

# Interim Report

January–September 2023

Ovzon.com

## Approaching a historic milestone

### July–September 2023

- Revenue and adjusted revenue totaled SEK 73 million (78).
- Operating loss and adjusted operating loss totaled SEK -29 million (-12). The operating loss has been affected by a provision for bad debt of SEK -7 million.
- Profit/loss after tax totaled SEK -30 million (2).
- Earnings per share totaled SEK -0.54 (0.04).
- Cash flow for the quarter totaled SEK -55 million (-60).

### January–September 2023

- Revenue totaled SEK 199 million (256).  
Adjusted revenue totaled SEK 199 million (253).
- Operating loss totaled SEK -81 million (-38).  
Adjusted operating loss totaled SEK -92 million (-38). The operating loss has been affected by a provision for bad debt of SEK -7 million.
- Profit/loss after tax totaled SEK -72 million (7).
- Earnings per share totaled SEK -1.36 (0.13).
- Cash flow for the period totaled SEK -222 million (-104).

### Outlook

Previously, Ovzon assessed that revenue for 2023 would be on a par with 2022. Ovzon's assessment is now that revenue for 2023, based on the current order book, will at the lowest amount to SEK 250 million (compared with SEK 357 million for 2022). The adjustment is due to changed prospects attributable to long sales cycles for new business, and ongoing negotiations that are currently less likely to generate significant revenue before the end of 2023.

The launch of Ovzon 3 is now expected to take place as soon as December 2023.

### Significant events during the quarter

- Launch of the new Ovzon T7 mobile satellite terminal
- Order from the Italian Border Police for Ovzon SATCOM-as-a-Service
- Contract renewal from Airbus Defence and Space for continued support for the UK Government
- New order from the Swedish Space Corporation (SSC) for enhanced satellite-based communication

### Significant events after the end of the quarter

- Preferential rights issue of approximately 250 MSEK was communicated on October 20, 2023
- The launch of Ovzon 3 is now expected to take place as soon as December 2023
- Ovzon to change Chairman of the Board

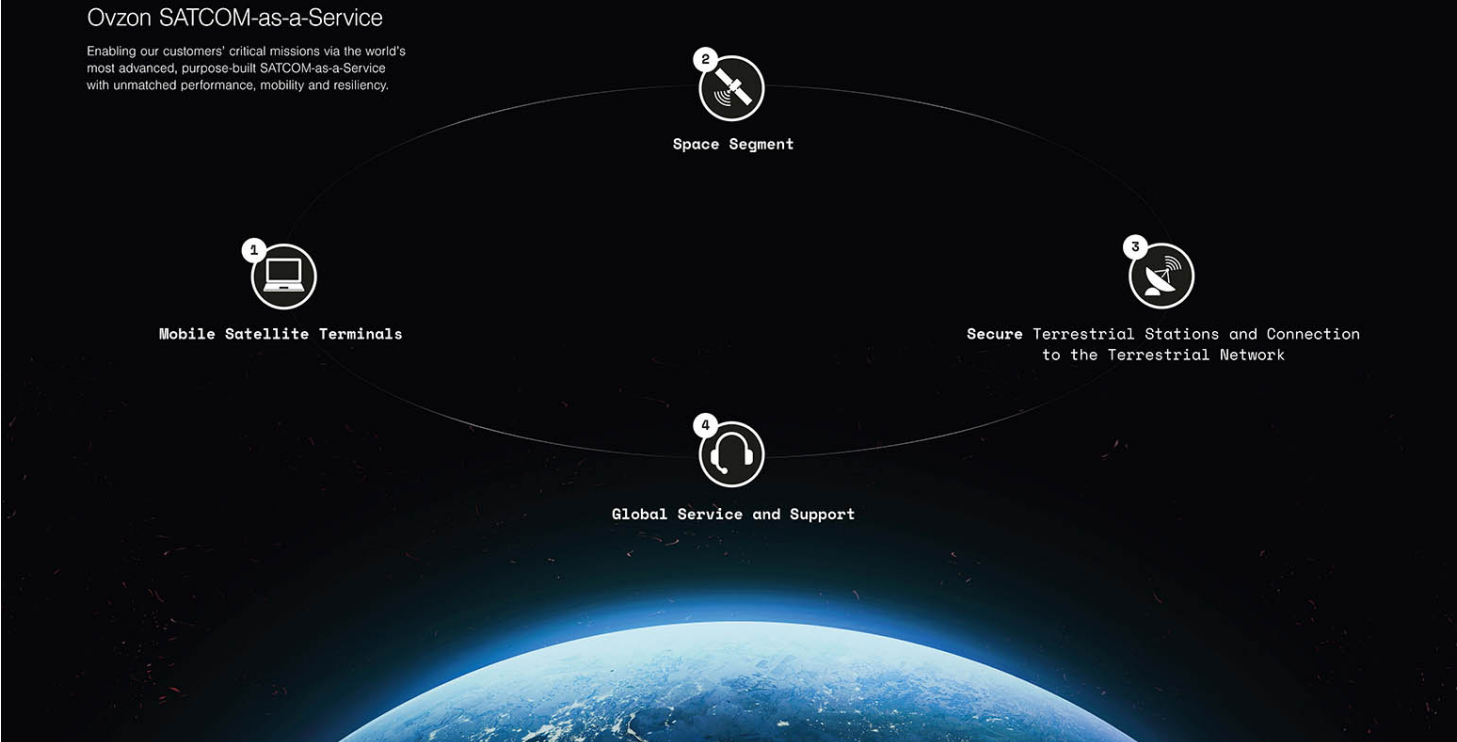
### KEY PERFORMANCE MEASURES

SEK m	Jul–Sep 2023	Jul–Sep 2022	Jan–Sep 2023	Jan–Sep 2022	Jan–Dec 2022
Revenue	73	78	199	256	357
Operating profit/loss	-29	-12	-81	-38	-81
Profit/loss for the period after tax	-30	2	-72	7	-36
Order book	55	117	55	117	218
Earnings per share, SEK	-0.54	0.04	-1.36	0.13	-0.71
Equity/assets ratio, %	73	71	73	71	72
Share price at end of period, SEK	22.4	37.5	22.4	37.5	57.6

# Ovzon offers world-class mobile satellite-based communication services to global customers with critical missions.

<b>Vision</b> Connecting the world's critical missions via satellite.	<b>Business idea</b> The Group provides a unique satellite-based communication service for demanding customers who have a need or sending and receiving at high data rates from small portable or mobile satellite terminals.	<b>Operational goals</b> Ovzon's goals are to pursue profitable growth and to continue growing and expanding its current service while preparing for the launch of its first satellite, developed to Ovzon's specifications.
--	--	---

PERFORMANCE	MOBILITY	RESILIENCY
<b>60</b> Mbps Transmission speed	<b>2.8</b> kg Weight of the Ovzon T7 terminal	<b>98.8%</b> Service uptime



# Approaching a historic milestone

Ovzon is heading towards an important end of 2023. During the third quarter we have worked very concentrated on the finalization and launch preparation of our own first satellite - Ovzon 3. This has resulted in an improved launch window, and we are now planning a launch as soon as December 2023. Moreover, our newly released small, lightweight yet powerful mobile satellite terminal Ovzon T7 meets and exceeds expectation and received many positive reviews in customer demonstrations. Ovzon 3, Ovzon On-Board-Processor and Ovzon T7, combined become our unique next generation Ovzon SATCOM-as-a-Service and creates a solid foundation for growth in 2024 and onwards.

