

Year-end report 2023

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Connecting the world's critical missions via satellite



PERFORMANCE

MOBILITY

RESILIENCY

Ovzon at glance

FACTS

- Founded in Sweden 2006
- Listed on Nasdaq 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

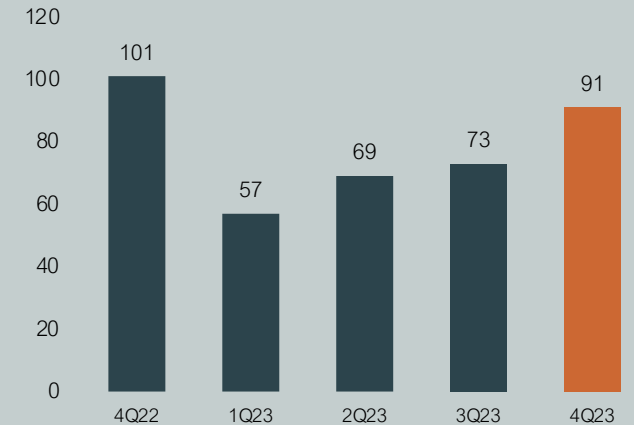
Connecting the world's critical missions via satellite

Performance
Mobility
Resiliency



REVENUE

REVENUE, MSEK



OVZON REVENUE R12M

290 MSEK

CAPEX 2019-Q4 2023

2,159 MSEK

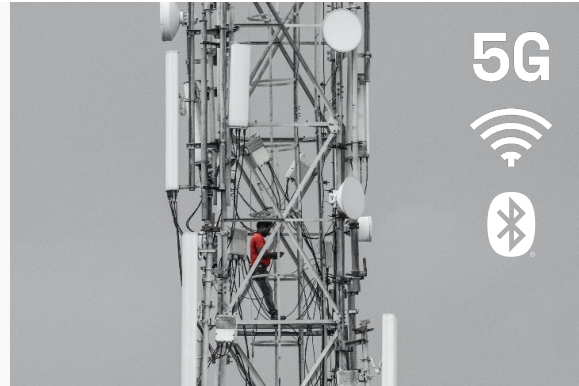
Ovzon SATCOM-as-a-Service



Methods of Communications

Satellite communications is becoming a central part of the integrated global communications system.

