

Ovzon

Interim report Q3 2024

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Ovzon

Connecting the world's critical
missions via satellite

MOBILITY RESILIEN

REC

2024-05-22

Ovzon at glance

FACTS

- Ovzon delivers world-class mobile satellite communication solutions for critical missions
- First proprietary satellite Ovzon 3 in commercial service in 2024
- Main operations in Sweden, USA and Europe
- Founded in Sweden and listed on Nasdaq Stockholm, Sweden

VISION

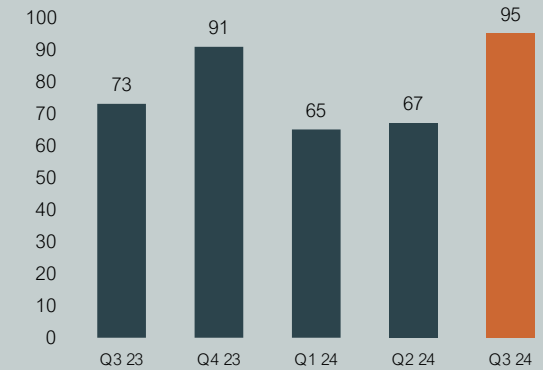
Connecting the world's critical missions via satellite

Performance
Mobility
Resiliency



FINANCIALS

REVENUE PER QUARTER, MSEK



OVZON REVENUE R12M

318 MSEK

CAPEX 2019-Q3 2024

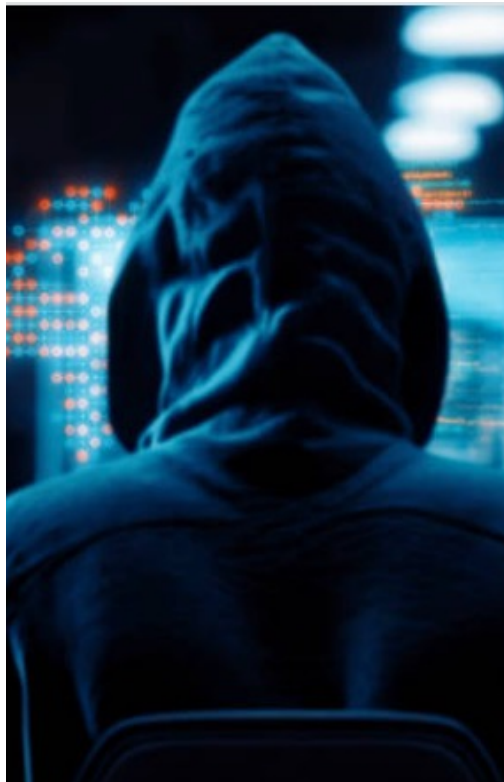
2,355 MSEK

The accelerating urgency and demand for satellite communications

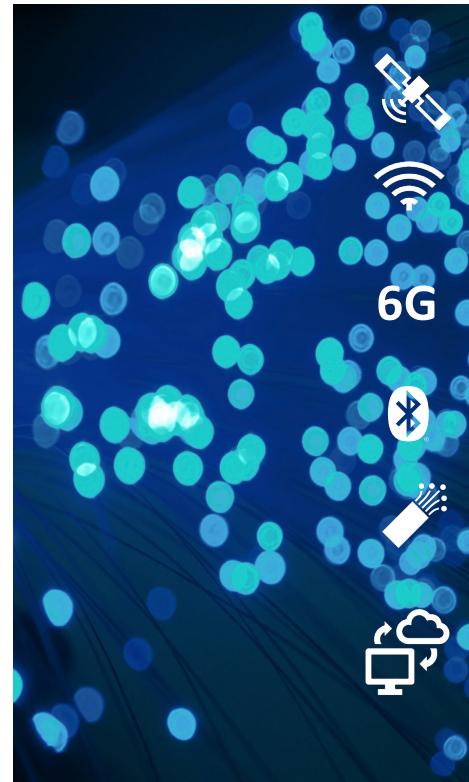
GEOPOLITICAL TENSION



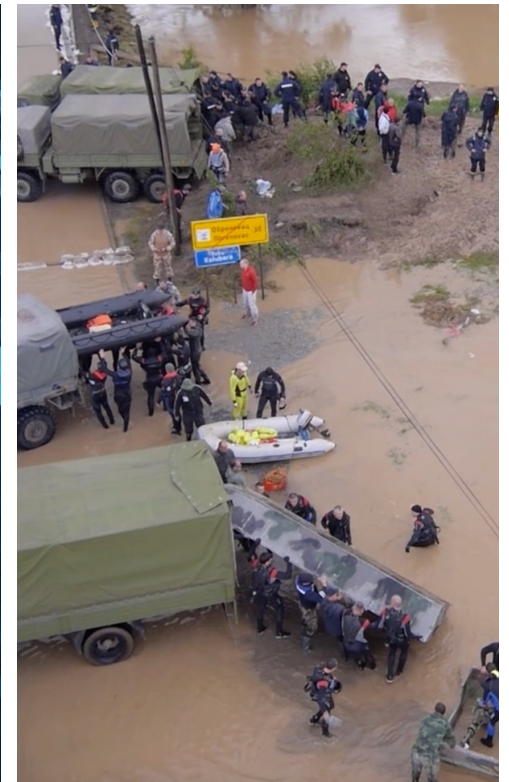
CYBER SECURITY



DIGITALISATION



CLIMATE CHANGE

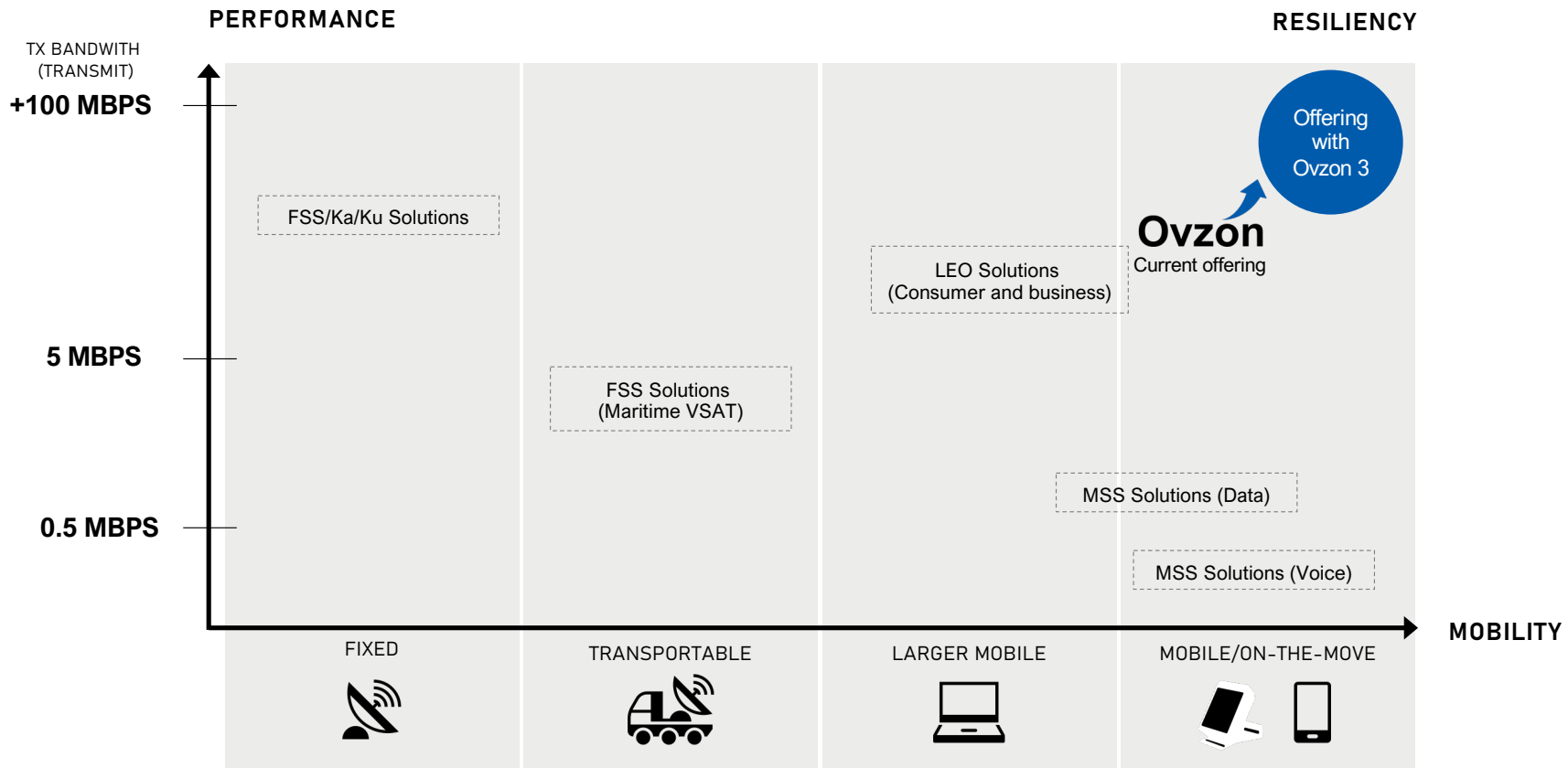


Ovzon value proposition