**Ongoing new sales initiatives** and customer dialogues have during the third quarter been extensive but taken longer than anticipated compared to our previous assessment. Consequently, our outlook for 2023 is adjusted to a full-year revenue of at the lowest 250 MSEK, as orders expected late in the year will not have a major effect on revenue recognition for 2023. In order to strengthen our financial position and to be able to fully implement important preparations for the delayed launch of Ovzon 3, the board of directors has decided to pursue a share issue with preferential rights for existing shareholders of approximately 250 MSEK, guaranteed to 80 percent by our main shareholders.

## Ovzon 3 – launch planned before year-end

The tests, assembly, and finalization of Ovzon 3 have progressed very well during the third quarter, a great team effort that has resulted in a planned launch as soon as December 2023. This is in the early part of our previously communicated time interval. Ovzon 3 will reach the launch site in Cape Canaveral, Florida by late November.

Important work still remains in preparations, and there are always uncertainties regarding the exact timing of satellite launches, such as the weather. We are, however, getting very close to this historic milestone for Ovzon. We will be the first ever privately funded, built and launched Swedish commercial GEO. We are proud to help further enhance

Sweden's strategic position in innovation and continue to place Swedish satellite and space technology in the forefront. This satellite includes the Ovzon On-Board-Processor, with revolutionary technology enabling a completely new guaranteed way of secure connection. Ovzon On-Board-Processor is a powerful and sophisticated in-orbit processing platform adapted to the space environment, that delivers key features and directly connects deployed satellite terminals across multiple beams when teleports are degraded, destroyed or otherwise unavailable. This, in combination with our new mobile satellite terminal Ovzon T7, creates a powerful next generation SATCOM-as-a-Service solution that further strengthens our position in terms of

performance, mobility and resiliency.

## New outlook as a result of extended strategic sales pursuits

During the third quarter we received a new order from the Italian Border Police, a renewal and extension of the contract with the UK Government through our partner Airbus and new orders from Swedish Space Corporation (SSC). We are very proud of these new and renewed orders, as they are all acting within our core customer segments. They will further strengthen our position in these markets. They represent solid continuation and the start of long-term collaboration and have the potential for scale-up. It is worth noting that we haven't lost any customers and/or procurements during the



quarter, but new sales pursuits have been extensive and taken longer than anticipated compared to our assessment earlier this year.

As already mentioned above, our outlook for 2023 has consequently been changed to a full-year revenue of at the lowest 250 MSEK. The estimated lower revenue for the year compared to last year is reflected in our operating profit as well as cash flow for the quarter. We have decided to make further provisions for bad debt on the remaining receivable of 7 MSEK from our former Italian distributor, who during the quarter deviated from the agreed payment plan. After this provision for bad debt, there is no further accounting exposure against the former distributor. With this, we have also taken legal actions.

During the quarter, we have taken measures to reduce the unused satellite capacity that last year had a negative effect on the result. This will have an effect in the fourth quarter.

#### **New share issue with preferential rights**

Since our new strategic sales pursuits have taken longer than anticipated and that we have continued to invest in the finalization of our major technology programs, we consider it necessary to strengthen our financial position in preparation for the launch and

operationalization of Ovzon 3. The board of directors has therefore decided to conduct a share issue with preferential rights to existing shareholders of approximately 250 MSEK, guaranteed to 80 percent by our main shareholders. This capitalization brings financial strength and flexibility coupled with enduring credibility in customer dialogues. The proceeds from the rights issue are intended to be used to finance operations for 2024 and 2025, taking into account the adjusted outlook for 2023 as well as to strengthen the company's working capital and additional costs related to the completion and launch of Ovzon 3.

#### **Solid platform for growth entering 2024**

Even though 2023 has been a bumpy year from a sales and growth perspective, I am more convinced than ever about Ovzon's potential. The need for guaranteed resilient connectivity is increasing in Ovzon's core customer groups in government, defense, national security.

We have established long-term relations with the most demanding customers in the US and Europe.

Entering 2024 we have, with Ovzon 3, a premium, unique and relevant SAT-COM-as-a-Service solution based on advanced technologies, products and services and the capacity to deliver the best performance, mobility and resiliency to our current and future customers. We foresee a growing need for mission critical satellite communications in the coming years driven by continued geopolitical tensions and the effects of climate change. We take great pride in supporting a more stable world by protecting and connecting societies, people, businesses, and countries with mission critical satellite communications. With the upcoming launch of Ovzon 3 I am confident that Ovzon will continue to play a critical role for a safer world.

PER NORÉN, CEO OVZON

## New mobile satellite terminal – Ovzon T7

Ovzon T7 is specifically designed for military and civil defense, as well as for police and fire and rescue services. It has already exceeded customer requirements and product specifications regarding performance, mobility and resiliency in a number of tests.

- 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: performs in demanding environments

# Financial overview

## Revenue and order intake

### The quarter

Revenue totaled SEK 73 million (78) in the third quarter. Growth in the third quarter was -7 percent (63), and adjusted for exchange-rate effects, growth was -9 percent (40). The decrease was driven mainly by changes in the level of service delivery to the Italian Fire and Rescue Services. The downturn was partially offset by sales to new customers and distributors; refer further to Note 5.

Order intake in the quarter totaled USD 0.4 million (1.4), corresponding to SEK 4 million (18).

### The period

Revenue totaled SEK 199 million (256) for the January–September period. Growth in the period was -22 percent (117) and adjusted for exchange-rate effects growth was -26 percent (85). The decrease is mainly due to the fact that the service to the Italian Fire and Rescue Services via the former Italian distributor was not renewed after the expiration of the contract in April 2023.

Owing to the uncertainty concerning the former distributor's ability to pay, invoiced deliveries for the period at a total value of USD 2.8 million (SEK 29 million) have not been recognized as revenue.

The downturn is also attributable to the fact that the comparative period contains a major terminal delivery of SEK 39 million to the U.S. DOD. Sales to new customers and distributors partially offset this; refer further to Note 5.

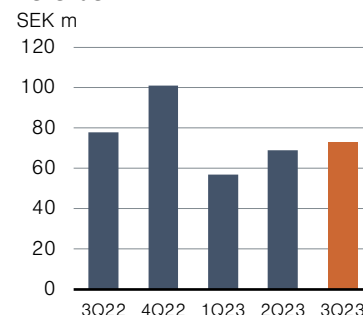
Revenue for Ovzon SATCOM-as-a-Service totaled SEK 179 million (213); refer further to Note 5.

Order intake for the period totaled USD 6.4 million (3.6), corresponding to SEK 70 million (40).

