

Interim report

January–March 2025

Ovzon.com

Continued strengthened profitability

January–March 2025

- Revenue totaled 90 MSEK (65)
- EBITDA totaled 18 MSEK (-18)
- Operating loss totaled -16 MSEK (-25)
- Loss after tax totaled -4 MSEK (-43)
- Earnings per share totaled -0.03 SEK (-0.39)
- Cash flow for the quarter totaled 40 MSEK (-77)

Significant events during the quarter

- Ovzon participates in major strategic 6GSAT initiative
- Renewal for delivery of SATCOM-as-a-Service to the Italian Fire and Rescue Services
- André Löfgren appointed as new CFO effective May 1, 2025
- Extended and amended loan facility agreement with P Capital Partners
- Ovzon's "High North Expedition" validates ability to meet NATO's Arctic requirements
- Order from new European customer within NATO

Significant events after the end of the quarter

- No significant events have occurred after the end of the quarter

KEY PERFORMANCE MEASURES

MSEK	Jan–Mar 2025	Jan–Mar 2024	Jan–Dec 2024
Revenue	90	65	334
EBITDA	18	-18	-0
Operating profit/loss	-16	-25	-82
Profit/loss for the period after tax	-4	-43	-162
Order book	250	204	344
Earnings per share, SEK	-0.03	-0.39	-1.45
Equity/assets ratio, %	62	68	57
Share price at end of period, SEK	26.7	13.3	17.1

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

Mission

Connecting the world's critical missions via satellite.

Business idea

Ovzon provides a unique satellite communication service for demanding customers who have a need for sending and receiving at high data rates from small mobile satellite terminals.

Operational goals

Ovzon's goals are to drive profitable growth and to continue to grow and expand its current services, with its own satellite Ovzon 3.



The Ovzon Coefficient

Performance	Mobility	Resiliency
Performance, mobility, and resiliency pull in opposite directions – larger terminals boost performance but reduce mobility; higher mobility sacrifices performance; and resiliency drives complexity. The challenge is not to choose one – it is to optimize for all at once.		
The Ovzon Coefficient quantifies the balance of these parameters for integrated communication solutions. It synthesizes terminal size, weight and portability with link throughput and uptime in contested environments into a single, powerful metric that captures the true value for mission-critical users.		
Ovzon sets the industry standard, delivering at least 3 times the performance of competing solutions in the KPI that matters most.		

Ovzon value proposition

Integrated SATCOM solutions for critical missions



Continued strengthened profitability

Following Ovzon's strong finish in 2024, we see a continued high demand for advanced satellite communications. The growing geopolitical instability globally has led to increased defense investments. This is especially true in Europe, both on a national and NATO-level, where satellite communication is increasingly prioritized as a critical strategic asset. During the first quarter 2025, Ovzon secured a new defense customer from a European NATO country, and we do see prospects for continued growth in 2025. Even though the demand is increasing, selling to government entities is not always fast. Therefore, we continue to invest time and effort in our customers decision-making and procurement processes. In the first quarter the positive trend continued with a gradually improved EBITDA as a result of higher utilization of Ovzon 3 and expanded customer deliveries.

Continued growth and new European NATO customer

Revenue in the first quarter amounted to 90 MSEK (65). At the end of 2024, we received our largest contract to date – an initial 12-month order for our SATCOM solution based on Ovzon 3 at a value of 185 MSEK (18.5 MUSD). The order contains our unique and integrated satellite communications solution. The mobile satellite terminals were mainly delivered in the fourth quarter 2024 with continued delivery in the first and second quarter 2025. The service started on March 1, 2025, and has thus only partly affected this quarter's revenue.

Order intake for the quarter amounted to 22 MSEK (118 MSEK) and mainly included the 12-month order of 17.4 MSEK we received from the new defense customer in a European NATO country. The order contains our SATCOM-as-a-Service including mobile satellite terminals with delivery starting early in the second quarter. The order intake on a rolling 12-month basis has continued to increase to 420 MSEK and the order book at the end of the quarter amounted to 250 MSEK.

Gradual increase of EBITDA

Our ability to scale the business profitably is most evident in our improving EBITDA performance, which during the quarter increased to 18 MSEK (-18 MSEK), resulting in an EBITDA margin of 20 percent – an increase both compared to the corresponding quarter of 2024 and the previous quarters. The gradual

increase in operating profitability is driven not only by increased revenues, but also by higher utilization of Ovzon 3 and a more optimal mix of satellite services and mobile satellite terminals. During the first quarter 2025, we benefited from the strengthening of the Swedish krona against the US dollar, positively affecting our net financial items, given that our debt financing is in USD. As a result, our net result improved significantly in the quarter. Our financial position is supported by the fact that we have received early payments from many customers. It also underlines the immediate and tangible value we bring to our customers. In February 2025, we also extended our loan facility on improved terms.