Ovzon provides unique SATCOM solutions with market leading performance, mobility and resiliency. We enable critical missions for defense, national security and public safety customers.



Our unique SATCOM solutions



TEL

FROM 2024

- Ovzon 3
- Ovzon On-Board-Processor
- Ovzon T6 and Ovzon T7 On-The-Pause mobile satellite terminals portfolio
- Expanded Ovzon On-The-Move mobile satellite terminals portfolio

OVZON'S SATCOM SOLUTIONS ADVANTAGES AND UNIQUENESS

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

Q3 Accomplishments

Commercialization of Ovzon 3 and strengthened order book

During the quarter:

- Ovzon 3 entered into commercial service
- First order on Ovzon 3 from U.S. DOD at 6.2 MUSD
- Initial order on Ovzon 3 from Swedish Space Corporation (SSC)
- U.S. DOD orders additional Ovzon T7 terminals at 0.7 MUSD
- 12-month renewal for Ovzon SATCOM-as-a-Service from SSC at 115 MSEK

After the end of the quarter

- Cooperation with FMV for demonstration of Unmanned Ground Vehicle
- Expansion order (+17 MSEK) from SSC with payment of total order value of 132 MSEK before end of 2024
- Increased estimated lifespan for Ovzon 3 to 2042





FACTS

- Purpose built to support the smallest broadband terminals on ground
- All Ku-band payload
- All steerable antenna architecture
- Industry leading transmit and receive performance
- On-Board Processor enabling single hop communication between ultra compact terminals

Ovzon 3 in commercial service

- Arrived at its dedicated position in beginning of June
Positioned at 59.7E and covering 1/3 of the earth via its six high-power steerable spot beams
- Successful in-orbit testing and ground systems implementation. Performance and capability exceeds requirements
- Commercial start July 5, 2024
- Ovzon patented solution with six steerable beams and unique software-defined capabilities via the Ovzon On-Board-Processor
- Increased estimated lifespan for Ovzon 3 to 2042



First order on Ovzon 3 from U.S. DOD

- First order for Ovzon Pegasus service on Ovzon 3
- Order value of 6.2 MUSD for 12-month delivery
- Replaces the previous eight-month contract signed in December 2023
- Transition from current Ovzon SATCOM-as-a-Service using leased satellite capacity to now operating on Ovzon 3