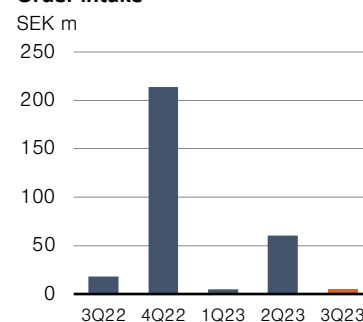
At the end of the period, the order book totaled USD 5.0 million (10.5), corresponding to SEK 55 million (117).

The lower order book compared to the previous year is mainly related to the changes in the level of service delivery to the Italian Fire and Rescue Services.

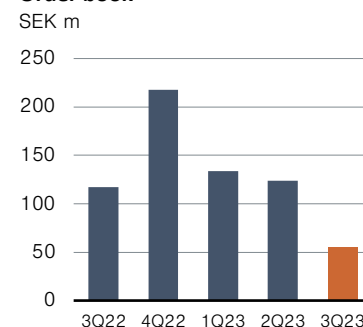
### Revenue



### Order intake



### Order book



## PERFORMANCE, QUARTERLY OVERVIEW

SEK m	Jul–Sep 2023	Apr–Jun 2023	Jan–Mar 2023	Oct–Dec 2022	Jul–Sep 2022	Apr–Jun 2022	Jan–Mar 2022	Oct–Dec 2021
Revenue	73	69	57	101	78	78	100	73
Operating profit/loss	-29	-28	-23	-43	-12	-9	-18	-29
Profit/loss for the period after tax	-30	-24	-19	-43	2	16	-12	-22
Order book	55	124	134	218	117	168	208	302
Earnings per share, SEK	-0.54	-0.45	-0.37	-0.85	0.04	0.32	-0.21	-0.42
Total cash flow	-55	-238	72	-57	-60	52	-96	-59
Equity/assets ratio, %	73	72	74	73	71	73	79	78

## FINANCIAL OVERVIEW

### Operating profit/loss

#### The quarter

The operating loss for the quarter totaled SEK -29 million (-12). The operating loss was adversely impacted in part by the lower delivery of SATCOM-as-a-Service and increased costs owing to factors including a weakened Swedish krona compared to the corresponding quarter last year.

A further SEK 7 million related to the company's former Italian distributor was made as a bad debt provision during the quarter. After this provision for bad debt, there is no further accounting exposure against the former distributor.

The operating margin for the quarter amounted to -40 percent (-15) and was adversely impacted by higher costs pertaining to sales and personnel.

#### The period

Operating loss for the period totaled SEK -81 million (-38). The operating loss was adversely impacted in part by the lower delivery of SATCOM-as-a-Service, and in part by a lower number of mobile satellite terminals delivered during the period compared to last year. The operating loss was impacted by less utilization of leased satellite capacity.

A further SEK 7 million related to the company's former Italian distributor was made as a bad debt provision during the period. After this provision for bad debt, there is no further accounting exposure against the former distributor.

Operating loss during the period was positively impacted by SEK 11 million related to currency effects from the repayment from former launch partner Arianespace and the sale of terminals from non-current assets. Adjusted for the positive exchange-rate effect from the operating loss, the adjusted operating loss amounts to SEK -92 million (-38).

The operating margin for the period amounted to -41 percent (-15) and was adversely impacted by higher costs pertaining to sales and personnel.

### Profit/loss after tax

#### The quarter

Loss after tax for the quarter totaled SEK -30 million (2). Adjusted for unrealized currency translations, the loss amounted to SEK -30 million (-17). Earnings per share for the quarter amounted to SEK -0.54 (0.04).

#### The period

Loss after tax for the period totaled SEK -72 million (7). Adjusted for unrealized currency translations, the loss amounted to SEK -72 million (-39). Tax income of SEK 7 million attributable to the correction of tax in the US for fiscal year 2019 was recognized during the period. Earnings per share for the period amounted to SEK -1.36 (0.13).

### Cash flow

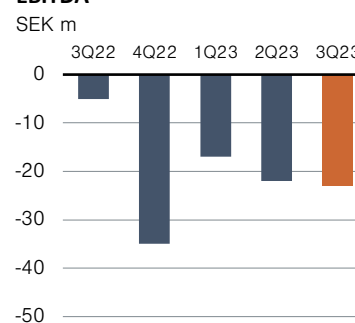
#### The quarter

Cash flow from operating activities for the quarter amounted to SEK -12 million (1). The deterioration in cash flow from operating activities is linked primarily to lower sales and increased costs.

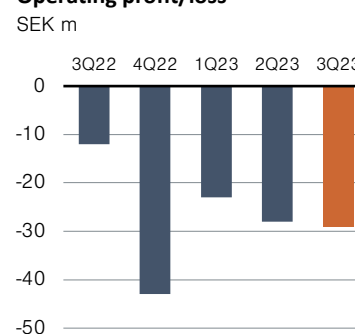
Cash flow from investing activities for the quarter amounted to SEK -42 million (-62). The investments are attributable primarily to the company's first proprietary satellite, Ovzon 3 (refer further to Note 8) as well as the development of new mobile satellite terminals.

Cash flow from financing activities for the quarter totaled SEK -1 million (0). During the quarter, the company paid loan fees totaling SEK 25 million (17). Of this expenditure, interest paid for the quarter totaled SEK 19 million (14). These have been capitalized and thus recognized as part of investing activities in the statement of cash flows.

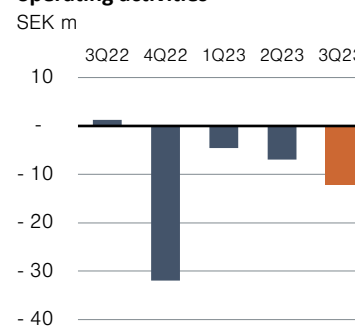
### EBITDA



### Operating profit/loss



### Cash flow from operating activities



### The period

Cash flow from operating activities for the period amounted to SEK -24 million (-80). The improvement to cash flow from operating activities is linked primarily to reductions in working capital.

Cash flow from investing activities for the period amounted to SEK -389 million (-127). The investments are attributable primarily to the company's first proprietary satellite, Ovzon 3 (refer further to Note 8) as well as the development of new mobile satellite terminals. The majority of the investments during the period were attributable to payment of launch costs totaling SEK 279 million to SpaceX.

Cash flow from financing activities for the period amounted to SEK 191 million (103) and pertain mainly to the new share issue conducted in the first quarter.

The company paid loan fees totaling SEK 64 million (41) during the period. Of this expenditure, interest paid for the period totaled SEK 55 million (32). This expenditure has been capitalized and thus recognized as part of investing activities in the statement of cash flows.

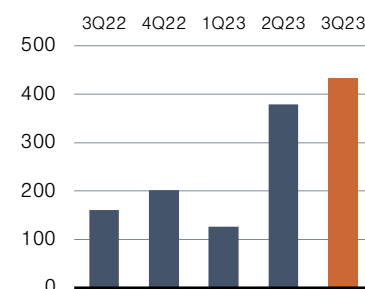
### Financial position

The Group's cash and cash equivalents amounted to SEK 60 million at the end of the reporting period, compared to SEK 276 million at the beginning of the year. Equity at September 30, 2023 totaled SEK 1,504 million (1,422). The equity/assets ratio was 73 percent (71). Interest-bearing net debt totaled SEK 433 million (161), an increase year-on-year owing to investments in above all Ovzon 3 and the development of a new mobile satellite terminal, both of which adversely impacted cash and cash equivalents negatively.

