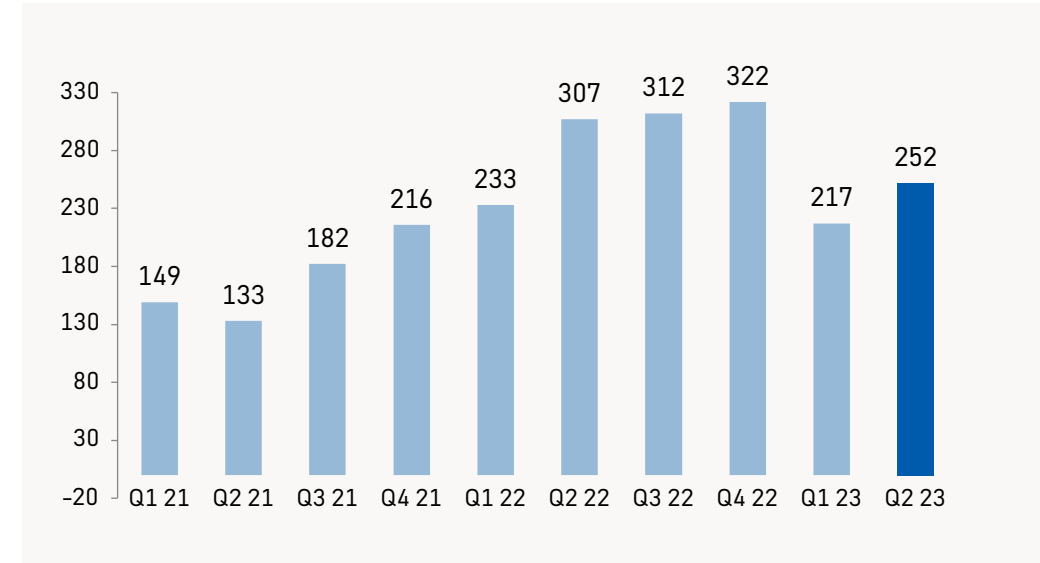
ORDER BOOK (MUSD)



- Order intake in the quarter totaled 5.5 (2.1) MUSD, corresponding to 60.2 (22.0) MSEK
- Order intake this year includes renewals with current customers such as UK Government and Italian Fire and Rescue Services, along with new customers such as the 4.8 MUSD contract with a European customer, the Spanish National Police, and the Italian National Border Police
- Order book amounts to 11.4 (16.5) MUSD, corresponding to 124 (168) MSEK
- Expansion and presence in new markets and geographies takes time. Longs sales cycles for larger contracts

Lower revenue partially offset by renewals and new sales

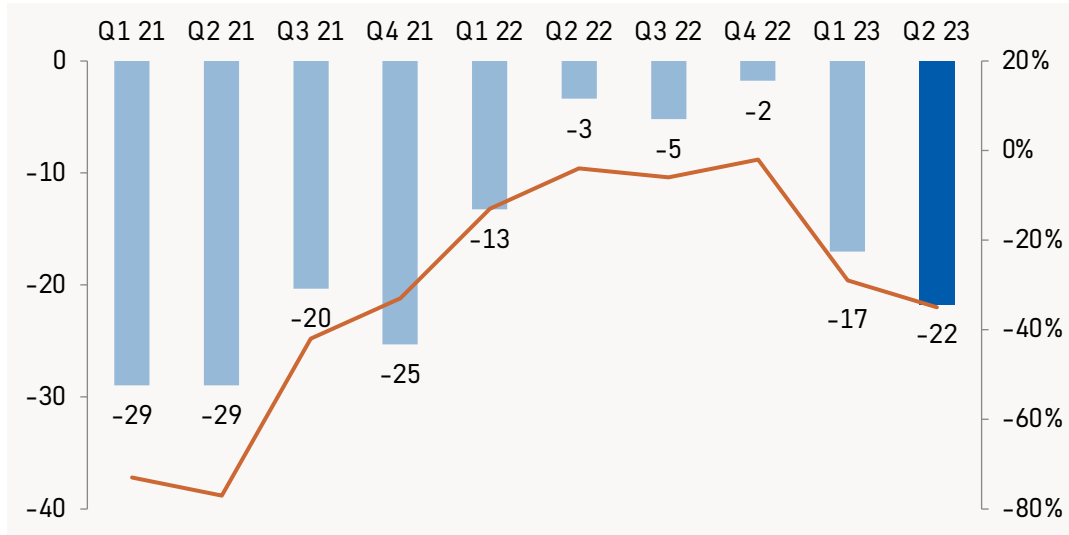
REVENUE (MSEK)

