

Ovzon

TEL

2024

Annual Report

Vision

Connect and protect people, organizations and society for a safer world

Mission

Connecting the world's critical missions via satellite

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An introduction to Ovzon

Ovzon offers world-leading integrated mobile satellite communication services, SATCOM solutions, to customers globally. The services combine high throughput satellite networks, mobile satellite terminals, gateway services, and dedicated customer support. Ovzon’s offerings meet the growing demand for mission critical connectivity for customers with high performance, mobility and resiliency requirements such as Defense, National Security and Public Safety. On July 5, 2024, commercial service commenced on Ovzon’s proprietary developed geostationary satellite Ovzon 3. Ovzon has offices in Stockholm, Sweden as well as Herndon, VA and Tampa, FL in the USA. Ovzon is listed on Nasdaq Stockholm Small Cap.



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.		

Connecting the world’s critical missions via satellite

Performance

Mobility

Resiliency



Timeline



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Financial performance

Key financial highlights

Strong order intake of 516 MSEK with broadened customer and geographical base. Two major orders relate to the company's new Ovzon 3 satellite.

Revenue amounted to 334 MSEK with a mix of SATCOM services and mobile satellite terminals.

EBITDA amounted to -0 MSEK compared to -66 MSEK 2023 thanks to an efficient utilization of purchased capacity and the start of commercial service on Ovzon 3.

Cash flow from operating activities amounted to 51 MSEK which is a result of strong focus on cash management including customer prepayments.

Key figures 2024, MSEK

334
Revenue

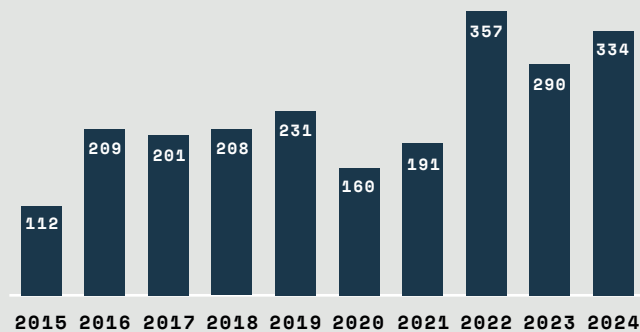
-0
EBITDA

516
Order intake

Key performance measures

MSEK	2024	2023
Revenue	334	290
EBITDA	-0	-66
EBITDA margin, %	0	neg
Loss after tax	-162	-60
Earnings per share, SEK	-1.45	-1.09

Sales, MSEK



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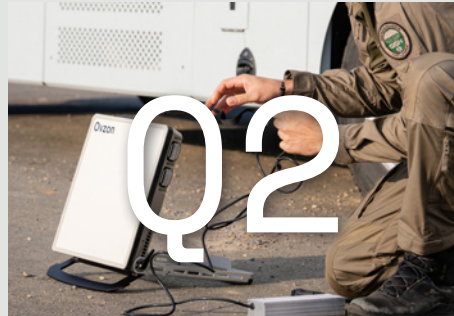
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Important events in 2024



- Successful launch of Ovzon 3 on January 3, 2024.
- U.S. DOD first to order the new Ovzon T7 mobile satellite terminal.
- Renewal for delivery to the Italian Fire and Rescue Services.
- Order of 9.7 MUSD from a European customer.
- Order of 6 MSEK from Swedish Space Corporation (SSC).



- Renewal of Ovzon SATCOM services to Spanish Civil Defense customer.
- Launch of Ovzon 3 based services: Ovzon Pegasus and Ovzon Orion.
- Renewal of Ovzon SATCOM services to UK MoD.
- Launch of mobile satellite terminals: Ovzon P20 and Ovzon P30.
- First customer on Ovzon 3: French GIGN for the Olympic Summer Games in Paris.



- On July 5, 2024, Ovzon 3 entered into commercial service, delivering Ovzon Pegasus to the French government organization GIGN.
- First major Ovzon 3 order from U.S. DOD of 6.2 MUSD.
- Initial limited Ovzon 3 order from SSC.
- Additional order on mobile satellite terminals, Ovzon T7 included, from the U.S. DOD totaling 0.7 MUSD.
- Renewal from SSC of 115 MSEK.



- Cooperation with FMV for demonstration on Unmanned Ground Vehicle (UGV).
- Expanded order from Swedish Space Corporation. The new total order value of 132 MSEK was paid in 2024.
- Increased estimated lifespan for Ovzon 3 from 15 to 18 years.
- Order of 185 MSEK on Ovzon 3 from SSC.

Events after the end of the period

- 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.
- Order from new European customer within NATO.

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Solid foundation for growth in 2025

2024 was truly a game changing year for Ovzon. We successfully launched and entered our first satellite, Ovzon 3, into commercial service. We broadened our customer base which led to improved growth in revenue and increased profitability. With an order intake during the year of 516 MSEK, we ended the year with an order book at 344 MSEK – the highest level ever in the history of Ovzon. This creates a solid foundation and enables a trajectory for growth in 2025.

The year of Ovzon 3

Our proprietary satellite Ovzon 3 was undoubtedly in focus during 2024. Ovzon 3 was launched on January 3, from Cape Canaveral, Florida. In June, it arrived at its designated position in space and on July 5th, after successful in-orbit testing, it entered commercial service. Our first use-case for the new satellite was nothing less than the Olympic Summer Games in Paris. The French national police force's tactical and anti-terrorist unit, GIGN, used an Ovzon 3 SATCOM solution for guaranteed connectivity. In August, we received the first large customer order for Ovzon 3 from U.S. DOD, our longest tenured customer. The same month, we got an initial

limited order from Swedish Space Corporation. Furthermore, as a result of data verifying a successful launch, orbital raising and arrival to its designated position, the lifespan of Ovzon 3 was extended from 15 to 18 years.

In November, we successfully showcased remote control of an unmanned ground vehicle (UGV) in collaboration with the Swedish Defence Materiel Administration (FMV), using Ovzon's On-Board-Processor on Ovzon 3. The project highlights the importance and necessity of cutting-edge satellite technology for remote operations. Unmanned systems are an area of rapidly increased customer interest and market focus.



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YEAR IN REVIEW

Momentous finish of the year

The year certainly ended on several high notes. In December we received our largest contract to date – an initial 12-month order on Ovzon 3 with a value of 185 MSEK (17 MUSD). Our partner Swedish Space Corporation (SSC) placed this order for an integrated SATCOM solution, including mobile satellite terminals for immediate delivery. The SATCOM service commenced in the first quarter of 2025. During the fourth quarter, we also received a 17 MSEK expansion of the large order that previously amounted to 115 MSEK signed with SSC in September for leased capacity on SATCOM services.

Considerably improved EBITDA

The introduction of Ovzon 3 into the market is already starting to have a substantial impact on our order intake. Order intake in the fourth quarter of 209 MSEK was the highest ever for a single quarter, totaling 516 MSEK for the full year. This resulted in an order book at the end of the year of 344 MSEK, creating a firm revenue base in 2025. Our revenue increased by approximately 15 percent for the full year. As planned, our profitability is improving fast, showing our ability to scale up with good returns. EBITDA for the fourth quarter improved to 17 MSEK and was at break-even for the full year.

Our cashflow also improved in the fourth quarter, following solid cost and cash management. Our ability to obtain early payments from our customers shows that our solutions deliver imminent and tangible value to customers with critical missions. Our cash position at year-end was 126 MSEK. In February 2025, we extended our loan facility with P Capital Partners with improved terms.

Strong need for resilient SATCOM as part of critical infrastructure

2024 and the beginning of 2025 has been marked by an increase in global economic and climate change uncertainty and continued intense geopolitical tension. Accordingly, many nations, NATO and other global alliances continue to respond with investments in Defense, National Security and Public Safety related capabilities. Sovereign and resilient satellite communications, to connect and protect societies, economies, and ultimately people are at the forefront. This points to an accelerated demand. Satellites are the cornerstone of the new space economy and play a vital role in mitigating natural disasters, defending sovereignty, and coordinating rescue operations. In this new world order, Ovzon is uniquely positioned delivering the most advanced satellite communication measured in the optimal combination of performance, mobility and resiliency – The Ovzon Coefficient.

Ovzon has continued to foster its long-term partnership with key customers and strategic partners such as the U.S. DOD and SSC, who have been early adopters of Ovzon technologies, for instance the Ovzon 3 satellite. During 2024 we also simultaneously increased our customer and partner base, creating a more geographical balance.

2025 – driving profitable growth

We have entered 2025 with a strong momentum. Ensuring commercial success and driving profitable growth will be our number one priority. We will step up our efforts in prioritized markets, both to foster our existing customer base and to onboard new customers. Key to success will be to work with all stakeholders in our ecosystem with the aim of winning larger and longer-term contracts.

We have proven that we are capable of scaling-up in a cost-efficient way – a path we will continue during 2025. We will now make sure to capitalize on our newly launched technology platforms and continue to pursue investments in new value-added customer solutions.

Satellite communication has clearly become a vital part of countries' overall communications infrastructure in their quest for self-reliance. This creates a solid foundation and a promising outlook for a well-positioned Ovzon for 2025, and beyond.

Per Norén, CEO Ovzon

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Long-term strategy



Ovzon key objectives 2025

Deliver strong financial performance

- Increase order intake
- Revenue growth
- Improve EBITDA
- Positive cash flow



Ensure commercial success

- Make every customer a reference
- Fully utilize Ovzon 3
- Focus on core market segments
- Focus on relevant geographies



Actively scale up

- Customers First
- People Always
- Business Ubiquitously
- Delivering Value with Technology



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The accelerating urgency and demand for resilient mobile satellite communications

Satellite communication has been available for decades, but in recent years demand, investments, and technological advancements in satellite communications have significantly accelerated. Several structural trends are driving this growth.



Geopolitical tension

The geopolitical tension in the world continues to escalate. Nations, alliances and organizations are therefore accelerating their development and investments in total Defense, National Security and Public Safety. Countries with little to no satellite infrastructure are now shaping plans for their own sovereign capabilities in the space domain. In case of conflicts or natural disasters, guaranteed communication with undisturbed and continuous uptime is crucial – on land, at sea or in the air.

Cyber security

Secure and resilient communication has become a very important requirement in all parts of society – especially for Ovzon's target markets and customers. Cyber violence becomes more advanced and progressively developed, and strongly protected systems are a must. When land and mobile-based communications are down, satellite communication is essential and will provide secure communication access ubiquitously.

Digitalization

The emerging digitalization is a large driver for Ovzon's business. Human life and all types of organizations today are powered by improved digital processes, and quick access to data and information is required. Therefore, satellite communication is becoming a vital part of an integrated communication infrastructure.

Climate change

Climate change has become a real concern for the world. Just this recent year, climate disasters have ravaged in for example Valencia, Spain, as well as in California and other parts of southern United States. With the change in weather patterns and increased floodings, storms and wildfires – satellite communication is in many cases the only answer to quickly execute fast and agile rescue missions to save lives.

Customer segments

Global needs for secure, sovereign and resilient communication is increasing. Hence, requirements in the segment are hard to match with standardized commercial off-the-shelf satellite communication offerings provided by most satellite communication companies today. Ovzon's solution offering has proven to be market-leading in resiliency, while the integrated portfolio enables leading performance and mobility. Providing sovereign capabilities has further differentiated Ovzon from competitors, giving a unique advantage.

Defense



Definition: All military branches (aero, maritime, ground), manned and unmanned

Drivers: Geopolitical instability, defense modernization

Customer need: High resilience to secure continued communications in contested environments

Ovzon's unique value: Unmatched resilience in contested environments

National Security



Definition: National Security, inteligenes, border and anti-terrorist protection

Drivers: Tensions, sovereign control needs, refugee flows

Customer need: Sovereign control, secure and resilient communication networks

Ovzon's unique value: Offers sovereign control, protected data and resiliency

Public Safety



Definition: Emergency services (fire, ambulance, police) and public safety communication

Drivers: Natural disasters and emergencies

Customer need: Fast and agile deployment, resilient emergency connectivity

Ovzon's unique value: Rapid deployability and reliable connectivity when terrestrial networks fail

Strong growth forecast and increased budgets in Ovzon's segment of the market

The satellite communication market is expanding rapidly, with demand accelerating faster than the broader satellite sector. Ovzon is well-positioned within this market, driven by increased demand in Defense, National Security, and Public Safety communications. In early 2025, heightened geopolitical tensions continued to reshape the market, bringing uncertainty into market growth forecasts. However, rising global security concerns suggest that government budgets for secure satellite communication are likely to increase further.

Several key drivers are shaping the broader Space and Satellite sector:

- The service market (applications and communications) are the fastest-growing area and will surpass infrastructure spending by 2026.
- The major investments in non-GEO constellations, such as Starlink, are pushing GEO operators to develop new technologies, such as software-defined solutions, in order to maintain competitive advantages.
- Increased geopolitical tensions are emphasizing the need for stronger national satellite capabilities.
- Sovereign satellite services are becoming critical for meeting national requirements and reducing time to market.
- Technological innovation is essential in the Government and Defense markets to address increasingly complex needs.

Ovzon's strategic focus

Ovzon operates in the satellite communications markets, which is expected to outpace the overall Space and Satellite sector and become the largest market (Infrastructure, Communications, and Applications) over the forecast period up to 2032. Ovzon focuses specifically on the Government and Defense communication segment. Total spend for service and hardware in this area is forecasted to grow from 7.7 billion USD in 2024 to over 13 billion USD by 2032¹⁾.

Market growth and key drivers

The Government and Defense segment of satellite communication is projected to grow at a 7 percent compound annual growth rate (CAGR) from 2024 to 2032. National Security is expected to experience the fastest growth, while Defense remains the largest sector, accounting for over 80 percent of total spend in 2024.

Regional trends and strategic opportunities

The global demand for SATCOM solutions in Government and Defense is accelerating, with a CAGR of 7 percent expected through 2032. This is largely driven by geopolitical shifts leading to increased spending on defense-related SATCOM-solutions. Europe and Asia experiencing the fastest growth, largely driven by rising political tensions and strategic investments in satellite infrastructure.

Ovzon is well-positioned to capitalize on these trends, by leveraging its technological leadership, integrated solutions, and deep understanding of the unique needs of its key target markets.

1) Market report at the request of Ovzon, Analysys Mason, October 2024.

MARKET, CUSTOMERS AND POSITION

Geographical growth projections

North America, Europe, Asia, Middle East and Africa together account for 85 percent of global spending, with Europe and Asia projected to grow by 7 percent and 8 percent, respectively, in 2025.

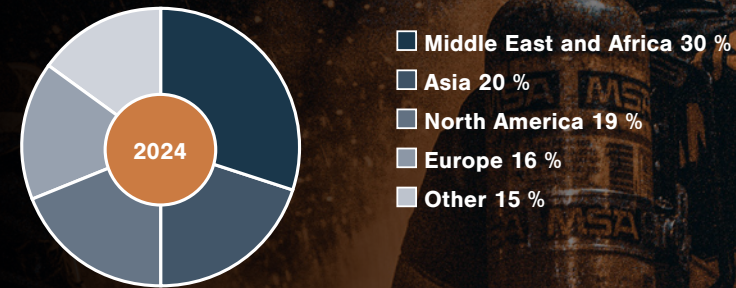
Key customer segments growth projections

Government and Defense account for 18 percent of the global satellite communication market, with a projected investments of 8.3 billion USD by 2025. There is an increasing demand for secure, resilient satellite communication that go beyond standardized solutions. Projected investments by Ovzon's key customer segments over the forecasted period are as follows:

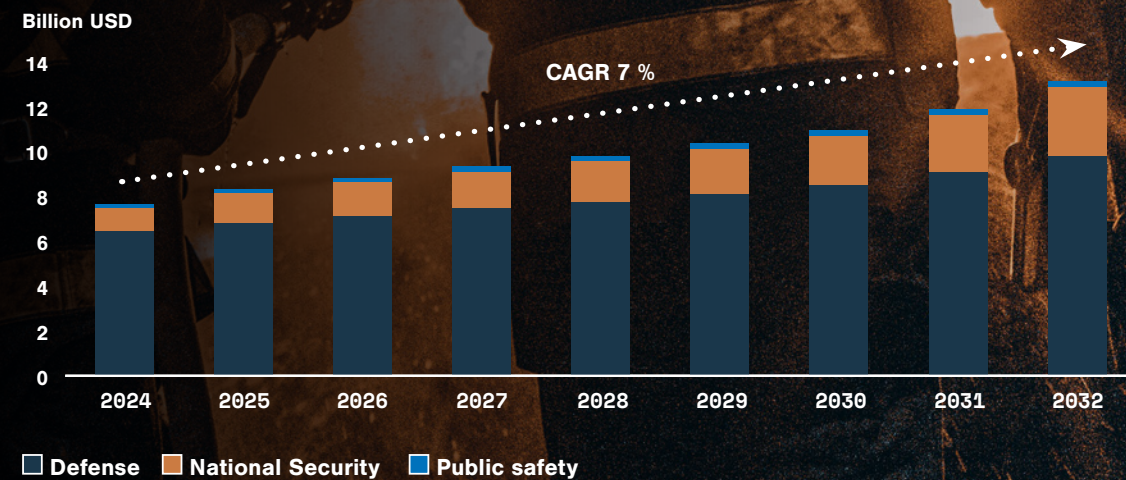
- **Defense:** Estimated 2025 investments of 6.7 billion USD, with 7 percent projected growth.
- **National Security:** Estimated 2025 sales of 0.7 billion USD, with 8 percent projected growth.
- **Public Safety:** Estimated 2025 sales of 0.2 billion USD, with 6 percent projected growth.

1) Disclaimer: above projections comes from a market report from Analysys Mason, produced at the request of Ovzon, published in October 2024. During the second half of 2024 and first months of 2025, the market has changed due to increased geopolitical tension bringing more uncertainty into market growth predictions.

Investments in satellite communication per geography¹⁾



Market growth projections¹⁾



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Continued expansion with focus on Defense, National Security and Public Safety

Global geopolitical tensions remain elevated, particularly in Europe, the Middle East, and increasingly in Southeast and East Asia. In response, Ovzon has tailored its sales, business development, and marketing strategies to address the evolving needs of these regions. Throughout 2024, Ovzon has continued to expand its customer base and strengthen partnerships, resulting in multiple new and renewed orders that validate the company's growth model and market relevance.

Defense, National Security and Public Safety at the core of Ovzon's strategy

Ovzon's SATCOM solutions are increasingly vital to the core market segments who rely on fast, and resilient communication in dynamic operational environments. Ovzon supports a variety of use-cases that streamline operations and communication across land, air, and sea.

Key applications include:

- Border monitoring: Addressing challenges such as humanitarian crises with large refugee movements by offering advanced video monitoring and data communication solutions.
- UAV operations: Improving the efficiency and security of UAV-based inspections over vast areas, including forests, wildlife, and infrastructure monitoring.

- Disaster response: Providing rapid and reliable communication in the wake of natural catastrophes, particularly when traditional communication networks fail.

Rapid response in times of crisis

Ovzon demonstrated its ability to support customers during unpredictable global events throughout 2024.

- Natural disaster relief: Rapid deployment of network support in response to crises.
- Geopolitical unrest: Providing network coverage and strategic communication capabilities during periods of instability.

In many cases, Ovzon's ability to reposition spot beams and establish networks within hours of an initial customer request proved critical. This swift response – often before customer teams arrived – underscored Ovzon's unique operational agility and commitment to excellence.

Ovzon's quick reaction times and tailored SATCOM solutions consistently exceed customer expectations, positioning the company as a trusted partner for defense operations and crisis response.

Comparing satellite communication technologies

Ovzon's GEO satellite communication technologies

Ovzon's GEO satellite, Ovzon 3, represents a new revolutionizing generation of geostationary satellite technology. Designed for mission critical performance, mobility and resiliency it is equipped with multiple antennas for targeted capacity and powered by a proprietary software defined On-Board-Processor. Ovzon 3 enhances mobility, considerably increases data rates, and improves resiliency compared to traditional GEO satellites.

GEO satellites have a typical lifespan of 15 to 20 years and benefit from regulatory priority, ensuring high reliability and interference protection for users. Ovzon's satellite solutions lead the industry in providing customers with high-capacity, mission-critical connectivity in demanding and contested environments.

The Growing Landscape of LEO-satellite constellations

Constellations of smaller, interconnected satellites in LEO (Low Earth Orbit) can be used to provide global internet and mobile connectivity. Companies like SpaceX with Starlink and Eutelsat with OneWeb have already deployed thousands of LEO satellites, and Amazon is expected to begin launching its Kuiper constellation soon.

While LEO satellite networks offer lower latency than GEO satellites due to their proximity to Earth, a GEO satellite can instantly connect a terminal in Australia to a terminal in Europe. This connection operates independently of ground infrastructure, such as fiber, which is a key advantage. In contrast, LEO satellites depend on terrestrial networks, introducing vulnerabilities. Fiber connections are susceptible to physical disruptions, such as accidental cuts or sabotage, and pose cybersecurity risks. This reliance on ground infrastructure makes LEO systems less secure and more exposed to external threats. Additionally, they face several operational constraints:

- **Shorter lifespan:** LEO satellites require replacement every five years, compared to the 15–20 year lifespan of GEO satellites.
- **Market limitations:** Large portions of the Earth's surface remain uninhabited, limiting the commercial potential of global LEO services.
- **Regulatory and security challenges:** Unlike GEO satellites, LEO networks lack regulatory priority and must rely on ground infrastructure, making them more susceptible to interference, disruptions, and cybersecurity risks.

These factors impact the scalability, profitability, and long-term sustainability of LEO-based services.

Ovzon's competitive advantage

Ovzon differentiates itself through advanced GEO technologies, integrated solutions, and close customer collaboration. Unlike LEO providers, Ovzon offers a fully integrated, high-performance satellite communication solutions portfolio tailored for mission-critical operations in Defense, National Security, Public Safety and other specialized sectors.

Ovzon has designed and developed SATCOM solutions based on clear requirements from the world's most advanced end-users. The Ovzon coefficient, which balances performance, mobility, and resiliency, demands a highly sophisticated and precise choice of technology and architecture to provide customers with the most reliable connectivity. GEO satellite systems are a key part of Ovzon's competitive advantage, enabling any critical mission.

MARKET, CUSTOMERS AND POSITION

LEO
Low Earth Orbit, up to 2,000 km from Earth

MEO
Medium Earth Orbit, 2,000–36,000 km from Earth

GEO
Geostationary Earth Orbit, 36,000 km from Earth. The orbit is in the Earth's equatorial plane and the satellite's orbital period matches the Earth's rotation. Accordingly, a GEO satellite appears to be fixed in the sky when viewed from Earth. The satellite's view of the Earth corresponds to approximately one third of the planet's surface, and the entire Earth can thus be covered with only four satellites. Ovzon's service currently uses GEO satellites and the company's proprietary satellite Ovzon 3 is located in a geostationary orbit.