MOBILE



FIXED



SATELLITE



Advantages

- ✓ Highly mobile
- ✓ High bandwidth
- ✓ Mature technologies

- ✓ High bandwidth
- ✓ Low cost

- ✓ Global coverage
- ✓ Not dependent on land-based infrastructure
- ✓ Mobility

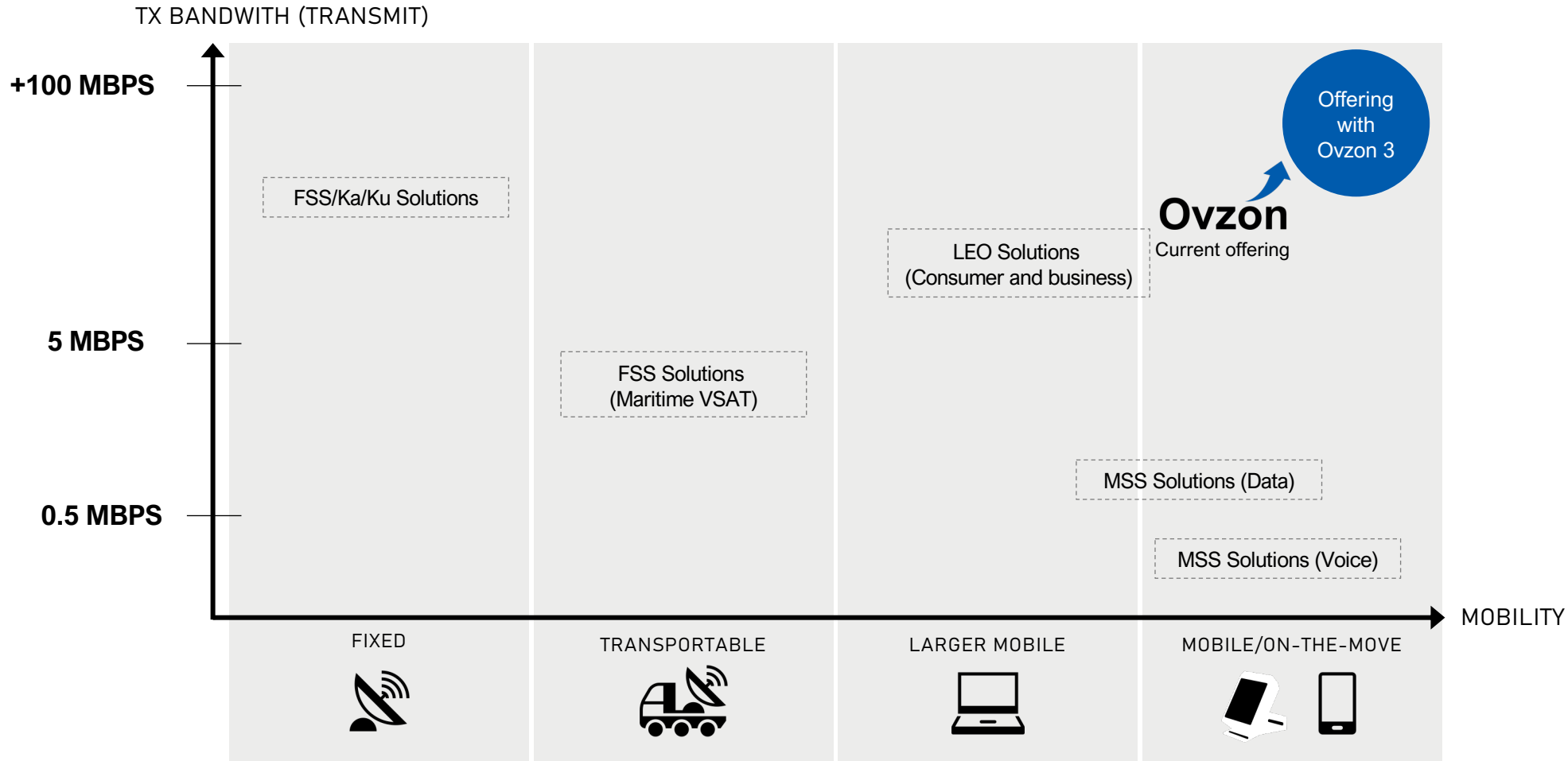
Disadvantages

- ✗ Coverage limited to populated areas
- ✗ Requires investment in local infrastructure