Renewals and expansion with Swedish Space Corporation

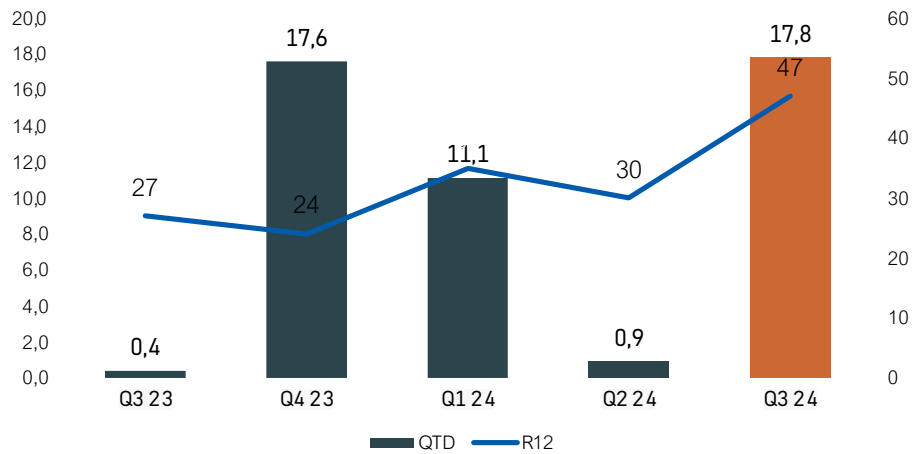


Orders from Swedish Space Corporation

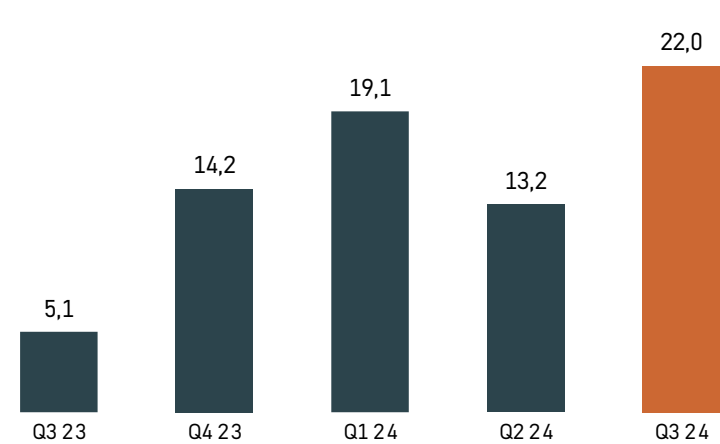
- Dec 2023: Order of 135 MSEK for Ovzon SATCOM-as-a-Service, including mobile satellite terminals
- Sep 2024: Renewal of 115 MSEK for 12-month delivery of Ovzon SATCOM-as-a-Service, excluding terminals
- Nov 2024: Expansion of the September order adding 17 MSEK and now including Ovzon On-The-Move terminals. Payment of total order value of 132 MSEK in 2024

Positive order intake trend on rolling 12-months

ORDER INTAKE (MUSD)



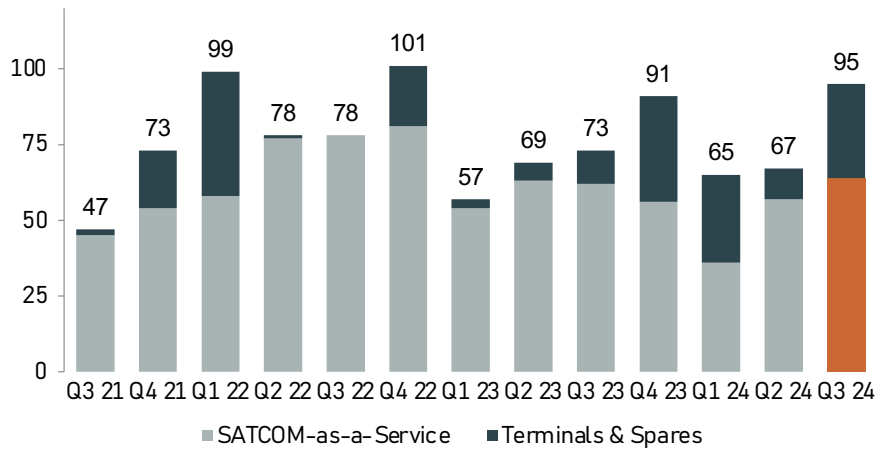
ORDER BOOK (MUSD)