Of the company's total credit facility of USD 65 million (SEK 705 million), USD 20 million (SEK 217 million) was unutilized as of the end of the reporting period. Refer further to Note 6 Financing, and Note 4, Significant judgements, financial risks and going concern.

### Interest-bearing net debt

SEK m



# Other information

## Employees

At the end of the quarter, the number of employees in the Group was 44 (46).

## Shares, share capital, and shareholders

In February 2023, a directed share issue was carried out to Swedish and international financial investors through a so-called accelerated book-building procedure. The subscription price was set at SEK 44.5 per share and the directed share issue included 4,494,382 shares. The issue was approved at an extraordinary general meeting on March 3, 2023 and the company received approximately SEK 200 million before transaction costs.

The total number of shares in Ovzon AB on September 30, 2023 was 55,765,258 with a par value of 0.1, corresponding to share capital of SEK 5,576,525.80. The total number of shareholders was 6,065.

Shareholder	Number of shares	%
Bure Equity	6,984,629	12.5
Investment AB Öresund	6,763,985	12.1
Grignolino AB	6,287,096	11.3
Handelsbanken Fonder	5,387,320	9.7
Fjärde AP-fonden	5,141,065	9.2
AFA Försäkring	3,844,935	6.9
Futur Pension	2,414,859	4.3
Stena	1,772,954	3.2
Avanza Pension	970,922	1.7
Per Wahlberg	776,046	1.4

## Significant risks and uncertainties

Risks associated with the Group's operations can generally be divided into strategic and operational risks related to business activities and risks related to financial activities.

The turbulence resulting from the war in Ukraine, with the accompanying energy crisis and higher inflation in large parts of the world, has impacted the Group with higher costs for input goods, and financing for both Ovzon and its customers. This could also have an impact on the investment plans of Ovzon's current and presumptive customers.

In times of unrest, it is natural that minor currencies such as the Swedish krona weaken against the dollar and euro, which the company has noticed recently as a result of its exposure to the dollar. Once the situation in the business environment has stabilized, the krona will likely strengthen against the dollar, which could result in currency effects having an impact on the company's earnings.

As a result of COVID-19 and general global turbulence, the company sees a continued risk of potential disruptions in the supply chains as well as to financial stability among the company's customers and suppliers. This could impact delivery

times and the quality of components from suppliers, or customers' short-term ability to pay.

According to what was previously communicated regarding the former Italian distributor, a payment plan was established in early 2023 regarding unpaid invoices. Ovzon then chose to make provisions of SEK 52 million regarding bad debts (as of Dec 31, 2022), while SEK 7 million of the total receivable was deemed likely to be received, at that time current exchange rates. The payment plan has not been fully followed, which has led to a further provision for bad debt for the remaining receivable. As of September 30, 2023, there is no further accounting exposure against the former distributor. Ovzon is actively working to secure the entire claim, amounting to SEK 89 million, and has taken legal measures.

The Board of Directors and the Management Group are monitoring the course of events in Ukraine and the altered global security policy situation in order to evaluate and proactively manage potential risks and opportunities. A detailed report of Ovzon's risks and uncertainties and their management can be found in Ovzon's 2022 Annual Report.

As the company does not yet generate positive cash flows, there is also a financing risk, refer further to Note 4.

## Warrants outstanding

In conjunction with raising a subordinated credit facility of SEK 200 million on July 3, 2019, 1,500,000 warrants were issued to the subordinated creditors. Following a rights issue in June 2020, the terms for the warrants were recalculated. Each warrant provides entitlement to subscribe for 1.02 new shares in the company at a price of SEK 98.16 per share. The warrants run for a maximum of five years and can be exercised for subscription for shares up to and including July 3, 2024.

An Extraordinary General Meeting on May 18, 2020 resolved on issuing a maximum of 900,000 warrants under the 2020/2023 warrants program. The company's Management Group has subscribed for the maximum number of options allotted – 500,000 in total – and other personnel have subscribed for a total of 200,000 options. Each warrant provides entitlement to subscribe for one new share in the company at a price of SEK 102.10 per share. If all warrants allotted are used in the option program, a dilution of 1.4 percent of the shares and votes in the company will occur. The exercise period for all warrants runs from June 18, 2023 until July 18, 2023. No warrants were subscribed, which is why no subscription of shares took place.

The Annual General Meeting on April 13, 2021 resolved to issue a maximum of 1,100,000 warrants under the 2021/2024 warrants program. The company's Management Group has subscribed for a total of 410,000 warrants and other personnel have subscribed for a total of 186,000 options. Each warrant provides entitlement to subscribe for one new share in the company at a price of SEK 145.60 per share. If all warrants allotted are used in the option program, a dilution of 1.2



percent of the shares and votes in the company will occur. The exercise period for the warrants runs from May 15, 2024 until June 15, 2024.

The Annual General Meeting on April 21, 2022 resolved to issue a maximum of 450,000 options under two incentive plans: The 2022/2025 warrants program (maximum 225,000 warrants transferred at market value) and the 2022/2025 employee stock option program (maximum 225,000 employee stock options that were issued at no charge). In May, the company's Management Group subscribed for the maximum number of warrants allotted – 250,000 in total – and other personnel subscribed for a total of 140,000 options.

In December 2022, new employees in the second half of 2022 were offered the opportunity to subscribe for the remaining options, of which a total of 25,000 options and 10,000 employee stock options were subscribed. Each warrant and employee stock option provides entitlement to subscribe for one new share in the company at a price of SEK 80.93 per share. If all options issued are used in the option programs, a dilution of 0.9 percent of the shares and votes in the company will occur. The exercise period for the warrants runs from June 1, 2025 until June 30, 2025.

#### **Parent Company**

The Parent Company's operations comprise senior management and staff functions and other central expenses. The Parent Company invoices the subsidiaries for these expenses.

The Parent Company's revenue for the quarter totaled SEK 5 million (5) with profit after financial items of SEK -1 million (25). Cash and cash equivalents were SEK 42 million at the end of the reporting period and SEK 225 million at the beginning of the year. Equity totaled SEK 2,066 million (1,886), compared with SEK 1,879 million at the beginning of the year. The number of employees was 3 (1).

## Webcast

In conjunction with this interim report, a webcast will be conducted at 2:00 pm CEST on October 20, 2023. Ovzon's CEO Per Norén and CFO Noora Jayasekara will present the results and answer questions.

The webcast can be reached via the following link:

<https://www.finwire.tv/webcast/ovzon/ovzon-q3-presentation-2023/>

The telephone number to participate in the teleconference is +46 850 539 728\_(then enter the meeting ID: 833 7364 5943, followed by #).

To ask a question, enter \*9 on your telephone. To withdraw the question, enter \*9 again.

The presentation will be given in English, with the possibility of asking questions in Swedish.

## Financial calendar

Year-end report Jan–Dec 2023: February 21, 2024

Annual Report 2023: March 22, 2024

Annual General Meeting 2024: April 19, 2024

Interim report Jan–Mar 2024: April 19, 2024

## Review by the auditors

This interim report has been subject to review by the company's auditors.