Ovzon SATCOM services vs LEO based services

Ovzon SATCOM services, GEO	LEO services
Designed and built for Defense/Intelligence community	Designed and built for home internet consumers
Guaranteed Service – always available	Best effort services – based on availability
Dedicated bandwidth specifically managed for user priorities	Shared bandwidth based on consumer demand on system
Priorities set by users in real-time to support operations	No prioritization possible: best effort based on system load
Traffic routed through secure, trusted earth stations	Teleports within LEO footprint
Guaranteed bandwidth allocation and access for users	Performance and access subject to demand from all users

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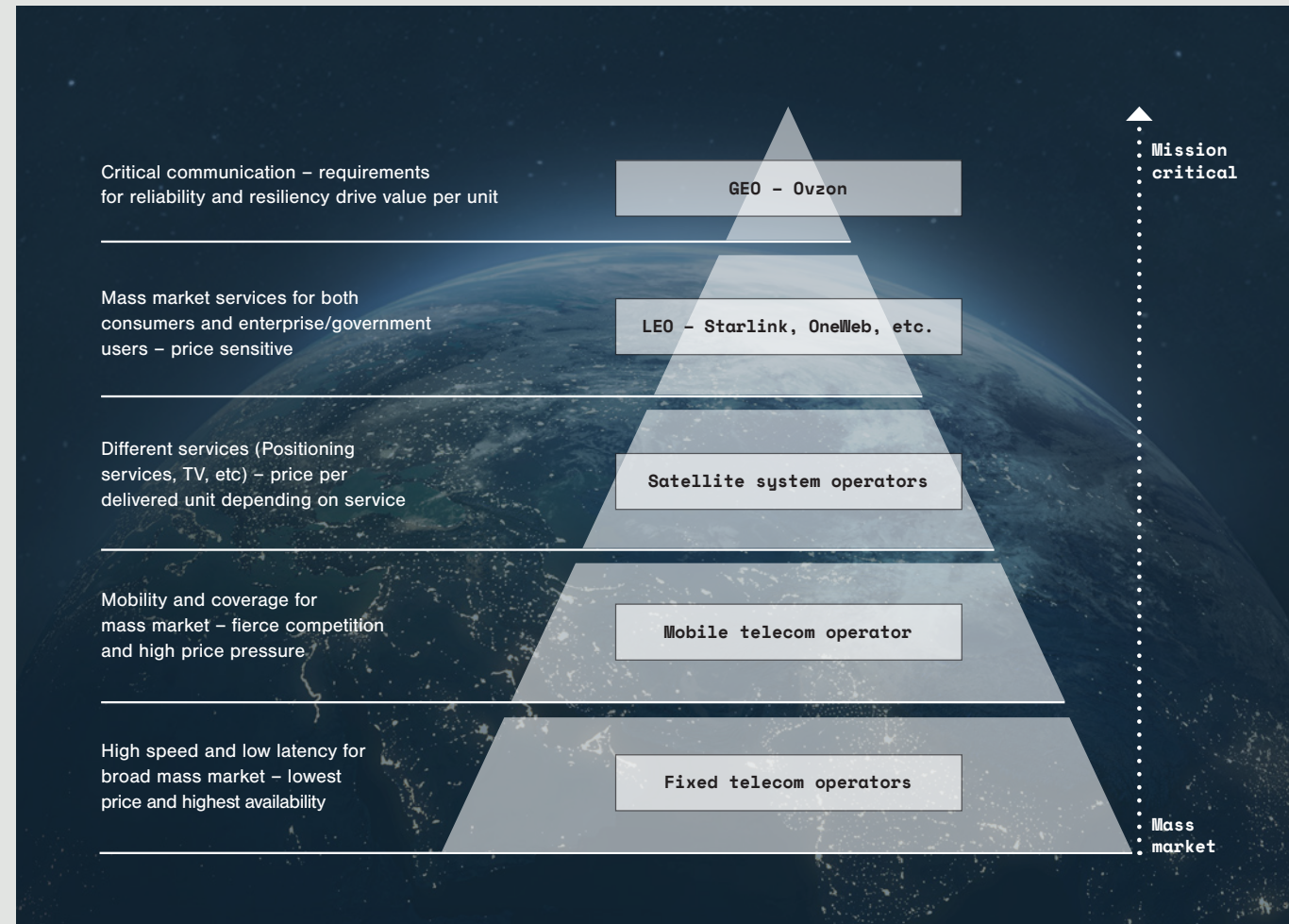
Ovzon's position in a dynamic value chain

Leading the way at the top of the SATCOM value triangle

The modern communication market spans a wide range of consumer and business needs, driven by the demand for fast, reliable connectivity. While global telecom operators have effectively served much of this demand in urban and developed markets, there remain underserved areas in North America and rural regions worldwide where connectivity is limited or inconsistent. These gaps underscore the need for more reliable, affordable, and innovative communication solutions.

Addressing the growing needs of underserved markets

The rise of LEO satellite operators, such as Starlink, has begun to bridge some of these coverage gaps by offering affordable, easy-to-use mobile and fixed satellite solutions. These operators focus on delivering basic mobile and fixed satellite services at competitive price points. However, there is a distinct segment of users with higher expectations – government agencies, NGOs, and organizations responding to crises or National Security challenges – who require secure, reliable, and mission-critical connectivity. This market is served by a mixture of LEO and GEO satellite providers, but competition is intensifying and driving prices down.



MARKET, CUSTOMERS AND POSITION

Meeting the most demanding requirements

At the very top of this value chain are the most discerning users: Defense organisations and National Security operations. These users require not only secure and resilient communication but also mobility and sovereignty in all operational environments. Ovzon is uniquely positioned to meet these advanced and specialized needs with its fully integrated SATCOM solutions, combining technological innovation, operational flexibility, and sovereign capability.

A unique competitive advantage

Ovzon's strength lies in its close customer relationships, technological leadership, and ability to integrate hardware, software, and satellite communication seamlessly. This integrated approach ensures that Ovzon delivers a fully optimized solution tailored to the needs of its customers. As the only provider offering a complete portfolio of high-performance, and resilient, satellite-based mobile communications, Ovzon maintains its position as a critical partner in the most demanding market segments.

By combining technological expertise, integrated solutions, and strategic alignment with customer needs, Ovzon continues to redefine leadership at the top of the SATCOM value chain.



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Ovzon provides unique mobile satellite communication with global reach

Ovzon's SATCOM solutions provide high performance, mobile and resilient connectivity to customers worldwide. Launched in 2014, this offering has set new standards in satellite communication by supporting high data rate and transmission-intensive applications.

Ovzon's SATCOM solutions combine the company's own satellite capacity based on Ovzon 3 together with leased capacity with leading technology to deliver a seamless, end-to-end solution. This offering includes mobile satellite terminals, satellite capacity, network management, and dedicated customer support. The successful launch and deployment of Ovzon 3 has further enhanced Ovzon's competitive position, enhancing coverage and introducing advanced capabilities to its market-leading solution.

Designed for any environment

Ovzon's technology is designed to perform under extreme conditions, from Arctic cold to tropical heat and severe atmospheric effects. Proven reliability in the most challenging geographical locations ensures that Ovzon's solutions support critical operations worldwide.

Global coverage through strategic partnerships and Ovzon 3

Ovzon's strategic partnerships with leading global satellite operators have expanded access to steerable beams and improved global service availability. With Ovzon 3 in service, Ovzon's global footprint has strengthened further, ensuring reliable access to satellite networks across the globe.

These strategic relationships and the successful deployment of Ovzon 3 position Ovzon as the preferred partner for global satellite connectivity in mission-critical operations.

Commitment to innovation

Ovzon maintains a strong focus on innovation by developing the next generation of satellite communication solutions and the most advanced mobile satellite terminals. Over the years, Ovzon has launched a series of technological advancements that integrate seamlessly with its network, ensuring superior performance and adaptability for changing operational needs. This commitment to research, development, and innovation ensures that Ovzon remains at the forefront of satellite communication technology for years to come.

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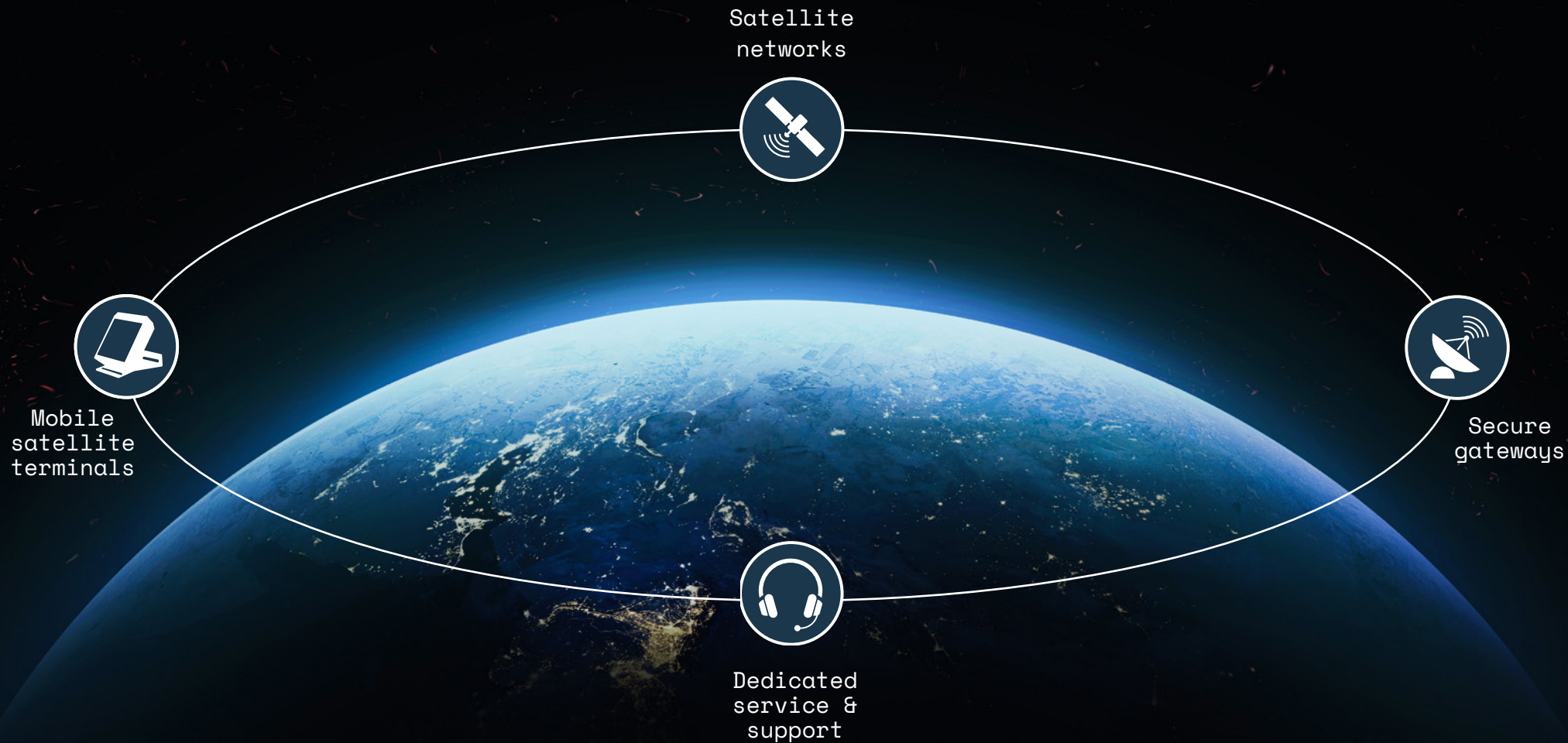
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Ovzon value proposition

Integrated SATCOM solutions for critical missions



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Ovzon 3: Revolutionizing mobile satellite communications

The successful integration of Ovzon 3 into active service marks a significant milestone for Ovzon and its customers. Ovzon 3, a next generation GEO satellite, introduces enhanced coverage, higher data rates, and improved operational resilience to Ovzon's already market-leading SATCOM solutions. With Ovzon 3 operational, Ovzon offers its customers an even more powerful, reliable, and flexible satellite communication solution to meet a wide range of mission needs.

Leading performance

Ovzon 3 has five fully steerable user spot beams complemented by one steerable gateway beam which provides the ability for rapid beam repositioning and coverage optimization. Ovzon 3 provides unmatched Radio Frequency (RF) performance.

Unmatched mobility

Ovzon 3 enables ultra-small, high performing, mobile satellite communication terminals.

Unique resilience

Ovzon 3 is equipped with an industry first, advanced computing platform, the Ovzon On-Board-Processor enabling mission critical communication with specialized near-peer capabilities.

Ovzon 3 Highlights



On-Board-Processor



Steerable beams



Global reach



Higher speed



Dedicated service
& support

One year with Ovzon 3

Successful deployment of **Roll-Out Solar Arrays**, two hours after the separation from Falcon 9.

Ovzon 3 reaches its **highest apogee** at an altitude of more than 36,000 km.

Successful deployment of all steerable antennas within two days after arrival at 59.7°E.

June 14, 2024: After completion of initial tests by Maxar, Ovzon 3 is handed over to Ovzon.

In-orbit testing begins, including the first power-on and test of the Ovzon On-Board-Processor.

July 5, 2024: Ovzon 3 ready for commercial service

First order for **Ovzon Pegasus** service on the Ovzon 3 satellite from the U.S. DOD.

The estimated lifespan of Ovzon 3 is increased from 15 to 18 years.

Several orders on Ovzon 3 capacity services were secured, including a 185 MSEK order from SSC, the **largest order in Ovzon's history**.

Jan 3, 2024: Ovzon 3 is launched into geostationary transfer orbit from Cape Canaveral on-board a Falcon 9 rocket.

May 26, 2024: Ovzon 3 reaches geostationary orbit.

The first customer use-case on Ovzon 3 with the French organization GIGN throughout the Olympic Summer Games 2024 in Paris.

In collaboration with FMV, Ovzon demonstrates the **unique capabilities of the Ovzon On-Board-Processor** in a pilot customer use-case with remote control of an UGV, see page 31 for more information.



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The Ovzon On-Board-Processor

With Ovzon 3, Ovzon introduced the industry's first reprogrammable On-Board-Processor with unique capabilities to support customer requirements and enables mesh connections.

The Ovzon On-Board-Processor is a next generation proprietary signal processing platform in space. It facilitates new applications and unique features that allows Ovzon's customers to benefit fully from Ovzon's SATCOM solutions.

The On-Board-Processor architecture enables true mesh networks and single-hop communication among Ovzon's mobile satellite terminals, such as the Ovzon T7. The architecture is distributed across the steerable beams, with minimal delay and high data rates on uplink and downlink. Customers can thus maintain a direct and secure connection with other users, regardless of whether they are in the same or different coverage areas on the ground.

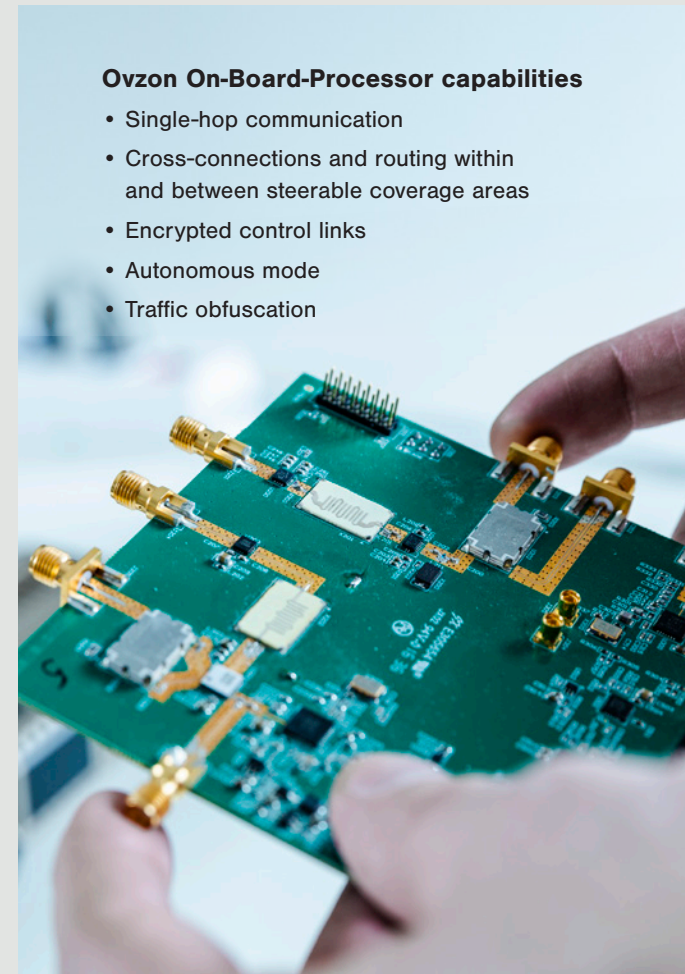
Security and reliability are proprietaries that characterize the design. Encrypted monitoring and control links form the foundation of a secure, nominal network setting while a fully autonomous mode can be activated for scenarios where no terrestrial connection other than the user network is available or desired. The system supports features such as traffic obfuscation and use in environments without functioning GPS coverage.

The On-Board-Processor platform can be reconfigured and reprogrammed in orbit, which makes the Ovzon service future-proof, and new functions can be activated as the customer needs development over time.

In addition, the Ovzon T7 satellite terminal has a built-in modem (On-Board-Processor compatible) to benefit fully from the advanced functions in the Ovzon On-Board-Processor.

Ovzon On-Board-Processor capabilities

- Single-hop communication
- Cross-connections and routing within and between steerable coverage areas
- Encrypted control links
- Autonomous mode
- Traffic obfuscation



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Ovzon solutions

Ovzon’s solutions are specifically developed for its dedicated customers. The company has strategically narrowed its focus to Defense, National Security, and Public Safety, as these customer segments have the most significant need for, and the resources to support, the unique performance, mobility, and resilience that Ovzon provides. The solutions combine market-leading mobile satellite terminals with comprehensive service offerings to deliver world-class SATCOM solutions.

The service offerings are structured around several tailored plans to meet different customer needs. Among these, the service plans based on Ovzon 3 satellite deliver the highest levels of performance, mobility, and resilience.

Unlike consumer markets, where most customers primarily receive data, Ovzon’s customers require the ability to send large volumes of data in real-time from sources such as sensors, high-resolution cameras, or mobile devices. As a result, Ovzon’s solutions are specifically designed to transmit high data rates from the smallest mobile satellite terminals. Currently, Ovzon’s services and satellite coverage extend across the USA, Latin America, Asia, Europe, Africa, and Australia, with teleports featuring secure trunk connections located in Europe and Africa. These services are monitored and controlled through the company’s dedicated customer support center in Tampa, Florida.

Ovzon satellite solutions

Ovzon offers five categories of satellite solutions with global reach using Ovzon’s satellite network. These solutions are split into two main groups; SATCOM services and SATCOM-as-a-Service. SATCOM services are more advanced and optimized for each end-customers needs while the second group Ovzon SATCOM-as-a-service are standardized and pre-configured for fast and simple deployment. Ovzon service plans are combined with mobile satellite terminals to create a SATCOM solution, On-The-Pause to be hand-carried in small laptop bags or On-The-Move to be placed on moving platforms such as UAVs, helicopters, airplanes, sea vessels or land vehicles. Same high performance, capable of transmissions of up to 70 Mbps and receiving up to 200 Mbps, regardless of On-The-Move or On-The-Pause applications.



All Ovzon solutions include

- Ovzon mobile satellite terminals On-The-Pause and On-The-Move
- Ovzon Satellite Network
- Internet gateway access
- Terrestrial backbone connectivity
- Dedicated customer service & support

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Services

Ovzon SATCOM services

Ovzon SATCOM services are divided into three categories: Hero, Pegasus, and Orion. These services are uniquely designed to meet customers' most demanding requirements and encompass our complete offering.

	HERO	PEGASUS	ORION
	Ovzon Hero is an advanced, customized high-performance service developed for the most demanding customers to perform the most critical missions. These services are achieved using Ovzon's mobile satellite terminals and are based on Ovzon's global network and satellite capacity, including steerable, high-performance coverage areas.	Ovzon Pegasus enabled by Ovzon 3 brings a steerable beam service offering, specifically developed for the critical tasks of the most demanding customers.	Ovzon Orion is exclusive to the Ovzon T7 and enabled by Ovzon 3 On-Board-Processor. The service allows for the most advanced features specifically for the mission-critical applications of customers operating in Near-peer environment.
Data rates	Up to 120 Mbps	Up to 200 Mbps	Up to 100 Mbps
Coverage	Custom networks, including spot beams, positioned anywhere on the planet	Custom networks, including Ovzon 3 based spot beams	Custom networks, including Ovzon 3 based spot beams

Ovzon SATCOM-as-a-Service

Ovzon SATCOM-as-a-Service is divided into two categories: Plus and Go. These services provide a pre-configured end-to-end SATCOM solution.

	PLUS	GO
	Ovzon Plus service offers global accessibility using Ovzon's global network of satellites. Ovzon Plus offers data rates of up to 4/4 Mbps and can easily be upgraded to the Ovzon Go service as needed. The service can be launched in less than 90 seconds.	Ovzon Go is a unique satellite service that provides users with access to a flexible, high bandwidth connection that is easy to use from the smallest terminals. The service is delivered with Ovzon's market-leading On-the-Move and On-the-Pause terminals.
Data rates	Up to 4 Mbps	Up to 10 Mbps
Coverage	Global coverage through Ovzon affiliated satellites	Global coverage through Ovzon affiliated satellites

Products

Ovzon's SATCOM solutions combine secure, high-bandwidth communication services with the smallest and most powerful mobile satellite terminals available.

Ovzon On-The-Move mobile satellite terminals

Ovzon On-The-Move mobile satellite terminals are built and designed with mobility, performance, and flexibility as the main focus. Ruggedized and optimized for applications on land, at sea, or in the air for rapid deployment tasks.

Ovzon P20

Ovzon P20 is a small, ultralight, ruggedized parabolic broadband satellite terminal. Its shape, size, and weight makes it an excellent choice for unmanned aerial vehicles (UAVs).

Ovzon P30

Ovzon P30 is a broadband satellite terminal for on-the-move applications for Land, Maritime and Airborne applications.

Ovzon F25

Ovzon F25 is a compact all-in-one broadband satellite terminal for on-the-move applications.

Ovzon F50

Ovzon F50 is an all-in-one broadband satellite terminal for larger coverage on-the-move applications.

Ovzon On-The-Pause mobile satellite terminals

Ovzon On-The-Pause satellite terminals are designed for the most challenging situations and most remote places. Industry leading size, weight, and power (SWaP). Designed to be the easiest-to-use terminals for simple fast deployment in any use case.

Ovzon T6

Ovzon T6 is a rugged all-in-one, laptop-sized broadband terminal providing access to the high throughput Ovzon satellite service.

Ovzon T7

Ovzon T7 is an ultra-small, rugged, and lightweight broadband terminal with low power consumption.

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Demonstration of remote control of unmanned ground vehicle

In November 2024, Ovzon successfully showcased a pilot test demonstrating remote control of an unmanned ground vehicle (UGV) using its integrated satellite communications (SATCOM) solution. The trial, conducted in collaboration with the Swedish FMV, highlights the potential of cutting-edge satellite technology in remote operations.



Command center connected via a Ovzon T7 mobile satellite terminal allowing: Video streaming from the UGV and remotely piloting of the UGV.



UGV equipped with cameras and remotely connected via a On-The-Move mobile satellite terminal the Ovzon F50.



“Remotely controlled systems will play a fundamental role in the future, and this demonstration was therefore very important. This was a first, and it was a challenging task to guarantee satellite communication so we could remotely steer a UGV 1000 km away from Stockholm in a completely Swedish context. Ovzon, with its Ovzon 3 satellite and its groundbreaking technology, made this possible.”

Erik Lundström
Project Manager at FMV

Secure and resilient connectivity during the Olympic Games 2024

In collaboration with the French government and GIGN, Ovzon successfully provided secure and highly resilient connectivity during the 2024 Olympic Games in Paris. The deployment included fourteen Ovzon T6 terminals strategically positioned around Paris, enabling seamless communication for hundreds of LTE devices. The network supported voice and video communication as needed, as well as continuous real-time tracking of operator positions.

This project marked the first advanced use case of Ovzon 3-based SATCOM service, encompassing mobile satellite terminals, teleport services, and dedicated support.



“Ovzon’s technology and experience is a great match for our needs, and we are looking forward to implementing their SATCOM service further.”

General Ghislain Réty, GIGN

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Risk management is an important part of the strategy

Ovzon operates on the global market for satellite communication offering mobile broadband with the highest throughput with the smallest terminals to customers with high requirements on secure, stable and resilient connection for its critical missions. Ovzon is exposed to a number of different risks that could have a direct or indirect impact on the operations. A partial list of the essential risk factors and significant circumstances that are considered to have an impact on the company’s operations, financial position, and results is presented below, in no particular order. In addition to the risk description, the company’s strategy for addressing and managing these risks has also been outlined.

Strategy

Risk	Description	Mitigation
Implement strategy and meet targets	<p>Ovzon’s long-term strategy is built on the introduction of proprietary satellite capacity. The launch of another proprietary satellite depends on access to capital, suppliers and partners.</p> <p>Successful implementation of the strategy is thus dependent on assumptions relating to the development of the market, future demand, costs of the launch, ability to implement new and sustainable pricing, success in increasing the customer base and creating new customer segments and the ability to secure additional satellite capacity to resell.</p>	<p>Over the last three years, Ovzon implemented a number of measures that reduced these risks – for example, in the form of funding and launching a proprietary satellite, new customer contracts, new customers and agreements with strategic partners such as Swedish Space Corporation, Hispasat, Bansat, Hellas Sat, Airbus and more.</p>

Market		
Risk	Description	Mitigation
A competitive market	Ovzon faces competition today from a number of very large and established companies. It is likely that Ovzon will continue to face increasing competition in some or all of its market segments in the future.	Ovzon routinely monitors the competitive situation for the purpose of proactively responding to any initiatives from competitors.
New technology could make the services obsolete	The space and communication industries are subject to rapid advances and innovations in technology. Innovations could render the current technologies less competitive by satisfying end-user demand in more attractive or cost-effective ways.	Ovzon's service is based on proprietary and patent-protected technology. In addition, the company invests in maintaining its technological lead. Ovzon currently has a revolutionary service that combines high bandwidth with high mobility. The company consider itself to be unique in this position which customers are confirming. With the company's first proprietary satellite this uniqueness is strengthened with over performing of data rates and its On-Board-Processor impresses on the customer demonstrations.

Customers		
Risk	Description	Mitigation
Limited number of customers and lengthy sales cycles	Ovzon sells its current services to a limited number of customer organizations, including the U.S. Department of Defense (U.S. DOD) and the Swedish Space Corporation (SSC). If those specific customers reprioritize their spending, it will materially impact Ovzon over the short term.	Ovzon works constantly to broaden its customer base, and over the past three years the company has signed agreements with partners that facilitated such an expansion, which has resulted in an increasing number of orders and a broadening of the customer base. In addition, securing long-term contracts and actively participating in larger framework agreements are integral components of the risk mitigation strategy. Moreover, new and existing customers have shown strong interest in Ovzon 3 now when it's in service and several demonstrations took place during 2024, and also the first signed contracts with services based on Ovzon 3 solution.
Financial stability	Due to the dependency of a limited number of customers, Ovzon is highly dependant that the customers fulfill their obligations. If the customers face financial difficulties to fulfill their obligations it will materially impact Ovzon in the short term.	Ovzon perform a KYC (know your customer) assesment on all new customers to make sure to select reliable customers. Since Ovzon sell its products and services through a network of distributors which sell to the end customer, Ovzon also performn an analysis of the end customer. Ovzon works also close together with the distributor and the end customer during a sale to secure that all customer obligations can be fulfilled.