Strong demand for resilient SATCOM as part of critical infrastructure

During 2024, the demand for advanced satellite communications continued to strengthen, driven by the escalating geopolitical situation. In the first quarter of 2025, global tensions increased further. Across Europe, NATO, and allied nations, we now see a clear increase in total defense budgets, and resilient and sovereign satellite communication is a strategic priority.

Satellites play an increasingly critical role in defense and rescue operations. Today, most countries invest in space to ensure national sovereignty and security. Satellite communication is thus the foundation of the rapidly growing space economy. It is evident that Ovzon is uniquely



positioned in this growing market. With the most advanced SATCOM solutions on the market, we offer a powerful combination of performance, mobility, and resilience – the Ovzon Coefficient for rapid delivery to our customers. Beyond our technology, Ovzon distinguishes itself with a complete end-to-end solution and a dedicated, experienced and highly skilled team. Our customer-focused, deep, and broad technical expertise makes us a trusted partner and a valuable strategic advisor to both senior decision-makers within governments and public agencies as well as the direct end-users of satellite communications system.

Prioritizing profitable growth

2025 has started in a positive way, with continued high levels of engagement in delivery to current customers coupled with deepened dialogues with potential customers. Achieving the highest customer satisfaction, ensuring commercial success, and driving profitable growth remains our top priority. Our focus is now on fully capitalizing on our newly launched technology platform and increased utilization on Ovzon 3.

Having already demonstrated our ability to scale the business in a cost-effective manner, we are building on this momentum in 2025.

Looking ahead, we are now evaluating our strategy and business plan with several exciting paths for Ovzon's next growth phase. We are working closely with customers, partners and financiers to expand our SATCOM solutions and enable their use in new applications. This will further set Ovzon apart as a unique supplier and value creator for customers. We continue to have a positive outlook for Ovzon in 2025 and beyond.

PER NORÉN, CEO OVZON

High North expedition validates NATO's Arctic requirements

Ovzon recently completed a successful High North expedition, validating the company's ability to deliver resilient SATCOM in extreme Arctic conditions. The mission demonstrated the performance and reliability of Ovzon 3 and the mobile satellite terminals Ovzon T6 and Ovzon T7 in one of the world's most demanding environments.

"The Arctic is increasingly becoming key strategic terrain for NATO countries, but the extreme latitudes and climatic conditions present significant challenges for both GEO satellites and the small satellite terminals operating in those conditions. The Ovzon 3 satellite's unmatched power, and the durability of the mobile satellite terminals Ovzon T6 and Ovzon T7, overcame those challenges and performed flawlessly throughout the expedition" comments Tom Hopkins, the Expedition Leader and Ovzon's Chief Operating Officer.

Financial overview

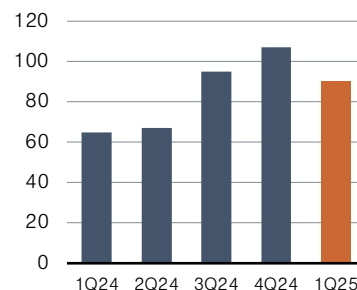
Revenue and order intake

The quarter (January 1– March 31)

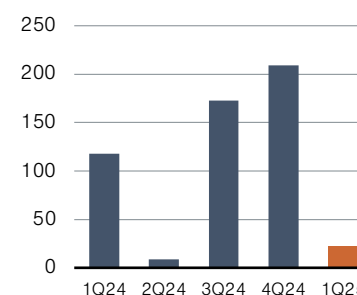
Revenue totaled 90 MSEK (65) in the first quarter, which is an increase of 38 percent. Sales of SATCOM services are increasing in most regions, refer further to Note 5.

Order intake in the quarter totaled 2.2 MUSD (11.1), corresponding to 22 MSEK (118). Fluctuations in order intake between quarters are a natural characteristic of the company's business, where order intake can vary significantly.

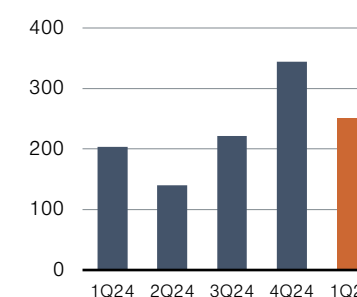
Revenue
MSEK



Order intake
MSEK



Order book
MSEK



PERFORMANCE, QUARTERLY OVERVIEW

MSEK	Jan-Mar 2025	Oct-Dec 2024	Jul-Sep 2024	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023
Revenue	90	107	95	67	65	91	73	69
EBITDA	18	17	12	-12	-18	-6	-22	-22
Operating profit/loss	-16	-18	-23	-17	-25	-14	-29	-28
Profit/loss for the period after tax	-4	-71	-32	-16	-43	12	-30	-24
Order book	250	344	222	140	204	143	55	124
Earnings per share, SEK	-0.03	-0.63	-0.29	-0.14	-0.39	0.23	-0.54	-0.45
Total cash flow	40	38	-42	-42	-77	191	-55	-238
Equity/assets ratio, %	62	57	66	66	68	70	73	72

FINANCIAL OVERVIEW

EBITDA

The quarter (January 1– March 31)
EBITDA for the quarter amounted to 18 MSEK (-18). The increase is primarily driven by higher utilization of Ovzon 3, increased sales of SATCOM services based on leased satellite capacity, and reduced operational costs.

