

Interim report Q3 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 for critical missions

VISION

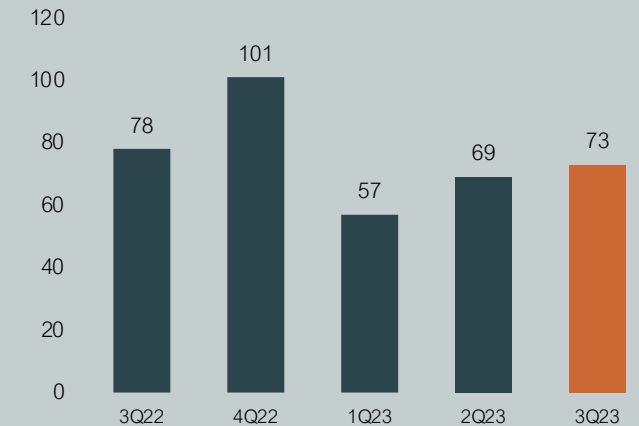
Connecting
the world's
critical missions
via satellite

Performance
Mobility
Resiliency



REVENUE

REVENUE, MSEK



OVZON REVENUE R12M

300 MSEK

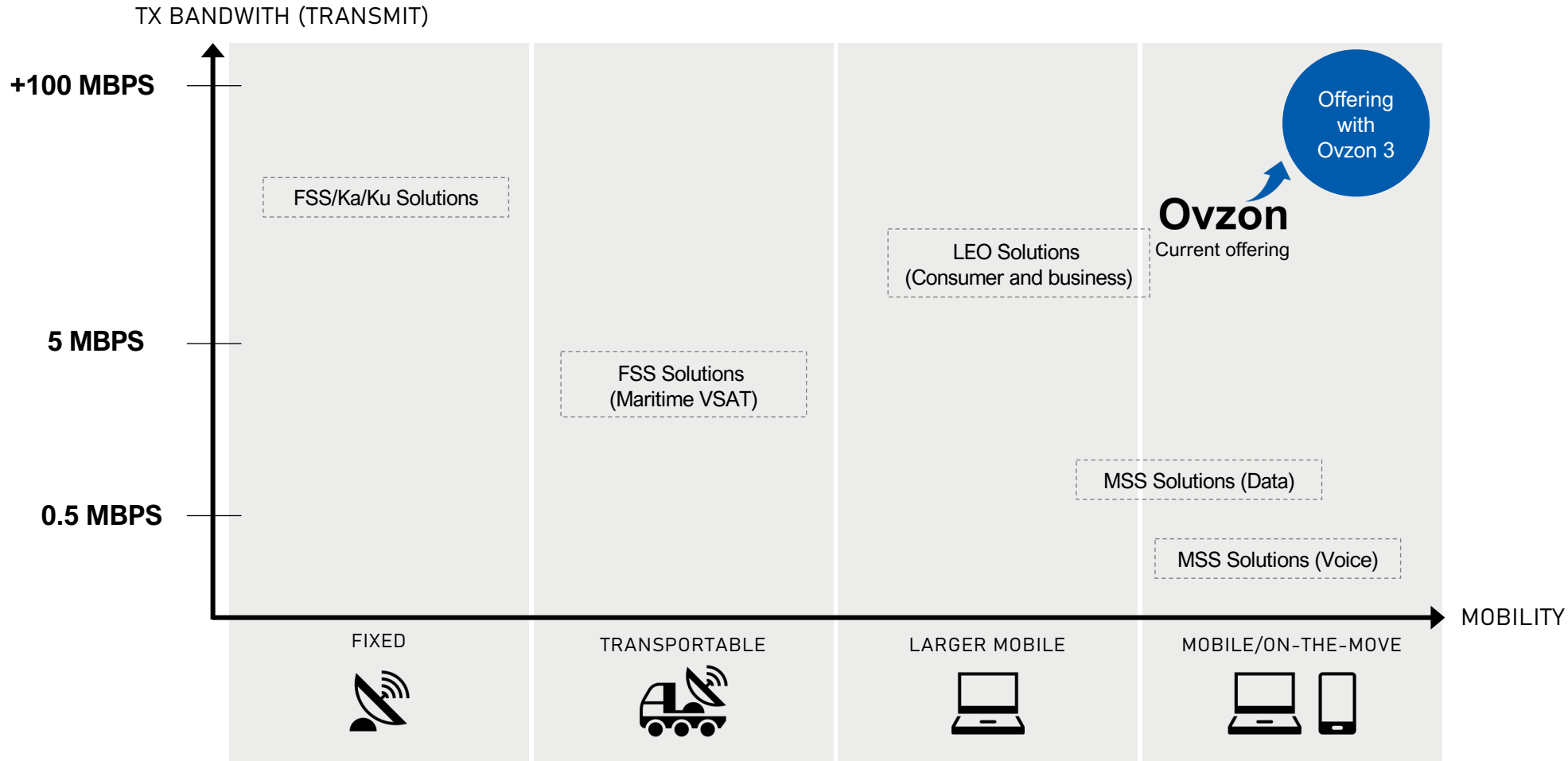
CAPEX 2019-Q3 2023

1,880 MSEK