Partners and suppliers

Risk	Description	Mitigation
Dependence on third parties	Up until the launch of Ovzon 3, Ovzon had been dependent on the availability of satellite capacity from third parties with relevant geographic coverage areas, orbital positions and performance in relation to current customer requirements. Although Ovzon 3 was operational by mid-2024, Ovzon will still base a part of the service on leased satellite capacity, which implies further dependency.	Ovzon has good relations with established and recognized suppliers of satellite capacity. The company has further expanded its partner base in past years and can today offer a broad global coverage with its services. The Ovzon 3 satellite strengthens independence and provides the company with enhanced control of its value chain.
Financial stability	Ovzon is active in an industry characterized by major infrastructure investments. Many companies, including Ovzon's partners, are severely indebted and it cannot be ruled out that they will experience financial difficulties if interest rate levels and/or their debtors' view of their ability to repay change.	Ovzon carefully evaluates its partners through a credit check when initiating new partnerships.
Dependence on external manufacturers for parts of the manufacture and installation of current products	Ovzon relies on third-party manufacturers, including for part of the installation and manufacture of the company's Ovzon T6 and Ovzon T7 terminals. If demand for the terminals were to increase significantly, there is a risk that Ovzon would not be able to meet this demand.	Ovzon continuously reviews its product, partner and manufacturing strategy and plans for future growth.

Financing

Risk	Description	Mitigation
Financing and insufficient working capital	In recent years, Ovzon has returned negative operating earnings, which affects working capital. This is mostly due to the effect of initiatives for increased growth, higher operating costs and provisions for doubtful trade receivables. If expected sales growth does not materialize and/or costs increase, this could lead to requirements for further financing in the future, and/or to renegotiate and refinance existing loans. Future financing could depend on such factors as the general situation in the financial markets, Ovzon's creditworthiness and its capacity to manage its indebtedness. Accordingly, Ovzon may be forced to obtain financing on less advantageous terms.	Over the past three years, Ovzon has successfully financed the company's plans to launch its own satellite and its working capital needs. Cost control and prepayments of customer contracts, when applicable, have also improved working capital. The company believes that any future financing requirements can be solved with loans or equity. For a more detailed description of the financial risks and how they are managed – for example, credit and counterparty risks – refer to Note 3 in Financial reports.
Credit and counterparty risk	The Group's financial transactions give rise to credit risks in relation to its financial counterparties. 'Credit and counterparty risk' means the risk of losses if a counterparty does not meet its obligations. In the event the counterparty's ability to pay is deemed to be uncertain, a bank guarantee, surety, or other proof of ability to pay is required.	The Group endeavors to work primarily with established customers who have both a documented ability to pay and are competitive in operations. Ovzon also demands prepayments from customers when applicable. The financial position of the Group's customers is subject to credit checks through measures including a documented due KYC process

Other

Risk	Description	Mitigation
Satellites are subject to operational risks	Satellites in orbit are subject to operational risks. These risks include functional disruptions (commonly referred to as anomalies) that may be attributable to several different factors such as faults in manufacture, problems regarding the satellites' power or steering systems and general faults attributable to managing a satellite in space. A satellite can also be struck by meteoroids, space debris and it is therefore also a risk for the Kessler syndrome.	Ovzon has chosen a recognized and highly qualified manufacturer for its satellite, based on the company's specifications. This choice of manufacturer means that the risk of anomalies is reduced. Also, the satellite is monitored by a reputable partner during its full lifetime. Moreover, the functionality of the satellite is partly software-based, which means the satellite operability can be upgraded and improved during its lifetime. Ovzon 3 is located in the geostationary orbit, an area with significantly fewer satellites; reducing the risk of collision with space debris, however, the risk is still present.
The satellite's service life is not achieved	Ovzon's opportunities for generating long-term revenue from its proprietary satellite depend on the satellite's service life. Several factors affect a satellite's useful life, including the quality of its construction, the durability of its components, the ability to maintain a proper orbit and control over the satellite's functions, the efficiency of the satellite, and the remaining on-board fuel following launch.	Ovzon has chosen a recognized and highly qualified manufacturer for its satellite, based on the company's specifications. Properly planned manufacturing is the most reliable protection for achieving the planned service life. Moreover, the functionality of the satellite is partly software-based, which means the satellite's operability can be upgraded, thereby prolonging its service life. Ovzon assessed during 2024 together with the manufacturer and industry experts, the life span of Ovzon 3 to be three years longer than initially planned. This kind of assessment will be performed regular during the satellite's service life. See further note 16 in the Financial Reports.
Risks related to intellectual property rights	<p>Ovzon holds a number of patents and may acquire or develop further products and technical solutions that can be patented, registered or protected in some other way. There is a risk that Ovzon will not be able to maintain patents and other intellectual property rights and that registration applications for new intellectual property rights will not be granted or, if granted, will be limited in scope or by geography. Once the term of a patent has expired, there is a risk that Ovzon will not be able prevent competitors and other market participants from using Ovzon's products or technical solutions.</p> <p>There is also a risk of Ovzon infringing on, or being accused of infringing on, third-party intellectual property rights, which may entail expenses either to defend itself or to settle an infringement dispute.</p>	Since the company's inception, Ovzon has been thorough in protecting the company's innovations using patents and other intellectual property assets. This is a key part of the company's strategy moving forward, as the company offers services that are unique in terms of scope and performance.

Other

Risk	Description	Mitigation
<p>Recruitment and employees</p>	<p>Technological competence and innovation are critical to Ovzon’s business and depend to a significant degree on the work of technically skilled employees. In addition, Ovzon is also dependent on attracting and retaining personnel capable of establishing and maintaining relationships with customers. The market for these types of employees is competitive.</p>	<p>Ovzon intends to continue to offer an attractive environment for existing and future employees using the right remuneration terms and incentives, a positive corporate culture and a unique service with technological superiority.</p>
<p>Regulation in Ovzon’s areas of operation</p>	<p>Ovzon’s business is subject to regulation. Compliance with rules and regulations entails costs for Ovzon, and any non-compliance could expose Ovzon to fines and could limit Ovzon’s ability to provide existing and new services. The maintenance and expansion of Ovzon’s business is dependent upon such factors as the ability to obtain required frequency licenses, orbital positions, and authorizations in a timely manner, at reasonable costs and on satisfactory terms and conditions.</p>	<p>Today, Ovzon meets all regulatory requirements that are placed on the company. The company has insight, planning and foresight regarding increased costs for compliance moving forward, as well as the company’s ability to retain or expand frequency licenses, orbital positions, and permits.</p>

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An aerial photograph of a mountain valley. The landscape is dominated by steep, green slopes that are partially covered with rocky outcrops. A river flows through the valley floor, winding its way down the center. In the background, more mountain peaks are visible, some with patches of snow. The sky is filled with soft, white clouds, suggesting a bright but slightly overcast day. The overall scene is one of natural beauty and rugged terrain.

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Ovzon’s disclosures to shareholders and the rest of the capital market are aimed at providing a fair view of the company’s development, minimizing the risk of rumors and increasing interest in the company’s share. The ambition is always to provide clear and current information.

Since April 20, 2021, Ovzon AB has been listed on the Nasdaq Stockholm main list. Prior to that, starting on May 18, 2018, the company had been listed on Nasdaq First North Premier Growth Market.

Market capitalization and sales

The last price paid on December 30, 2024, was 17.12 SEK, entailing a market capitalization for Ovzon of 1,909 MSEK. During the period January 2 through December 30, an average of 257,152 shares were traded per day and in total, 64.5 million Ovzon shares were traded at a value of 972.5 MSEK. The lowest share price paid was 8.9 SEK (on January 22) and the highest share price paid was 25.8 SEK (on July 17). The share price increase in 2024 was 18.2 percent, compared with the Nasdaq OMX Small Cap Sweden GI index, which increased by 11.0 percent during the same period.

Share price



THE SHARE

Share capital

At December 31, 2024, Ovzon's share capital amounted to 11,153,051 SEK distributed among 111,530,516 shares with a par value of 0.10 SEK per share. According to the Articles of Association, which were adjusted in conjunction with the Annual General Meeting 2024, the share capital is to be not less than 3,358,556 SEK and not more than 13,434,224 SEK distributed among not fewer than 33,585,596 shares and not more than 134,342,384 shares. Each share carries an equal right to participation in the company's assets and earnings. At the Annual General Meeting, each share provides entitlement to one vote and all share- holders can vote for the full number of shares held without restrictions to voting rights. The shares can be freely transferred.

Dividend and dividend policy

Ovzon's Board of Directors has not adopted a dividend policy because the company is in a growth phase.

Financial information

Ovzon publishes four interim reports and one annual report per year. All reports are available to read and download from the company's website, www.ovzon.com.

Analysts

Analysts who continuously monitor the company:

Simon Granath	Mikael Laséen
ABG	Carnegie
simon.granath@abgsc.se	mikael.laseen@carnegie.se

Share capital development

Year	Transaction	Change in number of shares	Change in share capital, SEK	Total share capital, SEK	Total number of shares
2016	—	—	—	500,000	5,000
2/7/2018	Share split	4,995,000	—	500,000	5,000,000
5/18/2018	Rights issue	2,699,971	269,997	769,997	7,669,971
6/11/2018	Exercise of the over-allotment option	696,428	69,643	839,640	8,396,399
1/30/2019	Rights issue	25,189,197	2,518,920	3,358,560	33,585,596
1/29/2020	Directed share issue	1,358,559	135,855	3,494,415	34,944,155
5/26/2020	Directed share issue	7,446,809	744,681	4,239,097	42,390,964
6/24/2020	Rights issue	3,853,724	385,372	4,624,469	46,244,688
6/9/2021	New share issue (TO 2018/2021)	203,940	20,394	4,644,862.80	46,448,628
7/29/2021	New share issue (TO 2018/2021)	161,260	16,126	4,660,988.80	46,609,888
9/22/2021	Directed share issue	4,660,988	466,098.80	5,127,087.60	51,270,876
6/2/2023	Directed share issue	4,494,382	449,438.20	5,576,525.80	55,765,258
7/12/2023	Rights issue	55,762,258	5,576,525.80	11,153,051.60	111,530,516

10 largest shareholders at December 31, 2024

Shareholder	Number of shares	Percentage, %
1 Bure Equity	14,209,525	12.74
2 Investment AB Öresund	13,527,970	12.13
3 Grignolino AB	12,574,192	11.27
4 Handelsbanken Fonder	10,566,306	9.47
5 Fjärde AP-fonden	10,144,082	9.10
6 Futur Pension	5,625,292	5.04
7 Patrik Björn	2,950,000	2.65
8 Avanza Pension	2,623,256	2.35
9 Per Wahlberg	2,551,254	2.29
10 Stena	2,488,768	2.23
Total	76,904,896	68.95

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Share savings plan

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 during the term 2024-2027 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. Allocation takes place during the qualification period, which runs from the Annual General Meeting in 2027 until no later than July 31, 2027. The performance requirements are linked to Ovzon's earnings per share (EPS, 50 percent) and total shareholders return (TSR, 50 percent). In total, employees have invested in 109,014 Savings Shares for which a maximum of 427,024 Performance Shares can be allocated.

Warrants issued

In conjunction with raising a subordinated credit facility of 200,000 TSEK on July 3, 2019, 1,500,000 warrants were issued to the subordinated creditors. Following the rights issues in June 2020, the terms for the warrants were recalculated. Each warrant provides entitlement to subscribe for 1.32 new shares in the company at a price of 76.06 SEK per share. The warrants run for a maximum of five years and could be exercised for subscription for shares up to and including July 3, 2024. No warrants were subscribed, hence no subscription of shares has taken place during the year.

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 warrants. Each warrant provides entitlement to subscribe for one new share in the company at a price of 76.08 SEK per share. If all warrants allotted are used in the warrant 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. No warrants were subscribed, hence no subscription of shares has taken place during the year.

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 62.72 SEK per share. If all options issued are used

in the warrants 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.

Annual General Meeting for 2025

The Annual General Meeting of Ovzon AB will be held on April 24, 2025 in the company's premises at Anderstorpsvägen 16, Solna, Sweden.

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Why invest in Ovzon



Unique value proposition – delivering essential solution

- Optimized for the purpose of delivering performance, mobility and resiliency, ensuring seamless connectivity, high data rates, and reliability in challenging environments.
- Established and growing customer base among major government organizations in Defense, National Security, and Public Safety, with key customers in leading geographical markets – Sweden, Europe and the USA.
- Outstanding competitive advantages, including an extensive patent portfolio, frequencies licensees and strategic registered orbital positions.
- Experienced management with a proven track record in international scale-up and commercial success, coupled with technology and satellite communications development.

Growing market with increasing demand drivers

- The addressable satellite communication for Government and Defense was approximately 8 USD billion in 2024 and is growing rapidly, thus projected to nearly double by 2032.
- Key growth drivers include increased geopolitical tensions, climate change, digitalization and cyber security leading to increased government investments, spending and enlarged budgets.

Positioned for profitable growth

- Strong order intake and solid revenue growth in the last years. A diversified, broader and growing customer base creates the opportunity for accelerated growth, larger and longer contracts.
- Invested over 2 billion SEK in new revolutionizing technology programs in the past five years, primarily the Ovzon 3 platform. This creates a next generation solutions portfolio that positions the company for sustainable and profitable growth.
- The Ovzon 3 satellite communications systems platform enables high-margin growth, positive cash flow outlook and supports the ability to long-term profitability.

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Sustainability at Ovzon

Ovzon provides a unique SATCOM solution for the most demanding customers who have a need for sending and receiving at high data rates via the smallest mobile satellite terminals in the market. By conducting responsible operations, Ovzon aims to contribute to a more resilient and sustainable space industry.

On the basis of its mission, “Connecting the world’s critical missions via satellite”, Ovzon provides digital infrastructure through its unique SATCOM solution, supporting customers with the most critical need for the unique performance, mobility, and resilience that Ovzon provides. Ovzon’s solution enables effective communication in the most remote places, that currently lack comparable infrastructure. This is a critical capability for the company’s customers in Defense, National Security, and Public Safety, as their operations ultimately require reliable communication to support their societally critical mission.

Ovzon is committed to conduct responsible operations for its employees, other stakeholders and the environment. Sustainability initiatives are integral to its operations, shaping the company’s actions, development, and performance. The ambition is for operations to positively impact the communities where the company operates and, consequently, foster sustainable development.

In this regard, Ovzon’s primary contributions involve enhancing communication for a more secure world.

Governance

The Board of Directors have the primary responsibility for the company’s sustainability performance. Sustainability is a recurrent item on the board’s annual agenda, where necessary updates and improvements are discussed during meetings. The management group is tasked with updating policy documents and ensuring that information is effectively communicated throughout the organization.

Additionally, operational activities are carried out and overseen by respective area managers. All employees are required to adhere to the company’s policy documents and act accordingly. This includes the Code of Conduct, which encompasses all of Ovzon and its employees. It covers how Ovzon conducts business, how the company should carry out environmentally responsible operations, as well

as the company’s work environment and corporate culture. The Code of Conduct also extends to all suppliers and is attached as an appendix to all supplier agreements. With this, the supplier accordingly agrees to a trade compliance which state that they, under no circumstances, are allowed to sell or otherwise transfer Ovzons products or services to any third party or for use in any manner inconsistent with sanctions and export control laws.

The Code of Conduct also applies to all Ovzon’s customers, and the company reserves the right to deny any customer who for any reason deviates from the company’s principles.

Ovzon is dedicated to develop its sustainability performance and consistently assesses how its operations can promote positive development in the future. Therefore, Ovzon presents comparative results on page 47, that show the development of the company’s sustainability program and trajectory.

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Focus areas

As part of its sustainability program, Ovzon has chosen to work with three focus areas, including prioritized issues in each area. The focus areas have been identified through industry benchmarking, company experts and dialogue with both internal and external stakeholders. The identified areas are those where Ovzon have assessed to have the largest impact, in both positive and negative terms, on the environment and society. To put Ovzon’s impact in a global perspective, the focus areas are surveyed against the UN Sustainable Development Goals (SDGs); there is a more detailed description on the right of which SDG the respective focus areas are expected to promote.

Environmental responsibility

Ovzon follows international guidelines for space debris mitigation by ensuring that Ovzon satellites at end-of-life can leave the geostationary orbit 36,000 kilometers away from Earth, ending up in graveyard orbit which is an additional 300 kilometers away. This means that Ovzon’s products will not interfere with other satellites in geostationary or lower orbits, and that Ovzon manages the waste associated with its services responsibly. In addition, Ovzon is committed to being as resource-efficient an operation as possible, basing its efforts on existing international frameworks.

Social responsibility

Using Ovzon’s services, geographical areas that have limited traditional terrestrial communications can get access to high-quality satellite-based communication, which in certain cases can lead to increased safety and security for people in the region. By using these services, Ovzon’s customers can work to maintain democratic values by offering resilient communication even in the most austere environments.

Governance

Using Ovzon’s technology, customers can enable access to high-quality communication technology used in the most remote locations in the world without requiring major investments in terrestrial equipment, which creates good conditions for increased global digitization and prosperity.



- Emissions
- Efficient resource management
- Space debris



- Societal responsibility with high-quality communication infrastructure
- An attractive employer



- Data security and integrity
- Product quality
- Responsible relationships

Nasdaq transparency partner

The Nasdaq Transparency Partner certification was developed by Nasdaq to increase market transparency and thereby also raising the reporting standard for selected key performance measures. Ovzon continued being a certified partner during 2024, meaning that key performance measures in the areas of environment, social relations, and governance were reported to Nasdaq. A selection of measures is presented in this annual report under the respective focus areas.



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Environmental responsibility

By surveying and obtaining a better understanding of its environmental impact, Ovzon can further develop its initiatives and as a result reduce the negative impact from operations. Competence development is a key component of these efforts, and the goal is for all employees to have a basic awareness of the company’s environmental initiatives and impact.

Emissions

Ovzon reports its CO2 emissions according to the Greenhouse Gas Protocol, split into scope 1, 2 and 3 with 2022 as a base year. Scope 1 contains the direct emissions that the company generates; scope 2 contains indirect emissions such as energy and heating consumption, and scope 3 contains the indirect emissions that arise in Ovzon’s value chain, both up and downstream. The company’s emissions must continually be reduced, and internal environmental initiatives must be conducted in order to continually develop operations.

Tonnes CO ₂ e	2024	2023	2022 ¹⁾
Scope 1	–	–	–
Scope 2	21	23	14
Scope 3	391	894 ²⁾	457

1) Data from 2022 has been adjusted due to improved data collection during the year.
 2) The increase of CO2 reported for Scope 3 during 2023 can specifically be derived to the business travels made during the launch event in December.

Ovzon 3

Ovzon launched its own first proprietary satellite Ovzon 3 into space on January 3, 2024 at the SpaceX center at Cape Canaveral in Florida. Ovzon acknowledges the fact that launching a satellite into space generates large amounts of emissions, including CO2 and soot, both which are contributors to climate change. However, as the launch was a singular event outside of Ovzon’s regular operations, emissions from satellite launches are not deemed representative of Ovzon’s scope 3 emissions moving forward. The total emissions from the launch are estimated to reach up to estimately 336 000 tonnes of carbon dioxide according to officially published calculations. Given the uncertainty of this calculation, it has not been accounted for in the company’s total emission calculation.

The satellite will remain in orbit for 18 years, using solar energy to meet its power requirements. This is achieved through the installation of Roll-Out Solar Arrays (ROSA) on the 10 meter long wings on each side of the satellite. It marks the first use of this technology on a commercial geostationary orbit (GEO) satellite. The ROSA system offers

significant advantages, being 20 percent lighter and 75 percent more compact than traditional solar panels with equivalent power output. This results in improved energy efficiency and potential cost savings.

Efficient resource management

Ovzon acknowledges the global need for more efficient resource use and circular flow of materials. The company’s aim is to efficiently manage resources such as waste management and lower energy consumption in its operations. For example, Ovzon ensures that materials from end-of-life terminals are recycled and that the resources can be recirculated into the production of new technology. The company operates on the principle of replacing all bad and outdated technology with more energy-efficient and climate-smart technology.

Energy consumption	2024	2023	2022
Electricity, MWh	93	87	50
Heating, MWh	73	59	61
Total energy consumption, MWh	166	146	111
Of which renewable %	52.0	50.1	–
Of which non-renewable %	48.0	49.9	–

Active decisions to reduce space debris

Space debris refers to non-functional, human-made objects in orbit around Earth, including defunct satellites, spent rocket stages, and fragments from collisions or disintegration.

These objects pose a risk to operational satellites, spacecraft, and the International Space Station due to potential collisions at high speeds. The accumulation of debris has led to concerns about the long-term sustainability of space operations – where collisions generate more debris, increasing the likelihood of further collisions—being a key risk.

Protection of environments beyond the boundaries of Earth is an area where awareness is currently insufficient and where joint efforts are required. International efforts are made within both the UN and the Inter-Agency Space Debris Coordination Committee (IADC), and several

nations have established guidelines which covers how the satellites should be managed before, during and after their mission has ended.

At Ovzon

Since its founding, Ovzon has been committed to creating a service with little or no contribution to the accumulation of space debris. The company's specially crafted satellite Ovzon 3 was designed, manufactured, and tested to safely exit the geostationary orbit, positioned 36,000 kilometers above the Earth's surface. The debris ends up in the "graveyard orbit" a further 300 kilometers away from the geostationary orbit. Furthermore, the company continually

monitors the satellite's health and status and promptly addressing any potential faults that could hinder effective space waste management.

Ovzon complies with the Swedish Space Activities Act, and all the company's partners for satellite manufacture, launch and operation comply with the Space Debris Mitigation Guidelines from the IADC. The regulations describe how space debris is to be avoided, minimized and managed internationally. Ovzon is also a member of the Satellite Industry Association (SIA), which works for responsible operations in space and ensures future accessibility to space.

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Raising public awareness about satellite technology and the benefits of advanced mobile satellite communication is a key focus for Ovzon in terms of its social impact. Effective communication underpins many essential societal functions, and Ovzon's employees are vital to delivering this. As such, their health and safety are top priorities for the company, ensuring they can continue to provide the high-quality communication services that support critical missions worldwide.

The impact of high-quality communication infrastructure

Ovzon aims to increase society's awareness of and interest in space, satellites, and communication technology, and encourages the younger generation to take inspiration from and learn more within these fields. This includes providing places for internships and supporting thesis work. Ovzon's employees are involved with several universities, lecturing in core areas alongside other activities. Additionally, Ovzon frequently participate in activities to broaden societal knowledge of satellite communication. As an example of this, several employees participated in panel discussions,

seminars and surrounding elements during Almedalen Week, Sweden's largest fair for democratic meetings.

Effective and reliable communication is essential for critical societal functions worldwide, especially for rescue personnel operating in extreme environments, whether tropical heat or Arctic cold. Ovzon's technology has proven to maintain high-quality communication irrespective of atmospheric conditions, ensuring that rescue personnel can carry out their tasks seamlessly without technical challenges. Ovzon's services have consistently been instrumental in rescue efforts during events such as volcanic eruptions, avalanches,

and earthquakes, where terrestrial telecommunications were either inoperative or inaccessible. With Ovzon's SATCOM solution, rescue personnel gain troublefree access to high-speed networks, which ultimately can contribute to lifesaving missions. In 2024, Ovzon continued its support for various defense forces by providing sovereign, resilient and secure mobile satellite communication in diverse initiatives and emergency situations. This proved to be very important during the past year, when incidents related to both humanitarian conflicts and natural disasters have increased rapidly, also increasing the need for resilient communication.

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An attractive employer

Ovzon recognizes how important the employees are in the continuous development and success of the company. Therefore, their health and well-being remain a constant focus.

In order to attract and retain current and future talent, it is imperative that employees are able to pursue opportunities for personal development within the company. This principle is applicable to all roles, including the management group. To achieve this, annual performance reviews are conducted with all employees and their immediate supervisors, generating a deeper understanding of employee sentiments and expectations from Ovzon as an employer. Additionally, daily physical activity is encouraged across all offices, and employees in Swedish offices are provided with a health care allowance. In 2024, Ovzon's Swedish office moved to new premises adapted to their specific operational needs, creating a more sustainable and attractive work environment.

Ovzon has offices on two countries – in Sweden and the USA – meaning that the entire company needs to be engaged in order to create an enjoyable work environment. A shared culture in which all employees thrive and feel committed to Ovzon's development is therefore key.

Equality and Non-Discrimination

Ovzon is dedicated to offer a fair workplace where every individual is treated with equality and respect. Ovzon has a zero-tolerance policy towards all forms of discrimination and harassment within the workplace. In the event of such incidents, they will be addressed with integrity, and appropriate measures will be taken in accordance with the company's staff policy.