## Assurance of the Board of Directors and the CEO

The Board of Directors and CEO give their assurance that this interim report provides a true and fair overview of the development of the operations, financial position and earnings of the Parent Company and the Group, and describes material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, October 20, 2023

Per Norén  
CEO

Regina Donato Dahlström  
Chairman of the Board

Cecilia Driving  
Board member

Dan Jangblad  
Board member

Marcus Messerer  
Board member

Nicklas Paulson  
Board member

Patrik Tigerschiöld  
Board member

## Contact information

Per Norén  
CEO

pno@ovzon.com  
+1 206 931 7232

Noora Jayasekara  
CFO

nja@ovzon.com  
+46 703 18 92 97

Ovzon AB  
Anderstorpsvägen 10  
SE-171 54 Solna, Sweden  
+46 8 508 600 60  
Corp. ID No. 559079-2650

[ovzon.com](https://www.ovzon.com)

This information is such that Ovzon AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation, (EU) No. 596/2014. The information was submitted, through the agency of the contact person set out above, on the date indicated by Ovzon AB's (publ) news distributor MFN.

# Review report

To the Board of Directors of Ovzon AB (publ)  
Corp. id. 559079-2650

## Introduction

We have reviewed the condensed interim financial information (interim report) of Ovzon AB (publ) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

## Emphasis of matter

We draw attention to Note 4 of the interim report, which states that the Board of Directors believes that the proceeds from the preferential rights issue, of which 80 percent is guaranteed by the main shareholders, together with the remaining unutilized amount of the loan facility, will cover the requirements for working capital over the coming twelve months. Our conclusion is not modified in respect of this matter.

Stockholm 20 October 2023

KPMG AB

Marc Karlsson  
Authorized Public Accountant

# Consolidated financial statements

## Consolidated income statement

SEK m	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Operating income, etc.</b>						
Revenue	5	73	78	199	256	357
Capitalized own development		3	3	10	9	13
Other operating income		5	4	26	7	14
<b>Operating expenses</b>						
Purchased satellite capacity and other direct costs		-53	-50	-161	-188	-246
Other external expenses		-21	-19	-50	-44	-105
Employee benefit expenses		-21	-19	-66	-56	-79
Depreciation/amortization and impairment of property, plant and equipment, and intangible assets		-7	-7	-20	-16	-23
Other operating expenses		-8	-1	-18	-5	-12
<b>Operating profit/loss</b>		<b>-29</b>	<b>-12</b>	<b>-81</b>	<b>-38</b>	<b>-81</b>
Financial income	7	0	14	2	46	46
Financial expenses	7	0	0	0	0	0
<b>Profit/loss after financial items</b>		<b>-29</b>	<b>2</b>	<b>-79</b>	<b>7</b>	<b>-36</b>
Tax	9	-0	0	7	-0	-0
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>-30</b>	<b>2</b>	<b>-72</b>	<b>7</b>	<b>-36</b>
<b>Net profit/loss for the period attributable to:</b>						
Shareholders of the Parent Company		-30	2	-72	7	-36
Basic earnings per share, attributable to shareholders of the Parent Company, SEK		-0.54	0.04	-1.36	0.13	-0.71
Diluted earnings per share, SEK		-0.54	0.04	-1.36	0.13	-0.71
Weighted average number of shares		55,765,258	51,270,876	53,230,204	51,270,876	51,270,876

## Consolidated statement of comprehensive income

SEK m	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Profit/loss for the period</b>		<b>-30</b>	<b>2</b>	<b>-72</b>	<b>7</b>	<b>-36</b>
<b>Other comprehensive income:</b>						
Items that have been subsequently reclassified to the income statement:						
- Exchange differences on translating foreign operations		1	-16	-9	-36	-22
Other comprehensive income net after tax		1	-16	-9	-36	-22
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-29</b>	<b>-14</b>	<b>-82</b>	<b>-29</b>	<b>-58</b>
<b>Comprehensive income for the period attributable to:</b>						
Shareholders of the Parent Company		-29	-14	-82	-29	-58

## Consolidated balance sheet

SEK m	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Capitalized development costs		53	27	34
Patents		25	28	26
		79	54	59
<b>Property, plant and equipment</b>				
Equipment, tools, fixtures and fittings		32	61	43
Right-of-use assets		5	9	8
Construction in progress and advance payments	8	1,804	1,404	1,435
		1,841	1,474	1,485
<b>Financial assets</b>				
Deferred tax assets	9	—	0	0
		—	0	0
<b>Total non-current assets</b>		<b>1,919</b>	<b>1,529</b>	<b>1,545</b>
<b>Current assets</b>				
Inventory		56	47	54
		56	47	54
<b>Current receivables</b>				
Trade receivables		20	53	30
Other receivables		8	12	5
Prepaid expenses and accrued income		10	2	12
		37	67	47
<b>Cash and cash equivalents</b>		<b>60</b>	<b>349</b>	<b>276</b>
<b>Total current assets</b>		<b>153</b>	<b>463</b>	<b>377</b>
<b>TOTAL ASSETS</b>		<b>2,072</b>	<b>1,991</b>	<b>1,922</b>

## Consolidated balance sheet, cont.

SEK m	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		6	5	5
Other contributed capital		2,005	1,813	1,813
Reserves		-27	-31	-17
Retained earnings		-481	-366	-408
<b>Equity attributable to the Parent Company's shareholders</b>		<b>1,504</b>	<b>1,422</b>	<b>1,393</b>
<b>Total equity</b>		<b>1,504</b>	<b>1,422</b>	<b>1,393</b>
<b>Non-current liabilities</b>				
Borrowing		488	501	470
Lease liabilities		5	10	8
Other provisions		1	1	1
		495	512	479
<b>Current liabilities</b>				
Trade payables		51	33	20
Current tax liabilities		—	—	0
Other liabilities		4	3	2
Accrued expenses and deferred income		19	22	27
		74	58	49
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,072</b>	<b>1,991</b>	<b>1,922</b>

## Consolidated statement of changes in equity

SEK m	Share capital	Other contributed capital	Reserves	Retained earnings	Total Equity
Equity at January 1, 2022	5	1,812	5	-372	1,450
Profit/loss for the period	—	—	—	7	7
Other comprehensive income	—	—	-36	—	-36
Total comprehensive income	—	—	-36	7	-29
Warrants	—	1	—	—	1
New share issue	—	—	—	—	—
Costs attributable to the issue	—	—	—	—	—
Employee stock options	—	—	—	—	—
Total transactions with shareholders	—	1	—	—	1
Equity at September 30, 2022	5	1,813	-31	-366	1,422

SEK m	Share capital	Other contributed capital	Reserves	Retained earnings	Total Equity
Equity at January 1, 2023	5	1,813	-17	-408	1,393
Profit/loss for the period	—	—	—	-72	-72
Other comprehensive income	—	—	-9	—	-9
Total comprehensive income	—	—	-9	-72	-82
Warrants	—	—	—	—	—
New share issue	0	200	—	—	200
Costs attributable to the issue	—	-7	—	—	-7
Employee stock options	—	—	—	—	—
Total transactions with shareholders	—	192	—	—	193
Equity at September 30, 2023	6	2,005	-27	-481	1,504