Ovzon SATCOM-as-a-Service



Our unique SATCOM-as-a-Service solution



FROM 2024

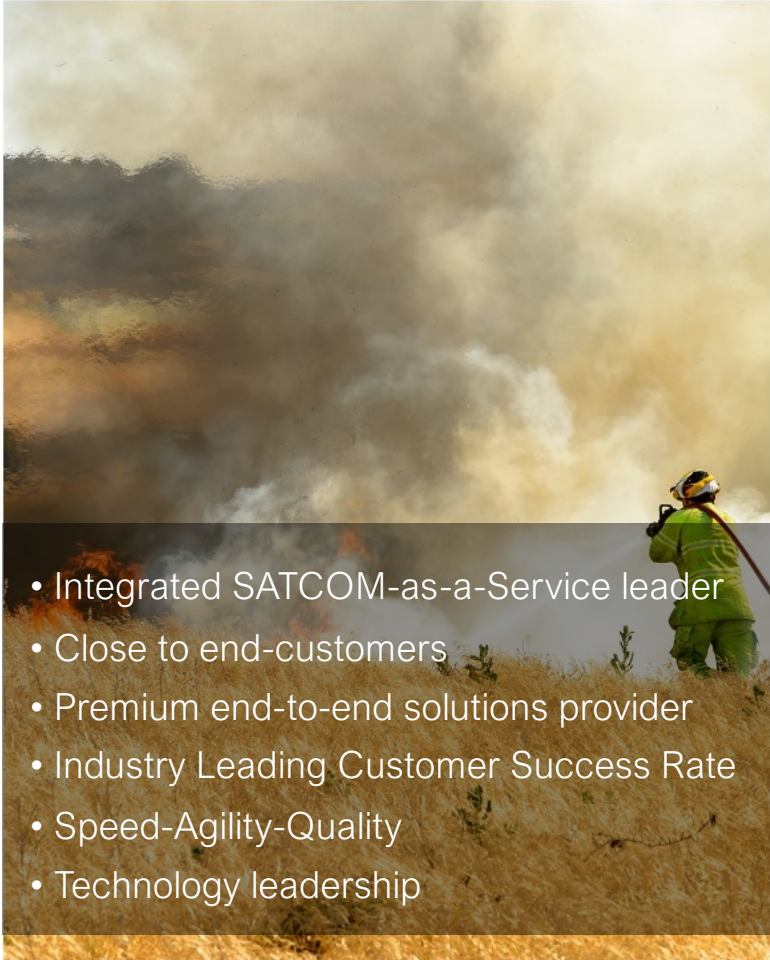
- Ovzon 3
- Ovzon On-Board-Processor
- Ovzon T6 and Ovzon T7 mobile satellite terminals

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 end-to-end solutions provider
- Industry Leading Customer Success Rate
- Speed-Agility-Quality
- Technology leadership