All candidates are considered equally during the recruitment process and the selection is based on merit, personal qualities, and skills. Recognizing the risks of lack in perspectives, Ovzon understands the importance of promoting higher levels of representation within the organization. To achieve this, the Management Group is actively assessing and enhancing the company's recruitment processes to attract employees from a broader base of background and characteristics, both in executive positions and across departments.



Employee metrics

	2024		2023	
	Men	Women	Men	Women
Organization	93	7	88	12
Management Group	100	0	83	17
Board of Directors	67	33	67	33
Age distribution, %	2024		2023	
<30	15		4	
30-50	39		62	
>50	46		36	

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Responsible business

Ovzon is committed to conducting ethical and responsible business, with a strong focus on respecting human rights and upholding democratic values. By ensuring secure information flows for its customers, conducting thorough quality checks, and fostering ethical business relationships across the value chain, Ovzon strives to have a positive impact on the market. Through these efforts, the company aims to lead by example, promoting a more resilient and responsible industry.

Data security

In an industry where the flow of information is critical to clients' operations, and where highly confidential data often is transmitted, Ovzon's systems must consistently uphold the highest security standards. Ovzon is committed to full compliance with all relevant laws and regulations, including NIST and the upcoming NIS2 Directive (Network and Information System) and amended RED (Radio Equipment Directive). The company has implemented robust security systems to ensure the secure storage of all data and conducts regular audits to prevent unauthorized access to sensitive information, always ensuring the highest level of data protection.

High quality products

All of Ovzon's products are subject to strict quality controls to prevent the distribution of hazardous items in the market. A thorough selection of components is carried out during terminal design, and suppliers undergo continuous audits to ensure compliance with Ovzon's standards. Quality assurance measures are implemented before components reach Ovzon, with additional checks upon arrival when and if necessary. During installation, several controls are done and detailedly documented, and installers receive regular training to minimize errors. After all quality assurance and testing procedures are complete, the process concludes with a factory acceptance test (FAT) where the terminal is tested against a satellite. Prior

Key performance measures	2024	2023
Data security incidents	0	0
Employees who have read and acknowledged the Code of Conduct	100%	100%
Incidents of corruption	0	0

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to customer shipment, all terminals undergo a visual inspection securing that no products goes to market without undergoing comprehensive testing, allowing Ovzon to guarantee secure and high-quality products being released to the market.

ISO 9001

To stay compliant with the highest security standards, Ovzon has implemented a formal quality management system. The ISO 9001 certification, a globally recognized standard for quality management systems, means that the company is audited annually by an accredited third party. This standard focuses on ensuring consistent quality, customer satisfaction, and continuous improvement. Ovzon successfully passed the audit in December 2024, reaffirming its dedication to maintaining superior quality management across all operations.

This certification further strengthens Ovzon's ability to meet its customers' demands for secure, reliable mobile satellite communication, while continuously improving its processes and services.

Ethical business

Ovzon maintains a strict zero-tolerance against corruption. All employees and suppliers are required to acknowledge and adhere to the company's anti-corruption policy, which is approved by the Board and reviewed annually. No individual within the operation or value chain is permitted, under any circumstances, to offer or accept bribes. This includes consultants, partners, distributors, and suppliers. Ovzon mainly collaborates with local suppliers, where all of the distributors and suppliers are well-informed about and agree

with the company's values. Ovzon has a whistleblower function where all incidents that undermines Ovzon's core ethical values such as integrity, respect, honesty, accountability and fairness are reported to the CEO, CFO or Chairman of the Board. The information is handled confidentially to safeguard the whistleblower's anonymity.

At Ovzon, ethical operations are a fundamental priority. Guided by the company's Code of Conduct, all business activities are grounded in strong ethical principles and a commitment to respecting human rights. Regardless of where the company operates, strict adherence to laws and regulations is required, underscoring the importance of sound corporate governance throughout all stages of its operations.



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Ovzon AB is listed on Nasdaq Stockholm Small Cap. Ovzon complies with statements from the Swedish Securities Council regarding best practice in the Swedish securities market, and applies the Swedish Corporate Governance Code (“the Code”). The Board of Directors is of the opinion that in all respects, Ovzon complied with the Code in 2023 and therefore has no deviations to report or explain. This Corporate Governance Report does not form part of the formal Annual Report, but is a separate report.

General meetings

Pursuant to the Companies Act, the general meeting of shareholders is the company’s supreme decision-making body and shareholders exercise their voting rights at such meetings. The Annual General Meeting (AGM) must be held within six months of the end of each preceding financial year to consider such matters as statutory accounts and reports, disposition of profit or loss and discharging the board members from liability. Ovzon’s Articles of Association stipulate that the notice to attend the AGM shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) and be made available on Ovzon’s website. Announcement of the notice to attend shall be published in the Swedish daily newspaper Svenska Dagbladet. The notice to attend the AGM shall be published no earlier than six weeks and no later than four weeks prior to the meeting.

Extraordinary General Meetings are held when the Board of Directors considers such meetings appropriate, or when either the auditor or shareholders representing at least 10 percent of all shares outstanding request such a meeting in writing for a specific purpose.

2024 AGM

- Re-election of board members, Regina Donato Dahlström, Nicklas Paulson, Dan Jangblad and Cecilia Driving. New election of board members Lars Højgård Hansen and Peder Ramel. Regina Donato Dahlström was also re-elected as Chairman of the Board.
- KPMG AB was appointed as the auditor of the company with Marc Karlsson as the auditor in charge.
- The Meeting resolved to adopt guidelines for remuneration to senior executives in accordance with the board’s proposal. The guidelines remained essentially unchanged from previous years.
- The meeting also resolved to adopt the long term incentive program (LTIP 2024) for employees in accordance with the board’s proposal.

Major shareholders

Ovzon’s three largest shareholders are:

Shareholder	Number of shares	Percentage, %
1. Bure Equity	14,209,525	12.74
2. Öresund	13,527,970	12.13
3 Grignolino	12,574,192	11.27

Nomination Committee

The purpose of the Nomination Committee is to submit proposals regarding the chairman at general meetings, candidates for board members including the position of Chairman of the Board, fees and other remuneration to each member of the Board of Directors, and remuneration for committee work as well as the election of and remuneration to the external auditor.

For the period up until a new Nomination Committee is appointed, the Nomination Committee comprises Öystein Engbretsen, nominated by Investment AB Öresund; Sophie Hagströmer, nominated by Bure Equity; Erik Åfors, nominated by Grignolino AB; and Regina Donato Dahlström, Chairman of the Board of Ovzon.

No remuneration is paid to the members of the Nomination Committee. The Nomination Committee is entitled to request remuneration from the company for reasonable expenses that are necessary for the Nomination Committee to fulfill its assignment. The mandate period of the Nomination Committee extends until such time as a new Nomination Committee is announced. In conjunction with the work of the Nomination Committee and for its own improvement efforts, the Board of Directors conducts a self-evaluation of its work and efficiency on an annual basis. The results are reported to the Nomination Committee.

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Board of Directors**Composition of the Board**

According to the company's Articles of Association, the Board of Directors shall consist of no less than three ordinary members and no more than ten ordinary members. Six members were elected at the 2024 Annual General Meeting: Nicklas Paulson, Cecilia Driving, Dan Jangblad, Regina Donato Dahlström, Lars Højgård Hansen and Peder Ramel. Regina Donato Dahlström was elected Chairman of the Board. Patrick Tigerschiöld and Markus Messerer were not available for re-election. The CEO is not a member of the Board but is always in attendance at board meetings (refer to pages 59–62 in this Annual Report for more information on the Board of Directors and CEO). The company's CFO serves as the secretary to the board.

Board observer

On July 3, 2019, the company secured a credit facility of 60 MUSD from Proventus Capital Partners (PCP). The loan was granted on the condition that PCP be given the right to appoint an observer who is coopted onto the board (without voting rights). The observer will be provided with financially significant information, regardless of whether or not it comprises insider information and could have an impact on the assessment of the credit risk for the loan. Additionally, the observer will be provided with all other information that does not comprise insider information, and has been sent to the board members prior to board meetings and presented at the meetings. PCP has requested to be permitted to study this information in order to materially facilitate PCP's continual assessment of how the company's financial risk is developing, ultimately for the purpose of being able to more efficiently contribute to solving the company's upcoming financial challenges.

The company ensures through procedures and agreements that, to the extent the observer receives insider information, it will remain confidential and will be handled in a structural manner. The company is of the opinion that the structure is in compliance with Article 17 of the Market Abuse Regulation (MAR). Additionally, the company also deems the participation of the observer not to be in violation of the Companies Act.

Board activities

The Board of Directors bears ultimate responsibility for governing the company's operations between Annual General Meetings. The Board decides on issues pertaining to the company's strategic approach, financing, major investments, acquisitions, divestments, organizational issues, incentive principles and key policies. The Board's work is regulated, for example, by the Swedish Companies Act (ABL), the Articles of Association, the rules of procedure that the board has established for its work and the board's instructions to the CEO. The Board's Articles of Association clarify the responsibilities of the individual members, especially the Chairman, as well as the allocation of responsibilities between the board and CEO and the authority of the latter. These are further clarified in the instructions to the CEO. The rules of procedure also indicate, at a general level, the topics that the Board of Directors will normally address during the work year and the allocation of time for the work. In 2024, the Board of Directors reviewed its rules of procedure, the instructions to the CEO and the reporting instructions, and evaluated the work of the CEO. The board has appointed a Remuneration Committee that during the year comprised Regina Donato Dahlström (chairman) and Dan Jangblad. The company has an Audit Committee consisting of Cecilia Driving (chairman), Nicklas Paulson and Peder Ramel. The board held 14 minuted meetings in 2024.

The tasks of the Remuneration Committee

The Remuneration Committee prepares items and/or material for decisions concerning the following remuneration issues:

- Providing the board with proposals for remuneration guidelines and other conditions of employment for the CEO and other senior executives (in accordance with the regulations of the Companies Act) at the first scheduled board meeting of the financial year. This includes policies regarding salaries, remuneration and other conditions of employment for Ovzon's management. Examples of these are policies for short- and long-term bonus and incentive plans, pension policies, policies for basic salaries, and other conditions of employment.
- Proposals regarding individual salaries and other remuneration to the CEO.
- In accordance with proposals from the CEO, decisions on individual salaries and other remuneration to directors who report directly to the CEO.

Board of Directors

Name	Position	Elected	Independent in relation to the company and Group Management	Independent in relation to the company's major shareholders	Attendance at Board meetings	Audit committee	Remuneration committee
Regina Donato Dahlström	Chairman	2023	Yes	Yes	14/14		5/5
Cecilia Driving	Board member	2020	Yes	Yes	14/14	11/11	
Lars Højgård Hansen ²	Board member	2024	Yes	Yes	8/8		
Patrick Tigerschiöld ¹	Board member	2018	Yes	No	5/6	5/5	
Nicklas Paulson	Board member	2018	Yes	No	14/14	11/11	
Peder Ramel ²	Board member	2024	Yes	Yes	8/8	6/6	
Dan Jangblad	Board member	2020	Yes	Yes	13/14		5/5
Markus Messerer ¹	Board member	2023	Yes	Yes	6/6		

1) Board member until April 19 2024. 2) Board member as of April 19 2024.

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The tasks of the Audit Committee

The Audit Committee monitors the company's financial reporting. The Committee is tasked with reviewing the procedures for the company's risk management and control, as well as financial reporting. Through continual contact with the company's auditors and treasury function, the Committee ensures that external audits fulfill the necessary requirements and that relevant policies and governance documents exist and discusses the scope and focus of audit activities. The Audit Committee annually reviews the auditors' proposal for an audit plan, evaluates audit measures and approves additional services that the company purchases from the external auditors. The Committee also helps the Nomination Committee in preparing proposals for auditors. The chairman of the Audit Committee is responsible for routinely informing the Board of Directors about the activities of the Committee and will hand matters over to the Board for decision as needed.

The Committee's opportunities for in-depth discussions with the auditors do not replace the meetings between the auditors and the full Board of Directors. Such meetings must take place at least once a year.

CEO and Group Management

The CEO is responsible for the routine management of the company's affairs and the daily operations. The division of work between the Board of Directors and CEO is set forth in the company's rules of procedure for the Board of Directors and the instructions to the CEO. The CEO keeps the board continually informed of the company's operations, results of operations and financial position through monthly reports and other measures. The CEO is responsible for preparing reports and compiling information for board meetings and for presenting these materials at the board meetings.

Per Norén has been President and CEO since May 1, 2021 and the management group at December 31, 2024 comprised CFO Viktor Bremer, COO Tom Hopkins, CMO Kristofer Alm, CTO Kennet Lejnell and Chief engineer Lars-Ola Klockervold.

Remuneration and terms of employment

Board of Directors

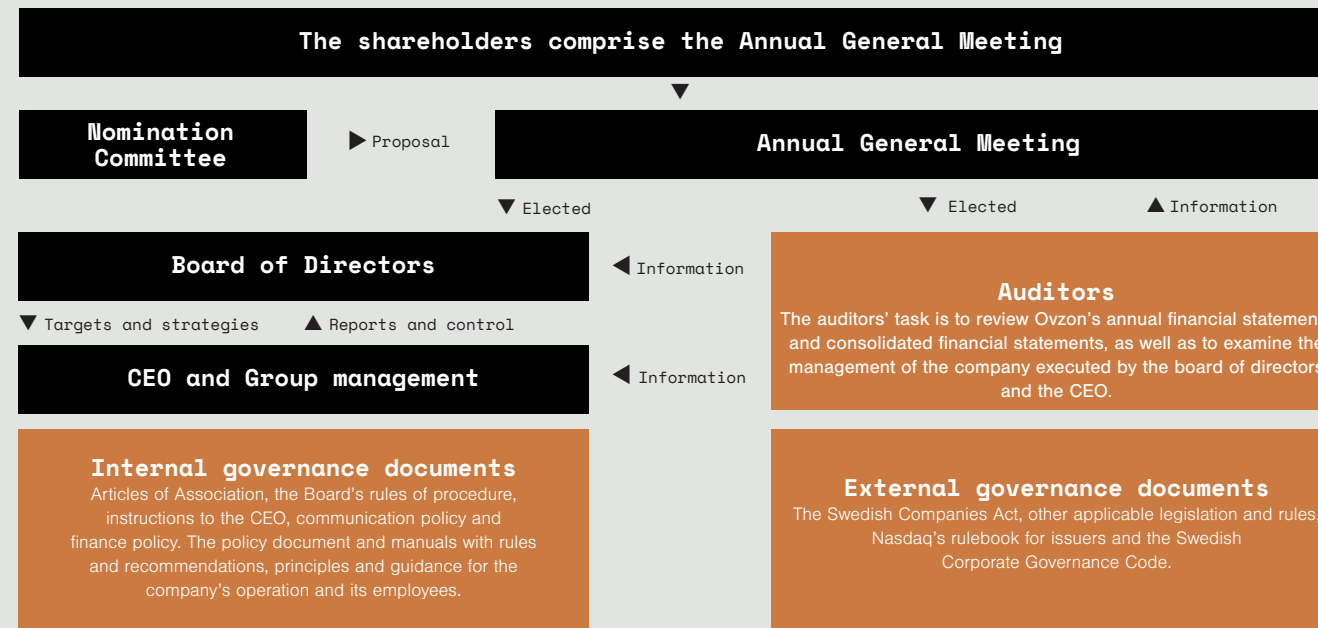
The amount of remuneration granted to the Board of Directors, including the Chairman, is determined by resolution at the AGM. At the AGM on April 19, 2024, it was resolved that fees of 215,000 SEK would be paid to board members not employed by the company and that a fee of 450,000 SEK would be paid to the Chairman. Additionally, remuneration of 85,000 SEK would be paid to the chair, and 37,000 SEK to other members of the Audit Committee, and 27,000 SEK to the chair, and 21,000 SEK to the other members of the Remuneration Committee. The members of the Board of Directors are not entitled to any benefits upon ceasing to serve as members of the Board of Directors. Remuneration to the members of the Board of Directors for the 2024 financial year amounted to a total of 1,720,440 SEK. The remuneration report can be found as a whole at the company's web page.

CEO and Group Management

Ovzon will offer market-based total compensation that permits recruitment and retention of senior executives. Compensation will comprise fixed salary, earnings-based remuneration, share savings programs, pensions and other remuneration. Altogether, these portions composed the total compensation to an individual.

The fixed salary will take into account the individual's areas of responsibility and experience, and will be reviewed annually. The performance-based remuneration will depend on the individual's fulfillment of qualitative and quantitative targets. For senior executives, the variable portion can constitute up to 50 percent of the fixed salary.

The Board of Directors decides on the remuneration policy for the CEO and Group Management. As of the date of publication of this Annual Report, the applicable policy is designed in accordance with



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the guidelines for remuneration of the CEO and Group Management, as adopted by the Annual General Meeting. Individual remuneration to the CEO is proposed by the Remuneration Committee and approved by the Board of Directors, whereas individual remuneration to other members of Group Management is proposed by the CEO and approved by the Remuneration Committee. During the financial year, CEO Per Norén drew a salary of 498 (474) TUSD. Variable remuneration to the company's CEO for 2024 totals 116 (28) TUSD.

Auditing

The company's statutory auditor is appointed at the Annual General Meeting. During the year, the board receives presentations from the company's auditors, who have reviewed whether the company's administrative control and external reporting meet the requirements placed on a listed company. Marc Karlsson from KPMG AB was appointed as auditor for 2024. For the 2024 financial year, the total remuneration to the company's auditor amounted to 1,161 TSEK.

Internal control and risk management

The Board of Directors is responsible for internal control. Internal control and risk management regarding financial reporting is a process designed by the Audit Committee and the Board of Directors for the purpose of providing the board, management and others concerned in the organization with reasonable assurance concerning reliability in the external financial reporting, and whether the financial reports have been prepared in accordance with accepted business practice and applicable laws and ordinances as well as other requirements for listed companies.

Control environment

The basis for the internal control environment is the allocation of authority and responsibility among the Board of Directors, its committees, the CEO and the rest of company management. Within the company, the most substantial components of the control environment are documented in the board's rules of procedure and the instructions to the CEO as well as policies and other governing documents.

Control activities

Suitable control activities are a prerequisite for managing substantial risks in internal control. To safeguard this internal control, the Company has both automated system-based controls and manual controls, for example, in the form of check-offs and inventories. Financial analyses of the company's earnings and monitoring of plans and forecasts supplement the controls, providing an overall confirmation of the quality of the reporting.

Internal audit

Ovzon has established a governance and internal control system, compliance with which is monitored regularly at different levels in the company. In light of this, the Board of Directors is of the opinion that there is currently no need to inaugurate a special audit function. This assessment is reviewed annually by the board.

Information and communication

The company's governing documentation in the form of policies, guidelines and manuals in terms of internal and external communication is kept updated and is communicated internally through the relevant channels, such as internal meetings and internal news mails.

The company's communication policy, containing the guidelines for how information is to be disclosed, applies to communication with external parties. The purpose of this policy is to ensure that the company meets its disclosure obligations correctly and completely in accordance with applicable legislation and rules. Ovzon submitted the interim reports for 2024 to Finansinspektionen on time.

Solna, April 3, 2025

Board of Directors of Ovzon AB

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To the general meeting of the shareholders in Ovzon AB (publ), corporate identity number 559079-2650

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 53–57 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 3 April 2025

KPMG AB

Marc Karlsson
Authorized Public Accountant

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Board of Directors



Regina Donato Dahlström

Chairman of the board (since 2023),
Board member (since 2023)

Born 1978

Nationality: Swedish.

Education: Market economics, London School of Business 2006-2009.

Current engagements: CEO Equinix Sweden.

Previous engagements/Experience: CEO, GlobalConnect Sweden, Leading positions, Telia Company, including Halebop, Cloud Networking and Skanova.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31, 2024, Regina Donato Dahlström holds 40,000 shares in the company, of which 20,000 direct and 20,000 through closely associated persons.



Cecilia Driving

Board member (since 2020)

Born 1971

Nationality: Swedish.

Education: LL.M. and a B. Sc. in Business Administration from Stockholm University.

Current engagements: CFO W5 Solutions AB.

Previous engagements/Experience: Group CFO Mabtech AB. EVP CFO/HR/IR Biovica International AB. She has held several CFO positions in life-science, private equity, research and telecom companies. Member of the board of Embracer Group AB.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31, 2024, Cecilia Driving holds 2,000 shares in the company.



Lars Højgård Hansen

Board member (since 2024)

Born 1963

Nationality: Danish.

Education: Graduate Diploma (HD), Copenhagen Business School and Executive MBA, Ekonomihögskolan at Lund's University.

Current engagements: CEO Invisio AB.

Previous engagements/Experience: Previously held several senior marketing positions within the Sony Ericsson Group and GN Store Nord.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31 2024, Lars Højgård Hansen holds 100,000 shares in the company.



Dan Jangblad

Board member (since 2020)

Born 1958

Nationality: Swedish.

Education: M.Sc. Mechanical Engineering, Linköpings University, Linköping, Sweden.

Current engagements: Owner and CEO of Emmern Konsult AB. Chairman of the Visual Sweden innovation program.

Previous engagements/Experience: Senior advisor to the CEO of Saab AB. Several roles in the Saab AB group management (twice head of business area and CSO), CEO of Swedish Space Corporation (SSC), Vice chairman of Linköping University, Chairman of Combitech AB. Chairman of the Swedish association of defence industries (SOFF).

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31, 2024, Dan Jangblad holds 4,858 shares in the company.

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Board of Directors, cont.



Nicklas Paulson

Board member (since 2018)

Born 1970

Nationality: Swedish.

Education: M.Sc., Business and Economics, Stockholm University.

Current engagements: CEO of Investment AB Öresund. Board member of Bilia AB.

Previous engagements/Experience: Investment banking at Carnegie Investment Bank AB (publ) and Alfred Berg ABN AMRO.

Independent in relation to the Company and the Group management. Not independent in relation to the Company's major shareholders.

As of December 31, 2024, Nicklas Paulson holds 42,000 shares in the company, of which 35,140 direct and 6,860 through closely associated persons.



Peder Ramel

Board member (since 2024)

Born 1955

Nationality: Swedish.

Education: Bachelor's degree in Business Administration, Lund University School of Economics.

Current engagements: Board member Hi3G Access AB, ManoMotion AB and ECPAT Sverige.

Previous engagements/Experience: Chairman of the Board of Refine Group AB, CEO Hi3G Access AB, Bredbandsbolaget AB and Viasat AB.

Independent in relation to the Company and the Group management. Independent in relation to the Company's major shareholders.

As of December 31 2024, Peder Ramel holds 30,000 shares in the company.

Auditor



Marc Karlsson

Chief Auditor

Born 1980

Authorized auditor

KPMG AB

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Per Norén

Chief Executive Officer (since 2021)
Born 1965

Nationality: Swedish and American.

Education: Economics, School of Business, Economics and Law, University of Gothenburg. Swedish Military Academy. Executive Education, Harvard Business School.

Current engagements: Board member, National Nordic Museum, Seattle, WA.

Previous engagements/Experience: President, Anuvu 2017-2021. Vice President, The Boeing Company 2007-2017. CEO Carmen Systems AB 1998-2007.

As of December 31 2024, Per Norén holds 139,500 shares in the company and 100,000 warrants of the 2021/2024 program, 50,000 employee stock options of the 2022/2025 program and 200,000 call options (expiring May 2025).



Viktor Bremer

Interim Chief Financial Officer (since 2024)
Born 1982

Nationality: Swedish.

Education: Master of Science, Industrial Engineering and Management, Institute of Technology Linköping University (LITH / LIU).

Current engagements: Owner Alfin AB.

Previous engagements/Experience: Independent interim consultant at Arcam / GE Additive, Interim CFO consultant at Business Control partner, Group and Treasury controller at Global Blue, Financial Controller at Toyota Material Handling Europe.

As of December 31 2024, Viktor Bremer holds 5,700 shares in the company privately, and 6,000 through companies and 5,000 warrants of the 2022/2025 program.



Tom Hopkins

Chief Operating Officer (since 2020)
Born 1962

Nationality: American.

Education: MBA, Benedictine College and BA in Political Science, University of Connecticut.

Current engagements: –

Previous engagements/Experience: Director of Raytheon Blackbird Technologies, Inc., Commissioned Officer (Colonel) in the US Army with multiple command positions in key organizations.

As of December 31, 2024, Tom Hopkins holds 61,749 shares in the company and 50,000 warrants of the 2021/2024 program and 25,000 employee stock options of the 2022/2025 program.



Kennet Lejnell

Chief Technology Officer (since 2019)
Born 1968

Nationality: Swedish.

Education: PhD in Theoretical Physics, Stockholm University and Princeton University.

Current engagements: Board member of Equi Performance Sweden AB.

Previous engagements/Experience: CTO and CSO at Swe-Dish Satellite Systems and Bahnhof AB.

As of December 31, 2024, Kennet Lejnell holds 519,019 shares in the company and 25,000 warrants of the 2022/2025 program.