Operating profit/loss

The quarter (January 1– March 31)
The operating loss for the quarter amounted to -16 MSEK (-25). Operating income was positively affected by higher utilization of Ovzon 3, increased sales of SATCOM services with leased satellite capacity and lower operational costs. Continuing, the operating loss suffers a negative impact from depreciation, which increased as of the third quarter 2024 when part of Ovzon 3 was capitalized as fixed asset.

The operating margin in the quarter amounted to -17 percent (-38). The operating margin in the quarter was positively impacted by increased sales of SATCOM services and lower operational costs, but negatively impacted by the start of depreciation of Ovzon 3.

Profit/loss after tax

The quarter (January 1– March 31)
Loss after tax for the quarter totaled -4 MSEK (-43). Adjusted for unrealized currency translations, the loss amounted to -36 MSEK (-25). Earnings per share for the quarter amounted to -0.03 SEK (-0.39).

Cash flow

The quarter (January 1– March 31)
Cash flow from operating activities for the quarter amounted to 66 MSEK (-3). The comparative period does not include any paid interest in cash flow from operating activities since all interest costs were reported in cash flow from investing activities, see below. The cash flow from operating activities, excluding interest paid, amounted to 85 MSEK (-3).

Cash flow from investing activities for the quarter amounted to -12 MSEK (-74). The investments are attributable primarily to the company's first proprietary

satellite, Ovzon 3 (refer further to Note 9) as well as the development of new mobile satellite terminals.

During the quarter, the company paid loan fees totaling 24 MSEK (27). Of this expenditure, interest paid for the quarter totaled 24 MSEK (27). Loan expenses related to ongoing new constructions have been capitalized and thus recognized as part of investing activities in the statement of cash flows. Of the above loan expenses, 5 MSEK was capitalized during the quarter, which is attributable to the part of Ovzon 3 On-Board-Processor that is not yet completed and activated, while the remaining portion is reported as interest paid.

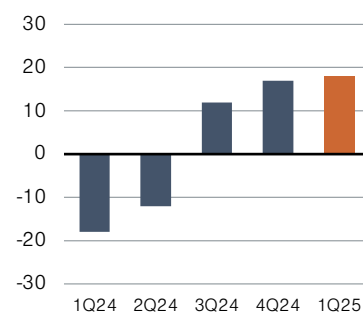
Cash flow from financing activities for the quarter amounted to -13 MSEK (0).

Financial position

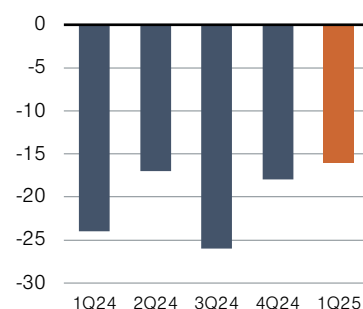
The Group's cash and cash equivalents amounted to 167 MSEK at the end of the reporting period, compared to 126 MSEK at the beginning of the year. Equity at March 31, 2025, totaled 1,618 MSEK (1,720). The equity/assets ratio was 62 percent (68). Interest-bearing net debt totaled 529 MSEK (522).

Of the company's total credit facility of 65 MUSD (652 MSEK), 0 MUSD (0 MSEK) was unutilized as of the end of the reporting period. In March 2025, 1.25 MUSD (12.6 MSEK) was amortized, and remaining loan debt is as of the balance sheet day 62.5 MUSD (627 MSEK). Refer further to Note 6 Financing and Note 4 Significant judgements, financial risks and going concern.

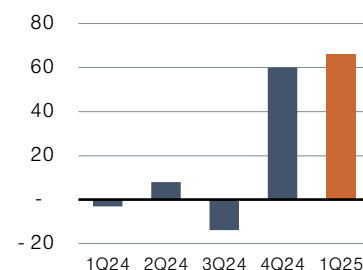
EBITDA MSEK



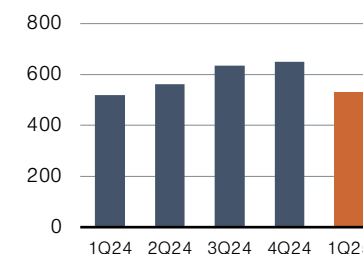
Operating profit/loss MSEK



Cash flow from operating activities MSEK



Interest-bearing net debt MSEK



Other information

Employees

At the end of the quarter, the number of employees in the Group was 38 (44).

Shares, share capital, and shareholders

The total number of shares in Ovzon AB on March 31, 2025 was 111,530,516 with a par value of 0.1, corresponding to share capital of 11,153,051.60 SEK. The total number of shareholders was 12,138.