## Consolidated cash flow statement

SEK m	Note	Jul-Sep 2023	Jul-Sep 2022*	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Operating activities</b>						
Operating profit/loss		-29	-12	-81	-38	-81
Adjustments for non-cash items		14	19	24	22	26
Interest received, etc.		–	–	2	–	2
Interest paid, etc.		0	–	0	–	–
Income tax paid		0	–	7	–	–
<b>Cash flow from operating activities before changes in working capital</b>		<b>-16</b>	<b>7</b>	<b>-48</b>	<b>-16</b>	<b>-53</b>
Decrease(+)/increase(-) in inventory		0	-8	-2	-22	-29
Decrease(+)/increase(-) in trade receivables		-2	-9	-28	-21	2
Decrease (+)/increase (-) in current receivables		9	13	0	0	-3
Decrease (-)/increase (+) in trade payables		7	4	31	-19	-32
Decrease (-)/increase (+) in current liabilities		-11	-6	24	-2	2
<b>Total change in working capital</b>		<b>4</b>	<b>-6</b>	<b>24</b>	<b>-64</b>	<b>-60</b>
<b>Cash flow from operating activities</b>		<b>-12</b>	<b>1</b>	<b>-24</b>	<b>-80</b>	<b>-112</b>
<b>Investing activities</b>						
Acquisition of intangible assets		-6	-6	-19	-26	-34
Acquisition of property, plant and equipment		-36	-56	-377	-100	-129
Sale of property, plant and equipment		–	–	8	–	12
<b>Cash flow from investing activities</b>		<b>-42</b>	<b>-62</b>	<b>-389</b>	<b>-127</b>	<b>-151</b>
<b>Financing activities</b>						
New share issue		–	–	200	–	–
Issuance costs		–	–	-7	–	–
Remuneration received for warrants		–	–	–	–	1
Amortization of lease liability		-1	–	-2	–	-1
Proceeds from borrowings		–	–	–	103	102
<b>Cash flow from financing activities</b>		<b>-1</b>	<b>–</b>	<b>191</b>	<b>103</b>	<b>102</b>
<b>Cash flow for the period</b>		<b>-55</b>	<b>-60</b>	<b>-222</b>	<b>-104</b>	<b>-161</b>
Cash and cash equivalents at beginning of period		115	391	276	406	406
Exchange rate difference in cash and cash equivalents		0	19	6	47	31
<b>Cash and cash equivalents at end of period</b>		<b>60</b>	<b>349</b>	<b>60</b>	<b>349</b>	<b>276</b>

\*) The comparison figures for Q3 2022 have been updated; compare with previously reported data. However, the total cash flow for the quarter remains unchanged.



# Parent Company financial statements

## Parent Company income statement

SEK m	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Operating income, etc.</b>						
Revenue		5	5	15	15	24
Other operating income		0	0	1	1	1
<b>Operating expenses</b>						
Other external expenses		-7	-4	-18	-11	-16
Employee benefit expenses		-2	-2	-8	-7	-10
<b>Operating profit/loss</b>		<b>-4</b>	<b>-1</b>	<b>-11</b>	<b>-2</b>	<b>0</b>
<b>Income from financial items</b>						
Other interest income and similar items		27	42	69	103	111
Interest expenses and similar items		-25	-17	-64	-41	-58
		3	26	5	63	54
<b>Profit/loss after financial items</b>		<b>-1</b>	<b>25</b>	<b>-5</b>	<b>61</b>	<b>54</b>
Tax		—	—	—	—	—
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>-1</b>	<b>25</b>	<b>-5</b>	<b>61</b>	<b>54</b>

## Parent Company statement of comprehensive income

SEK m	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Profit/loss for the period		-1	25	-5	61	54
Other comprehensive income:		—	—	—	—	—
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-1</b>	<b>25</b>	<b>-5</b>	<b>61</b>	<b>54</b>

## Parent Company balance sheet

SEK m	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets				
Other intangible assets		0	0	0
		0	0	0
Financial assets				
Participations in Group companies		2,169	1,441	1,843
Receivables from Group companies	12	294	459	283
		2,463	1,901	2,127
<b>Total non-current assets</b>		<b>2,464</b>	<b>1,901</b>	<b>2,127</b>
<b>Current assets</b>				
Current receivables				
Receivables from Group companies	12	62	174	—
Other receivables		1	1	1
Prepaid expenses and accrued income		1	0	1
		64	175	1
<b>Cash and cash equivalents</b>		<b>42</b>	<b>318</b>	<b>225</b>
<b>Total current assets</b>		<b>106</b>	<b>493</b>	<b>226</b>
<b>TOTAL ASSETS</b>		<b>2,570</b>	<b>2,394</b>	<b>2,353</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital		6	5	5
		6	5	5
<b>Unrestricted equity</b>				
Profit brought forward		2,066	1,820	1,820
Profit/loss for the period		-5	61	54
		2,061	1,880	1,874
<b>Total equity</b>		<b>2,066</b>	<b>1,886</b>	<b>1,879</b>
<b>Non-current liabilities</b>				
Liabilities to credit institutions		488	501	470
		488	501	470
<b>Current liabilities</b>				
Trade payables		4	1	1
Liabilities to Group companies		7	2	—
Current tax liabilities		—	—	0
Other liabilities		1	1	1
Accrued expenses and deferred income		4	5	3
		16	8	5
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,570</b>	<b>2,394</b>	<b>2,353</b>

# Notes

## Note 1 Basis for preparation and accounting policies for the Group

The consolidated financial statements for Ovzon AB (publ) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. The Parent Company financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The interim report for the period January–September 2023 has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Disclosures under IAS 34 are provided both in the notes and elsewhere in this interim report. The accounting policies and calculation methods applied are in agreement with those described in the 2022 Annual Report. New and amended IFRS and interpretations applied as of 2023 have not materially impacted the financial statements.

Figures may be rounded up or down in tables and statements.

## Note 2 Operating segment reporting

The regular internal reporting to the CEO of financial performance that meets the criteria for constituting a segment is done for the Group in its entirety. The Group in total is therefore reported as the company's only segment. Disclosures for the Group are otherwise provided as a whole regarding disaggregation of revenue from various products and services and geographic areas, respectively; refer to Note 5.

## Note 3 Fair value of financial instruments

The Group has no derivatives or other financial instruments measured at fair value. Fair value for long- and short-term interest-bearing liabilities are not deemed to have deviated materially from their carrying amounts. For financial instruments measured at amortized cost (trade receivables, other receivables, cash and cash equivalents, trade payables, and other interest-free liabilities), their fair value is considered equal to their carrying amount.

