

## INTERIM REPORT, JANUARY–MARCH 2019

# Profitable quarter and successful share issue MSEK 750

### JANUARY–MARCH 2019 QUARTER

- Revenue amounted to TSEK 53,361 (46,311).
- Operating profit totalled TSEK 4,660 (-11,623).
- Operating profit excluding items affecting comparability amounted to TSEK 4,660 (414).
- Profit after tax amounted to TSEK 21,333 (-14,940).
- Earnings per share amounted to SEK 0.71 (neg: 2.99).

### SIGNIFICANT EVENTS DURING THE QUARTER

- The company has completed a rights issue providing the company with approx. MSEK 750 before deduction for issue costs.

### SIGNIFICANT EVENTS AFTER THE QUARTER

- The company entered an agreement with Intelsat regarding future sales on the company's coming satellite Ovzon 3 of MUSD 56 (approx. MSEK 520) for the first three years.
- The company has also entered agreement with Intelsat regarding capacity on their new satellite, IS-39, which adds possible capacity for the customers.
- At the AGM on April 10, Anders Björkman was elected a new Director of the Board. He was also elected new Chairman of the Board.
- In connection with this quarterly report, Ovzon changes CEO, from the founder Per Wahlberg to Magnus René, who is also a member of the board. Per continues as vice president of the company and in a role within innovation and development.

### KEY FIGURES

TSEK	Jan–Mar 2018	Jan–Mar 2017	Full-year 2018
Revenue	53,361	46,311	207,883
Operating profit/loss	4,660	-11,623	-17,536
Adjusted operating profit/loss*	4,660	414	8,524
Operating margin	9%	neg.	neg.
Adjusted operating margin*	9%	1%	4%
Profit/loss for the period after tax	21,333	-14,940	-25,640
Earnings per share, SEK	0.71	-2.99	-3.63

\*Excluding items affecting comparability

*"During the first quarter, we have secured SEK 750 million in a new share issue - a partial financing of Ovzon 3. Together with new contracts we have thereby taken further steps towards our vision."*



## CEO STATEMENT

# Strong beginning of the year with order of 520 MSEK

### COMPLETED NEW SHARE ISSUE, CONTINUED INNOVATION AND IMPORTANT AGREEMENTS

During the first quarter, we have continued to have very high activity in all areas. We have taken a very important step to launch our first satellite, Ovzon 3. In January, the company received SEK 750 million before issue costs in a share issue, where the main owners Investment AB Öresund and Bure Equity AB increased their ownership in the company.

### CONTINUED HIGH BUSINESS POINT

We have recruited key personnel in several areas. The development of our OBP (On-board processor) has continued according to plan. During and after the quarter, we have performed several successful demonstrations of our mobile broadband service for, among others, European defense and civil organizations, which has radically improved Ovzon's position in the market for satellite communication. After the quarter, two very important contracts were signed with Intelsat, the world's largest satellite operator. The first contract means that Intelsat buys Ovzon's services on the planned new satellite Ovzon 3 with a total order value of USD 56 million (approximately SEK 520 million), distributed up to three years starting in 2021. The order means that as of the reporting date, the company has an order backlog of approximately SEK 600 million on leased and on the future own satellite. When Ovzon 3 is in operation, it will give Intelsat the opportunity to resell Ovzon's unique mobile broadband service to its customers. The second agreement means that Ovzon has secured additional capacity to be able to expand the current service. It is a multi-year agreement in which Intelsat offers Ovzon capacity and two steerable beams on its planned new satellite, Intelsat 39 (IS-39). The satellite is expected to be launched in the third quarter of 2019 and enables Ovzon to offer supplementary coverage in Africa, Europe, the Middle East and Asia.

### NET SALES AND OPERATING RESULTS

Net sales increased during the first quarter compared with the corresponding period last year, which is mainly explained by a stronger dollar exchange rate. The revenues are expected to remain more or less constant going forward, with existing contracts. This until we can offer our customers more capacity on satellites that have sufficient performance - for example, through the agreements we signed during and after the quarter. Together, these agreements are expected to increase our capacity by approximately 40 percent.