Shareholder	Number of shares	%
Bure Equity	14,209,525	12.7
Investment AB Öresund	13,527,970	12.1
Grignolino AB	12,574,192	11.3
Fjärde AP-fonden	10,050,000	9.0
Handelsbanken Fonder	7,453,839	6.7
Futur Pension	5,602,120	5.0
Patrik Björn	3,100,000	2.8
Carnegie Fonder	2,982,640	2.7
Per Wahlberg	2,551,254	2.3
Avanza Pension	2,504,219	2.3

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.

In times of unrest, it is natural that minor currencies such as the Swedish krona fluctuates against the US dollar and euro, which the company notices as a result of its exposure to foremost the US dollar.

While the recent imposition of tariffs by several countries may affect the company, it is currently too early to quantify any potential impact.

Owing to the prevailing global turbulence, the company sees a risk of potential disruptions in the customer and 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.

The Group has unpaid accounts receivables related to the former Italian distributor of 8.2 MUSD (82 MSEK), which is reserved as an anticipated credit loss since September 30, 2023. The company is working actively to ensure settlement of the debt.

The Board of Directors and the Management Group are monitoring the course of events 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 2024 Annual Report.

As the company generates limited cash flows, there is also a financing risk, refer further to Note 4.

Warrants outstanding

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 2022, 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 62.72 per share. The exercise period for the warrants runs from June 1, 2025 until June 30, 2025.

At the annual general meeting on April 19, 2024, it was decided to launch a long-term incentive program for senior executives and other employees in the company and its subsidiaries. Participation requires a self-financed acquisition, that is tied up for a period, of a certain number of Ovzon shares in LTIP 2024 (Savings shares). For each Savings Share, the participant is entitled, if still employed, to receive an allocation of Performance Shares if certain performance requirements are met during the period 2024–2027.

Participants are divided into three categories, each entitled to a different number of performance shares. Category A (CEO, maximum 1 person) is entitled to a maximum of 8 performance shares per savings share. Category B (Group Management, maximum 6 persons) is entitled to a maximum of 6 performance shares per savings share. Category C (Other employees, maximum 38 persons) is entitled to a maximum of 2 performance shares per savings share.

The performance requirements are linked to Ovzon's earnings per share (EPS) and total shareholders return (TSR). In total, employees have invested in 109,014 Savings Shares for which a maximum of 427,024 Performance Shares can be allocated.

If all options issued are used in the warrants programs and all Performance-shares are allocated, a dilution of 0.8 percent of the shares and votes in the company will occur.

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 year totaled 9 MSEK (5) with a profit after financial items of 15 MSEK (-83). Cash and cash equivalents at the end of the reporting period are 2 MSEK and at the beginning of the year 13 MSEK. Equity totaled 1,466 MSEK, compared with 1,451 MSEK at the beginning of the year. The number of employees was 2 (3).

Annual General Meeting

Ovzon's Annual General Meeting for 2025 will be held in Solna on April 24, 2025. For more information about the Annual General Meeting, visit www.ovzon.com.

Webcast

In conjunction with the interim report, a webcast will be conducted at 2:00 pm CEST on April 24, 2025. Ovzon's CEO Per Norén and Interim CFO Viktor Bremer will present the results and answer questions.

The webcast can be reached via the following link:
<https://www.finwire.tv/webcast/ovzon/q1-2025/>

The telephone number to participate in the teleconference is +46 8 5052 0017 (then enter the meeting ID: 859 2749 5184).

To ask a question, enter *9 on your telephone and to activate your sound *6.

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

Financial calendar

Interim report Jan–Jun 2025: August 15, 2025

Interim report Jan–Sep 2025: October 31, 2025

Year-end report Jan–Dec 2025: February 20, 2026

Review by the auditors

This interim report has not 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, April 24, 2025

Per Norén
CEO

Regina Donato Dahlström
Chairman of the Board

Cecilia Driving
Board member

Dan Jangblad
Board member

Nicklas Paulson
Board member

Lars Højgård Hansen
Board member

Peder Ramel
Board member

Contact information

Per Norén
CEO

pno@ovzon.com
+1 206 931 7232

Viktor Bremer
Interim CFO

vbr@ovzon.com
+46 730 78 06 87

Ovzon AB
Anderstorpsvägen 16
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.

Consolidated financial statements

Consolidated income statement

MSEK	Note	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Revenue	5	90	65	334
Other operating income		3	3	8
Capitalized own development		1	4	11
Purchased satellite capacity and other direct costs		-38	-40	-183
Other external costs		-19	-20	-72
Employee benefit expenses		-19	-25	-93
Depreciation/amortization and impairment of property, plant and equipment, and intangible assets		-34	-7	-82
Other operating expenses		0	-4	-5
Operating profit/loss		-16	-25	-82
Financial income	7	33	0	7
Financial expenses	7	-21	-18	-86
Profit/loss after financial items		-4	-42	-161
Tax	9		-1	-1
PROFIT/LOSS FOR THE PERIOD		-4	-43	-162
Net profit/loss for the period attributable to:				
Shareholders of the Parent Company		-4	-43	-162
Basic earnings per share, attributable to shareholders of the Parent Company, SEK		-0.03	-0.39	-1.45
Diluted earnings per share, SEK		-0.03	-0.39	-1.45
Weighted average number of shares		111,530,516	111,530,516	111,530,516