## Note 4 Significant judgements, financial risks and going concern

The company's financing risk corresponds to potential difficulties in obtaining financing for activities at a given time. In addition, there is a risk that the company will be unable to comply with the conditions set by the credit facilities. Ovzon's earning capacity is highly dependent on the company's ability to grow its sales through contracts with new and old customers, as well as on the market's future development. There is a risk that agreements are delayed, or that deliveries

are delayed and that this affects the earning capacity. There is also a risk that the market for satellite-based communication will develop worse than at present. Furthermore, there is a risk of further increased costs in the event the company's own satellite is further delayed. In the Board's opinion, the existing working capital is insufficient for current requirements over the coming twelve months, making a preferential rights issue necessary. The proceeds from the rights issue of approximately SEK 250 million are intended to be used to finance operations for 2024 and 2025, taking into account the adjusted outlook for 2023 as well as to strengthen the company's working capital and additional costs related to the completion and launch of Ovzon 3. The Board consider that the proceeds from the preferential rights issue, which is guaranteed to 80 percent by the main shareholders, together with the remaining part of the loan facility will cover the requirements for working capital over the coming twelve months as well as to ensure that the loan covenants can be complied with. The remaining part of the loan facility, refer to Note 6, will as previously communicated, be used to complete Ovzon 3.

## Note 5 Disaggregation of revenue

SATCOM-as-a-Service	Jul–Sep 2023	Jul–Sep 2022	Jan–Sep 2023	Jan–Sep 2022	Jan–Dec 2022
Italy	1	22	2	44	66
UK	14	–	27	–	–
USA	43	53	93	160	208
Rest of World	4	3	56	8	20
<b>Total</b>	<b>63</b>	<b>78</b>	<b>179</b>	<b>213</b>	<b>294</b>
Terminals	Jul–Sep 2023	Jul–Sep 2022	Jan–Sep 2023	Jan–Sep 2022	Jan–Dec 2022
Italy	–	–	–	–	–
UK	11	–	17	–	–
USA	–	–	–	40	40
Rest of World	–	–	3	3	23
<b>Total</b>	<b>11</b>	<b>–</b>	<b>20</b>	<b>43</b>	<b>63</b>
<b>Total</b>	<b>73</b>	<b>78</b>	<b>199</b>	<b>256</b>	<b>357</b>

## Note 6 Financing

In 2019, the company signed a senior credit facility of USD 60 million (SEK 650 million) in order to ensure financing of its proprietary satellite, Ovzon 3. USD 35 million (SEK 379 million) of the credit facility was utilized in 2021. A further USD 10 million (SEK 108 million) was utilized in the second quarter of 2022. In January 2023, a change in the credit facility was agreed on, expanding it to USD 65 million (SEK 705 million). As of the end of the reporting period, the total

unutilized facility was thus USD 20 million (SEK 217 million) and is expected to be used during the fourth quarter 2023. The loan extends up to six years, and is due for payment on December 31, 2025, with an interest rate, in USD, of LIBOR 3m + 10 percentage points.

### Note 7 Net financial items

Consolidated net financial items comprise primarily currency effects on that part of the company's interest-bearing net debt and Group balances held in USD. Aggregate currency effects are recognized accumulated, net, which means that individual quarters may present negative earnings or positive costs depending on whether the accumulated net items have gone from an exchange-rate gain in one quarter to an exchange-rate loss in the subsequent quarter, or vice versa.

Other financial costs in the parent company refer to financing costs that are invoiced in the Group and are capitalized there as a fixed asset in the Ovzon 3 project.

### Note 8 Construction in progress pertaining to property, plant and equipment, and advance payments

Ongoing investment pertains to the company's own satellite, Ovzon 3. The satellite is planned to be launched as soon as December 2023 and reach orbit during mid 2024.

Ongoing investment Ovzon 3, SEK m	Sep. 30, 2023	Dec. 31, 2022
Opening balance, accumulated cost	1,447	1,330
Investments for the year	369	90
Translation difference	—	28
Closing balance, accumulated cost <sup>1)</sup>	1,816	1,447
Impairment, opening balance	-12	-12
Impairment for the year	—	—
Accumulated impairment, closing balance	-12	-12
Carrying amount, closing balance	1,804	1,435

1) Of total investments in Ovzon 3, SEK 39 million (29) pertains to capitalized labour costs.

Since parts of the credit facility have been unutilized since April 2021, borrowing expenses of SEK 64 million (41) were capitalized in 2023. These are included in investments for the year.

### Note 9 Tax

Deferred tax assets on accumulated loss carryforwards have not been recognized as deferred tax assets, considering the uncertainty pertaining to taxable surplus to use the loss against in the foreseeable future. At the end of the 2022 financial year, a total of SEK 135 million (118) in tax loss carryforwards had been saved.

Tax income of SEK 7 million attributable to the correction of tax paid in the US for fiscal year 2019 was recognized in June 2023. A deferred tax receivable of an equal amount had not been previously recognized owing to uncertainty around the matter. The correction was approved and the amount was disbursed in July 2023.

### Note 10 Pledged assets and contingent liabilities

SEK 4 million (4) of the Group's cash and cash equivalents consist of restricted funds.

In conjunction with the utilization of the credit facility in April 2021, the Parent Company and its subsidiaries have pledged central assets under the loan agreement and appurtenant collateral agreements, including but not limited to the following: shares in the company's subsidiaries, certain intellectual property rights, certain intra-Group receivables, central supplier contracts in the Ovzon 3 project (and signed direct contracts between certain suppliers and creditors) as well as certain bank balances, and the subsidiaries have taken over the loan agreement and guarantee the loans during the tenor of the loan agreement.

Pledged securities	Group		Parent Company	
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2023	Dec. 31, 2022
Shares in subsidiaries	1,631	1,019	2,169	1,843
Receivables from Group companies	—	—	301	247
Restricted bank funds	4	4	—	—
Total	1,635	1,023	2,470	2,090

### Note 11 Events after the end of the reporting period

- Preferential rights issue of approximately 250 MSEK was communicated on October 20, 2023
- The launch of Ovzon 3 is now expected to take place as soon as December 2023
- Ovzon to change Chairman of the Board

### Note 12 Transactions with related parties

Total receivables in Group companies, SEK m	Sep. 30, 2023	Dec. 31, 2022
Ovzon Sweden AB	-6	0
OverHorizon OHO 1 Limited	41	35
Ovzon LLC	301	247
Ovzon US LLC	14	1
Total	350	283

Ovzon AB (publ) is the Parent Company of the Group, which also comprises the subsidiaries Ovzon Sweden AB, OverHorizon OHO 1 Ltd, and Ovzon US LCC, as well as Ovzon LLC, a wholly owned subsidiary of Ovzon US LLC.

All related-party transactions are conducted on market conditions.

# Alternative performance measures

In addition to the financial performance indicators that have been prepared in accordance with IFRS, Ovzon presents alternative performance measures that are not defined under IFRS. These alternative performance measures are considered to be important earnings and performance indicators for investors and other users of the annual and interim reports. These alternative performance measures should be regarded as a supplement to, but not a replacement for, the financial information that has been prepared in accordance with IFRS. Ovzon's definitions of these measures, which are not defined under IFRS, are presented in this note and under Definitions. These terms can be defined differently by other companies, and are therefore not always comparable with similar measurements used by other companies.