The underlying profitability of our satellite service during the quarter was higher compared with the previous year. Our operating profit increased to TSEK 4,660 compared to a loss of TSEK 11,623 in the first quarter previous year when our result was affected by relocation of a satellite and costs related to the listing. Nevertheless, it can be noted that profitability has increased with more than SEK 4 million from a small positive result to the above operating profit.

### IMPORTANT PART OF THE FINANCING DECLARED

During the quarter, we have taken important steps in our strategy for future growth through the launch of our first satellite. The new satellite will increase the available capacity and thereby greatly increase the company's revenue potential, improve operating margins and give us additional advantages in technology and performance. The total investment for the satellite, including manufacturing, launching, financing and insurance, is estimated to SEK 1.5 billion. Half the funding has now been completed thanks to the fully guaranteed rights issue in January. The next step for the company will now be to complete the loan financing of the satellite of SEK 750 million - a process that we will continue during 2019.

All in all, we have taken further steps towards our goals during the first quarter of 2019. Ovzon has a strong team with the right expertise and experience to deliver on the current strategy and revolutionize our industry. We have the markets most high-performance mobile broadband service via satellite, which combines high-speed data with high mobility. We are now entering an interesting and intensive phase of the project with our first satellites, while we continue to evaluate opportunities for growth through leased capacity and more customers.

In connection with this quarterly report, I will, twelve years since the inception of the company, hand over the CEO to our board member Magnus René, who has extensive experience of leading internationally oriented stock exchange companies. While we now enter a new phase, I am looking forward to focus on what I am passionate about – business development and innovation!

*Per Wahlberg, retiring CEO*



# About Ovzon

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

## VISION

To revolutionize mobile broadband via satellite by offering global coverage of the highest bandwidth through the smallest terminals.

## BUSINESS IDEA

The Group provides mobile satellite broadband services in areas without functioning infrastructure.

## FINANCIAL TARGETS

Ovzon's financial target is to continue to develop and expand its current service offering in the coming years, at the same time as the company prepares the launch of its first self-developed satellite. The intention is to finance the company's proprietary satellite through a combination of equity and borrowing.

REVENUE  
3 MONTH 2019, MSEK

**53.4**  
(46.3)

OPERATING PROFIT  
excl. items affecting  
comparability  
3 MONTH 2019, MSEK

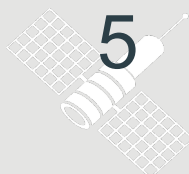
**4.7**  
(0.4)

## OVZON AT A GLANCE

### CUSTOMER SEGMENTS



### LEASED SATELLITES



### 2 KEY TRENDS

INCREASED BANDWIDTH  
AND MOBILITY REQUIREMENTS



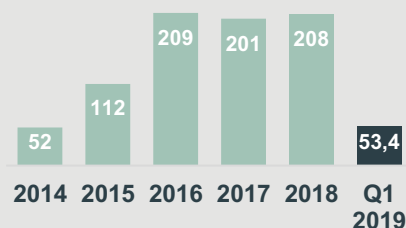
### 3 OFFICES



### 12 YEARS OF BUSINESS



### SALES, MSEK





# Financial overview

## GROUP OVERVIEW

	Jan–Mar 2019	Jan–Mar 2018	Jan–Dec 2018
TSEK			
Revenue	53,361	46 311	207,883
Operating profit/loss	4,660	-11,623	-17,536
Adjusted operating profit/loss*	4,660	414	8,524
Operating margin	9%	neg.	neg.
Adjusted operating margin*	9%	1%	4%
Profit/loss after financial items	21,321	-14,940	-24,637
Profit/loss for the period after tax	21,333	-14,940	-25,640

\*Excluding items affecting comparability

## REVENUE

Net sales for the quarter amounted to TSEK 53,361 (46,311). The increase in revenue for the quarter is mainly due to the fact that SEK revenue has been positively affected by the average USD exchange rate which was 9.17 (8.11) during the quarter.

## OPERATING PROFIT/LOSS

Operating profit for the quarter amounted to TSEK 4,660 (-11,623). Comparable quarter previous year was affected with items affecting comparability of TSEK -12,037. The items affecting comparability previous year related to costs for listing of TSEK 5,552 and the relocation of a satellite to one of the Group's orbital positions at a cost of TSEK 6,485.