- ✗ Fixed, dependent on local infrastructure

- ✗ Expensive infrastructure
- ✗ Latency

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

Successful launch and strong finish to 2023

Oversubscribed rights issue of 250 MSEK

Successful launch of Ovzon 3

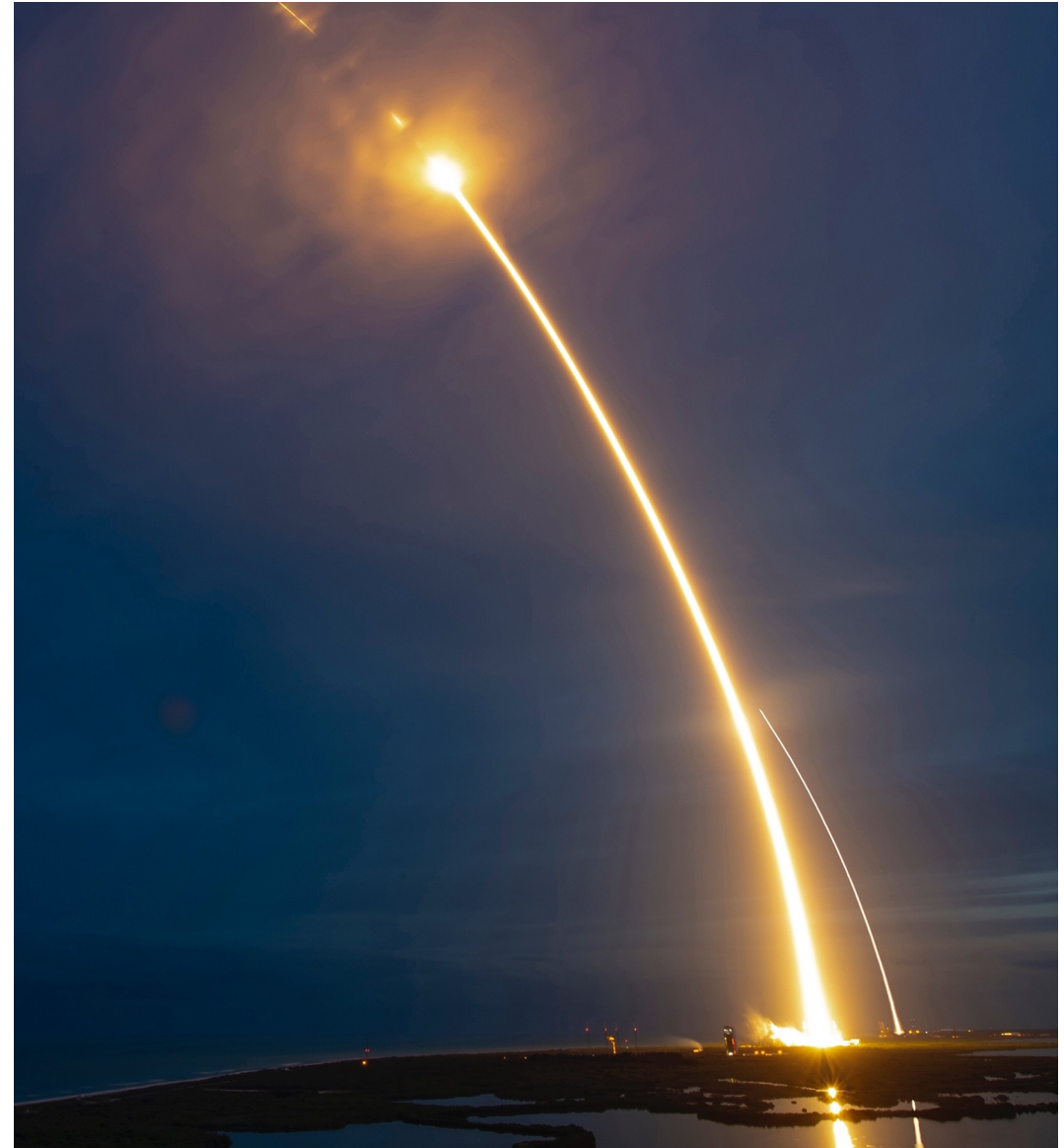
- Preparations and events in December 2023
- Delayed due to unfavorable weather
- Successfully launched on January 3, 2024

New and renewed orders in core market segments

- 135 MSEK order from Swedish Space Corporation
- U.S. DOD orders of 4.3 MUSD

After the end of the quarter

- Renewal of delivery to the Italian Fire and Rescue Services
- First order of Ovzon T7 from U.S. DOD





Oversubscribed rights issue concluded

- Rights issue concluded on Dec 6, 2023
- Use of proceeds of 250 MSEK before attributable costs
- Fully subscribed and no guarantee commitments claimed
- Existing shareholders, including Bure Equity AB, Investment AB Öresund, Grignolino AB, Handelsbanken Fonder, Fourth AP-fund as well as members of the Board of Directors and Management subscribed for 60.4 percent
- Proceeds will be used for financing the company's operations, strengthen working capital, cover estimated costs for the finalization of Ovzon 3



Successful launch of Ovzon 3

- First privately funded and developed Swedish geostationary satellite ever to be launched
- Ovzon 3 launched with a SpaceX Falcon 9 rocket
- The most powerful GEO satellite ever to be launched into orbit, covering 1/3 of the earth via its steerable spot beams
- Ovzon patented solution with high-power steerable beams and unique software-defined capabilities, Ovzon On-Board-Processor

Ovzon 3 launch events

DECEMBER – CAPE CANAVERAL



December 14th -19th

- Launch event in Florida for Customers, Investors, Partners, Board and Ovzon Staff. 150 people attended
- Became the pre-launch event when launch was delayed due to weather

JANUARY – CAPE CANAVERAL



January 3rd

- Launch event in Florida for Customers, Investors and Ovzon Management.
- Watched the launch at Cape Canaveral, Saturn V launch viewing area

JANUARY – STOCKHOLM



January 3rd

- Launch viewing event in Stockholm for Investors, Partners, Press, Board and Ovzon Management.
- Watched the launch via SpaceX feed from Cape Canaveral
- Recorded pre-launch and launch webcast