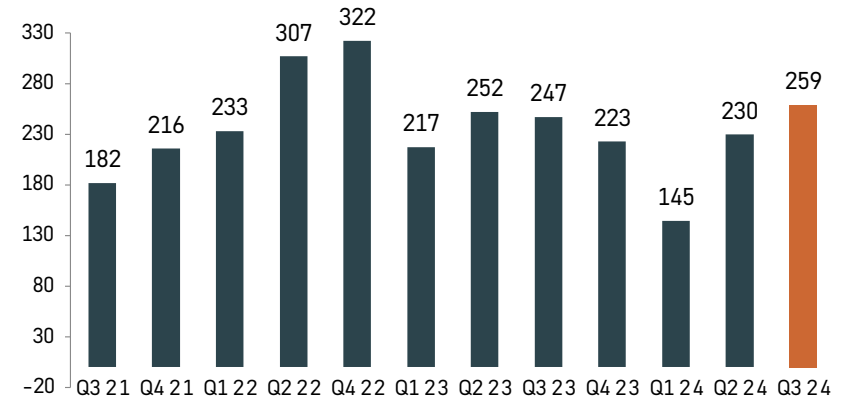
- Order intake in the quarter totaled 17.8 (0.4) MUSD, corresponding to 173 (4) MSEK.
- Order intake rolling 12 months amounts to 47 (27) MUSD, corresponding to 474 (284) MSEK.
- Order book amounts to 22.0 (5.1) MUSD, corresponding to 222 (55) MSEK.
- Focus on sustaining current customer base and expanding with new customers in foremost Europe and USA.
- Worthwhile but cumbersome sales cycles for larger contracts.

Strong revenue in Q3

REVENUE (MSEK)



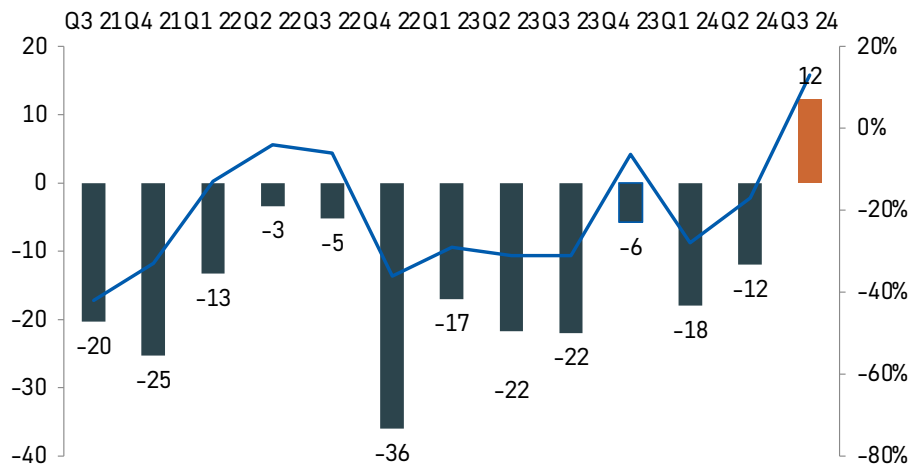
RUN RATE REVENUE (MSEK)
OVZON SATCOM-as-a-Service