## PROFIT/LOSS AFTER FINANCIAL ITEMS

Net financial items for the quarter amounted to TSEK 16,661 (-3,317) with a profit after financial items TSEK 21 321 (-14 940). The strong financial net is a result of lower indebtedness and currency effects of TSEK 15 538 on the part of the company's liquidity held in US dollars.

## PROFIT/LOSS AFTER TAX

Profit after tax for the quarter amounted to TSEK 21,333 (-14,940).

## CASH FLOW

Cash flow from operating activities for the quarter amounted to TSEK 24,659 (-28,078).

Cash flow from investing activities for the quarter amounted to TSEK -41,070 (-115). The investments were mainly attributable to the on-board processor (OBP) which is to be integrated into the company's own satellite (Ovzon 3).

Cash flow from financing activities for the quarter amounted to TSEK 679,757 (-). During the quarter, the company had amortized interest-bearing liabilities of TSEK 14,293 and implemented a rights issue, which provided the company with TSEK 748 119 (before issue costs of TSEK 53,746).

Total cash flow for the quarter amounted to TSEK 663,346 (-28,193).

## FINANCIAL POSITION

As of the balance sheet date, the Group's cash and cash equivalents amounted to TSEK 752,363, compared with TSEK 77,165 at the beginning of the year. Equity amounted to TSEK 784,037, compared with SEK 72,978 at the beginning of the year. The equity ratio was 90 per cent, compared with 56 per cent at the beginning of the year.



# Other information

## MANAGEMENT AND BOARD CHANGES

At the AGM on April 10, it was resolved to elect Anders Björkman as a new Director of the Board. He was also elected as the new Chairman of the Board. Kennet Lejnell and Peter Näslund declined to be re-elected. In connection with this quarterly report, Ovzon changes CEO, from the founder Per Wahlberg to Magnus René, who is also a member of the board. Per continues within the company with a role within innovation and development.

## ORGANISATION AND EMPLOYEES

The number of employees in the Group at the end of the period was 19 (14).

## SIGNIFICANT RISKS AND UNCERTAINTIES

Risks associated with the Group's operations can generally be divided into operational risk related to business activities and risk related to financing activities. There was no major change to significant risks or uncertainties during the period. For a presentation of Ovzon's risks, uncertainties and how they are managed, refer to Ovzon's 2018 Annual Report.

## SIGNIFICANT EVENTS DURING THE PERIOD

- The company has completed a rights issue providing the company with approx. MSEK 750 before deduction for issue costs.
- Ovzon AB published its Annual Report for 2018

## SIGNIFICANT EVENTS AFTER THE PERIOD

- The company entered an agreement with Intelsat regarding future sales on the company's coming satellite Ovzon 3 of MUSD 56 (approx. MSEK 520), a so-called "Precapacity contract" for the first three years.
- The company has also entered agreement with Intelsat regarding capacity on their new satellite, IS-39, which adds possible capacity for the customers.
- At the AGM on April 10, Anders Björkman was elected a new Director of the Board. He was also elected new Chairman of the Board.
- In connection with this quarterly report, Ovzon changes CEO, from the founder Per Wahlberg to Magnus René, who is also a member of the board. Per continues as vice president of the company and in a role within innovation and development.

## PARENT COMPANY

Parent Company operations comprise senior management and staff functions and other central costs. The Parent Company revenue for the quarter amounted to TSEK 1,689 (1,410) with loss after financial items of TSEK 13,024 (-5,420). Cash and cash equivalents were TSEK 725,664 at the end of the reporting period, and TSEK 41,774 at the beginning of the year. Investments for the period amounted to TSEK - (-). Equity totalled TSEK 936,594, compared with TSEK 229,197 at the beginning of the year. The number of employees is 2 (-).

## RELATED-PARTY TRANSACTIONS

During the quarter, the company amortized TSEK 14,293 of the liabilities and accrued interest to Ethern AB and Equi Performance AB. Amortized cash was used in its entirety to subscribe for shares in the company in connection with the rights issue. The company has also invoiced OverHorizon (Cyprus) Plc TSEK 278 for various expenses charged to Ovzon AB.