JANUARY – SOLNA/TAMPA



January 3rd

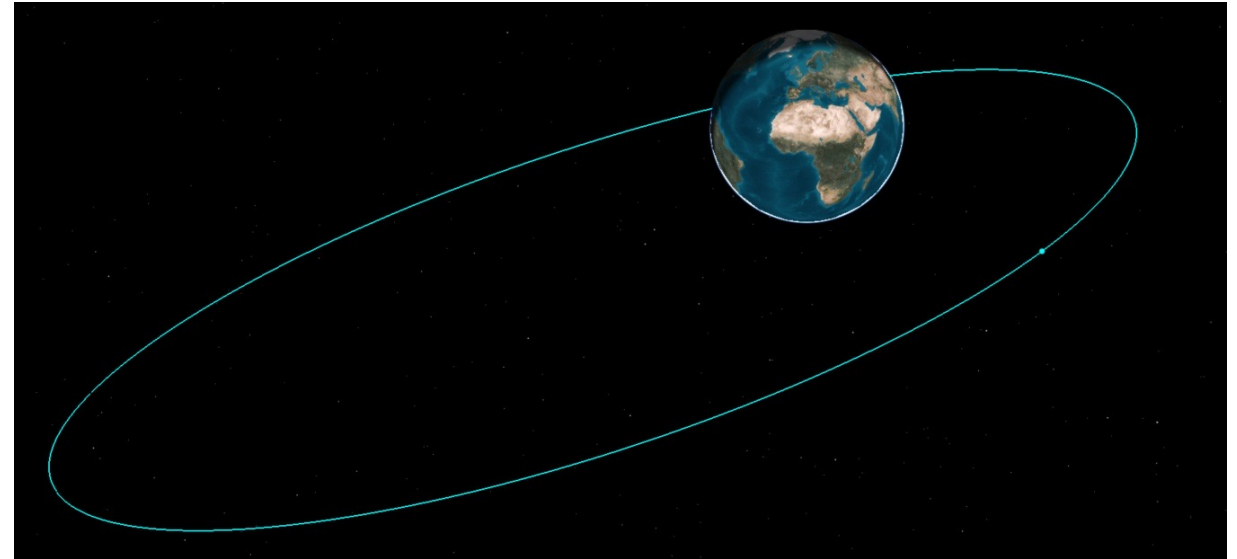
- Two events for Ovzon staff at offices in Solna and Tampa.
- Watched launch via SpaceX feed and studied satellite telemetry data

Ovzon 3 is in good shape – tracking to timeline

- ✓ Successful launch
- ✓ Flawless deployments of solar arrays
- ✓ Propulsion system including the thrusters working nominally
- ✓ First satellite platform In-Orbit-Test successfully completed

Next steps:

- Reach geostationary orbital position - 59.7E
- Reflector deployment and start of In-Orbit-Test
- Satellite handover to Ovzon and start of Ovzon In-Orbit-Test
- Ovzon 3 ready for service by mid-year 2024





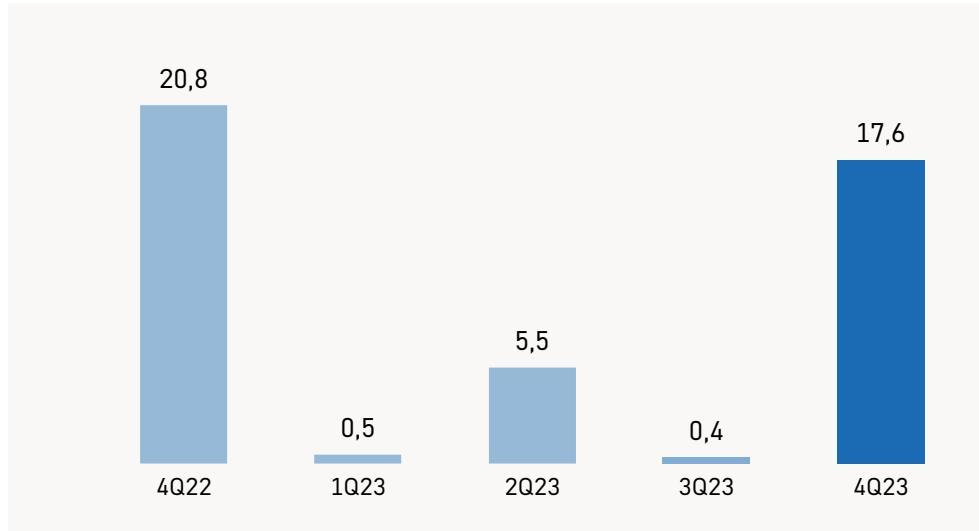
135 MSEK order from Swedish Space Corporation to support Swedish government agencies