RUN RATE REVENUE (MSEK)
SATCOM-as-a-Service

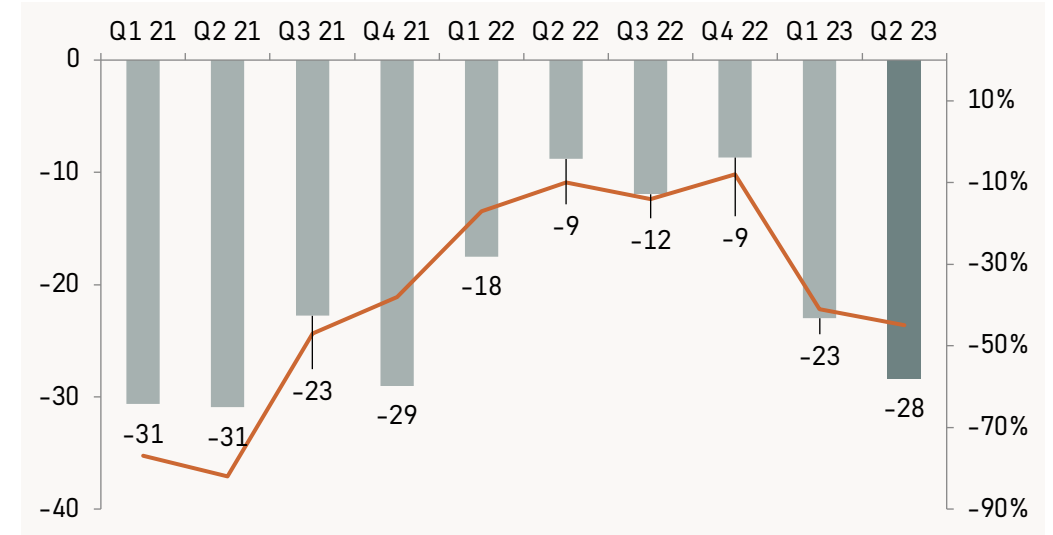
- Revenue declined with 12 percent (growth 135 percent)
- Revenue in the second quarter negatively impacted by the difference in size of renewal from the Italian Fire and Rescue Services
- Q2 revenue excludes Italian distributor's invoiced amounts for service delivery to Italian Fire and Rescue Services with 8.6 MSEK

Margins affected by lower revenue and capacity utilization

EBITDA AND EBITDA MARGIN (MSEK)



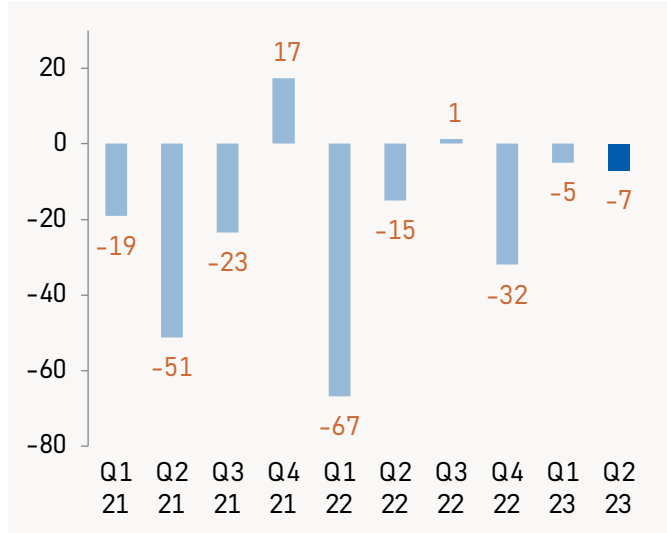
EBIT AND EBIT MARGIN (MSEK)