Key performance measures	Definition	Justification
Operating profit/loss	Profit/loss before financial items and tax.	This metric is used to monitor the performance of the business independent of how the company has been financed, or its tax position.
Adjusted operating profit/loss	Profit/loss adjusted for items affecting comparability.	Items affecting comparability are adjusted so as to facilitate a fair comparison between two comparable periods of time, and to show the underlying performance in operating activities excluding non-recurring items.
Operating profit/loss, last 12 months	Operating profit/loss for the current period, plus operating profit/loss for the preceding year less operating profit/loss for the comparison period from the preceding year.	This metric is used to monitor adjusted operating profit/loss over a twelve-month period so as to be able to routinely compare with the latest full-year outcome and budgeted full year.
EBITDA	Operating profit/loss before depreciation, amortization, and impairment.	This metric is used to monitor the company's profit/loss generated by operating activities, and facilitates comparisons of profitability among different companies and industries.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Items affecting comparability are adjusted so as to facilitate a fair comparison between two comparable periods of time, and to show the underlying performance in operating activities excluding non-recurring items.
Adjusted EBITDA, 12 months	Adjusted EBITDA calculated over a twelve-month period.	This metric is used to monitor adjusted EBITDA over a twelve-month period so as to be able to routinely compare with the latest full-year outcome and budgeted full year. It is also a partial component in the alternative performance indicator Interest-bearing net debt / adjusted EBITDA 12 months, multiple.
Items affecting comparability	Items that are not expected to recur, and complicate comparability between two given periods.	Items affecting comparability are adjusted so as to facilitate a fair comparison between two comparable periods of time, and to show the underlying performance in operating activities excluding non-recurring items.
Order book	The aggregate value of orders for SATCOM-as-a-Service and terminals that have been received but not yet delivered and the end of each reported period.	This metric is used to monitor the company's outstanding deliveries of SATCOM-as-a-Service and terminals.
Order intake	Value of new SATCOM-as-a-Service and terminal orders received.	This metric is used to monitor orders received for SATCOM-as-a-Service and terminals.
Adjusted revenue	Revenue adjusted for items affecting comparability.	Items affecting comparability are adjusted to facilitate a fair comparison between two comparable periods

Key performance measures	Definition	Justification
		of time, and to show the underlying performance in operating activities independent of exchange-rate fluctuations or items affecting comparability.
Adjusted revenue growth	Growth in local currency for comparable companies adjusted for items affecting comparability.	This metric is used for monitoring revenue growth in the underlying business, excluding items affecting comparability and exchange-rate fluctuations.
Profit/loss excluding currency effects	Profit/loss for the period adjusted for unrealized financial currency effects in the period.	Unrealized financial currency effects are adjusted because the company's earning can vary drastically depending on the performance of the USD. The company's internal loans, a large part of its cash and cash equivalents, and the company's external financing are denominated in USD.
Interest-bearing net debt	Borrowing excluding interest-rate derivatives, less cash and cash equivalents and interest-bearing assets.	The metric is used to easily illustrate and assess the Group's possibilities for fulfilling its financial commitments.
Interest-bearing net debt excluding lease liabilities	Borrowing excluding interest-rate derivatives, less cash and cash equivalents and interest-bearing assets.	The metric is used to easily illustrate and assess the Group's possibilities for fulfilling its financial commitments.
Interest-bearing net debt / adjusted EBITDA, 12 months, multiple	Interest-bearing net debt divided by adjusted EBITDA.	This metric shows the Group's indebtedness in relation to adjusted EBITDA. It is used to illustrate the Group's possibility of fulfilling its financial commitments.
Operating margin (%)	Operating profit/loss divided by operating income, multiplied by 100.	This metric is used to understand the generation of the Group's profit.
Equity/assets ratio (%)	Equity including non-controlling interests, divided by the balance sheet total and multiplied by 100.	This metric shows how large a share of the assets are financed with equity. The purpose is to be able to assess the Group's ability to pay over the long term.

## Reconciliations

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Adjusted operating profit/loss</b>					
Operating profit/loss	-29	-12	-81	-38	-81
Realized positive foreign exchange rate effect related to repayment of advances from launch partner	—	—	-11	—	—
<b>Adjusted operating profit/loss</b>	<b>-29</b>	<b>-12</b>	<b>-92</b>	<b>-38</b>	<b>-81</b>
<b>Operating profit/loss, last 12 months</b>			<b>Oct 2022–Sep 2023</b>	<b>Oct 2021–Sep 2022</b>	
Operating profit/loss, current period			-81	-38	
+ Operating profit/loss, preceding year			-81	-113	
– Operating profit/loss from last year			38	84	
<b>Operating profit/loss, last 12 months</b>			<b>-123</b>	<b>-67</b>	
<b>EBITDA and adjusted EBITDA</b>					
Operating profit/loss	-29	-12	-81	-38	-81
Excluding depreciation/amortization	7	7	20	16	23
<b>EBITDA</b>	<b>-22</b>	<b>-5</b>	<b>-61</b>	<b>-22</b>	<b>-57</b>
Realized positive foreign exchange rate effect related to repayment of advances from launch partner	—	—	-11	—	—
<b>Adjusted EBITDA</b>	<b>-22</b>	<b>-5</b>	<b>-72</b>	<b>-22</b>	<b>-57</b>
<b>Adjusted revenue and adjusted revenue growth</b>					
Revenue	73	78	199	256	357
Sale of production inventory	—	—	—	-3	-3
<b>Adjusted revenue</b>	<b>73</b>	<b>78</b>	<b>199</b>	<b>253</b>	<b>354</b>
Average exchange rate for the period, SEK/USD	10.8098	10.5470	10.5887	9.9213	10.1245
<b>Adjusted revenue, USD m</b>	<b>7</b>	<b>7</b>	<b>19</b>	<b>25</b>	<b>35</b>
Revenue growth	-7%	63%	-22%	117%	87%
Adjusted revenue growth adjusted for currency effects	-9%	40%	-26%	85%	76%
<b>Profit/loss excluding currency translations</b>					
Profit/loss for the period	-30	2	-72	7	-36
Excluding unrealized financial currency effects	0	-19	0	-45	-43
<b>Profit/loss excluding currency translations</b>	<b>-30</b>	<b>-17</b>	<b>-72</b>	<b>-39</b>	<b>-80</b>
<b>Interest-bearing net debt, and interest-bearing net debt excluding lease liabilities, SEK m</b>					
Non-current liabilities, interest-bearing	493	510	478		
Current liabilities, interest-bearing	—	—	—		
Cash and cash equivalents	-60	-349	276		
<b>Interest-bearing net debt</b>	<b>433</b>	<b>161</b>	<b>202</b>		
of which, lease liabilities	5	10	8		
<b>Interest-bearing net debt excluding lease liabilities</b>	<b>428</b>	<b>152</b>	<b>194</b>		
Equity/assets ratio	73%	71%	72%		
<b>Interest-bearing net debt / Adjusted EBITDA, 12 months, multiple</b>	<b>neg</b>	<b>neg</b>	<b>neg</b>		
<b>Closing rate at the end of the reporting period</b>					
	<b>Sep. 2023</b>	<b>Sep. 2022</b>	<b>Dec. 2022</b>		
EUR	11.4923	10.9177	11.1283		
GBP	13.2748	12.4071	12.5811		
USD	10.8413	11.1227	10.4371		