- Order for Ovzon's SATCOM-as-a-Service, including Ovzon T6 mobile satellite terminals
- Start of delivery of mobile satellite terminals in Dec 2023, services will be delivered during large parts of 2024
- The order emphasizes that Europe is a key geographical market for Ovzon

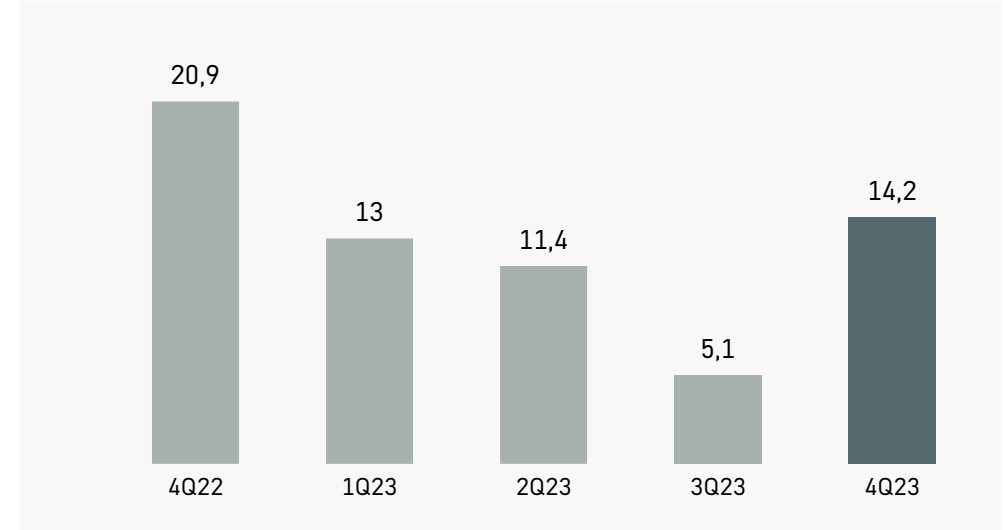
Performance – Mobility – Resiliency

Order intake – strong finish to 2023

ORDER INTAKE (MUSD)



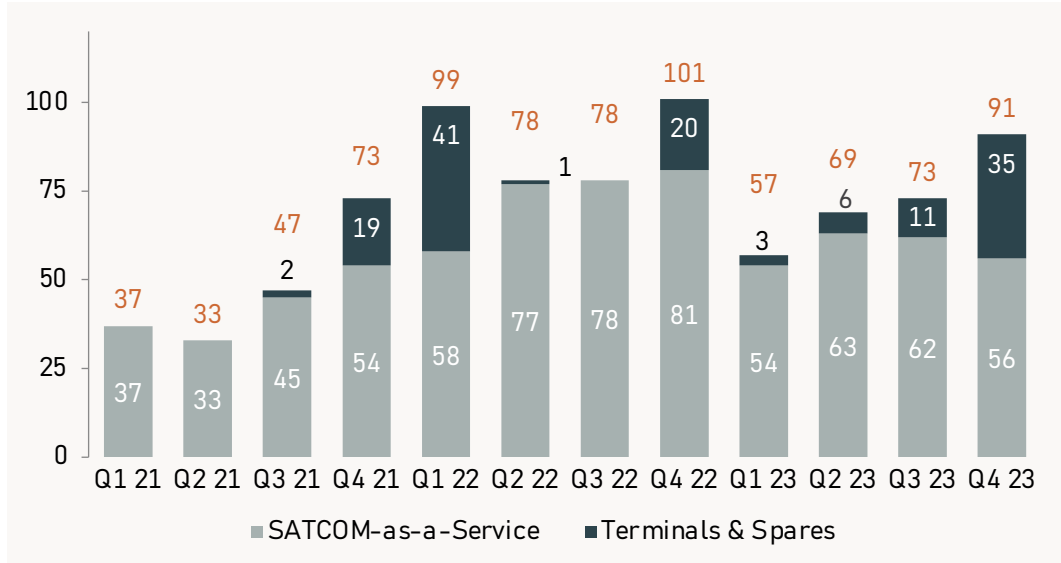
ORDER BOOK (MUSD)