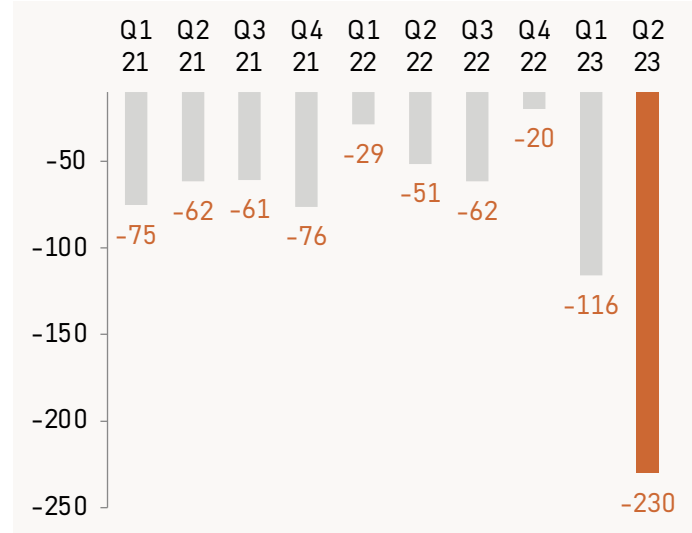
- Profit in the quarter lower than in the comparative period due to lower delivery of services and unused contracted capacity
- EBITDA-margin for the period was -35 (-4)% and EBIT margin -45 (-10)%, due to higher overhead costs related to sales and personnel

Investments in Ovzon 3 continues

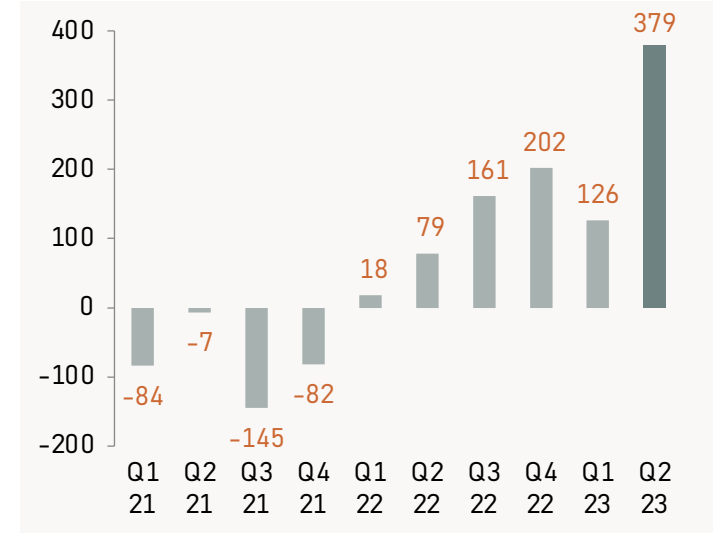
CASH FLOW FROM OPERATIONS (MSEK)



CASH FLOW FROM INVESTMENTS (MSEK)



NET DEBT (MSEK)



- Cash flow from operating activities for Q2 amounted to -7 (-15) MSEK. The improvement is linked primarily to reductions in working capital
- Cash flow from investing activities for Q2 amounted to -230 (-51) MSEK. Investments were attributable primarily to Ovzon 3 and the change in launch provider, as well as development of new mobile satellite terminal, Ovzon T7
- Net debt amounted to 379 (79) MSEK as a result of above mentioned investments

The image shows a sunset scene with two military helicopters in flight. In the foreground, the silhouettes of three soldiers are visible, looking towards the horizon. The sky is a mix of orange, yellow, and blue, with some clouds. The overall mood is one of readiness and mission-critical operations.

Connecting the world's critical missions via satellite

Going forward

- Continued strong focus to drive a step-change in profitable growth
- Launch Ovzon 3 as soon as possible in the timeframe late 2023–early 2024
- Leverage Ovzon T7 mobile satellite terminal to enable Ovzon 3 based SATCOM-as-a-Service solutions
- Deepen and broaden customer and market penetration
- Accelerating solution sales of Ovzon 3
- Further advance our industrialization initiatives
- Solidify Ovzon's SATCOM-as-a-Service position as the premium solution in the markets we choose to serve

Thank you!