## THE COMPANY'S MAJOR SHAREHOLDERS

At the end of the reporting period: Investment AB Öresund (14.9%), Bure Equity AB (14.3%), AFA Försäkring (11.6%) OverHorizon (Cyprus) Plc (9.1%) and other shareholders (50.1%). The total number of shares after issue is 33,585,596.

## INCENTIVE PROGRAM

During the second quarter 2018, the company introduced new incentive programs "Warrants Program 2018/2021" and "Employee Option Program 2018/2021", which were decided at the Extraordinary General Meeting in Ovzon AB on May 9, 2018. At the Extraordinary General Meeting, it was decided to issue a



maximum of 226,962 warrants (under the warrant program) to the company's employees in Sweden and 200,000 options (under the employee option program) to the company's employees in the United States. The company's management team has subscribed for the maximum number of options and warrants granted, a total of 167,000 and other employees have subscribed 121,000 options and warrants (non-allocated options and warrants amount to 138,962). Following the rights issue in January 2019, the terms of the warrant program and employee option program have been restated. Each option entitles to subscription of 2.02 new shares in the company at a price of SEK 59.41 per share. If all options and warrants are used in the programs, a dilution of 1.7% of the shares and votes in the company occurs. The time period for the options and warrants runs from 15 May 2021 until 15 June 2021. No dilution effect has been considered in the present report since the average price of the period did not reach the agreed subscription price.

## DIVIDEND

The Annual General Meeting decided that no dividend will be paid for the financial year 2018.

## OUTLOOK

Ahead of 2019, the company assessed that the market for satellite communication services that require high mobility and performance will continue to develop positively. The company anticipates being able to improve both its sales and earnings for full-year 2019.

## FINANCIAL CALENDAR

Interim Report January-June 2019

August 23, 2019

Interim Report January-September 2019

November 15, 2019

Year-end Report 2019

February 19, 2020

Stockholm, May 6, 2019

Per Wahlberg  
CEO

Anders Björkman  
Chairman of the Board

Lennart Hällkvist  
Board member

Nicklas Paulson  
Board member

Magnus René  
Board member

Patrik Tigerschiöld  
Board member

## PUBLICATION

This information is inside information that Ovzon is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on May 6, 2019.

FNCA Sweden AB, +46(0)8-528 00 399, [info@fnca.se](mailto:info@fnca.se), is the company's Certified Adviser.

## CONTACT INFORMATION

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# Group financial statements



## GROUP INCOME STATEMENTS

TSEK	Jan–Mar 2019	Jan–Mar 2018	Full-Year 2018
Revenue	53,361	46,311	207,883
Other operating income	315	113	2,115
Purchased satellite capacity and other direct costs	-28,481	-25,342	-117,211
Other external costs	-9,515	-26,183	-75,689
Employee benefit expenses	-8,978	-5,092	-28,409
Depreciation/amortisation	-2,042	-1,430	-6,225
<b>Operating profit/loss</b>	<b>4,660</b>	<b>-11,623</b>	<b>-17,536</b>
Financial income	17,160	593	3,577
Financial expenses	-499	-3,910	-10,678
<b>Profit/loss after financial items</b>	<b>21,321</b>	<b>-14,940</b>	<b>-24,637</b>
Tax on the profit for the period	12	-	-1,003
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>21,333</b>	<b>-14,940</b>	<b>-25,640</b>
<i>Net profit/loss for the period attributable to:</i>			
Shareholders of the Parent Company	21,333	-14,940	-25,640
<i>Earnings per share attributable to:</i>			
Shareholders of the Parent Company, SEK <sup>1)</sup>	0,71	-2,99	-3.63
Average number of shares <sup>1)</sup>	30,413,623	5,000,000	7 066 488

1) No dilutive effect.