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Kristofer Alm

Chief Marketing Officer (since 2023)
Born 1973

Nationality: Swedish.

Education: Master of Science in business administration, Stockholm University, Sweden.

Current engagements: –

Previous engagements/Experience:

Senior Director Sourcing Telia company, Head of Sales & commercial Management, Ericsson AB.

Kristofer Alm holds no shares in the company.



Lars-Ola Klockervold

Chief Engineer (since 2023)
Born 1964

Nationality: Swedish.

Education: Master of Science Mechanical Engineering. Royal Institute of Technology, Sweden.

Current engagements: –

Previous engagements/Experience:

Managing Director Syntronic Research and Development AB, Vice President R&D Rock Tools Sandvik Mining, Senior Manager Offering and Product Development Process Sandvik Mining & Construction.

As of December 31, 2024 Lars-Ola Klockervold holds 2,600 shares in the company.

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Administration Report

The Board of Directors and CEO of Ovzon AB (publ) hereby submit the Annual Report and consolidated financial statements for the 2024 financial year. It is proposed that the Annual General Meeting on April 24, 2025, approve the Annual Report. The company is listed on Nasdaq Stockholm Small Cap under the symbol OVZON, and has its registered office in Solna, Sweden. The Annual Report is prepared in Swedish kronor and in accordance with the IFRS Accounting Standards as adopted by the EU.

General information about the operations

Parent Company

Ovzon AB (publ) is the Parent Company of a Group established in 2006, offering mobile satellite-based communication services over own and leased satellite capacity to customers around the world. The Parent Company's operations comprise senior management and staff functions and other central functions.

Group

The Group's operations comprise providing SATCOM services over proprietary and leased satellite capacity with user-friendly, light and compact terminals. Since its start in 2006, Ovzon has developed a complete solution to meet the increasing need for mobile broadband connections in areas that do not have traditional telecom services and where connections do not achieve the desired performance.

Ovzon offers world-leading integrated mobile satellite communication services, to customers around the globe. These services include satellite networks with high data rates, mobile satellite terminals, gateway services and dedicated customer support. Ovzon's offering meets the growing demand for guaranteed connections for customers such as Defense, National security and Public safety with critical missions and stringent requirements for performance, mobility and resilience. The company's current service offering is provided with leased capacity on existing satellites and own capacity through Ovzon 3.

In 2019, the company began a project to build and launch Ovzon 3, its first proprietary satellite. The satellite was launched on January 3, 2024, reached orbit at the end of May and entered commercial operation on July 5, 2024. With Ovzon 3 the company can offer high-performance steerable beams and proprietary technology that enables direct communication between the Ovzon T7 terminals. The company has a strong patent portfolio and, moreover, currently has a further ten orbital positions with associated frequency licenses in order to achieve global coverage. The orbital positions are registered by the International Telecommunication Union (ITU) in geostationary orbit. The company has its head office in Solna, Sweden, and also has offices in Tampa, Florida and Herndon, Virginia, both in the US.

Vision

Connect and protect people, organizations and society for a safer world.

Mission

Connecting the world's critical missions via satellite.

Operational targets

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

Significant events during the financial year

In 2024, Ovzon strengthened its position in the SATCOM market with record order intake of 516 MSEK and took several significant steps to broaden the customer base and increase market presence in Europe.

The first quarter was characterized by the successful launch of Ovzon 3 on January 3 and the company received a large order of 9.7 MUSD from a new European customer.

During the second quarter, the two services Ovzon Pegasus and Ovzon Orion were launched, based on Ovzon 3 technology. The company launched two new satellite terminals Ovzon P20 and Ovzon P30.

In the third quarter, Ovzon 3 was put into commercial service on July 5 and the Ovzon Pegasus service was delivered to the French governmental organization GIGN. In August, the first major order based on Ovzon 3 from the U.S. DOD for 6.2 MUSD. In the third quarter a renewed order was also received from SSC for 115 MSEK.

During the fourth quarter, a successful demonstration was conducted with the Swedish governmental defense materiel agency (FMV) on an unmanned ground vehicle. The order from SSC in the third quarter was expanded to include mobile satellite terminals and the order value increased by 17 MSEK to 132 MSEK. The year ended with the company receiving a second major order for Ovzon 3 of 185 MSEK from SSC.

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The market and events

The company is experiencing continued strong interest in its service, from defense-related operators as well as customers in national security and public safety who need guaranteed connection for critical missions and stringent requirements for performance, mobility and resilience.

During the year, Ovzon focused on a number of marketing activities and demonstrations of the company's mobile satellite service, with our main orientation on the US and Europe. The solution, combined with market-leading terminals, demonstrated the best performance, mobility, and resilience available in the market. In 2024, the company participated and exhibited at multiple trade fairs in the US and Europe.

In the US, the most important events were Satellite 2024 and SOF Week 2024, and in Europe Ovzon broadened our focus and took part in several key trade fairs such as GOVSATCOM in Luxembourg, SOFINS in Bordeaux, Defence in Space in London and the Swedish Security Forum in Stockholm.

Financial performance

During the year, Ovzon expanded its customer base and concluded several key contracts with new customers. The higher level of sales in 2024 compared to 2023 is largely due to a greater number of sold terminals

The result for the full year has been positively affected by the fact that all purchased capacity has been utilized and sold to customers and the company has not borne any costs for unsold purchased capacity. Furthermore, the result was negatively affected by increased depreciation due to the activation of the company's own satellite Ovzon 3 during the third quarter. Ovzon 3 was put into commercial service during the third quarter and the first order based on Ovzon 3 was signed during the third quarter. However, not all available capacity on Ovzon 3 was sold during the third and fourth quarter, which had a negative impact on margin and the results.

The order intake for the full year amounted to 48.8 MUSD (24.0), corresponding to 516 MSEK (241) and the order book amounted to 31.3 MUSD (14.2) at year-end, corresponding to 344 MSEK (143).

Earnings

Revenue for the full-year 2024 totaled 334 MSEK (290), which corresponds to a growth of 15 percent (-19); adjusted for exchange rate fluctuations, growth was 14 percent (-22). The higher level of sales for full-year 2024 is primarily due to an increased number of sold terminals.

Operating loss totaled -82 MSEK (-95) and the operating margin totaled -25 percent (-33). Loss after tax totaled -162 MSEK (-60), excluding currency translations, the loss was -129 MSEK (-86). Earnings per share totaled -1.45 SEK (-1.09).

Cash flow information

Cash flow from operating activities totaled 51 MSEK (-14). The increase in cash flow from operating activities is linked primarily to pre-payments from customers.

Cash flow from investing activities totaled -158 MSEK (-668). The investments were attributable primarily to the company's first Ovzon 3 satellite, which was launched in July 2024, development of the new Ovzon T7 terminal and development of the Ovzon On-Board-Processor which is expected to be completed during the first half of 2025.

Cash flow from financing activities amounted to -17 (651) MSEK, consisting of amortization of lease liabilities of -3 (-4) MSEK and amortization of loans of -14 (0) MSEK. During the year, borrowing expenses amounted to 109 (95) MSEK. Of the loan expenses interest paid amounted to 108 (77) MSEK. Borrowing expenses linked to ongoing construction in progress have been capitalized and are thus reported as part of investing activities in the cash flow statement. Of the company's loan facility totaling 65 MUSD (65), 0 MUSD (0) is unutilized at the balance sheet date. During December, 1.25 MUSD was amortized and the remaining debt at the balance sheet date is 63.75 MUSD.

Consolidated multi-year overview, MSEK

	2024	2023	2022	2021	2020
Net sales	334	290	357	191	160
Operating profit/loss	-82	-95	-81	-113	-48
Operating profit/loss (adjusted)	-82	-95	-81	-113	-48
Operating margin, % (adjusted)	neg	neg	neg	neg	neg
Profit/loss after financial items	-161	-67	-36	-84	-107
Profit/loss after tax	-162	-60	-36	-84	-104
Balance sheet total	2,769	2,545	1,922	1,853	1,329
Average number of employees	43	42	39	35	29

Investments

Investments in property, plant and equipment and intangible assets amounted to 224 MSEK (675). Investments in 2024 pertained primarily to the Ovzon 3 satellite, the Ovzon On-Board Processor and the new Ovzon T7 mobile satellite terminal.

Financial position

The Group's cash and cash equivalents amounted to 126 MSEK (247) at the end of the reporting period. Equity amounted to 1,590 MSEK (1,780) and the company's debt/equity ratio was 57 percent (70). It is proposed that no dividend be paid for the 2024 financial year.

Parent Company

Revenue in 2024 amounted to 37 MSEK (41) and operating profit was 0 MSEK (1).

Board activities

Six members were elected at the 2024 Annual General Meeting: Regina Donato Dahlström, Cecilia Driving, Nicklas Paulson, Dan Jangblad, Lars-Højgård Hansen and Peder Ramel. Regina Donato Dahlström was appointed as Chairman of the Board.

During the year, the Board of Directors held 14 meetings during the year and at these dealt with issues relating to technical development, sales, Ovzon 3, credit risks, financing and financial reports. Furthermore, the work of the Board was evaluated in 2024 and the results were reported to the Nomination Committee. The Board is responsible for the company's organization and management and continuously assesses the company's financial situation. The Board has adopted written rules of procedure, which, among other things regulate Board meetings, matters to be submitted to the

Board of Directors, financial reports and instructions for the the CEO. The company's lender P Capital Partners has the right to appoint an observer as a co-opted member of the board (without voting rights). Refer further to the Corporate Governance Report on pages 53-57 which is not part of the formal annual report, but constitutes a separate report.

Guidelines for salaries and other remuneration to senior executives

The Board complies with the guidelines established by the general meeting of shareholders for determining salary and other remuneration for the CEO and other members of company management. Remuneration is paid in the form of fixed salary and bonus programs set annually on the basis of the established earnings targets. The Board of Directors of Ovzon AB (publ) proposes that the unchanged guidelines remain in force for determining salaries and other remuneration to senior executives in the company for the period from the 2024 Annual General Meeting through the end of the 2025 Annual General Meeting:

- Remuneration to Group Management will encompass fixed salary, variable remuneration (if any), pensions and other benefits, as well as company cars (if any), occupational health services and more. The total remuneration shall be under market conditions and competitive, and reflect the individual's performances and responsibilities, and — with regard to any share-based incentive plans — the further performance of the company's share that accrues to the shareholders.
- Any variable cash salary will presume that defined and measurable performance-based targets have been met. Variable cash salary will total a maximum of 50 percent of the annual fixed salary of the respective senior executives. Programs for variable remuneration will grant the Board of Directors, under exceptional economic conditions, to limit or forbear from payment of variable remuneration if such action is deemed necessary as reasonable and compatible with the company's responsibilities toward its shareholders, employees and other stakeholders.
- Pension benefits will be defined-contribution. The retirement age will follow from the pension regulations in the specific country.

For complete report of the guidelines for salaries and other remuneration to senior executives please see <https://www.ovzon.com/en/remuneration/>

Personnel

At the end of 2024, the number of employees in the Group was 38 (45).

Sustainability

See the separate section concerning Ovzon's sustainability initiatives on pages 44–52 of this Annual Report.

The share and share capital

At December 31, 2024, Ovzon's share capital amounted to 11,153,051.6 distributed among 111,530,516 shares with a par value of SEK 0.1 per share. According to the Articles of Association, the share capital is to be not less than 11,153,000 SEK and not more than 44,612,000 SEK distributed among not fewer than 111,530,000 shares and not more than 446,120,000 shares.

The company's major shareholders

At the end of the year: Bure Equity AB (12.7 percent), Investment AB Öresund (12.1 percent), Grignolino AB (11.3 percent), Handelsbanken Fonder (9.5 percent), Fjärde AP-Fonden (9.1 percent), Futur Pension (5.0 percent), Patrik Björn (2.7 percent), Avanza Pension (2.4 percent), Per Wahlberg (2.3 percent) and AB Stena Finans (2.2 percent). The holdings of the remaining shareholders totaled 30.7 percent. At the end of the reporting period, the number of shares amounted to 111,530,516.

Transactions with related parties

Apart from transactions with subsidiaries on market terms and contractual remuneration to the Board of Directors and CEO, the company had no transactions with related parties in 2024.

Significant events after the end of the financial year

- Ovzon participates in major strategic GGSAT 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.
- Order from new European customer within NATO.

Other significant conditions

The Group's satellite operations currently generate revenue from customer agreements that are renewed every year for continued validity. Satellite operations usually require permits. Currently, operations are conducted using leased satellite capacity as well as the company's own satellite, and it is the responsibility of the satellite owners to obtain the necessary frequency licenses and other permits.

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. There were no crucial changes to material risks or uncertainties during the year. The Board is responsible for ensuring that the company manages its risks correctly and that there is compliance with the established policies for financial statements and internal control. On pages 33–38 and in Note 3 of this Annual Report, Ovzon reports in greater detail on the company's principal risks and the measures taken to reduce these. A summary of the risks is set out below.

Market

Technical development and competition

Ovzon has developed and validated a commercially viable satellite communication service. Ovzon has developed a unique technology to boost its competitiveness, which will be available in Ovzon 3, its proprietary satellite. The space and communications industries are subject to rapid advances and innovations in technology. In addition to competition from current systems, Ovzon may therefore face competition in the future from companies using new technologies and new satellite and terrestrial systems, such as smart antenna systems and terminal technologies not available for Ovzon's frequency bands. Progress or technical innovations could render the company's current technologies less competitive by satisfying end-user demand in more attractive or cost-effective ways.

Partners

Ovzon relies on the availability of satellite capacity within the relevant frequency band and orbital positions from third parties for the provision of its current communications services. However, the availability of suitable third-party satellite capacity is subject to certain limitations as well as certain risks and uncertainties, many of which cannot be foreseen.

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Following the launch of Ovzon 3 in the third quarter, the dependence on purchased satellite capacity has decreased as the company can offer own satellite capacity via Ovzon 3. However, the dependency remains if demand for the company's services increases at a rapid pace.

Customers

Ovzon sells its services to end users both directly and through partners. Historically, the majority of Ovzon's services have been sold indirectly to one individual end-user, the U.S. DOD. In 2023 and 2024, the company has broadened its customer base and reduced its dependence on a single end-user. For the financial year 2024, approximately 19 percent of Ovzon's revenue was attributable to this customer, compared to 64 percent in 2023. In 2024, the largest customer accounted for 49 percent of the company's revenue.

Distributors and agents

In many of its markets, Ovzon depends on distributors and agents that both provide valuable customer contacts and are responsible for local expertise and implementation regarding regulatory requirements in their respective markets.

Financing

Financing and assumption that the business is a going concern

In 2019, the company signed a senior credit facility of USD 60 with P Capital Partners in order to ensure financing of its proprietary satellite, Ovzon 3.

After the news about the further delay of the company's first proprietary satellite and thereby additional costs, directed share issues were conducted in February and December 2023 that generated roughly 200 MSEK respectively 250 MSEK less transaction fees. In addition, an agreement was signed to increase the credit facility with P Capital Partners from USD 60 MUSD to 65 MUSD, which as of the end of the reporting period had been fully utilized. The loan extends up to six years with an interest rate, in USD, of LIBOR 3m + 10 percent. The terms of the loan include the customary covenants, which are reconciled on a quarterly basis; refer to Note 23. During the year, the company did not fulfill two of these covenants but obtained the required waiver from the lender. As of December 31, 2024, one of the covenants is not met but the company has obtained the required waiver from the lender.

On February 17, 2025, the company entered into an agreement with the lender to extend the loan facility with maturity on September 30, 2026. In addition, an agreement was reached to update the

terms of the loan, which have been adapted to the company's financial development and provide more flexibility and enable lower interest costs if certain financial conditions are met.

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 that the credit facilities impose. Ovzon's earning capacity is highly dependent on the company's ability to grow its sales through contracts with new and existing customers, as well as on future market performance. There is a risk that contracts will be delayed, or that deliveries of goods and services will be delayed, which will thus impact earnings capacity. There is also a risk that the market for satellitebased communication will perform more poorly than it is at present.

In December 2024, the company conducted an impairment test regarding the satellite and construction in progress. This impairment test did not indicate a need for impairment, and the difference between the carrying amount and the estimated recoverable amount increased in 2024.

The increase is partly due to improved interest rates and partly because the estimated lifetime of the satellite has been estimated to increase by three years. The estimate of the 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 forward. An impairment test is based on estimates, and the outcome may vary. A minor adjustment of material assumptions such as price levels, capacity utilization and WACC in the impairment test could thus mean that a need for impairment arises. Refer further note 16 Financial Reports.

The aforementioned risks notwithstanding, the Board of Directors is of the opinion that any additional need for financing can be resolved with loans or equity, and that the existing cash flow and working capital will be sufficient for the coming 12 months.

Credit and counterparty risk

In 2022 and 2023, the company accumulated a bad debt from its Italian distributor, which are fully reserved. Ovzon is actively engaged in securing payments and has initiated legal measures. For further information, refer to Note 19 Financial Reports.

Liquidity risk

The company's liquidity is managed with caution, which entails that cash and cash equivalents are deposited in a bank. The company has the objective of maintaining a strong cash balance.

Other

Risks relating to regulation in the company's "Maintenance and expansion of Ovzon's business" area of operation depends on such factors as the ability to obtain required frequency licenses and authorizations in a timely manner, at reasonable costs and on satisfactory terms and conditions.

Employees

There are a number of key employees at Ovzon, who have a high level of competence and established customer relations. Ovzon is dependent on recruiting and retaining personnel capable of developing the company's technology, and establishing and maintaining relationships with core customers.

Global turbulence

The wars in Ukraine and the Middle East – as well as the altered security policy situation – have not yet had an appreciable impact on Ovzon, but the Board of Directors and the Management Group are monitoring the course of events in order to evaluate and manage potential risks. The company may be affected by trade tariffs due to the changing geopolitical landscape.

Currency risk

The Group's policy is to balance revenue and expenses as far as possible as assets and liabilities through exposure in the same currency. The Group's revenues for the satellite operation are in USD. The satellite capacity purchased on existing satellites is also in USD, as are most of the Group's operating expenses. See also Note 3 Financial risk management.

Proposed allocation of profits

The following profits are at the disposal of the Annual General Meeting.

Profit brought forward, SEK	1,601,727,012
Loss for the year, SEK	-161,981,514
Total, SEK	1,439,745,498

The Board of Directors proposes that the following be carried forward, SEK

1,439,745,498

For the Group's and Parent Company's earnings and position otherwise, refer to the income statements and balance sheets, cash-flow statements and supplementary disclosures below. All amounts are expressed in millions of Swedish kronor (MSEK) unless otherwise stated. Figures may be rounded up or down in tables and statements.

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Consolidated income statement

MSEK	Note	Jan – Dec 2024	Jan – Dec 2023
Net sales	5	334	290
Other operating income		8	38
Capitalized work on own account		11	14
Purchased satellite capacity and other direct costs		-183	-219
Other external costs	7	-72	-75
Employee benefit expenses	8	-93	-89
Depreciation/amortization and impairment	9	-82	-28
Other operating expenses		-5	-25
Operating loss		-82	-95
Income from financial items			
Financial income	10	7	30
Financial expenses	11	-86	-2
		-79	28
Loss after financial items		-161	-67
Tax on profit for the year	12	-1	7
LOSS FOR THE YEAR		-162	-60

MSEK	Note	Jan – Dec 2024	Jan – Dec 2023
Net profit for the year attributable to: Shareholders of the Parent Company		-162	-60
Total loss for the year		-162	-60
Earnings per share and share data	13		
Earnings per share attributable to Parent Company, SEK ¹⁾			
– before dilution		-1.45	-1.09
– after dilution		-1.45	-1.09

Consolidated statement of comprehensive income

MSEK	Jan – Dec 2024	Jan – Dec 2023
Loss for the year	-162	-60
Other comprehensive income:		
Items that can be subsequently reclassified to the income statement:		
– Translation differences	-29	11
Other comprehensive income net after tax	-29	11
COMPREHENSIVE INCOME FOR THE YEAR	-190	-48
Comprehensive income for the year attributable to: Shareholders of the Parent Company	-190	-48
COMPREHENSIVE INCOME FOR THE YEAR	-190	-48

Consolidated balance sheet

MSEK	Note	Dec 31 2024	Dec 31 2023
ASSETS			
Fixed assets			
Intangible assets	14	103	84
Equipment, tools, fixtures and fittings	15A	24	31
Satellite	15B	1,767	-
Construction in progress and advance payments	16	450	2,071
Right-of-use assets	17	9	4
Total fixed assets		2,354	2,190
Current assets			
Inventory	18	38	41
Trade receivables	19	234	35
Other receivables		6	5
Prepaid expenses and accrued income	20	12	26
Cash and cash equivalents	21	126	247
Total current assets		415	355
TOTAL ASSETS		2,769	2,545

MSEK	Note	Dec 31 2024	Dec 31 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	22	11	11
Other paid-in capital		2,243	2,243
Reserves		-34	-6
Accumulated deficit including loss for the year		-630	-468
Equity attributable to the Parent Company's shareholders		1,590	1,780
Total equity		1,590	1,780
Non-current liabilities			
Borrowing ¹⁾	23	-	640
Other long-term liabilities, interest-bearing	23	67	-
Lease liabilities	17	7	4
Other provisions		2	1
Non-current liabilities		76	646
Current liabilities			
Borrowing ¹⁾	23	701	13
Lease liabilities		3	-
Trade payables		30	84
Current tax liabilities		0	0
Other liabilities		58	3
Accrued expenses and deferred income	24	310	20
Total current liabilities		1,102	119
TOTAL EQUITY AND LIABILITIES		2,769	2,545

1) After the end of the period, 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	Equity attributable to the Parent Company's shareholders				
	Share capital	Other paid-in capital	Reserves	Retained earnings	Total equity
Equity at January 1 2023	5	1,813	-17	-408	1,393
Loss for the year	-	-	-	-60	-60
Other comprehensive income	-	-	11	-	11
Total comprehensive income	-	-	11	-60	-48
Transactions with shareholders:					
Rights issue	6	445	-	-	451
Costs attributable to the issue	-	-15	-	-	-15
Total transactions with shareholders:	6	430	-	-	436
Equity at December 31 2023	11	2,243	-6	-468	1,780
Equity at January 1 2024	11	2,243	-6	-468	1,780
Loss for the year	-	-	-	-162	-162
Other comprehensive income	-	-	-29	-	-29
Total comprehensive income	-	-	-29	-162	-190
Total transactions with shareholders	-	-	-	-	-
Stock option program (LTIP)	-	-	-	-	-
Equity at December 31 2024	11	2,243	-34	-630	1,590

Consolidated cash flow statement

MSEK	Note	Jan – Dec 2024	Jan – Dec 2023
Operating activities			
Loss before tax		-82	-95
Adjustments for non-cash items, etc.	26	78	28
Interest received		-	4
Interest paid		-44	-0
Income tax paid		-2	7
Cash flow from operating activities before changes in working capital		-50	-57
Cash flow from changes in working capital			
Decrease(+)/increase(-) in inventory		3	13
Decrease(+)/increase(-) in trade receivables		-198	-44
Decrease (+)/increase (-) in current receivables		14	-14
Decrease (-)/increase (+) in trade payables		-54	64
Decrease (-)/increase (+) in current liabilities		336	24
Total change in working capital		101	42
Cash flow from operating activities		51	-14
Investing activities			
Acquisition of intangible assets		-16	-27
Acquisition of property, plant and equipment		-143	-648
Sale of property, plant and equipment		2	8
Cash flow from investing activities		-158	-668

MSEK	Note	Jan – Dec 2024	Jan – Dec 2023
Financing activities			
New share issue		-	451
Costs in conjunction with issue		-	-15
Remuneration received for warrants		-	-
Amortization of lease liability		-3	-4
Loans raised		-	219
Amortization of loans		-14	-
Cash flow from financing activities		-17	651
Cash flow for the year		-123	-31
Cash and cash equivalents at the beginning of the year		247	276
Exchange rate difference in cash and cash equivalents		2	2
Cash and cash equivalents at the end of the year		126	247

Group Notes

NOTE 1 – GENERAL INFORMATION

Ovzon AB (publ) is the Parent Company of a Group that has the objective of providing broadband satellite services through its own and leased satellite capacity to customers in various parts of the world.

The Parent Company, Ovzon AB (publ), with corporate registration number 559079-2650 is a limited liability company registered in Sweden, with its head office in Solna. The address of the head office is Anderstorpsvägen 16, SE-171 54 Solna, Sweden.

The operations of the Parent Company Ovzon AB (publ) comprise exclusively Group coordinating assignments and the assets comprise mainly shares and participations in Group companies, as well as transactions among Group companies.

The Annual Report and consolidated financial statements were approved by the Board of Directors on April 3, 2025 and will be presented for approval at the upcoming Annual General Meeting on April 24, 2025.

NOTE 2 – ACCOUNTING POLICIES

In addition to the significant accounting principles presented in this note, significant accounting principles are also presented directly in connection with the note to which the accounting principle relates.

2.1 Basis of preparation

The consolidated financial statements were prepared in accordance with the IFRS Accounting Standards, and IFRIC interpretations as adopted by the EU for financial years beginning on January 1, 2024, as well as the Annual Accounts Act (1995:1554) and RFR 1 *Supplementary Accounting Rules for Groups*. The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act (SFS 1995:1554) and RFR 2 *Accounting for Legal Entities*.