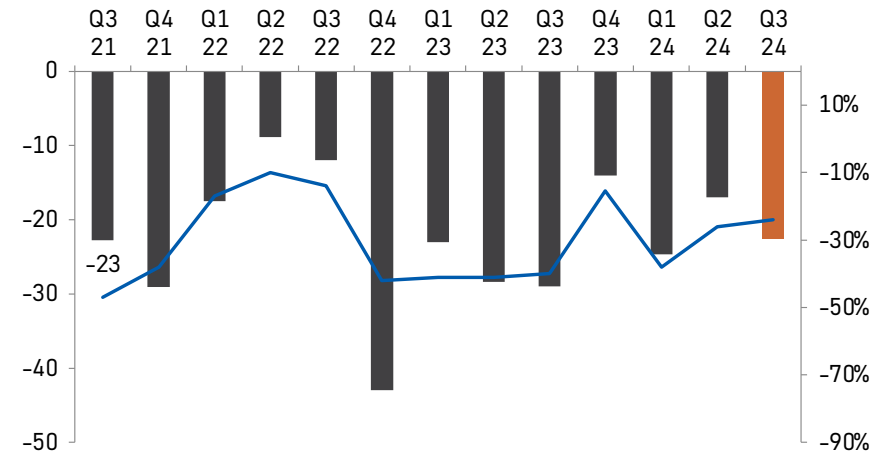
- Strong revenue in Q3 2024 with solid service revenues
- SATCOM-as-a-Service revenue recovered to same level as 2023
- Run rate revenue from SATCOM-as-a-Service continues to increase foremost from Europe

Positive EBITDA

EBITDA AND EBITDA MARGIN (MSEK)



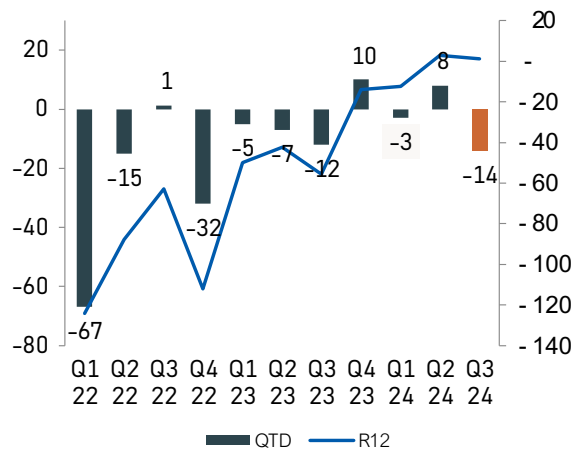
EBIT AND EBIT MARGIN (MSEK)



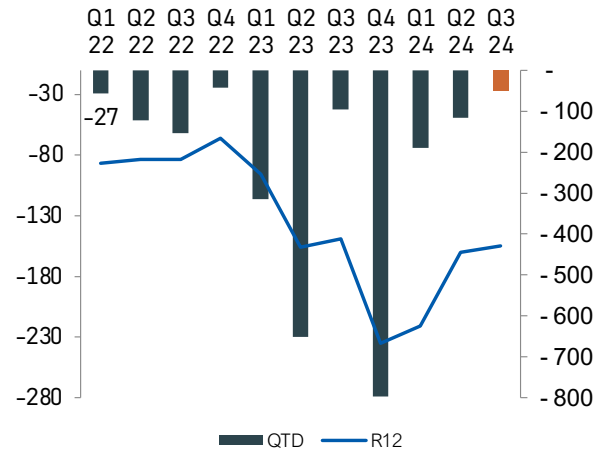
- Positive EBITDA. Improved by the first customer migration to Ovzon 3 and sales of mobile satellite terminals
- EBITDA-margin for the period was 13% (-31%)
- EBIT affected by improved EBITDA but negatively impacted by the start of depreciations of Ovzon 3

Cash flow

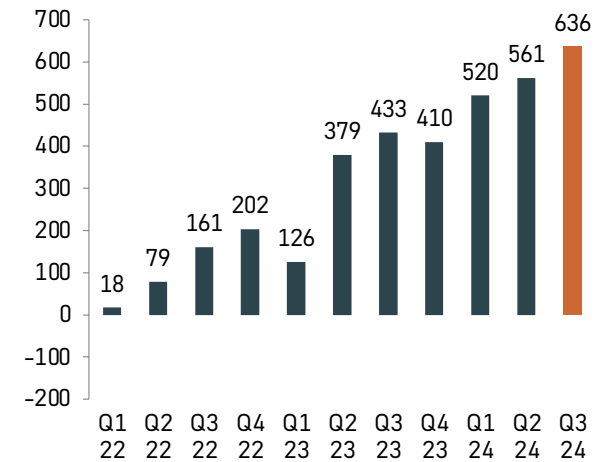
CASH FLOW FROM OPERATIONS (MSEK)