Consolidated statement of comprehensive income

MSEK	Note	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Profit/loss for the period		-4	-43	-162
Other comprehensive income:				
Items that have been subsequently reclassified to the income statement:				
– Exchange differences on translating foreign operations		31	-17	-29
Other comprehensive income net after tax		31	-17	-29
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		27	-60	-190
Comprehensive income for the period attributable to:				
Shareholders of the Parent Company		27	-60	-190

Consolidated balance sheet

MSEK	Note	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
ASSETS				
Fixed assets				
Intangible assets		100	91	103
Equipment, tools, fixtures and fittings		19	29	24
Satellite	7	1,742	–	1,767
Construction in progress and advance payments	8	460	2,139	450
Right-of-use assets		9	4	9
Total fixed assets		2,329	2,262	2,354
Current assets				
Inventory		45	51	38
Trade receivables		1	18	234
Other receivables		5	6	6
Prepaid expenses and accrued income		57	13	12
Cash and cash equivalents		167	172	126
Total current assets		274	261	415
TOTAL ASSETS		2,603	2,523	2,769

Consolidated balance sheet, cont.

MSEK	Note	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
EQUITY AND LIABILITIES				
Equity				
Share capital		11	11	11
Other paid-in capital		2,243	2,243	2,243
Reserves		-3	-23	-34
Accumulated deficit including loss for the year		-633	-512	-630
Equity attributable to the Parent Company's shareholders		1,618	1,720	1,590
Total equity		1,618	1,720	1,590
Non-current liabilities				
Borrowing ¹⁾		577	680	–
Other long-term liabilities, interest-bearing		63	–	67
Lease liabilities		6	2	7
Other provisions		1	1	2
Total non-current liabilities		647	683	76
Current liabilities				
Borrowing ¹⁾		50	13	701
Lease liabilities		3	2	3
Trade payables		29	31	30
Current tax liabilities		0	1	0
Other liabilities		10	6	58
Accrued expenses and deferred income		248	68	310
Total current liabilities		338	121	1,102
TOTAL EQUITY AND LIABILITIES		2,603	2,523	2,769

1) As of February 17, 2025, the loan agreement has been extended by nine months with expiration September 30, 2026.

Consolidated statement of changes in equity

MSEK	Share capital	Other contributed capital	Reserves	Accumulated deficit including loss for the year	Total Equity
Equity at January 1, 2024	11	2,243	-6	-468	1,780
Profit/loss for the year	-	-	-	-43	-43
Other comprehensive income	-	-	-17	-	-17
Total comprehensive income	-	-	-17	-43	-60
Equity at December 31, 2024	11	2,243	-23	-511	1,720

MSEK	Share capital	Other contributed capital	Reserves	Accumulated deficit including loss for the year	Total Equity
Equity at January 1, 2025	11	2,243	-34	-630	1,590
Profit/loss for the year	-	-	-	-4	-4
Other comprehensive income	-	-	31	-	31
Total comprehensive income	-	-	31	-4	27
Incentive program	-	-	-	-	-
Equity at March 31, 2025	11	2,243	-3	-634	1,618

Consolidated cash flow statement

MSEK	Note	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Operating activities				
Operating profit/loss		-16	-25	-82
Adjustments for non-cash items		33	3	78
Interest received, etc.		1	0	-
Interest paid, etc.		-19	-	-44
Income tax paid		-	-	-2
Cash flow from operating activities before changes in working capital		-1	-22	-50
Decrease(+)/increase(-) in inventory		-7	-10	3
Decrease(+)/increase(-) in trade receivables		232	17	-198
Decrease (+)/increase (-) in current receivables		-43	12	14
Decrease (-)/increase (+) in trade payables		-1	-53	-54
Decrease (-)/increase (+) in current liabilities		-114	53	336
Total change in working capital		67	19	101
Cash flow from operating activities		66	-3	51
Investing activities				
Acquisition of intangible assets		-2	-6	-16
Acquisition of property, plant and equipment		-10	-70	-143
Sale of property, plant and equipment		-	2	2
Cash flow from investing activities		-12	-74	-158
Financing activities				
New share issue		-	-	-
Costs in conjunction with issue		-	-	-
Amortization of lease liability		-1	0	-3
Loans raised		-	-	-
Amortization of loans		-13	-	-14
Cash flow from financing activities		-13	0	-17
Cash flow for the period		40	-77	-123
Cash and cash equivalents at beginning of period		126	247	247
Exchange rate difference in cash and cash equivalents		1	2	2
Cash and cash equivalents at end of period		167	172	126