The functional currency for the Parent Company and the Group's reporting currency is Swedish kronor (SEK). All amounts have been rounded to the nearest million Swedish kronor (MSEK) unless otherwise indicated. Amounts in brackets pertain to the preceding year.

Preparing financial statements in accordance with IFRS requires the application of some key estimates for accounting purposes. Further, the Board of Directors and the management are required to make certain judgments in the application of the company's accounting policies. 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 in Note 4.

The financial statements have been prepared under the assumption that the Group is conducting its operations as a going concern, which entails an assumption that the Group will be able to settle its debts as they fall due.

As of December 31, 2024, the company had less than 12 months remaining until the maturity of its existing loan agreement with the creditor, whereby the entire debt was recognized as a short-term liability. As of February 17, 2025, an agreement was reached with the creditor to extend the loan agreement by nine months, with a new maturity date of September 30, 2026, which means that the majority of the debt is classified as a long-term liability after this date. In light of this, the board of directors assesses that the assumption of the group's going concern can be substantiated.

2.2 Standards, interpretations and amendments that entered force in 2024

No new standards or interpretations applied by Ovzon as of January 1, 2024, have had any material impact on the Group's financial reports.

2.3 New standards, interpretations and amendments that have not yet entered force

A number of new standards and interpretations enter force for the financial years commencing after 2024 and have not been applied in the preparation of this financial report. New standards and amendments are not deemed to have any material effect on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, effective from January 1, 2027, primarily changes three key areas: The structure of the income statement (dividing it into three categories – operating, investing, and financing). The introduction of disclosures regarding performance measures reported outside the company's financial statements ("management-defined performance measures") and improved aggregation and disaggregation of information in the reports and notes. The standard has not yet been approved. The analysis of the effects of IFRS 18 is not yet completed.

2.4 Foreign currency transactions

Foreign currency transactions are translated into the functional currency according to the exchange rates applicable on the date of the transaction or the day on which the items are revalued. Currency gains and losses, resulting from settlement of such transactions and when translating monetary assets and liabilities in foreign currency at

the year-end rate, are recognized in the income statement. Currency gains and losses on operating receivables and liabilities are recognized in operating profit/loss, whereas exchange gains and losses on financial receivables and liabilities are recognized as financial items. Currency gains and losses are presented net in operating profit/loss and as financial items, respectively.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group is exposed to various financial risks through its activities: credit risk, market risks (interest-rate risk, currency risk and other price risk) as well as liquidity risk and refinancing risk. The Board of Directors has overall responsibility for the Group's risk management work, including financial risks. Risk management efforts are intended to clarify and analyze the risks the company encounters, as well as preventing and limiting any potential negative effects as much as possible.

These risk management activities include identifying, assessing and measuring the risks faced by the Group. The priority is on those risks that, in an aggregate assessment pertaining to possible impact, likelihood and consequences, are deemed to have the greatest negative effect for the Group. The Group's overall objective for financial risks is to manage financial exposures in order to decrease volatility in the Group's earnings and financial position, protect future values in the cash flow, and optimize and secure financing.

3.1.1 Liquidity risk and refinancing risk

Liquidity risk is the risk that a company will encounter difficulties in fulfilling obligations that are linked to financial liabilities that are settled with cash or other financial asset. The Group's liquidity reserve shall provide freedom of action to implement decided investments and fulfill payment obligations. The Group manages this liquidity risk through continual monitoring of its operations, with liquidity forecasts being routinely updated. Group Management actively monitors the liquidity situation so that liquidity risks can be addressed in a timely fashion.

The Group has been granted a total credit limit of 701 MSEK, 63.75 MUSD (653 MSEK, 65 MUSD as of December 31, 2023). The liquidity reserve consists of cash and cash equivalents as well as the unutilized portion of the credit limit. As of the end of the reporting period, 0 MSEK (0 MSEK) of the credit limit was unutilized.

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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 lowest level of cash balances, and a ratio in the valuation of the subsidiaries. During the year, the company was unable to fulfill two of these covenants but obtained the necessary waiver from the creditor. As of December 31, 2024 one of the covenants is not met but the company has obtained the required waiver from the creditor.

Refinancing risk also pertains to the risk that financing cannot be obtained, extended, expanded or refinanced, or that such financing can only be obtained on terms that are unfavorable to the company. The need for refinancing is regularly reviewed by the company and the Board of Directors in order to secure financing for the company's expansion and investments. The refinancing risk is limited as the Group always plans ahead during refinancing negotiations. For larger loans, the procedure begins at the latest 18 months before the maturity date of the loan. The Group endeavors to obtain loan commitments for all major investments to minimize financing risk. The Board of Directors determines the ongoing level of capital tied up in the loan portfolio. The management prepares ongoing forecasts for the Group's liquidity on the basis of expected cash flows. The Group endeavors to have a loan portfolio that has a broad spread of credit maturities.

The Group's contractual and undiscounted interest-rate payments, and repayments of financial liabilities, are indicated in Note 27 Supplementary disclosures, financial assets and liabilities.

3.1.2 Market risk

Market risk is the risk that the fair value of, or the future cash flows from, a financial instrument will vary owing to changes in market prices. In accordance with IFRS Accounting standards, market risks are divided into three types: currency risk, interest-rate risk and other price risks. The market risks that impact the Group comprise primarily currency risks and interest-rate risks.

3.1.3 Currency risk

Currency risk is the risk that the fair value of, or the future cash flows from, a financial instrument will vary owing to changes in foreign currency exchange rates. Currency risks are found in the translation of the assets and liabilities of operations abroad into the Parent Company's functional currency; this is known as translation exposure. The Group's sales and purchases are also in foreign currencies, which gives rise to transaction exposure.

Group Management continually monitors currency exposure and acts in accordance with the Group's guidelines. The basic principle of the guidelines is to balance costs and revenue, as well as assets and liabilities, in the respective currencies. No currency hedging was used during the year.

The Group's operations are mainly conducted in the US and Sweden, as well as to a lesser extent in Cyprus. The sale of satellite services is made in its entirety in USD. Associated capacity costs are also in USD. Of the other operating expenses, excluding depreciation/amortization, approximately 40 percent occurs in USD and approximately 60 percent in SEK. Purchases in EUR occur to a minor extent. The Group's borrowing is mostly in USD, which impacts financing costs both through changes in value to debts and in interest-rate payments.

Sensitivity analysis, exchange-rate fluctuation against SEK	2024		2023	
	Effect on equity	Effect on earnings before tax	Effect on equity	Effect on earnings before tax
USD – 10%	49	49	59	40

Ovzon's net financial liabilities in amounted as per closing date to 649 MSEK (410).

3.1.4 Interest-rate risk

Interest-rate risk is the risk that the fair value of, or the future cash flows from, a financial instrument will vary owing to changes in market interest rates. The objective is not to be vulnerable to future fluctuations in interest rates that impact the Group's cash flow and earnings to a greater extent than Ovzon is able to manage. The Group's revenue and cash flows from its operation are basically independent of changes in market rates of interest as the Group has no significant interest-bearing assets. One significant factor that impact interest-rate risk is the interest-rate refixing period. The Group is exposed primarily to interest-rate risk pertaining to the Group's loan facility. Fixed interest borrowing exposes the Group to interest-rate risk in terms of fair value. The table below specifies the terms and repayment dates for the respective interest-bearing liabilities:

Interest-bearing liability	Currency	Due date	Interest	Carrying amount	
				Dec 31 2024	Dec 31 2023
Borrowing P Capital Partners	USD	12/31/25	Variable	701	653

The borrowing is subject to the company meeting certain financial conditions, so-called covenants, including specific financial key ratios such as loan-to-cost (loan in relation to the investment in Ovzon 3), a minimum level of cash balance, a valuation ratio of the subsidiaries, and debt in relation to EBITDA. During the year, the company has not met two of these covenants but has obtained the necessary waiver from the creditor. As of December 31, 2024, one of the covenants is not met, but the company has received the necessary waiver from the lender. After the balance sheet day, as of February 17, 2025, the loan agreement has been extended with nine months, and expires on September 30, 2026.

Given the interest-bearing assets and liabilities as of the end of the reporting period, an upswing/downswing of 1 percentage unit (1) would have an impact of 7 MSEK (7) on earnings before tax.

3.1.5 Credit and counterparty risk

Credit risk is the risk that the Group's counterparty in a financial instrument cannot fulfill its obligation, thereby causing a financial loss for the Group. The Group's credit risk is attributable primarily to trade receivables and contractual assets (accrued income). On every reporting date, the Group assesses the credit risk of existing exposures, taking forward-looking factors into account. The Group endeavors to work primarily with established customers who have a documented capacity to pay and competitive operations. Measures include a credit check of the financial position of the Group's customers by obtaining information from credit rating agencies. In the event the counterparty's ability to pay is deemed to be uncertain, a bank guarantee, surety, or other proof of ability to pay is required.

Refer also to the description of anticipated credit losses in Note 19 Trade receivables.

In addition to reserves for anticipated credit losses pertaining to trade receivables and contractual assets, the Group also monitors the need for reserves in other financial instruments. In the event the amounts are deemed not to be insignificant, a reserve for anticipated credit losses is set aside for these financial instruments as well.

3.2 Operating risks and external risks

The most important operating risks and external risks are attributable to competition and commercial success and also dependency on key personnel, cooperating partners and individual major customers.

Ovzon is, in the short term, since the launch of Ovzon 3, not dependent on access to satellite capacity provided by third parties, but in the long term, this dependency increases if the company is to achieve its business plan. Ovzon's services are sold indirectly to an individual end user.

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3.3 Asset management

The Group's objective in respect of its capital structure is to secure the Group's ability to continue its operations so that it can continue to generate returns for shareholders while creating benefits for other stakeholders, and to maintain an optimal capital structure as a means of reducing the cost of capital.

To maintain or adjust its capital structure, the Group may decide to change the dividend paid to shareholders, repay capital to its shareholders, issue new shares or sell assets to reduce its liabilities.

The Board of Directors and management continually evaluate the Group's long-term capital requirements and various financing alternatives, and have running contacts as regards financing solutions. The Group assesses its capital based on interest-bearing net debt. This measurement is defined as borrowing excluding any interest-rate derivatives, less cash and cash equivalents and interest-bearing assets. Interest-bearing net debt is calculated as follows:

Interest-bearing net debt and interest-bearing net debt excluding lease liabilities, MSEK	Dec 31 2024	Dec 31 2023
Non-current liabilities, interest-bearing	74	644
Current liabilities, interest-bearing	701	13
Cash and cash equivalents	-126	-247
Interest-bearing net debt	649	410
Of which, lease liabilities	-9	-4
Interest-bearing net debt excluding lease liabilities	642	406

NOTE 4 – IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The management must make assessments and assumptions in order to prepare accounts in accordance with generally accepted accounting principles. These affect reported asset and liability items and income and expense items and also information otherwise provided. These assessments are based on experience and assumptions that the management and Board of Directors consider to be reasonable under the prevailing circumstances. Actual outcomes may then differ from these assessments if other conditions arise. The assessments that are most important when preparing the financial statements are described below.

4.1 Important assessments of the management

4.1.1 Assumption that the business is a going concern

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 with a strong ownership, and the business outlook is positive.
- A major customer and new business have been secured during the year, and the number of prospects has increased.
- The two most recent orders during 2024 totaling 317 MSEK has been invoiced in full of net 30 days. As of January 31, 2025, these were paid.
- 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.

4.2 Important sources of uncertainty in estimates

In December 2024, the company conducted an impairment test regarding construction in progress. The impairment test showed not on a need for impairment and the difference between book value and estimated recovery value had increased in 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 onwards. The estimate of the value of the asset Ovzon 3 is dependent on the company's ability to achieve a certain capacity utilization to an expected price level in 2025 and further. An impairment test is based on estimates and the outcome may vary. A minor adjustment of significant assumptions in the impairment test, such as for example price level, capacity utilization and WACC could mean that write-down needs arise.

There is thus an uncertainty regarding Ovzon's assessment of the value of the asset Ovzon 3, which is dependent on the company's ability to increase capacity utilization to expected price level in 2025 and 2026. Impairment test of the group's satellite is described in note 16.

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NOTE 5 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Material accounting policies

The group's business involves providing high-performance, mobile, and resilient SATCOM services over both proprietary and leased satellite capacity, using user-friendly, compact, and lightweight terminals. Through advanced satellite communications with uniquely small portable terminals, packaged into a service that delivers high data speeds, the company addresses several specific needs across various customer segments. Customers include defense, emergency services, commercial organizations, media, and NGOs, which rely on real-time sensors and video uploads, either from mobile platforms or personnel carrying the terminals.

As of July 2024, SATCOM services are provided both via the company's own satellite, Ovzon 3, and through purchased satellite capacity from third parties. Previously, all satellite capacity was procured from third parties.

Sales of SATCOM services

As of July 2024, the group utilizes the company's own satellite, Ovzon 3, as well as leases capacity on existing satellites, and markets and sells broadband services. The transaction price comprises a relatively share of the length of the service contract. The company's performance obligation is met over time in conjunction with the service being delivered, whereupon revenue from sales of broadband services is recognized on a straight-line basis over the length of the contract period. This period is normally 6 to 12 months, or alternately based on consumed data.

For a closer description of the company's services, refer to page 29.

Sales of terminals

Primarily, the group sells a proprietary OTP (on the pause), Ovzon T6, and Ovzon T7, while also acting as a reseller of OTM (on the move) terminals. Revenue from terminal sales is recognized when control transfers to the customer, which coincides with the transfer of risk, typically occurring when the terminals are shipped. In certain cases, a terminal is provided as part of the SATCOM service as a SATCOM-as-a-Service. In this case, the company retains ownership of the terminal, and therefore, no separate revenue is recognized for the terminals.

	2024	2023
SATCOM services		
Sweden	111	7
Italy	5	4
UK	10	30
USA	66	186
Rest of World	31	8
	223	235
Terminals		
Sweden	56	30
UK	–	23
USA	18	–
Rest of World	38	3
	112	55
Total	334	290

The Group's revenues pertaining to satellite-based communication are received primarily in USD and SEK.

The Group's revenue agreements have an original anticipated term of a maximum of one year.

Contractual assets	Dec 31 2024	Dec 31 2023
Opening balance	16	7
Material changes in contractual assets		
Change attributable to ordinary operations	-16	9
Other	–	–
Closing balance	–	16

Contractual assets comprise accrued but not invoiced revenue from satellite services.

Contractual assets	Dec 31 2024	Dec 31 2023
Opening balance	1	9
Material changes in contractual assets		
Change attributable to ordinary operations	120	-8
Closing balance	121	1

Contractual liabilities pertain to advance payments from customers for which the performance commitments have not been fulfilled.

NOTE 6 – SEGMENT DISCLOSURES

Material accounting policies

Operating segments are reported in a manner that corresponds to the internal reporting that is submitted to the highest decision-making officer. The highest decision-making officer is the function with responsibility for the allocation of resources and assessment of the operating segment's results. In the Group, this function has been identified as the CEO. The regular internal reporting to the CEO of results that meet 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.

For the distribution of net revenue by geographic market, refer to Note 5 Revenue from Contracts with Customers. The group is dependent on a limited number of customers, with one customer accounting for more than 49 percent (64) of the Group's revenue. During the year, the Group has expanded its customer base and reduced its dependency on a single customer.

Total non-current assets

by geographic market	Dec 31 2024	Dec 31 2023
Sweden	2,313	2,146
Cyprus	23	20
USA	18	24
	2,354	2,190

Non-current assets according to the table above include intangible assets; property, plant and equipment; and right-of-use assets.

NOTE 7 – DISCLOSURES ON AUDITOR FEES AND REMUNERATION

	2024	2023
KPMG		
Audit engagements	1	1
Auditor activities other than audit engagements	–	0
Tax consultancy	–	–
Other services	–	–
Total	1	2

The term audit engagement pertains to the auditors' work on the statutory audit, and auditor activities other than audit engagements pertain to various types of quality assurance services. Other services are those not included in the audit engagements, audit business or tax consultancy.

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NOTE 8 – AVERAGE NUMBER OF EMPLOYEES, SALARIES, OTHER REMUNERATION AND PAYROLL OVERHEADS

	2024			2023		
	Average number of employees	of which women	of which men	Average number of employees	of which women	of which men
Parent Company	3	33%	67%	3	33%	67%
<i>Subsidiaries in:</i>						
Parent Company	24	13%	87%	22	18%	82%
– USA	17	0%	100%	18	0%	100%
Parent Company	43	7%	93%	42	12%	88%

	2024			2023		
	Number at end of reporting period	of which women	of which men	Number at end of reporting period	of which women	of which men
Board members	6	33%	67%	6	33%	67%
<i>CEO and other senior executives:</i>						
– Employed in Parent Company	1	0%	100%	1	100%	0%
– Employed in subsidiaries	5	0%	100%	5	0%	100%
Total in Group	12	17%	83%	12	25%	75%

Salaries and remuneration	2024	2023
Parent Company		
<i>Board of Directors and senior executives</i>		
Salaries and other remuneration	7	6
<i>Of which, bonuses</i>	1	0
Social security contributions	2	2
Pension expenses	1	1
Total	10	9
<i>Other employees</i>		
Salaries and other remuneration	1	1
Social security contributions	0	0
Pension expenses	0	0
Total	1	2
Subsidiaries		
<i>Board of Directors and senior executives</i>		
Salaries and other remuneration	17	17
<i>Of which, bonuses</i>	3	1
Social security contributions	2	2
Pension expenses	1	2
Total	20	21
<i>Other employees</i>		
Salaries and other remuneration	47	41
Social security contributions	5	5
Pension expenses	9	9
Total	62	55
Total in Group	93	87

Pensions

The company and Group have only defined-contribution pension plans. Premiums for pension insurance correspond mainly to the ITP plan. The American subsidiary, Ovzon LLC, pays premiums under a defined-benefit plan that is classified as a defined-contribution plan.

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Remuneration to senior executives

At the 2024 Annual General Meeting, the following Board members were re-elected: Cecilia Driving, Dan Jangblad, Nicklas Paulson, Magnus René and Patrik Tigerschiöld. At the same time, Lars Højgård-Hansen and Peder Ramel were elected as new Board members. Board fees were paid according to the table below. Per Norén, the company's CEO, is employed in the subsidiary Ovzon LLC and draws an annual salary of TUSD 498. As of the end of the reporting period, variable remuneration of TUSD 116 (0) has been reserved to the company's CEO for 2024. The CEO has the right to insurance equivalent to a 401K insurance plan in the US, but no other benefits are paid in addition to this. For the other five senior executives remuneration is paid on market terms.

2024 Amounts in TSEK	Basic salary/ invoiced fees	Variable remuneration	Board of Directors fees	Other benefits	Pension cost	Total
Regina Donato Dahlström, Chairman	–	–	477	–	–	477
Nicklas Paulson, Board member	–	–	252	–	–	252
Patrik Tigerschiöld, Board member til April 19th	–	–	84	–	–	84
Cecilia Driving, Board member	–	–	300	–	–	300
Dan Jangblad, Board member	–	–	236	–	–	236
Markus Messerer, Board member til April 19th	–	–	72	–	–	72
Lars Hansen Højgård, Board member from April 19th	–	–	168	–	–	168
Peder Ramel, Board member from April 19th	–	–	165	–	–	165
Per Norén, Chief Executive Officer	5,473	1,531	–	352	189	7,545
Other senior executives, (5)	13,877	2,697	–	49	2,087	18,708
Total	19,350	4,229	1,754	401	2,276	28,007

2023 Amounts in TSEK	Basic salary/ invoiced fees	Variable remuneration	Board of Directors fees	Other benefits	Pension cost	Total
Regina Donato Dahlström, Chairman from october 20	–	–	193	–	–	193
Magnus René, Chairman til october 19	–	–	343	–	–	343
Nicklas Paulson, Board member	–	–	243	–	–	243
Patrik Tigerschiöld, Board member	–	–	243	–	–	243
Cecilia Driving, Board member	–	–	290	–	–	290
Dan Jangblad, Board member	–	–	227	–	–	227
Markus Messerer, Board member	–	–	140	–	–	140
Anders Björkman, Board member	–	–	75	–	–	75
Per Norén, Chief Executive Officer	5,030	300	–	–	175	5,505
Other senior executives (5)	15,897	447	–	8	2,389	18,740
Total	20,927	747	1,754	8	2,564	26,000

Warrants program for Management Group and other personnel

Warrants issued at market price

At the Annual General Meeting on April 13, 2021, it was decided to issue a maximum of 1,100,000 warrants under the "Warrant Program 2021/2024". The company's Management team has subscribed for a total of 410,000 warrants and other employees have subscribed for a total of 186,000 warrants (All warrants were transferred at market value). Each warrant entitles the holder to subscribe for one new share in the Company at a price of 112.08 SEK per share. If all allocated warrants are used in the warrant program, a dilution of 1.2 percent of the shares and votes in the company will occur. The exercise period for the warrants ran from May 15, 2024 to June 15, 2024. No options were exercised, which is why no shares have been subscribed.

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 62.72 per share. If all options issued are used in the warrants 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.

Share savings plan

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 during the term 2024-2027 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. Allocation takes place during the qualification period, which runs from the Annual General Meeting in 2027 until no later than July 31, 2027. The performance requirements are linked to Ovzon's earnings per share (EPS, 50 percent) and total shareholders return (TSR, 50 percent). 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.

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Warrants issued to employee on market terms	Average strike price	Number of warrants
Equity at January 1 2023	122.10	1,501,000
Allotted	-	-
Forfeit	-	-
Redeemed	-	-
Matured	102.10	-700,000
Outstanding December 31 2023	99.40	801,000
Redeemable December 31 2023 ¹⁾	-	-
Allotted	-	-
Forfeit	-	-
Redeemed	-	-
Matured	112.08	-596,000
Outstanding December 31 2024 ¹⁾	62.72	205,000
Redeemable December 31 2024 ¹⁾	-	-

1) The strike price have been recalculated after the new rights issue in December 2023.

	Dec 31 2024	Dec 31 2023
Remaining weighted average contract period for warrants outstanding at end of the period, year	1	1
Strike price interval for warrants outstanding at end of the period, SEK	62.72	62.72–112.08

Fair value of the warrants was established in accordance with the table below:

	Warrant program 2021/2024	Warrant program 2022/2025
Warrant valuation model	Black & Scholes	Black & Scholes
Value per warrant at allocation	3.83	3.70
Weighted average share price	73.70	43.10
Strike price	112.08	62.72
Anticipated volatility, %	35	37
Tenor of the warrant, years	3	3
Expected dividend	0	0
Risk-free interest rate, %	-0.27	1.43

The anticipated volatility in the share price is based on historical volatility (based on the remaining tenor of the warrant) adjusted for the expected changes in future volatility as a result of available public information.

Share-based remuneration

Material accounting policies

The options under the Employee Stock Option Program were transferred at no charge to employees and are recognized in accordance with IFRS 2 and UFR7. The fair value of the allotted options is recognized as an employee expense with a corresponding increase in equity. The fair value was calculated at the time of allotment using the Black & Scholes model and distributed across the vesting period (3 years). Since the employee stock options are deemed to qualify as incentive stock options, they are not deemed to incur any costs in the form of social contributions.

Employee stock options	Average strike price	Number of warrants
Outstanding at January 1 2023	62.72	220 000
Allotted	-	-
Forfeit	-	-
Redeemed	-	-
Matured	-	-
Outstanding at December 31 2023¹	62.72	220,000
Redeemable at December 31 2022¹	-	-
Allotted	-	-
Forfeit	-	-
Redeemed	-	-
Matured	-	-
Outstanding at December 31 2024*	62.72	220,000
Redeemable at December 31 2024	-	-

1) The strike price have been recalculated after the new rights issue in December 2023.

	Dec 31 2024	Dec 31 2023
Remaining weighted average contract period for warrants outstanding at end of the period, years	1	2
Strike price interval for warrants outstanding at end of the period, SEK	62.72	62.72

Fair value of the warrants was established in accordance with the table below:

2022/2025 warrant program	
Warrant valuation model	Black & Scholes
Value per warrant at allocation	3.70 SEK
Weighted average share price	43.10
Strike price	62.72
Anticipated volatility, %	37.00
Tenor of the options, years	3
Expected dividend	-
Risk-free interest rate, %	1.43

The anticipated volatility in the share price is based on historical volatility (based on the remaining tenor of the warrant) adjusted for the expected changes in future volatility as a result of available public information.