CASH FLOW FROM INVESTMENTS (MSEK)



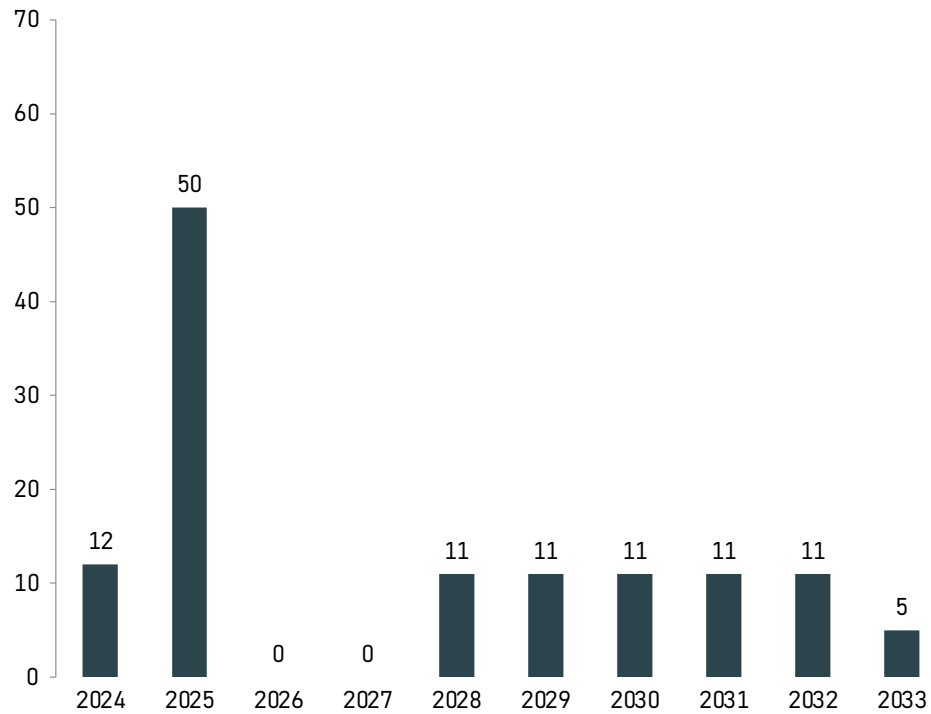
NET DEBT (MSEK)



- Cash flow from operating activities for Q3 was -14 (-12) MSEK. Affected by paid interest of 23 MSEK as a result the activation of Ovzon 3
- Cash flow from investing activities for Q3 was -27 (-42) MSEK. Investments attributable primarily to Ovzon 3
- Net debt increased to 636 (433) MSEK as a result of investments in the Ovzon 3 program

Remaining investments in Ovzon 3

MSEK



Comments

Estimated investments* 2024-2025: 62 MSEK

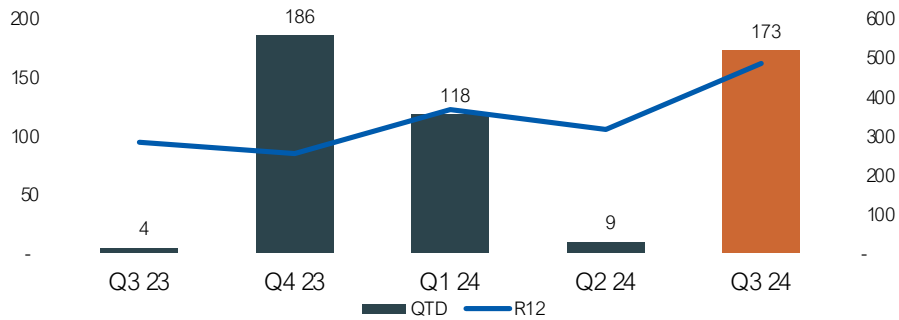
Contractual investments* 2025-2033: 60 MSEK