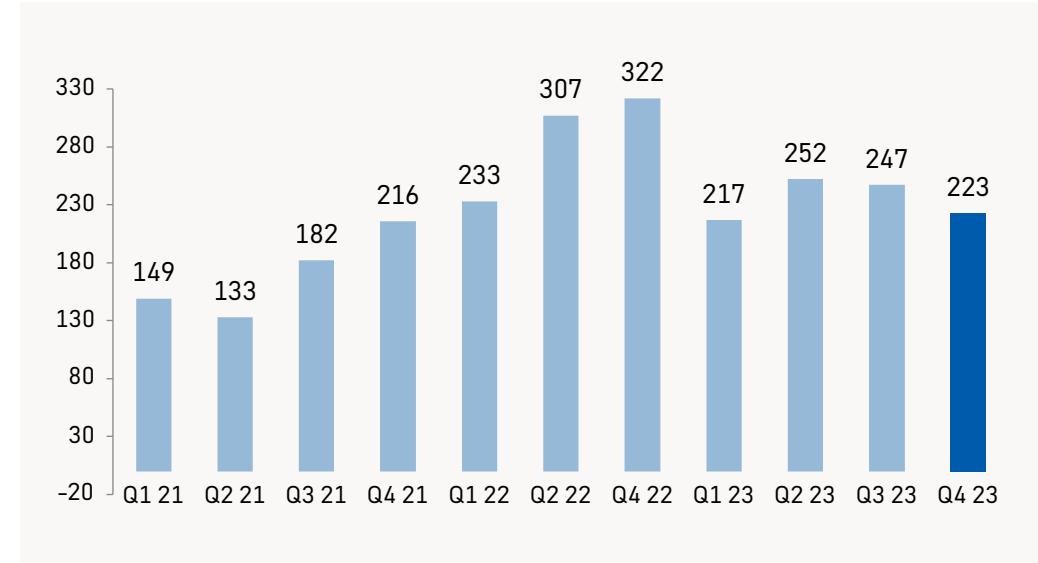
- Order intake in the quarter totaled 17.6 (20.8) MUSD, corresponding to 186 (214) MSEK
- Order intake this year includes renewals with current customers such as U.S. DOD, UK Government and Italian Fire and Rescue Services, along with new customers such as Swedish Space Corporation (SSC), a large European customer, the Spanish National Police and the Italian National Border Police
- Order book amounts to 14.2 (20.9) MUSD, corresponding to 143 (218) MSEK
- Expansion and establishing presence in new markets and geographies is important. Long sales cycles for larger contracts

Mobile satellite terminal sales boost revenue in the quarter

REVENUE (MSEK)



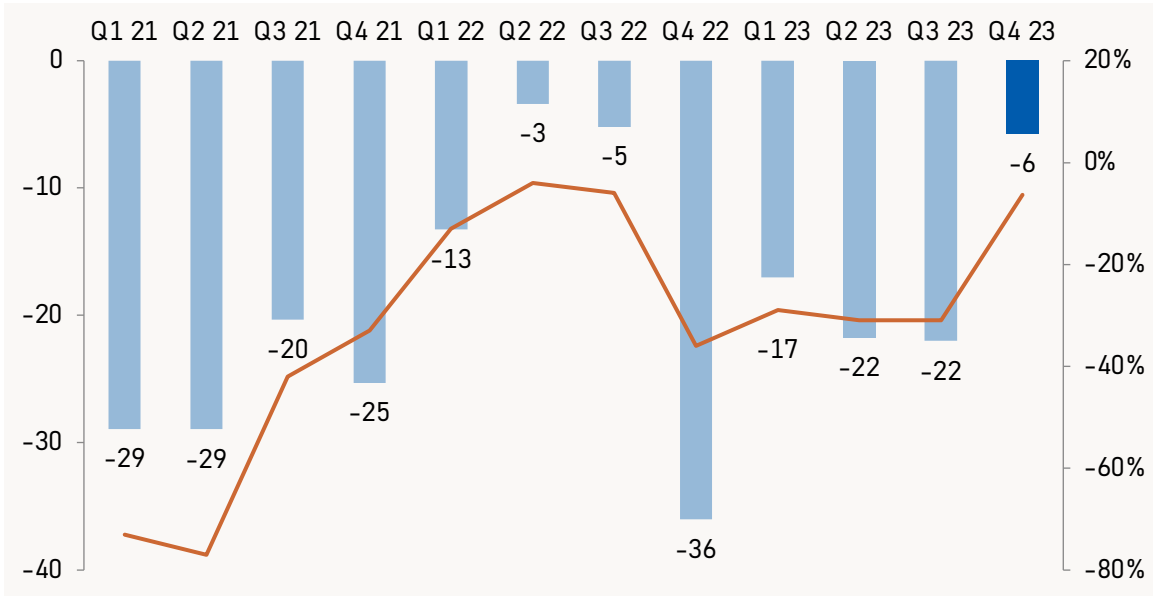
RUN RATE REVENUE (MSEK)
SATCOM-as-a-Service