Parent Company financial statements

Parent Company income statement

MSEK	Note	Jan–Mar 2025	Jan–Mar 2024	Jan–Dec 2024
Operating income, etc.				
Revenue		9	5	37
Other operating income		–	0	3
		9	5	40
Operating expenses				
Other external expenses		-5	-10	-25
Employee benefit expenses		-3	-3	-11
		-7	-13	-36
Operating profit		2	-8	3
Income from financial items				
Other interest income and similar items		37	7	67
Interest expenses and similar items		-24	-18	-110
Income from participations in Group companies		–	-64	-120
		13	-75	-162
Profit/loss after financial items		15	-83	-159
Tax		–	–	–
PROFIT/LOSS FOR THE PERIOD		15	-83	-159

Parent Company statement of comprehensive income

MSEK	Note	Jan–Mar 2025	Jan–Mar 2024	Jan–Dec 2024
Profit/loss for the period		15	-83	-159
Other comprehensive income:		–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15	-83	-159

Parent Company balance sheet

MSEK	Note	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
ASSETS				
Fixed assets				
Intangible assets		0	0	0
Tangible assets		0	0	0
Financial assets				
Participations in Group companies		1,719	1,719	1,719
Receivables from Group companies	13	357	366	391
Total non-current assets		2,076	2,085	2,110
Current assets				
Receivables from Group companies	13	1	60	33
Other receivables		25	0	2
Prepaid expenses and accrued income		–	1	1
Cash and cash equivalents		2	89	13
Total current assets		28	150	49
TOTAL ASSETS		2,105	2,235	2,159
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		11	11	11
		11	11	11
Unrestricted equity				
Profit brought forward		1,440	1,602	1,602
Profit/loss for the period		15	-83	-162
		1,455	1,519	1,440
Total equity		1,466	1,530	1,451
Non-current liabilities				
Borrowing ¹⁾		577	680	–
Other provisions		0	–	–
		577	680	–
Current liabilities				
Borrowing¹⁾		50	13	701
Trade payables		1	3	3
Other liabilities		6	4	1
Accrued expenses and deferred income		4	5	4
		62	26	709
TOTAL EQUITY AND LIABILITIES		2,105	2,235	2,159

1) As of February 17, 2025, the loan agreement has been extended with nine months, expiring on September 30, 2026.

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 IFRS® Redovisningsstandarder (IFRS) as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Sustainability and 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 Group interim report for the period January–March 2025 has been prepared in accordance with IAS 34 16A Interim Financial Reporting and the interim report for the parent company is prepared in accordance with Annual Accounts Act chapter 9. 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 2024 Annual Report. New and amended IFRS and interpretations applied as of 2025 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 to be a reasonable approximation to their carrying amount.

Note 4 Significant judgements, financial risks and going concern

The Group's liquidity reserve shall provide freedom of action to execute decided investments and fulfill payment obligations. The Group management actively monitors the liquidity situation to promptly address any liquidity risks.

The Group has a granted credit facility amounting to 65 MUSD (65). The liquidity reserve consists of cash and cash equivalents as well as the unutilized portion of the credit

facility. As of the balance sheet date, 65 (65) MUSD had been utilized, and the remaining credit facility was 0 (0) MUSD.

Ovzon has commitments toward creditors, known as covenants, where the credit facility is conditional on the company meeting certain financial covenants including key financial metrics such as loans to cost (loans in relation to the investment in Ovzon 3), a minimum level of cash balances, a ratio in the valuation of the subsidiaries and debt-to-EBITDA ratio. During the period, the company was able to fulfil these covenants.

The loan facility did run for up to six years, with maturity on December 31, 2025, at an interest rate of USD 3m LIBOR + 10 percentage points. Contractual amortization will take place quarterly, with an aggregate amount of 5 MUSD per year starting in the fourth quarter of 2024.

On February 17 2025, the company entered into an agreement with the creditor to extend the credit facility with maturity on September 30, 2026. Additionally, an agreement was reached on updating the loan terms, which has been adapted to the company's financial development, which allows more flexibility and enables lower interest rate costs, if certain financial terms are fulfilled.

The need for refinancing is regularly reviewed by the company and the board to ensure efficient financing of the company's expansion and investments. Management regularly prepares forecasts for the Group's liquidity based on expected cash flows.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. The estimates are based on experience and assumptions that management and the Board of Directors believe are reasonable under the circumstances. The areas requiring a high degree of judgment, which are complex or areas in which assumptions and estimates are of material importance for the consolidated financial statements, are described below.

The financial statements have been prepared under the assumption of a going concern. By confirming the assumption of a going concern when preparing the reports, the Group took the following specific factors into consideration:

- The management group prepares an annual budget and long-term strategy plans, including an assessment of cash flow needs, and continues to monitor actual outcome against budget and plans throughout the reporting period. Based on these facts, the management group has reasonable expectations that the Group has, and will have, adequate resources to continue its operations.
- There is a risk that anticipated transactions might take longer than estimated or may not proceed, which would directly impact liquidity and the company's financial situation negatively.

- The capital base is solid, and the business outlook is positive.
- A major customer and new business have been secured during the past year, and the number of prospects has increased.
- The two most recent orders during 2024 totaling 317 MSEK has been invoiced in full.
- Extension of loan agreement with the creditor.