CUSTOMER SEGMENTS

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

MARKET DEMANDS

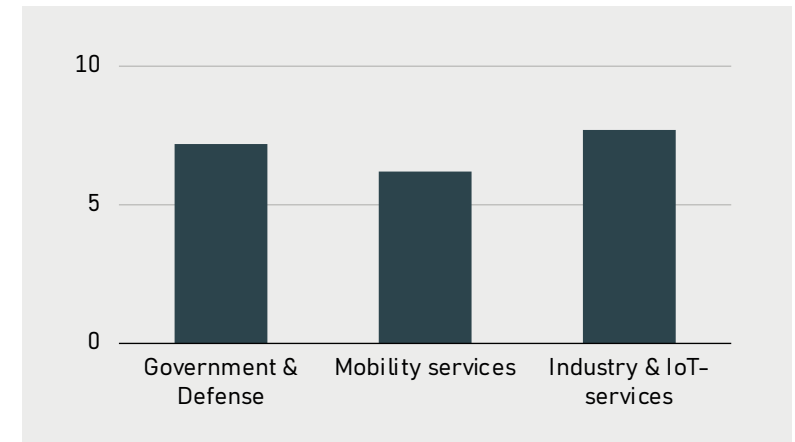
- Guaranteed connectivity
- Integrated solutions
- Efficient bandwidth
- High mobility
- Cyber security

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



Approaching a historic milestone

New and renewed orders in core market segment

- By country specific initiatives

Launch of new mobile satellite terminal Ovzon T7

- Smallest and most capable in the market

Improved finalization and launch plans for Ovzon 3

- Launch planned as soon as December 2023

Adjusted outlook for 2023

- Extended and long sales cycles with new strategic customers
- Delay in new sales – less likely to generate significant revenue impact before the end of 2023
- Share issue with preferential rights for existing shareholders



Photo credits: Official SpaceX



Photo credits: Official Maxar

Ovzon 3 – launch as soon as December 2023

- The final production, assembly and test of Ovzon 3 and the Ovzon On-Board-Processor have progressed according to plan during Q2 and Q3
- Current schedule shows that the spacecraft will reach the launch site in Cape Canaveral, Florida by late November
- Many factors can affect the final launch date including transportation, preparations for launch and weather etc.
- Detailed launch date to be communicated as soon as possible



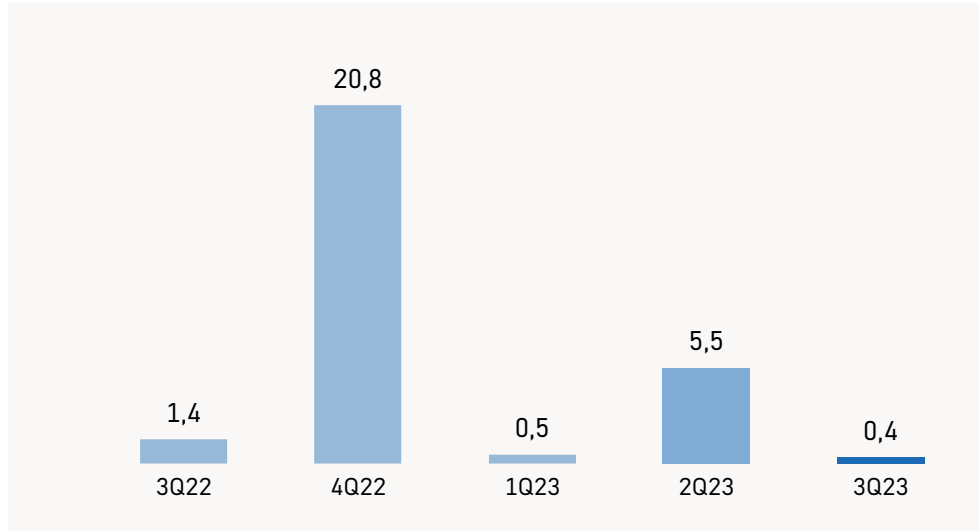
Ovzon readying market introduction of Next Generation SATCOM-as-a-Service

- First ever privately funded, built, and launched commercial GEO satellite from Sweden – Ovzon 3
- Includes the Ovzon On-Board-Processor – with revolutionary technology enabling a completely new guaranteed way of secure connection
- New mobile satellite terminal Ovzon T7 – complements the Ovzon T6 – specifically designed for customers with the highest requirements for guaranteed connectivity for critical mission