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NOTE 9 – DEPRECIATION/AMORTIZATION

	2024	2023
Amortization of intangible assets:	-7	-2
Depreciation of right-of-use assets:	-3	-3
Depreciation of property, plant and equipment:	-72	-24
Impairment of property, plant and equipment:	-	-
Total depreciation/amortization	-82	-28

NOTE 10 – FINANCIAL INCOME

	2024	2023
Assets measured at amortized cost		
Interest-rate income, other financial assets	7	4
Total interest-rate income under effective interest method	7	4
Other financial income		
Exchange gains	-	26
Other items	-	0
Total other financial income	-	26
Total	7	30

NOTE 11 – FINANCIAL EXPENSES

	2024	2023
Interest expenses under effective interest method		
Interest expenses, other financial liabilities	-53	-2
Interest expenses, lease liabilities	-0	-0
Total interest expenses under effective interest method	-53	-2
Other financial expenses		
Exchange losses	-32	-
Other financial expenses	0	-
Total other financial expenses	-32	-
Total	-86	-2

The financing costs for Ovzon 3 have been capitalized as a fixed asset in the Ovzon 3 project up until July 5, 2024. Thereafter, 19 percent of the company's external interest expense is capitalized.

NOTE 12 – TAX ON PROFIT FOR THE YEAR

	2024	2023
The following components are included in the tax expense:		
Current tax	-1	7
Deferred tax related to:		
Temporary differences	-	-
Tax reported	-1	7

Recognized loss before tax	-161	-69
Tax under applicable tax rate (20.6%)	33	14

Tax effect of:

Deductible expenses recognized against equity	-	-
Adjustment of tax from prior years	-1	7
Non-taxable income	-	0
Adjustments, net interest items	-	-
Non-deductible expenses	4	0
Effect attributable to other tax rates in the subsidiaries	-	0
Effect of uncapitalized loss carryforwards, net	-37	-14
Tax reported	-1	7

The Group companies operate in different countries and are thus subject to different income tax rates, which are as follows:

Percent	2024	2023
Cyprus	12.5	12.5
Sweden	20.6	20.6
USA	21.0	21.0

At the end of the financial year, there were saved tax loss carry-forwards totaling 450 MSEK (232) in the Group. The table below indicates the distribution of loss carryforwards by country, in MSEK:

	2024	2023
Cyprus	-	-
Sweden ¹⁾	293	123
USA	157	109

¹⁾ In 2024, the income tax returns for the Swedish companies have been reassessed and approved for the fiscal years 2021 to 2023, resulting in an increased accumulated carryforwards of 95 MSEK.

For loss carryforwards in Cyprus here is a time limit of five years and for loss carryforwards in the US there is a time limit of 20 years, which means that the loss carryforwards will start to fall due in 2037. There is no time limit for the loss carry forwards in Sweden. Deferred tax receivables have not been recognized for the loss carryforwards, since it is not likely that the Group will use them for settlement against future taxable profits in the foreseeable future.

NOTE 13 – EARNINGS PER SHARE AND SHARE DATA

	2024	2023
Earnings attributable to shareholders of the Parent Company	-162	-60
Earnings per share attributable to shareholders of the Parent Company, SEK	-1.45	-1.09
Earnings per share attributable to Parent Company shareholders after dilution, SEK	-1.45	-1.09
Average number of shares before dilution	111,530,516	54,728,671
Average number of shares after dilution	111,530,516	54,728,671
Total number of shares issued	111,530,516	111,530,516
Number of shares outstanding at the end of the reporting period after dilution	111,530,516	111,530,516

The Group has issued instruments that could produce future dilution effects. 205,000 subscription warrants, and 220,000 employee stock options have been issued to employees. For further information on the terms of these programs, refer to Note 8 Average number of employees, salaries, other remuneration and payroll overheads, and Note 22 Equity.

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NOTE 14 – INTANGIBLE ASSETS

Material accounting policies

An intangible asset is recognized in the balance sheet when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and when value of the asset can be measured reliably. Development costs are capitalized and recognized in the balance sheet as intangible assets if the criteria for recognition in the balance sheet in accordance with IAS 38 Intangible Assets have been satisfied. Impairment tests are carried out in accordance with IAS 36 Impairment of Assets. The residual value and remaining useful life of an asset are regularly assessed, and this could lead to an adjustment of the depreciation period or an impairment.

Research and development

Expenses for research are expensed immediately and consist exclusively of direct costs. Expenses relating to development projects (attributable to the design and testing of new or improved products) are carried forward as intangible assets to the extent that these expenses are expected to generate future financial benefits. Development costs expensed earlier are not brought forward as an asset in subsequent periods. Development costs brought forward are amortized straight line over the period that the anticipated benefits are expected to accrue to the company and from the time that commercial production commences. In the consolidated balance sheet, capitalized development expenses are recognized at cost less accumulated amortization and impairment. The amortization period is based on the estimated period in use, which for development is four years. Expenditure for research and development that was expensed during the year totaled 30 MSEK (30).

Patents and licenses

Patents and licenses acquired separately are recognized at cost. Patents and licenses have a finite useful life and are recognized at cost less accumulated amortization. Amortization is carried out on a straight-line basis to allocate the cost of patents and licenses over their estimated useful life of 15 years.

Patents and licenses have a finite useful life and are recognized at cost less accumulated amortization. Amortization is carried out on a straight-line basis to allocate the cost of patents, trademarks and licenses over their estimated useful life of 15 years.

Accumulated cost	Patents and licenses	Intangible assets produced by the Group	Total
Accumulated cost, January 1 2023	30	60	90
Acquired separately	1	–	1
Produced by the company	–	27	27
Exchange rate differences	-1	-1	-2
Accumulated cost, December 31 2023	29	86	115
Separately acquired	–	11	11
Internally developed	–	6	6
Reclassifications	–	8	8
Foreign exchange differences	3	2	5
Accumulated acquisition cost, December 31 2024	32	113	144

Accumulated amortization	Patents and licenses	Intangible assets produced by the Group	Total
Accumulated amortization, January 1 2023	-4	-26	-30
Amortization for the year	-2	0	-2
Exchange rate differences	0	1	1
Accumulated amortization, December 31 2023	-6	-26	-31
Depreciation for the year	-1	-6	-7
Foreign exchange differences	-1	-2	-3
Accumulated depreciation, December 31 2024	-7	-34	-41

Carrying amount, closing balance December 31 2023	23	61	84
Carrying amount, closing balance December 31 2024	24	79	103

The intangible assets produced by the Group pertain to development of the Ovzon T7 satellite terminal and On-Board-Processor modem. The cost includes directly attributable expenditures, which includes both external consultants and internal costs for direct salary and direct materials. Impairment testing has not been performed on intangible assets.

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NOTE 15A – EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

Material accounting policies

Tangible fixed assets are reported at acquisition cost, less accumulated depreciation and impairments. The useful lives for the group's tangible fixed assets are as follows:

- Equipment, tools, fixtures and fittings: 3–5 years
- Satellite: 18 years

The expected useful life of an asset is reassessed at each balance sheet date, and when it significantly differs from previous estimates, the depreciation periods are adjusted accordingly. Additional expenditures are either added to the asset's carrying value or recognized as a separate asset, depending on what is appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the group and the acquisition cost can be measured reliably. All other forms of repairs and maintenance are recognized as expenses in the income statement in the period in which they occur.

	Dec 31 2024	Dec 31 2023
Cost, opening balance	83	73
Purchases	12	17
Sales/scraping	-1	-6
Exchange difference	5	-2
Reclassifications	0	-
Accumulated cost, closing balance	99	83
Depreciation, opening balance	-52	-31
Sales/scraping	1	1
Exchange difference	-3	1
Depreciation for the year	-22	-24
Accumulated depreciation, closing balance	-76	-52
Carrying amount, closing balance	24	31

NOTE 15B – SATELLITE

Material accounting policies

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.

	Dec 31 2024	Dec 31 2023
Cost, opening balance	-	-
Reclassifications	1,817	-
Accumulated cost, closing balance	1,817	-
Depreciation, opening balance	-	-
Depreciation for the year	-50	-
Accumulated depreciation, closing balance	-50	-
Carrying amount, closing balance	1,767	-

NOTE 16 – CONSTRUCTION IN PROGRESS AND ADVANCE PAYMENTS

Material accounting policies

Ongoing investments regarding the company's first proprietary satellite are assessed as direct internal and external expenses directly attributable to getting the satellite into a usable condition in accordance with the intentions of Executive Management.

The ongoing investment pertained to the company's own satellite, Ovzon 3. The satellite was launched on January 3, 2024, and reached its orbit at the end of the second quarter of 2024. It was commissioned during the third quarter and has therefore been reclassified as a fixed asset (Satellite), with depreciation initiated. The remaining capital expenditures in progress relates to Ovzon On-Board-Processor, which is expected to be commissioned and capitalized during the first half of 2025.

	Dec 31 2024	Dec 31 2023
Cost, opening balance	2,084	1,447
Purchases	195	636
Reclassifications	-1,829	-
Accumulated cost, closing balance	450	2,084
Impairment, opening balance	-12	-12
Reversed impairment for the year	12	-
Accumulated impairments, closing balance	0	-12
Carrying amount, closing balance	450	2,071

Construction in progress and advance payments pertain to the costs that were put into Ovzon 3 and Ovzon On-Board-Processor. The value of construction in progress is tested on an annual basis to assess whether there is a need for impairment. The annual impairment test is carried out by estimating the recoverable value, which consists of the value in use. The value in use is built on cash flow estimates, derived from specific financial plans established by management for the next 18 years. The forecast period of 18 years corresponds to the estimated economic and technical lifespan of Ovzon 3, which was revised from 15 to 18 years in 2024.

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The cash flows are based on the assumptions of the degree of utilization of Ovzon 3, a 2 percent rate of growth in operating costs, and personnel costs. The degree of utilization in years 1 to 2 will gradually be increased, and thereafter remain constant for the remainder of the forecast period. During year 3-8 it is assumed that investments will be made of 118 MSEK according to contracted payment plan with the satellite manufacturer. The present value of the estimated cash flows was calculated using a discount rate (WACC) of 11.2 percent after tax and 14.1 percent before tax. It is assumed that no further cash flows will occur after the forecast period.

Key assumptions in the assessment

The rate of growth is governed based on the degree of utilization in Ovzon 3, which has been assessed individually per year and is an assessment by the management group of how quickly we will be able to sell available capacity.

The discount rate (WACC) is produced by using a weighted average cost of capital for the industry, and reflects the current market-based evaluations of the time value of money and assessed specific risks.

	2024	2023
Forecast period, years from end of accounting period	18	15
Discount rate before tax, percent	14.1	15.0
Discount rate after tax, percent	11.2	11.9
Tax rate, percent	20.6	20.6

Sensitivity analysis

The company has carried out an impairment test regarding ongoing new facilities. The impairment test did not indicate an impairment requirement, but the difference between the book value and the estimated recoverable amount has increased during 2024. The estimate of the value of the asset Ovzon 3 is dependent on the company's ability to achieve a certain capacity utilization at an expected price level in 2025 and coming years. An impairment test is based on estimates and outcome may vary.

A minor adjustment of material assumptions in the impairment test, such as, for example, price level, capacity utilization and WACC would mean that a need for write-downs arises. It exists thus an uncertainty about Ovzon's assessment of the value of asset Ovzon 3, which is dependent on the company's ability to increase the capacity utilization at the expected price level in 2025 and coming years.

Borrowing expenses

The Group has raised specific loans to finance the development of Ovzon 3. During the financial year, the Group capitalized borrowing expenses totaling 65 MSEK (95), with an interest rate of 15.6 percent.

NOT 17 – LEASES

Material accounting policies

All leasing agreements are reported in the statement of financial position as right-of-use assets as well as lease liabilities. The group's leasing agreement refers to leases on office premises and is classified as right-of-use assets regarding buildings. The right-of-use assets is written off on a straight-line basis over the lease term. The present value calculations of the future leasing costs are discounted with those of the leasing contract implicit interest rate. On each occasion when a new rental agreement is signed within the group, a new updated marginal loan interest is calculated for Ovzone used when discounting the contract.

The company's agreement with Intelsat regarding capacity on IS-39 and IS-37 amounts to 39.4 MUSD and runs over 4 years from 1 November 2020. Because the capacity that is rented on the antennas do not essentially correspond to the entire antenna's capacity, they are capacity parts that are leased are not identified assets and are therefore assessed the agreements do not meet the definition of a leasing agreement according to IFRS 16.

Right-of-use assets	Dec 31 2024	Dec 31 2023
Carrying amount at the beginning of the year	6	15
Future agreements for the year	8	–
Agreements signed	–	-9
Exchange difference	0	0
Accumulated cost, closing balance	14	6
Depreciation, opening balance	-2	-8
Agreements signed	–	9
Depreciation for the year	-3	-3
Accumulated depreciation, closing balance	-5	-2
Carrying amount, closing balance	9	4

Lease liabilities	Dec 31 2024	Dec 31 2023
Current	3	2
Long-term	7	2
Carrying amount, closing balance	9	4

The amounts attributable to leases that were recognized during the year in the Group income statement are presented below:

	2024	2023
Depreciation of leased assets	3	3
Interest expenses on lease liabilities	0	0
Total	3	3

The Group recognizes a cash flow attributable to leases totaling 3 (4) MSEK for financial year 2024. For a maturity assessment of the Group's lease liabilities, refer to Note 27 Supplementary disclosures, financial assets and liabilities.

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NOT 18 – INVENTORY

Material accounting policies

The inventory is valued at the lower of acquisition value and net sales value. The acquisition value is calculated according to weighted average prices and includes expenses incurred in the acquisition of the inventory assets and transporting them to their current location and condition. Net sales value is defined as sales price reduced for costs of completion and sales costs.

	Dec 31 2024	Dec 31 2023
Finished terminals	37	38
Spare parts and appendage to terminals	1	3
Total	38	41

During the year, costs attributable to inventory were included in total 72 (36) MSEK in the result. The group reported an amount of 1 (3) MSEK as a result of write-downs of inventory due to the assessment of obsolescence.

NOTE 19 – TRADE RECEIVABLES

Material accounting policies

The simplified method is applied in recognizing anticipated credit losses, meaning that the evaluation is carried out on the remaining period, which is expected to fall below one year for all trade receivables and contractual assets (accrued income). This method means that a receivable is impaired by a certain percentage based on whether it is due and how long has passed since the due date. If there is information indicating that the receivable does not have a greater risk than trade receivables that have not fallen due for payment, the percentage rate for receivables that are not due for payment is used. The percentage rate applied is based on historical information adjusted for future expectations, if these entail a different expected outcome. The Group's customers have similar risk profiles, which is why assessments are applied collectively. If individual counterparties account for a significant portion of the outstanding receivables, an individual assessment is carried out. Reservations for trade receivables not due for payment use a ratings-based method. If an official credit rating is not available, the counterparty is assumed to have a low credit rating equivalent to "B" in the Standard & Poor ratings model.

Age analysis, trade receivables	Dec 31 2024	Dec 31 2023
Trade receivables not due	232	35
Receivables due, <60 days	1	0
Receivables due, 61–120 days	–	–
Receivables due, >120 days	90	82
Total trade receivables	323	117
Reserve for anticipated credit losses	-90	-82
Total	234	35

Reserve for anticipated credit losses	Dec 31 2024	Dec 31 2023
Reserved amount, opening balance	-82	-50
Additional reserves	–	-32
Exchange differences	-8	–
Reserved amount, closing balance	-90	-82

The Group has accumulated bad debt from the previous Italian distributor, which has shown a weak financial position. That is why the company set aside a reserve of 89.8 MSEK (8,2 MUSD) for anticipated credit losses (82 MSEK, 8,2 MUSD 2023), out of the total receivable of 89.8 MSEK (8,2 MUSD) as of December 31, 2024 (82 MSEK, 8,2 MUSD 2023). The company is working actively and closely with the party that is behind on its payments to ensure settlement of the debt.

All amounts are short-term. The net carrying amount for trade receivables is regarded as a reasonable approximation of fair value. A bad debt reserve are made following individual assessments of unpaid receivables.

NOTE 20 – PREPAID EXPENSES AND ACCRUED INCOME

	Dec 31 2024	Dec 31 2023
Prepaid leases	0	1
Accrued income	–	16
Other prepaid expenses	12	9
Total	12	26

NOTE 21 – CASH AND CASH EQUIVALENTS

	Dec 31 2024	Dec 31 2023
Cash and bank balances	126	247
Total	126	247

Of consolidated cash and cash equivalents, 11 MSEK (4) comprises pledged bank funds.

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NOTE 22 – EQUITY

Class of share	December 31 2024				December 31 2023			
	No. of shares	Par value (SEK)	No. of votes per share	Share capital	No. of shares	Par value (SEK)	No. of votes per share	Share capital
Class A shares	111,530,516	0.10	1	11	111,530,516	0.10	1	11
Total	111,530,516		111,530,516	11	111,530,516		111,530,516	11

Share capital development - past two years

Year	Event	No. of new new shares	Total no. of shares	Change in share capital, MSEK	Totalshare capital, MSEK
2023	Opening balance	–	51,270,876	–	5
Feb 2023	New share issue	4,494,382	55,765,258	0	6
Dec 2023	New share issue	55,765,258	111,530,516	6	11
2024	Closing balance	–	111,530 516	–	11

Otherwise, refer to the Group's and the Parent Company's Specifications of change in equity.

Other paid-in capital

Other paid-in capital includes the contributions that the company has received from its shareholders and that are not reported as share capital. Other paid-in capital also includes proceeds from warrants.

Warrants program for creditors

In conjunction with raising the subordinated credit facility of 200 MSEK on July 3, 2019, 1,500,000 warrants were issued to the subordinated creditors. Following the rights issues in June 2020 and December 2023, the terms for the warrants were recalculated. Each warrant provides entitlement to subscribe for 1.32 new shares in the company at a price of SEK 76.06 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. No options have been exercised during the year. See note 8 for employee share option programs.

Warrants issued to creditors	Average strike price	Number of warrants
Outstanding January 1 2023	98.16	1,500,000
Revalued	76.06	–
Forfeited	–	–
Redeemed	–	–
Matured	–	–
Outstanding December 31 2023	76.06	1,500,000
Redeemable December 31 2023	76.06	1,500,000
Revalued	–	–
Forfeited	–	–
Redeemed	–	–
Matured	-76.06	-1,500,000
Outstanding December 31 2024	–	–
Redeemable December 31 2024	–	–

Dec 31 2024 Dec 31 2023

Remaining weighted average contract period for warrants outstanding at end of the period, year	1
Strike price interval for warrants outstanding at end of period, SEK	76.06

Fair value of the warrants was established in accordance with the table below:

Warrant valuation model	Black & Scholes
Value per warrant at allocation, SEK	3.70
Weighted average share price	58.88
Strike price	76.06
Anticipated volatility, %	30
Tenor of the options, years	5
Expected dividend	0
Risk-free interest rate, %	-0.59

The anticipated volatility in the share price is based on historical volatility (based on the remaining tenor of the warrant) adjusted for the expected changes in future volatility as a result of available public information.

Reserves

The item fully comprises exchange differences referable to translation of foreign subsidiaries.

Retained earnings

This item includes accumulated losses in Ovzon. Other transactions with owners, such as dividends, are also reported here when applicable.

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NOTE 23 – BORROWING AND OTHER LONG-TERM LIABILITIES, INTEREST-BEARING

Borrowing	2024-12-31	2023-12-31
Liabilities to credit institutions	–	640
Liabilities to credit institutions, current	701	13
Total borrowing	701	653

In 2019, the company signed a senior credit facility of 60 MUSD (606 MSEK) in order to ensure financing of its proprietary satellite, Ovzon 3. 35 MUSD (353 MSEK) of the credit facility was utilized in 2021, and a further 10 MUSD (101 MSEK) was utilized in 2022. In January 2023, a change in the credit facility was agreed on, expanding it to 65 MUSD (656 MSEK). The remaining unutilized facility of 20 MUSD (202 MSEK) was utilized in the fourth quarter of 2023, the loan facility is thus fully utilized. The loan is due for payment on December 31, 2025 with an interest rate, in USD, of LIBOR 3m + 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.

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 year, the company was unable to fulfil two of these covenants but obtained the necessary waiver from the creditor. As of December 31, 2024 one of the covenants is not met but the company has obtained the required waiver from the creditor.

On February 17 2025, the company entered into an agreement with the creditor to extend the credit facility with maturity on September 30, 2026.

Other long-term liabilities, interest-bearing	2024-12-31	2023-12-31
Liability to supplier	67	–
Total	67	–

Other non-current liabilities include a liability to a supplier for the production of Ovzon 3. Out of the other non-current liabilities, 67 MSEK (0) matures within 4-9 years. Other non-current liabilities, interest bearing, runs at an interest rate of US Prime rate + 2 percentage points.

NOTE 24 – ACCRUED EXPENSES AND DEFERRED INCOME

Group	2024-12-31	2023-12-31
Accrued personnel expenses	11	7
Deferred income	290	1
Other accrued expenses	8	12
Total	310	20

NOTE 25 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets	2024-12-31	2023-12-31
Liabilities to credit institutions		
Pledged shares in Group companies	1,878	1,909
Restricted bank funds	11	4
Total	1,889	1,913

Contingent liabilities

There are no contingent liabilities at the balance sheet date.

NOTE 26 – SUPPLEMENTARY DISCLOSURES ON CASH FLOW STATEMENT

Group	Dec 31 2024	Dec 31 2023
Adjustments for non-cash items, etc.		
Depreciation/amortization and impairment, non-current assets	82	28
Impairment for anticipated credit losses	–	8
Other items	-3	-8
Total	78	28

Change in liabilities attributable to financing activities	January 1 2024	Cash flow from financing interest and activities	Non-cash items			December 31 2024
			Capitalized interest and currency effects, net	New lease		
Liabilities to credit institutions	653	-14	62	–		701
Lease liabilities	4	-3	-0	8		9
Total	657	-17	62	8		710

Change in liabilities attributable to financing activities	January 1 2023	Cash flow from financing interest and activities	Non-cash items			December 31 2023
			Capitalized interest and currency effects, net	New lease		
Liabilities to credit institutions	470	219	-36	–		653
Lease liabilities	8	-4	0	–		4
Total	478	215	-37	0		657

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NOTE 27 – SUPPLEMENTARY DISCLOSURES, FINANCIAL ASSETS AND LIABILITIES

All of the Group's financial assets and liabilities that are measured under IFRS 9 Financial instruments meet the criteria for reporting at amortized cost. Liabilities to credit institutions have a floating rate and other financial instruments are current, which is why the carrying amount is considered to be a good approximation of fair value. The Group's maximum credit risk on financial assets consists of the carrying amounts in the table.

Financial assets and liabilities by measurement category

	Dec 31 2024	Dec 31 2023
Financial assets measured at amortized cost		
Trade receivables	234	35
Cash and cash equivalents	126	247
Total	359	282
Financial liabilities measured at amortized cost		
Liabilities to credit institutions	701	653
Other long-term interest-bearing liabilities	67	–
Trade payables	30	84
Other current liabilities	58	3
Total	857	740

NOTE 28 – TRANSACTIONS WITH RELATED PARTIES

For compensation to the board, CEO, and other senior executives, please refer to note 8 Average number of employees, salaries, other remuneration and payroll overheads

The Group's maturity structure in respect of undiscounted cash flows for financial liabilities

Nominal amount at December 31 2024	1–3 months	3–12 months	1–2 years	2–5 years	More than 5 years	No due date
Liabilities to credit institutions ¹⁾	40	789	–	–	–	–
Other long-term interest-bearing liabilities	–	–	–	35	83	–
Leasingskulder	1	2	5	2	–	–
Trade payables	30	–	–	–	–	–
Other current liabilities	58	–	–	–	–	–
Total	129	792	5	37	83	–
Nominal amount at December 31 2023	1–3 months	3–12 months	1–2 years	2–5 years	More than 5 years	No due date
Liabilities to credit institutions	25	89	737	–	–	–
Lease liabilities	1	2	2	–	–	–
Trade payables	84	–	–	–	–	–
Other current liabilities	3	–	–	–	–	–
Total	113	91	739	–	–	–

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

NOTE 29 – GROUP COMPANIES

The Parent company's, Ovzon AB, investments in direct and indirect group companies that is consolidated into this group financial statements are presented below table:

Company name	Corporate ID number	Domicile	Share of capital and votes	
			Dec 31, 2024	Dec 31, 2023
Ovzon AB	559079-2650	Solna	Parent Company	Parent Company
Ovzon Sweden AB	556679-1181	Stockholm	100%	100%
OverHorizon OHO 1 Limited	HE262622	Nicosia	100%	100%
Ovzon US LLC	S226247-7	Herndon, VA	100%	100%
Ovzon LLC	S226246-9	Herndon, VA	100%	100%

NOTE 30 – EVENTS AFTER THE END OF THE REPORTING PERIOD

- 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.
- Order from new European customer within NATO.