The Board of Directors and Executive Management assess that the long-term earning capacity and positive business situation provide a basis for applying the going concern principle in preparing this financial report.

In December 2024, the company conducted an impairment test regarding construction in progress. The impairment test did not indicate an impairment requirement, and the difference between the book value and the estimated recoverable amount had increased during 2024. The increase is partially due to improved interest rate, and that the estimated lifespan of the satellite has assessed to increase with three years. The estimated value of the Ovzon 3 asset is dependent on the company's ability to achieve a certain capacity utilization at an expected price level in 2025 and 2026. An impairment test is based on estimates and the outcome may vary. A smaller adjustment of significant assumptions in the impairment test, such as price level, capacity utilization and WACC, could therefore result in an impairment requirement.

There is some uncertainty regarding Ovzon's assessment of the Ovzon 3 asset's value, which depends on the company's ability to increase capacity utilization to the expected price level.

Note 5 Disaggregation of revenue

Ovzon SATCOM services	Jan–Mar 2025	Jan–Mar 2024	Jan–Dec 2024
Sweden	41	20	111
Italy	1	2	5
UK	2	2	10
USA	17	13	66
Rest of World	15	0	31
Total	76	36	223

Terminals	Jan–Mar 2025	Jan–Mar 2024	Jan–Dec 2024
Sweden	13	29	56
Italy	–	–	–
UK	–	–	–
USA	–	–	18
Rest of World	–	–	38
Total	13	29	112
Total	90	65	334

Note 6 Financing

In 2019, the company signed a senior credit facility of 60 MUSD (602 MSEK) in order to ensure financing of its proprietary satellite, Ovzon 3. 35 MUSD (351 MSEK) of the credit facility was utilized in 2021, and a further 10 MUSD (100 MSEK) was utilized in 2022. In January 2023, a change in the credit facility was agreed on, expanding it to 65 MUSD (652 MSEK). The remaining unutilized facility of 20 MUSD (201 MSEK) was utilized in the fourth quarter of 2023, the loan facility is thus fully utilized. The loan is due for payment on September 30, 2026 with an interest rate, in USD, of LIBOR 3m + 10 percentage points. During the fourth quarter 2024, the contracted amortization of 1.25 MUSD (13 MSEK) per quarter began. As of March 31, 2025, the loan debt amounts at 62.5 MUSD (627 MSEK).

Note 7 Satellite

Satellite refers to the company's first own satellite, Ovzon 3, valued at direct external and internal expenses directly attributable to bringing the satellite into a state where it can be used in accordance with management's intentions.

Ovzon 3 was put into commercial use on July 5, 2024, and has been activated as a tangible fixed asset. The manufacturer of the satellite had previously estimated its lifespan to be 15 years, but after commissioning, the company, based on new information from the manufacturer, has assessed that the lifespan is 18 years, extending its operational life until 2042.

	Jan–Mar 2025	Jan–Mar 2024	Jan–Dec 2024
Cost, opening balance	1,817	–	–
Reclassifications	–	–	1,817
Accumulated cost, closing balance	1,817	–	1,817
Depreciation, opening balance	-50	–	–
Depreciation for the period	-25	–	-50
Accumulated depreciation, closing balance	-75	–	-50
Carrying amount, closing balance	1,742	–	1,767

Note 8 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 and interest expenses to the creditor. 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.

As of the third quarter 2024, interest expenses are included in the consolidated net financial items for loans concerning part of the capitalized fixed asset.

Other financial expenses in the Parent Company pertain to financing costs that are invoiced onward in the Group and capitalized there as fixed assets in the Ovzon 3 project.

Note 9 Construction in progress pertaining to property, plant and equipment, and advance payments

Ongoing investment pertained to the company's proprietary satellite, Ovzon 3, which was launched on January 3, 2024 and reached its orbit in the end of the second quarter 2024. The satellite has entered commercial service during the third quarter 2024 and has therefore been reclassified to a fixed asset and depreciation started. The remaining construction in progress is the Ovzon 3 On-Board-Processor, which is expected to be activated during the first half of 2025.

Ongoing investment MSEK	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Opening balance, accumulated cost	450	2,084	2,084
Investments for the year	10	67	195
Reclassification	–	–	-1,829
Closing balance, accumulated cost ¹⁾	460	2,151	450
Impairment, opening balance	–	-12	-12
Reclassification	–	–	12
Accumulated impairment, closing balance	–	-12	–
Carrying amount, closing balance	460	2,139	450

1) Of total investments in Ovzon 3, 47 MSEK (42) pertains to capitalized labor costs.

Of the years investments, 5 MSEK (26) consist of capitalized borrowing expenses.

On July 5, 2024, Ovzon 3 entered commercial service, and has therefore been capitalized as a tangible fixed asset. The manufacturer of the satellite has previously estimated the lifespan to be 15 years, but after commissioning, the company, based on new information from the manufacturer, has revised the estimated lifespan to 18 years, with operations now expected to continue until 2042. This results in an annual reduction in depreciation costs of 20 MSEK.