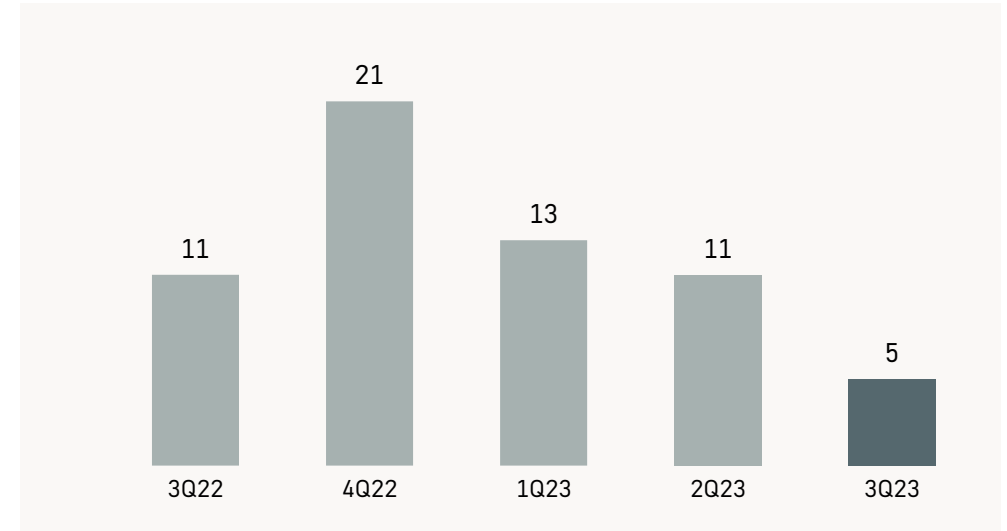
Performance – Mobility – Resiliency

Order intake – extended and long sales cycles

ORDER INTAKE (MUSD)



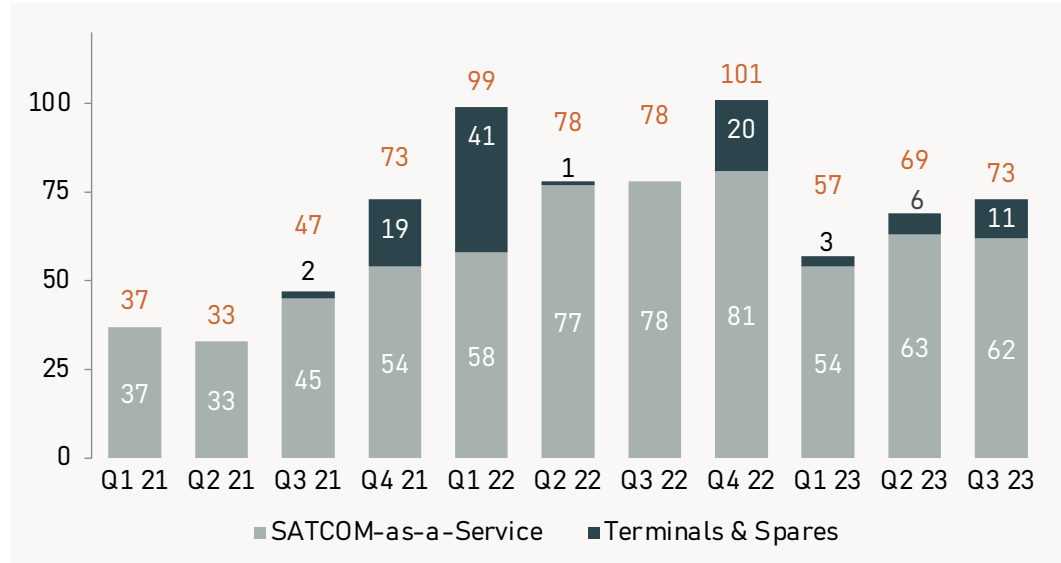
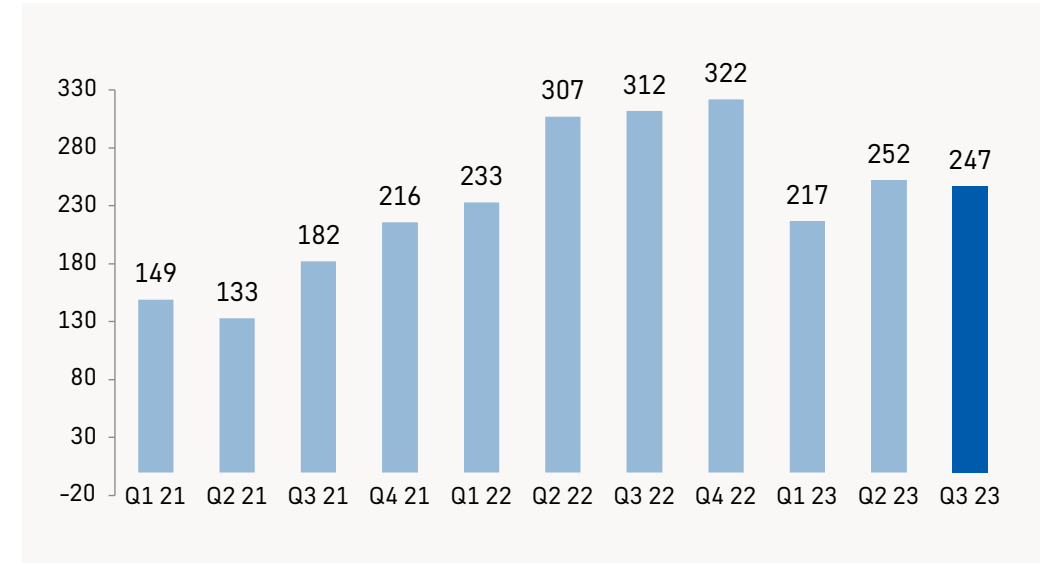
ORDER BOOK (MUSD)