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Parent Company income statement

MSEK	Note	Jan – Dec 2024	Jan – Dec 2023
Operating income, etc.			
Net sales	P2	37	41
Other operating income		3	0
		40	41
Operating expenses			
Other external costs	P3, P4	-28	-28
Employee benefit expenses	P5	-11	-11
Depreciation/amortization		0	0
Other operating expenses		0	0
		-39	-40
Operating profit		0	1
Income from financial items			
Impairment of participations in Group companies	P11	-120	-750
Other interest income and similar items	P6	94	144
Interest expenses and similar items	P7	-136	-97
		-162	-703
Profit/loss after financial items		-162	-702
Tax on profit for the year	P8	-	-
PROFIT/LOSS FOR THE YEAR		-162	-702

Parent Company statement of comprehensive income

MSEK	Note	Jan – Dec 2024	Jan – Dec 2023
Profit/loss for the year			
Profit/loss for the year		-162	-702
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		-162	-702

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Parent Company balance sheet

MSEK	Note	Dec 31 2024	Dec 31 2023
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development and similar items	P9	0	0
		0	0
Property, plant and equipment	P10		
Equipment, tools and installations		0	0
Construction in progress		-	0
Financial assets			
Participations in Group companies	P11	1,719	1,719
Receivables from Group companies	P17	391	344
		2,110	2,063
Total non-current assets		2,111	2,064
Current assets			
Current receivables			
Receivables from Group companies	P17	33	19
Other receivables		2	2
Prepaid expenses and accrued income	P12	1	1
		36	23
Cash and bank balances	P13	13	191
Total current assets		49	214
TOTAL ASSETS		2,159	2,278

MSEK	Note	Dec 31 2024	Dec 31 2023
EQUITY AND LIABILITIES			
Equity	P14		
Restricted equity			
Share capital		11	11
		11	11
Unrestricted equity			
Profit brought forward		1,602	2,304
Profit/loss for the year		-162	-702
		1,440	1,602
Total equity		1,451	1,613
Non-current liabilities			
Liabilities to credit institutions	P15	-	640
		-	640
Current liabilities			
Liabilities to credit institutions	P15	701	13
Trade payables		3	6
Other liabilities		1	1
Accrued expenses and deferred income	P16	4	5
		709	25
TOTAL EQUITY AND LIABILITIES		2,159	2,278

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

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Parent Company statement of changes in equity

MSEK	Restricted equity	Unrestricted equity	Total equity
	Share capital	Profit/loss brought forward, incl. profit/loss for the year	
Equity at January 1 2023	5	1,874	1,879
Profit for the year	-	-702	-702
Other comprehensive income	-	-	-
Total comprehensive income	-	-702	-702
Rights issue	6	445	451
Issue expenses	-	-15	-15
Other paid-in capital	-	1	1
Equity at December 31 2023	11	1,602	1,613
Equity at January 1 2024	11	1,602	1,613
Profit for the year	-	-162	-162
Other comprehensive income	-	-	-
Total comprehensive income	-	-162	-162
Total transactions with shareholders:			
Stock option program (LTIP)	-	0	0
Equity at December 31 2024	11	1,440	1,451

Parent Company cash flow statement

MSEK	Note	Jan – Dec 2024	Jan – Dec 2023
Operating activities			
Operating profit		0	1
Adjustments for non-cash items, etc.	P18	-	-
Interest received, etc.		94	109
Interest paid		-110	-96
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		-15	14
Cash flow from changes in working capital			
Decrease (+)/increase (-) in current receivables		-14	-3
Decrease (-)/increase (+) in trade payables		-3	5
Decrease (-)/increase (+) in current liabilities		35	3
Total change in working capital		18	5
Cash flow from operating activities		3	19
Investing activities			
Shareholders' contributions paid	P11	-120	-626
Changes in receivables in Group companies		-47	-80
Acquisition of intangible assets and property, plant and equipment		0	-1
Cash flow from investing activities		-167	-708
Financing activities			
New share issue		-	451
Costs in conjunction with issue		-	-15
Loans raised from credit institutions		-	219
Amortizations to credit institutions		-14	-
Cash flow from financing activities		-14	655
Cash flow for the year		-178	-34
Cash and cash equivalents at the beginning of the year		191	225
Exchange rate difference in cash and cash equivalents		-	0
Cash and cash equivalents at the end of the year	P13	13	191

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NOTE P1 – PARENT COMPANY ACCOUNTING POLICIES

Basis of preparation

The Parent Company has prepared this Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Sustainability- and Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements issued by the Swedish Financial Reporting Board also apply to listed companies. RFR 2 entails that, in the annual report of the legal entity, the Parent Company is to apply all IFRS Accounting Standards and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act and in regard to the connection between accounting and taxation. The recommendation states the exceptions and additions that are or can be made to IFRS Accounting Standards.

Accordingly, the Parent Company applies the policies applied in the consolidated financial statements above, with the exceptions indicated below. The policies are applied consistently for all years presented, unless otherwise stated.

Presentation of financial statements

The Parent Company's income statement and balance sheet follow the Annual Accounts Act in their structure. The other sections follow the same format as that for the Group.

Participations in Group companies

Participations in subsidiaries are recognized in the Parent Company in accordance with the cost method. This means that the transaction costs are included in the carrying amount for the holding. Where the carrying amount exceeds the company's consolidation value, an impairment is charged to the income statement. The need for impairment is assessed at the end of every reporting period. Where a previous impairment is no longer justified, it is reversed. Impairment tests of the shares are carried out according to the same principles such as that made for tangible assets and described in Note 16 for the group.

Assumptions are made concerning future conditions in order to estimate future cash flows that determine the recoverable amount. This amount is compared to the carrying amount for these assets, and forms the basis for any impairments or reversals. The assumptions with the greatest impact on the recoverable amount are future earnings performance, discount rates and exercise periods. If future business environment factors and conditions change, the assumptions may be impacted so that the carrying amount of the Parent Company's assets changes.

Group contributions and shareholder contributions

The Parent Company recognizes Group contributions both paid and received as appropriations. Shareholder contributions paid by the Parent Company are recognized in the Parent Company as an increase in participations in Group companies. Shareholder contributions received are recognized as an increase in unrestricted equity.

Leases

The Parent Company recognizes all leases as costs on a straight-line basis over the term of the lease, which means that the Parent Company does not recognize right-of-use assets and lease liabilities.

Financial instruments

The Parent Company applies the cost method in accordance with the Swedish Annual Accounts Act for financial instruments instead of complying with IFRS 9 in its entirety. The Parent Company measures fixed financial assets at cost and current financial assets at the lower of cost or net realizable value.

Impairments are applied to expected credit losses for financial instruments, using the method described in Group Note 19 Trade receivables.

The Parent Company applies the exception of not measuring financial warranty agreements for the benefit of subsidiaries in accordance with the regulations in IFRS 9, but instead applies the measurement policies under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Financial risks

For a description of financial risks, refer to Group Note 3 Financial risk management.

NOTE P2 – REVENUE ALLOCATION

	2024	2023
Management services		
Europe	20	21
USA	17	19
Cyprus	–	0
	37	41
Other revenue		
Sweden	0	–
	0	–
Total	37	41

NOTE P3 – DISCLOSURES ON AUDITOR FEES AND REMUNERATION

	2024	2023
KPMG		
Audit engagements	1	1
Audit activities other than audit engagements	–	0
Total	1	2

The term audit engagement pertains to the auditors' work on the statutory audit, and audit activities other than audit engagements pertain to various types of quality assurance services. Other services are those not included in the audit engagements, audit activities or tax consultancy.

NOTE P4 – LEASES

Future minimum lease payments	2024	2023
Within 1 year	–	–
Between 1 and 5 years	–	–
More than 5 years	–	–
Total	–	–

The Parent Company did not expense any lease payments during the financial year.

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NOTE P5 – EMPLOYEE BENEFIT EXPENSES

For disclosures concerning employees and remuneration to the Board of Directors, the CEO and other senior executives in the company, refer to Group Note 8 Average number of employees, salaries, other remuneration and payroll overheads.

NOTE P6 – FINANCIAL INCOME

	2024	2023
Assets measured at amortized cost		
Financial income	29	24
Total interest-rate income under effective interest method	29	24
Other financial income		
Exchange gains	–	23
Other items	65	96
Total other financial income	65	119
Total financial income	94	144

NOTE P7 – FINANCIAL EXPENSES

	2024	2023
Interest expenses under effective interest method		
Interest expenses	-49	0
Total interest expenses under effective interest method	-49	0
Other financial expenses		
Exchange rate differences	-27	–
Financial expenses	-60	-96
Total other financial expenses	-87	-96
Total	-136	-97

Financial expenses for Ovzon 3 has, until July 5 2024, been activated as fixed assets in the Ovzon 3 project. Thereafter, 19 percent of the company's external interest expense is capitalized.

NOTE P8 – TAX ON PROFIT FOR THE YEAR

	2024	2023
The following components are included in the tax expense:		
Current tax	–	–
Deferred tax related to:		
Temporary differences	–	–
Tax reported	–	–
Profit/loss before tax	-162	-702
Tax under applicable tax rate (20.6%)	33	145
Tax effect of:		
Deductible expenses recognized against equity	–	3
Adjustment of tax from prior years	–	–
Non-taxable income	–	–
Adjustments, net interest items	–	5
Non-deductible expenses	-25	-155
Effect of uncapitalized loss carryforwards, net	-8	3
Tax reported	0	0

NOTE P9 – INTANGIBLE ASSETS

Capitalized development expenditure	Dec 31 2024	Dec 31 2023
Cost, opening balance	0	0
Purchases	–	0
Accumulated cost, closing balance	0	0
Amortization, opening balance	0	–
Amortization for the year	0	0
Closing accumulated cost amortization	0	0
Carrying amount, closing balance	0	0

NOTE P10 – PROPERTY, PLANT AND EQUIPMENT

Equipment, tools, fixtures and fittings	Dec 31 2024	Dec 31 2023
Opening balance, accumulated cost	–	–
Purchases	–	–
Reclassification	0	–
Closing balance, accumulated cost	0	–
Opening balance, accumulated depreciation	–	–
Depreciation for the year	0	–
Closing balance, accumulated depreciation	0	–
Carrying amount, closing balance	0	–
Construction in progress	2024-12-31	2023-12-31
Opening balance, accumulated cost	0	–
Investments for the year	–	0
Reclassification	0	–
Closing balance, accumulated cost	–	0
Carrying amount, closing balance	–	0

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NOTE P11 – PARTICIPATIONS IN GROUP COMPANIES

	Dec 31 2024	Dec 31 2023
Cost, opening balance	1,719	1,843
Shareholders' contributions	120	626
Write-downs	-120	-750
Accumulated cost, closing balance	1,719	1,719

Carrying amount, closing balance 1,719 1,719

Directly owned subsidiaries Company name	Number of votes/ of votes capital, %	Shares of votes/ capital, %	Carrying amount	
			Dec 31 2024	Dec 31 2023
Ovzon Sweden AB	1,000	100	1,637	1,637
OverHorizon OHO 1 Limited	1,000	100	82	82
Ovzon US, LLC	1,000	100	0	0
			1,719	1,719

Directly owned subsidiaries Company name	Corporate ID number	Profit/loss for the year	Equity
Ovzon Sweden AB	556679-1181	-58	2,216
OverHorizon OHO 1 Limited	HE262622	-5	2
Ovzon US, LLC	S226247-7	-62	-341

Subsidiaries indirectly owned through Ovzon US, LLC	Corporate ID number	Share of votes/ capital, %
Ovzon LLC	S226246-9	100

NOTE P12 – PREPAID EXPENSES AND ACCRUED INCOME

	Dec 31 2024	Dec 31 2023
Other prepaid expenses	1	1
Total	1	1

NOTE P13 – CASH AND CASH EQUIVALENTS

	Dec 31 2024	Dec 31 2023
Cash and bank balances	13	191
Total	13	191

NOTE P14 – EQUITY

For specifications pertaining to the Parent Company's equity, refer to Group Note 22 Equity and the Parent Company statement of changes in equity.

NOTE P15 – BORROWINGS

	Dec 31 2024	Dec 31 2023
Long-term liabilities to credit institutions	–	640
Current liabilities to credit institutions	701	13
Sum total of borrowings	701	653

In 2019, the company signed a senior credit facility of 60 MUSD (606 MSEK) in order to ensure financing of its proprietary satellite, Ovzon 3. 35 MUSD (353 MSEK) of the credit facility was utilized in 2021, and a further 10 MUSD (101 MSEK) was utilized in 2022. In 2023, the facility was increased to 65 MUSD (656 MSEK). In the fourth quarter of 2023, the remaining unused facility of USD 20 million (SEK 202 million) was drawn down, meaning the loan facility was fully utilized. The loan is due for repayment on December 31, 2025, and carries an interest rate of USD 3m Libor + 10 percent. During 2024 1.25 MUSD (14 MSEK) has been amortized, whereby the debt as of the balance sheet date amounts to 63.75 MUSD (701 MSEK).

After the end of the period, as of February 17, 2025, the loan agreement has been extended by nine months with expiration September 30, 2026.

NOTE P16 – ACCRUED EXPENSES AND DEFERRED INCOME

	Dec 31 2024	Dec 31 2023
Accrued employee benefit expenses	2	1
Other accrued expenses	2	4
Total	4	5

NOTE P17 – TRANSACTIONS WITH RELATED PARTIES

	2024	2023
Purchases, %	9	8
Sales, %	93	100

Receivables in Group companies	Dec 31 2024	Dec 31 2023
Ovzon Sweden AB	33	17
OverHorizon OHO 1 Limited	40	39
Ovzon US LLC	2	2
Ovzon LLC	350	306
Total	424	363

For remuneration to the Board of Directors, the CEO, and other senior executives, please refer to Note 8 of the Group's financial statements: Average number of employees, salaries, other remuneration and payroll overheads.

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NOTE P18 – SUPPLEMENTARY DISCLOSURES ON CASH FLOW STATEMENT

Adjusted for items not included in cash flow	December 31 2024	December 31 2023
Depreciation/amortization and impairment fixed assets	0	0
Total	0	0

Change in liabilities attributable to financing activities

	January 1 2024	Cash flow from financing activities	Non-cash items	
			Currency effects	December 31 2024
Liabilities to credit institutions	653	-14	62	701
Total	653	-14	62	701

	January 1 2023	Cash flow from financing activities	Non-cash items	
			Currency effects	December 31 2023
Liabilities to credit institutions	470	219	-36	653
Total	470	219	-36	653

NOTE P19 – PROPOSED ALLOCATION OF PROFITS

Retained earnings, SEK	1,601,737,012
Profit/loss for the year	-161,981,514
Total, SEK	1,439,745,498

The Board of Directors proposes that the following amount be carried forward, SEK **1,439,745,498**

NOTE P20 – EVENTS AFTER THE END OF THE REPORTING PERIOD

- André Löfgren appointed as new CFO effective May 1, 2025.
- Extended and amended loan facility agreement with P Capital Partners.

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The Board of Directors and Chief Executive Officer give their assurance that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, and that the consolidated financial statements have been prepared in accordance with international accounting standards as referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and consolidated financial statements provide a true and fair account of the financial position and earnings of the Parent Company and the Group. The Administration Reports for the Parent Company and the Group provide a true and fair overview of the development of the operations, financial position and earnings of the Parent Company and the Group, and describe material risks and uncertainties faced by the Parent Company and the companies included in the Group.

As indicated above, the Annual Report and consolidated financial statements have been approved for issue by the Board of Directors and the CEO on April 3, 2025.

Regina Donato Dahlström
Chairman of the Board

Cecilia Driving
Board member

Lars Højgård Hansen
Board member

Dan Jangblad
Board member

Nicklas Paulson
Board member

Peder Ramel
Board member

Per Norén
CEO

Our audit report was submitted on April 3, 2025

KPMG AB

Marc Karlsson
Authorized Public Accountant

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To the general meeting of the shareholders of Ovzon AB (publ), corp. id 559079-2650

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Ovzon AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 63–94 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Satellite, Construction in progress and advance payments (the group) and Participations in Group companies (the parent company)

See disclosure 4, 15B and 16 (the group) and disclosure P11 (the parent company) and accounting principles on pages 74,81–82 and 92 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The recorded amount regarding Satellite in the consolidated accounts amounts to 1,767 MSEK as of December 31, 2024. The amount is comprised of the group's internally-developed satellite Ovzon 3, which was commissioned during the third quarter.

Construction in progress and advance payments in the consolidated accounts amounts to 450 MSEK as of December 31, 2024. In all material aspects, the amount is comprised of the Ovzon On-Board-Processor, which is expected to be commissioned and capitalized during the first half of 2025.

After the commissioning of Ovzon 3, the company has, based on new information from the manufacturer, assessed that the economic lifespan amounts to 18 years. The previous assessment, before Ovzon 3 was put into use, was 15 years.

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The recorded amount of participations in group companies in the parent company's balance sheet amounts to 1,719 MSEK as of December 31, 2024. The amount is primarily comprised of the subsidiary Ovzon Sweden AB. In the parent company's income statement, impairment of participations in group companies of 120 MSEK has been recognized.

The group performs an annual impairment test based on discounted cash flows. Some of the significant assumptions in the impairment test include assessments regarding discount rate, degree of utilization, price and growth rate.

As disclosed in note 16, the impairment test of Ovzon 3 did not show a need for impairment, and the difference between book value and estimated recoverable value has increased during 2024. A minor change in the significant assumptions in the impairment test, such as price level, degree of utilization or discount rate would result in a need for impairment.

A corresponding impairment test is carried out by the parent company regarding the value of participations in group companies. The conditions are similar to the descriptions above regarding Satellite and Construction in progress and advance payments.

Given the Satellite's and Construction in progress and advance payments' significant share of the group's total assets, as well as the element of judgement and estimates included in the impairment test and in the capitalization of expenses, this is a Key Audit Matter.

Response in the audit

Our audit procedures have, among other things, included an assessment of the group's process for capitalizing construction in progress and advance payments.

We have assessed the documentation that forms the basis for the company's updated assessment of the economic lifespan for Ovzon 3.

We have assessed the group's process for preparing impairment tests, including review of assumptions and final impairment test. We have also assessed the group's model for impairment tests.

We have evaluated the assumptions that the group used in the impairment test regarding Ovzon 3 and participations in group companies, as well as assessed the group's sensitivity analysis.

We have checked the disclosures on Satellite and Construction in progress and advance payments given by group in notes 4, 15B and 16 (the group) and note P11 (the parent company) in the annual accounts and consolidated accounts, especially concerning elements of judgement and key assumptions used.

Revenue recognition

See disclosure 5 and accounting principles on page 75 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Net sales in 2024 amounted to 334 MSEK and constitute a significant item in the consolidated accounts. The revenue is generated partly from the sale of broadband services from proprietary and leased capacity from existing satellites, partly from sales of terminals.

Revenue from the sale of broadband services over proprietary and leased capacity from existing satellites are recognized in connection with the services being delivered, i.e. the performance obligation is met over time, whereupon revenue is recognized on a straight-line basis over the length of contract period. Revenue from sales of terminals is recognized in connection with the transfer of risk to the customer.

There is a risk that revenue is recognized in the incorrect period or with an incorrect amount, which is why revenue recognition is a Key Audit Matter.

Response in the audit

In our audit we have, among other things, evaluated the group's revenue streams in order to gain an understanding of how any errors could arise. Based on this evaluation, we have, among other things, carried out audit procedures including evaluation of design and implementation of relevant controls for revenue recognition.

Our substantive audit procedures have, among other things, included that we, for a sample of sales transactions, have reconciled recognized revenue against contract terms, payment documents and delivery documents to assess that revenue has been recognized in the correct period and to the correct amount.

In addition, we have obtained external confirmations for material outstanding accounts receivable as of the balance sheet date.

We have checked the disclosures on revenue given by the group in note 5 in the annual accounts and consolidated accounts.

Financing

See section "Financing" in the Administration Report and disclosure 3 and 4 and accounting principles on pages 67 and 73–74 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Cash and cash equivalents amounted to SEK 126 million as of December 31, 2024, and borrowing amounted to SEK 701 million.

Borrowing in the form of a utilized credit facility is conditional on the group meeting certain financial covenants including key financial metrics such as loans to cost (loans in relation to the investment in Ovzon 3), a lowest level of cash balances, and a ratio in the valuation of the subsidiaries. During the year, the company was unable to fulfill two of these covenants but obtained the necessary waiver from the creditor. As of December 31, 2024 one of the covenants is not met but the company has obtained the required waiver from the creditor.

As described in the Administration Report on page 67, there might be a risk that the group in the future will be unable to comply with the conditions that the credit facilities impose. Ovzon's earning capacity is highly dependent on the group's ability to grow its sales through contracts with new and existing customers, as well as on future market performance.

After the end of the reporting period, the company entered into an agreement with the creditor to extend the loan facility with maturity on September 30, 2026. In addition, an agreement was reached to update the terms of the loan.

Given the group's refinancing and liquidity risk, financing is a Key Audit Matter.

Response in the audit

In our audit, we have evaluated the group's management of financing. In addition, we have assessed loan agreements and their financial covenants, as well as waivers obtained from the creditor. We have also assessed the loan agreement which the company entered into after the end of the reporting period.

We have further assessed the group's decision to apply the going concern assumption. We have obtained the latest available liquidity forecast and considered the reasonableness and support of those judgments which is the basis for the forecast. We have discussed with group management how they have established their assumptions and have considered these in our assessment.

We have checked the disclosures on financing and the going concern assumption given by the group provides in the Administration Report and in notes 3 and 4 in the annual accounts and consolidated accounts, especially concerning elements of judgement and key assumptions used.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 – 52, 59 – 62 and 100 – 104. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit

evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Ovzon AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Ovzon AB (publ) for year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Ovzon AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

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Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but

not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Ovzon AB (publ) by the general meeting of the shareholders on the 19 April 2024.

KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2023.

Stockholm 3 April 2025

KPMG AB

Marc Karlsson
Authorized Public Accountant

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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 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.

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ALTERNATIVE PERFORMANCE MEASURES

Key performance measures	Definition	Justification
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 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 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 (percent)	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 (percent)	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.

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MSEK	Jan – Dec 2024	Jan – Dec 2023
Adjusted operating profit/loss		
Operating profit/loss	-82	-95
Realized positive foreign exchange rate effect related to repayment of advances from launch partner	-	-11
Adjusted operating profit/loss	-82	-106
Operating profit/loss, last 12 months		
Operating profit/loss, current period	-82	-95
+ Operating profit/loss, preceding year	-95	-81
- Operating profit/loss from last year	95	81
Operating profit/loss, last 12 months	-82	-95
EBITDA and adjusted EBITDA		
Operating profit/loss	-82	-95
Excluding depreciation/amortization	82	28
EBITDA	-0	-66
Realized positive foreign exchange rate effect related to repayment of advances from launch partner	-	-11
Adjusted EBITDA	-0	-77
Adjusted revenue and adjusted revenue growth		
Revenue	334	290
Sale of production inventory	-5	-
Adjusted revenue	330	290
Average exchange rate for the period, SEK/USD	10.5614	10.6128
Adjusted revenue, MUSD	31	27
Revenue growth, %	16	-19
Adjusted revenue growth adjusted for currency effects, %	14	-22

MSEK	Jan – Dec 2024	Jan – Dec 2023
Profit/loss excluding currency translations		
Profit/loss for the period	-162	-60
Excluding unrealized financial currency effects	32	-26
Profit/loss excluding currency translations	-129	-86
Interest-bearing net debt, and interest-bearing net debt excluding lease liabilities, MSEK		
Non-current liabilities, interest-bearing	74	644
Current liabilities, interest-bearing	701	13
Cash and cash equivalents	-126	-247
Interest-bearing net debt	649	410
of which, lease liabilities	7	4
Interest-bearing net debt excluding lease liabilities	642	406
Equity/assets ratio, %	57	70
Interest-bearing net debt / Adjusted EBITDA, 12 months, multiple	neg	neg
Closing rate at the end of the reporting period		
EUR	11.4865	11.0960
GBP	13.8475	12.7680
USD	10.9982	10.0416

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Information for shareholders

The Board of Directors of Ovzon AB has issued notice of the Annual General Meeting.

Time: Thursday, April 24, 2025 at 15:00 p.m.

Venue: The company's office, Anderstorpsvägen 16, Solna, Sweden.

Registration in the share register and notification

Shareholders wishing to attend the Annual General Meeting must:

- i. on the record date, which is on Monday 14 April 2025, be registered in the share register maintained by Euroclear Sweden AB; and
- ii. notify the Company of their participation and any assistants (no more than two) in the annual general meeting no later than on Wednesday April, 16 2025. The notification shall be in writing to Baker McKenzie Advokatbyrå, Attn: Simon Olofsson, Box 180, 101 23 Stockholm or via e-mail to simon.olofsson@bakermckenzie.com. The notification should state the name, personal/corporate identity number, shareholding, address and telephone number and, when applicable, information about representatives, counsels and assistants. When applicable, complete authorization documents, such as registration certificates and powers of attorney for representatives and assistants, should be appended the notification.

Shareholders, whose shares are registered in the name of a bank or other nominee, must temporarily register their shares in their own name with Euroclear Sweden AB in order to be entitled to participate in the general meeting. Such registration, which normally is processed in a few days, must be completed no later than Monday 14 April 2025 and should therefore be requested from the nominee well before this date. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than on Wednesday 16 April 2025 will be considered in preparations of the share register.

Dividend

The Board of Directors of Ovzon AB will propose to the Annual General Meeting that no dividend be paid for the 2023 financial year. In the coming years, Ovzon AB will primarily use generated cash flow for continued expansion.

Financial calendar

Annual General Meeting 2025	April 24, 2025
Interim Report January – March 2025	April 24, 2025
Interim Report January – June 2025	August 15, 2025
Interim Report January – September 2025	October 31, 2025

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