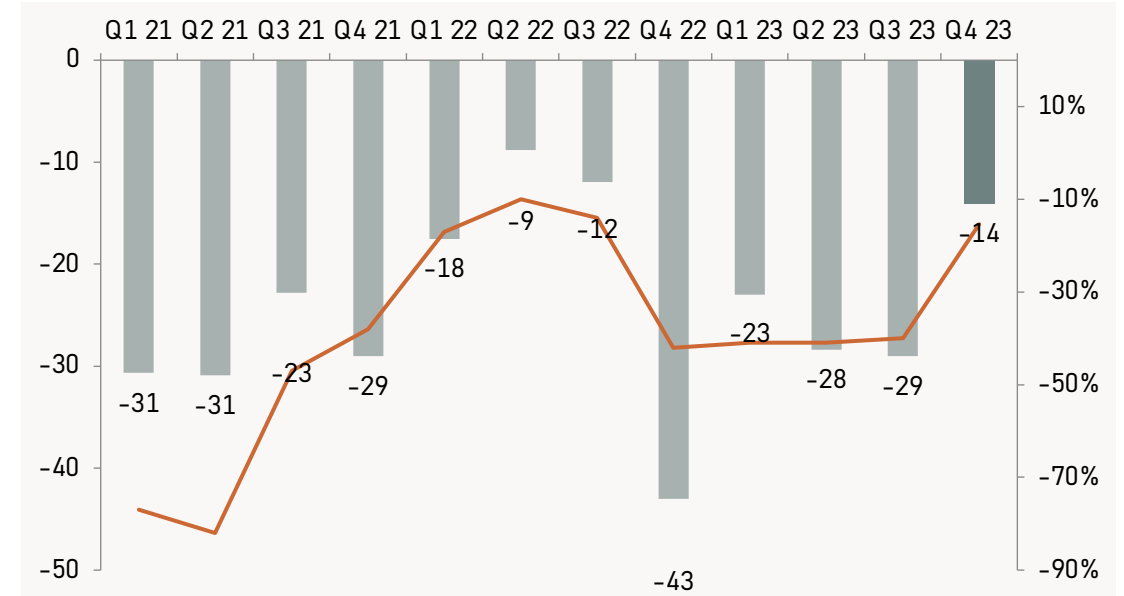
- Revenue declined by 10 percent (growth 38 percent) for the quarter
- Revenue in the fourth quarter was negatively impacted by the difference in size of the renewal from the Italian Fire and Rescue Services and U.S. DOD, mitigated to some extent by SATCOM-as-a-Service revenue from other customers and terminal sales
- Run rate revenue related to SATCOM-as-a-Service is down slightly from Q3 due to the reduced services delivered to U.S. DOD

Margin improving sequentially

EBITDA AND EBITDA MARGIN (MSEK)



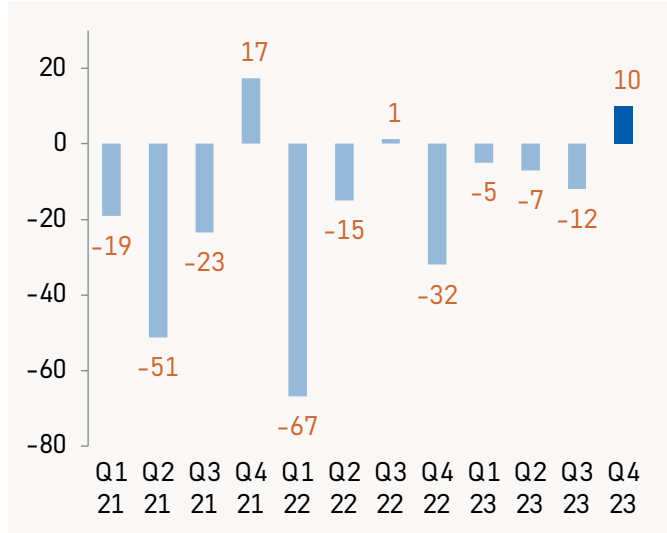
EBIT AND EBIT MARGIN (MSEK)