See note 10 in quarterly report

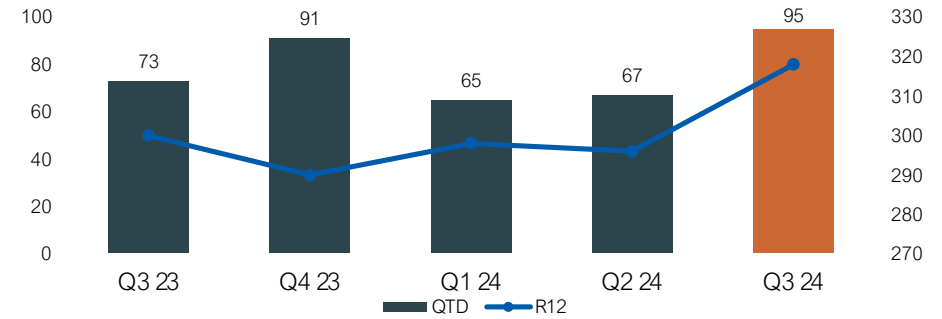
**Amounts are subject to variations in currency rates*

Improved momentum in revenue and EBITDA growth

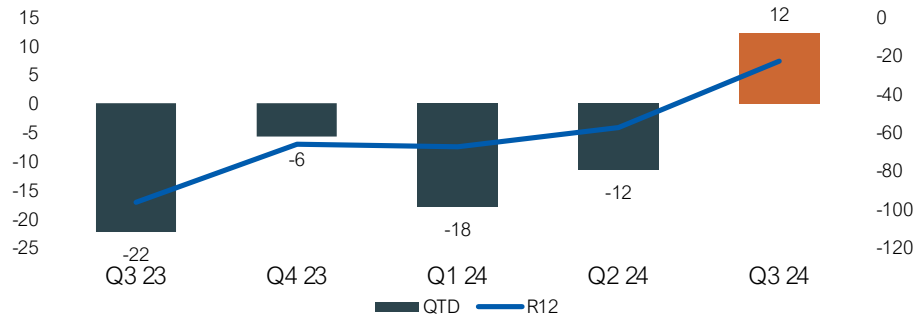
ORDER INTAKE (MSEK)



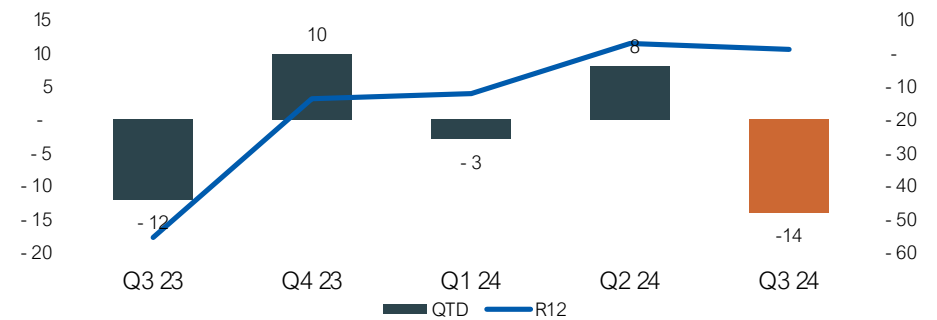
REVENUE (MSEK)



EBITDA (MSEK)



OPERATING CASH FLOW (MSEK)



Connecting the world's critical missions via satellite

Going forward 2024–2025

- Grow and expand by leveraging Ovzon 3
- Optimize satellite capacity utilization – own and leased
- Drive a step-change in profitable growth
 - Focus: Defense, National Security and Public Safety
 - Industrialize: Step by step scale-up of the company
 - Concentrate: On sales, capturing larger and longer-term contracts
- Sharpen positioning of Ovzon in key markets
- Finalize ongoing technology programs and investments
- Strengthen financial position

Ovzon

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Thank you!