- Order intake in the quarter totaled 0.4 (1.4) MUSD, corresponding to 4 (18) 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 5.0 (10.5) MUSD, corresponding to 55 (117) MSEK
- Expansion and presence in new markets and geographies takes time. Long sales cycles for larger contracts

Lower revenue from SATCOM-as-a-Service partially offset by terminal sales

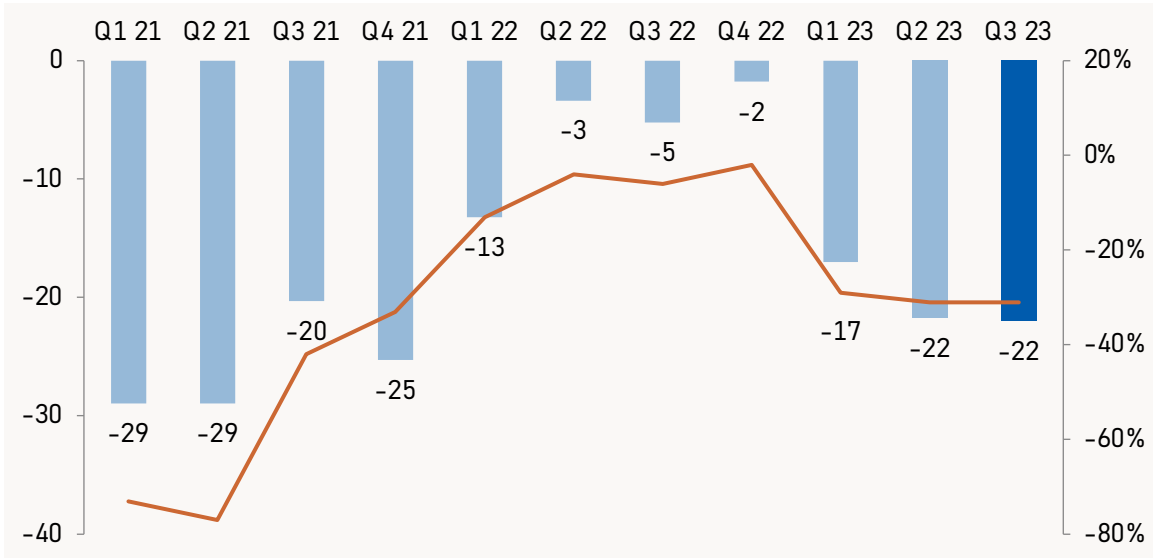
REVENUE (MSEK)