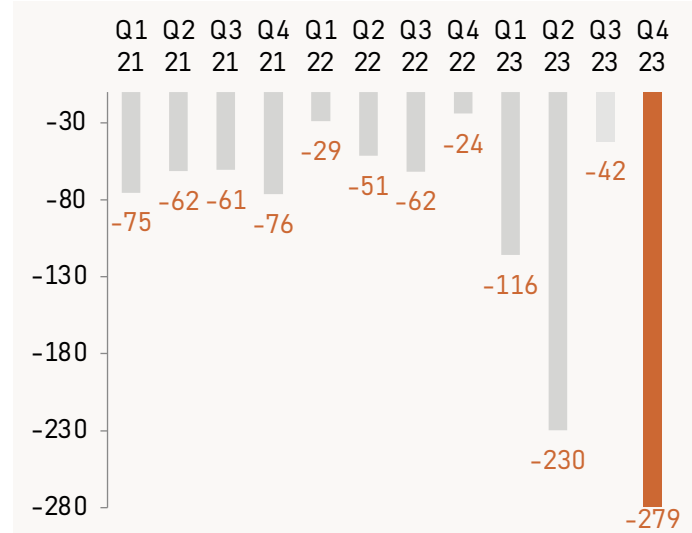
- EBITDA LY affected by bad debt reservation of 44 MSEK, EBITDA in the quarter affected by lower delivery of services and higher overhead costs
- EBITDA-margin for the period was -6% (-36%) and EBIT margin -15% (-43%), LY affected by a bad debt reservation

Investments in Ovzon 3 continue

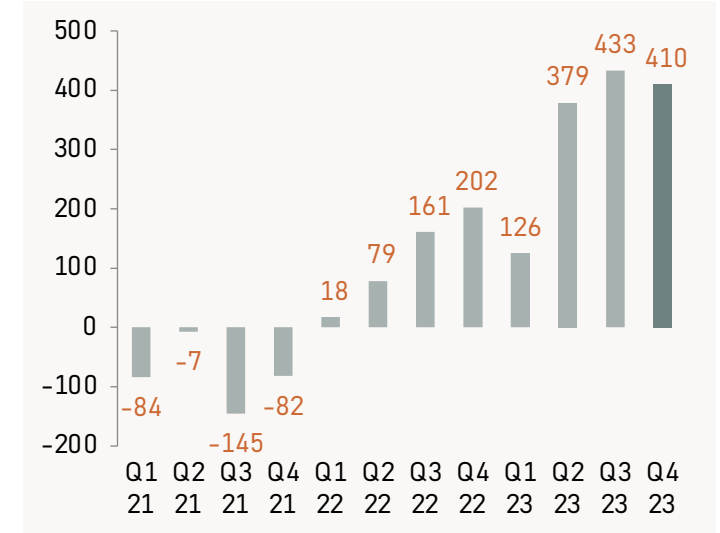
CASH FLOW FROM OPERATIONS (MSEK)



CASH FLOW FROM INVESTMENTS (MSEK)



NET DEBT (MSEK)



- Cash flow from operating activities for Q4 amounted to 10 (-32) MSEK. The increase is linked primarily to improved utilization of purchased capacity, and lower inventory
- Cash flow from investing activities for Q4 amounted to -279 (-24) MSEK. Investments were attributable primarily to Ovzon 3 and its launch
- Net debt amounted to 410 (202) MSEK as a result of above-mentioned investments, proceeds from share issue, and utilized credit facility

Going forward

- Start of service and utilization of Ovzon 3
- Drive profitable growth
 - Focus: Defense, National Security and Public Safety
 - Transform: Go-To-Market organization
 - Concentrate on strategic solution sales of NextGen Ovzon SATCOM-as-a-Service
- Accelerate positioning of Ovzon SATCOM-as-a-Service for customers with critical missions
- Finalize and deliver on current technology programs
- Continue industrialization and scale-up initiatives
- Strengthen financial position and manage cost

Connecting the world's critical missions via satellite

Thank you!