Note 10 Tax

At the end of the fiscal year 2024, a total of 376 MSEK (240) in tax loss carryforwards had been saved. The tax loss carry forwards has not been activated as deferred tax asset in the balance sheet.

Note 11 Other long-term liabilities

Other long-term liabilities include liabilities to suppliers relating to the production of Ovzon 3. Of the other long-term liabilities, 63 (0) MSEK is due for payment within 4-9 years. Other long-

term liabilities, interest-bearing, carry an interest rate of US Prime rate + 2 percentage points.

Note 12 Pledged assets and contingent liabilities

11 MSEK (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.

	Group			Parent Company		
Pledged securities	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024	Mar 31, 2025	Mar 31, 2023	Dec 31, 2024
Shares in subsidiaries	1,889	1,931	1,878	1,719	1,718	1,719
Receivables from Group companies		–	–	321	352	322
Restricted bank funds	10	4	11		–	–
Total	1,900	1,935	1,889	2,040	2,070	2,041

Note 13 Events after the end of the reporting period

• No significant events have occurred after the end of the quarter.

Note 14 Transactions with related parties

Total receivables in Group companies, MSEK	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Ovzon Sweden AB	11	22	33
OverHorizon OHO 1 Limited	37	42	39
Ovzon LLC	333	352	349
Ovzon US LLC	2	8	2
Total	382	425	424

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	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	Operating 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 twelve 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 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 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, twelve 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 twelve months, multiple.
Items affecting comparability	Items that are not expected to recur, and complicate comparability between two given periods.	Items affecting comparability are adjusted to facilitate a fair comparison between two comparable periods of time, and to show the underlying performance in operating activities excluding non-recurring items.
Cash flow from operating activities excluding interest paid	Cash flow from operating activities excluding interest paid	This metric is used to monitor the company's cash flow from operating activities, independent of its financing structure.
Order book	The aggregate value of orders for SATCOM services and terminals that have been received but not yet delivered at the end of each reported period.	This metric is used to monitor the company's outstanding deliveries of SATCOM services and terminals.
Order intake	Value of new SATCOM services and terminal orders received.	This metric is used to monitor orders received for SATCOM services and terminals.
Adjusted revenue	Revenue adjusted for items affecting comparability.	Items affecting comparability are adjusted to facilitate a fair comparison between two comparable periods of time, and to show the underlying performance in

Key performance measures	Definition	Justification
Adjusted revenue growth		operating activities independent of exchange-rate fluctuations or items affecting comparability.
	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, twelve 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

	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Adjusted operating profit/loss			
Operating profit/loss	-16	-25	-82
Non-recurring items during the period	–	–	–
Adjusted operating profit/loss	-16	-25	-82

	Apr 2024– Mar 2024	Apr 2023– Mar 2023
Operating profit/loss, rolling 12 months		
Operating profit/loss, rolling 12 months, MSEK		
Operating profit/loss, current period	-16	-25
+ Operating profit/loss, preceding year	-82	-95
– Operating profit/loss from last year	25	23
Operating profit/loss, rolling 12 months	-73	-97

	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
EBITDA and adjusted EBITDA			
Operating profit/loss	-16	-25	-82
Excluding depreciation/amortization	34	7	82
EBITDA	18	-18	0
Nonrecurring items during the period	–	–	–
Adjusted EBITDA	18	-18	0

	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Adjusted revenue and adjusted revenue growth			
Revenue	90	65	334
Sale of production inventory	0	-1	-5
Adjusted revenue	90	64	330
Average exchange rate for the period, SEK/USD	10.6798	10.3886	10.5614
Adjusted revenue, MUSD	8	6	31
Revenue growth, %	39	13	13
Adjusted revenue growth adjusted for currency effects, %	37	12	14

	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Profit/loss excluding currency translations			
Profit/loss for the period	-4	-43	-162
Excluding unrealized financial currency effects	-33	19	32
Profit/loss excluding currency translations	-36	-25	-129

	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Cash flow from operating activities excluding interest paid			
Cash flow from operating activities	66	-3	51
Adjustment for interest paid	19	–	44
Cash flow from operating activities excluding interest paid	85	-3	95

Interest-bearing net debt, and interest-bearing net debt excluding lease liabilities, MSEK	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Non-current liabilities, interest-bearing	646	681	74
Current liabilities, interest-bearing	50	13	701
Cash and cash equivalents	-167	-172	-126
Interest-bearing net debt	529	522	649
of which, lease liabilities	6	2	7
Interest-bearing net debt excluding lease liabilities	523	520	642
Equity/assets ratio, %	62	68	57
Interest-bearing net debt / Adjusted EBITDA, 12 months, multiple	15.1	Neg	Neg
Closing rate at the end of the reporting period	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
EUR	10.8490	11.5250	11.4865
GBP	12.9872	13.4780	13.8475
USD	10.0314	10.6604	10.9982