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

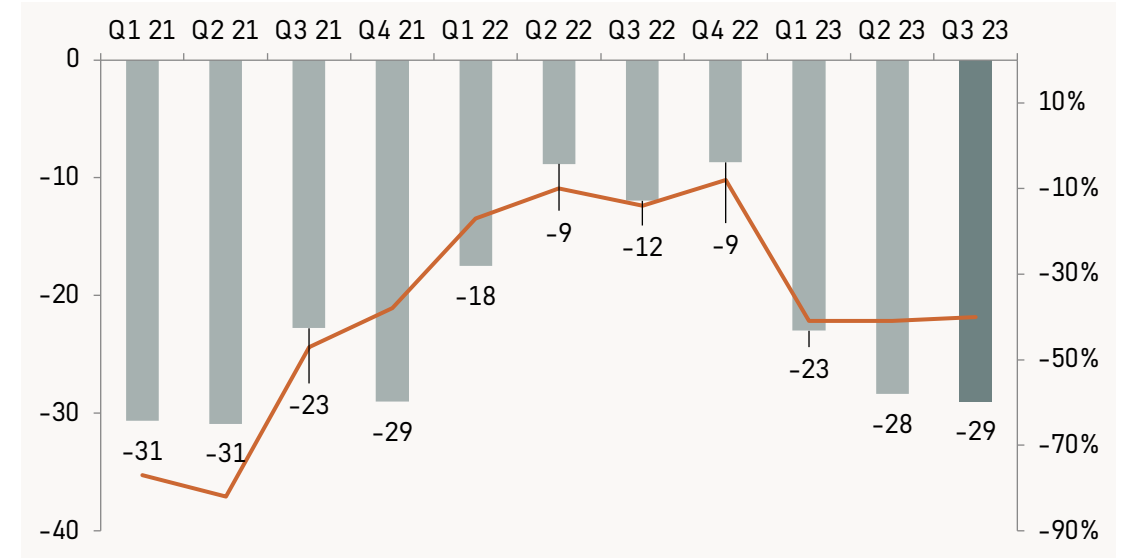
- Revenue declined with 7 percent (growth 63 percent)
- Revenue in the third quarter negatively impacted by the difference in size of the renewal from the Italian Fire and Rescue Services
- Run rate revenue related to SATCOM-as-a-Service is down slightly from Q2 due to low order intake

Margins affected by the decrease in revenue and capacity utilization

EBITDA AND EBITDA MARGIN (MSEK)



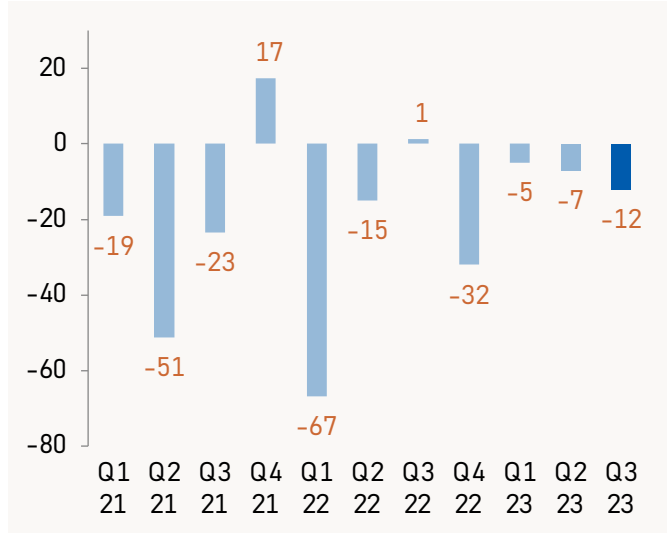
EBIT AND EBIT MARGIN (MSEK)



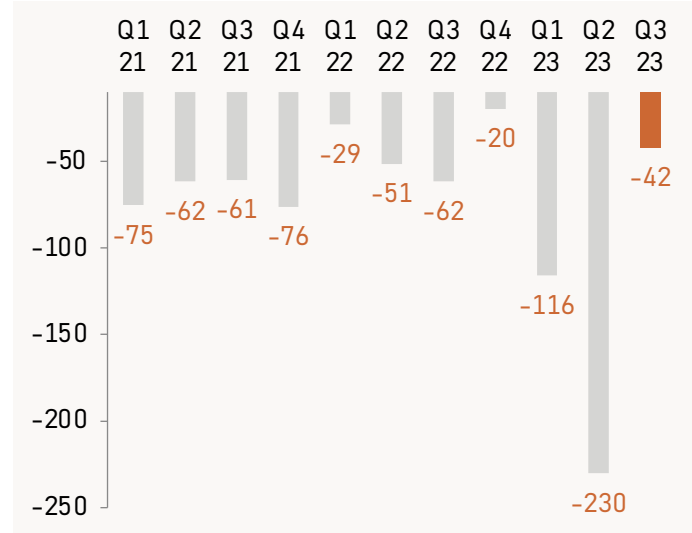
- Profit in the quarter lower than in the comparative period due to lower delivery of services and unutilized contracted capacity
- EBITDA-margin for the period was -31(-6)% and EBIT margin -40 (-14)%, due to lower revenue, higher overhead costs related to sales and personnel and a bad debt provision of 7 MSEK

Investments in Ovzon 3 continues

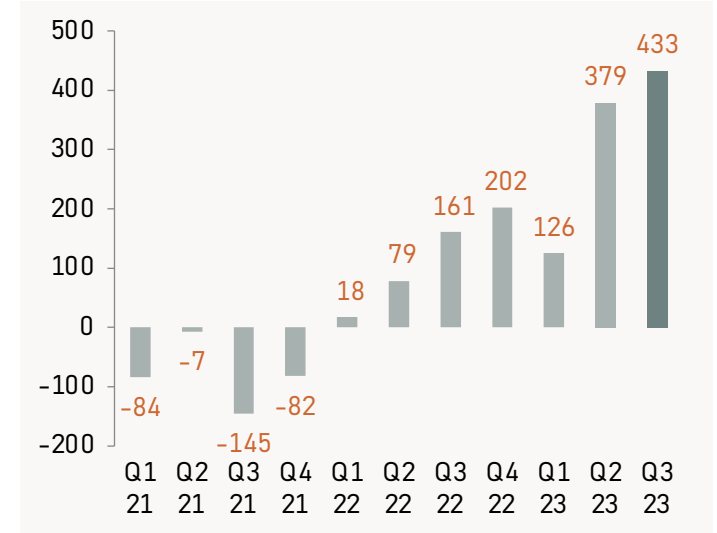
CASH FLOW FROM OPERATIONS (MSEK)



CASH FLOW FROM INVESTMENTS (MSEK)



NET DEBT (MSEK)



- Cash flow from operating activities for Q3 amounted to -12 (1) MSEK. The decrease is linked primarily to lower revenue and increased costs
- Cash flow from investing activities for Q3 amounted to -42 (-62) MSEK. Investments were attributable primarily to Ovzon 3 and development of new mobile satellite terminal, Ovzon T7
- Net debt amounted to 433 (161) MSEK as a result of above mentioned investments and lower cash balance



Rights issue of approximately 250 MSEK

- Initiating a new share issue with preferential rights for existing shareholders of up to approximately 250 MSEK, guaranteed to 80 percent by main shareholders
- Use of proceeds;
 - Finance operations for 2024 and 2025, based on the adjusted outlook for 2023
 - Additional costs related to the completion and launch of Ovzon 3
- Subscription period Nov 22–Dec 6, 2023

The image shows a sunset scene with silhouettes of three soldiers in the foreground and two helicopters in the sky. The soldiers are looking towards the right. The helicopters are flying in the distance. The sky is a mix of orange, yellow, and blue.

Connecting the world's critical missions via satellite

Going forward

- **Deliver on our historic milestone**
 - Finalize and launch Ovzon 3 in December 2023
- **Execute on plan towards profitable growth**
 - Focus: Defense, National Security and Public Safety
 - Transform: Go-To-Market organization
 - Concentrate: Solution sales of NextGen Ovzon SATCOM-as-a-Service
- **Continue to position Ovzon as the guaranteed connectivity solution provider for any critical mission**
- **Finalize all current major technology programs**
- **Accelerate industrialization initiatives**
- **Strengthen financial position and manage cost**

Thank you!