## GROUP STATEMENTS OF COMPREHENSIVE INCOME

TSEK	Jan–Mar 2019	Jan–Mar 2018	Full-Year 2018
<b>Profit/loss for the period</b>	<b>21,333</b>	<b>-14,940</b>	<b>-25,640</b>
<b>Other comprehensive income:</b>			
Items that can be subsequently reclassified to the income statement:			
- Translation differences	-4,712	-1,898	-9,643
<b>Other comprehensive income after tax</b>	<b>-4,712</b>	<b>-1,898</b>	<b>-9,643</b>
<b>Comprehensive income/loss for the period</b>	<b>16,621</b>	<b>-16,838</b>	<b>-35,283</b>
<i>Comprehensive income/loss for the period attributable to:</i>			
Shareholders of the Parent Company	16,621	-16,838	-35,283
<b>Comprehensive income/loss for the period</b>	<b>16,621</b>	<b>-16,838</b>	<b>-35,283</b>



## CONSOLIDATED CONDENSED BALANCE SHEETS

TSEK	31 Mar 2019	31 Mar 2018	31 Dec 2018
<b>ASSETS <sup>1)</sup></b>			
Intangible fixed assets	5,299	9,967	6,515
Property, plant and equipment	79,713	26,566	38,011
Access rights Assets	8,077	—	—
Financial fixed assets	1,060	665	1,034
Inventory	6,359	2,511	5,291
Current receivables	22,248	23,019	3,132
Cash and cash equivalents	752,363	22,095	77,165
<b>TOTAL ASSETS</b>	<b>875,119</b>	<b>84,823</b>	<b>131,148</b>
<b>EQUITY AND LIABILITIES <sup>1)</sup></b>			
Equity	784,037	-131,401	72,978
Long-term liabilities, interest-bearing	—	72,228	—
Deferred tax liabilities	1,089	1,288	1,089
Liabilities related to leasing, interest-bearing	8,135	—	—
Current liabilities, interest-bearing	23,493	101,427	37,433
Current liabilities, non-interest-bearing	58,365	41,281	19,648
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>875,119</b>	<b>84,823</b>	<b>131,148</b>

<sup>1)</sup> The carrying amounts of financial assets and liabilities are either measured at fair value or represent a close approximation of fair value.

## CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

TSEK	31 Mar 2019	31 Mar 2018	31 Dec 2018
Equity at the beginning of the year	72,978	-120,562	-120,562
Comprehensive income/loss for the period	16,621	-16,838	-35,283
Share issue, net after transaction costs	694,373	—	222,661
Employee stock options, according to IFRS 2	65	—	162
Unconditional shareholders' contributions	—	6,000	6,000
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>784,037</b>	<b>-131,400</b>	<b>72,978</b>

## CONSOLIDATED CONDENSED CASH FLOW STATEMENTS

TSEK	Jan–Mar 2019	Jan–Mar 2018	Full-Year 2018
<b>Cash flow from operating activities before changes in working capital</b>	<b>4,364</b>	<b>-9,289</b>	<b>-19,274</b>
Total change in working capital	20,295	-18,789	-41,175
<b>Cash flow from operating activities</b>	<b>24,659</b>	<b>-28,078</b>	<b>-60,449</b>
<b>Cash flow from investing activities</b>	<b>-41,070</b>	<b>-115</b>	<b>-12,101</b>
<b>Cash flow from financing activities</b>	<b>679,757</b>	<b>—</b>	<b>90,493</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>663,346</b>	<b>-28,193</b>	<b>17,943</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>77,165</b>	<b>49,672</b>	<b>49,672</b>
Exchange-rate difference in cash and cash equivalents	11,852	616	9,550
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>752,363</b>	<b>22,095</b>	<b>77,165</b>





# Notes, Group

## NOTE 1: BASIS OF PREPARATION AND ACCOUNTING POLICIES FOR THE GROUP

Ovzon applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Reporting. The same accounting principles and calculation methods are applied as in the latest Annual Report, except IFRS 16 as described below. This interim report consists of pages 1-14 and is to be read in its entirety.

## NEW OR AMENDED ACCOUNTING STANDARDS IMPLEMENTED IN 2019

### Leasing

IFRS 16 replaced IAS 17 from January 1, 2019.

According to the new standard, an asset (relating to a right of use) and a financial liability (relating to an obligation to pay leasing fees) shall be reported in the balance sheet. The lessee shall divide the cost of the leased asset into depreciation and interest payments.

Ovzon's recognized assets relate primarily to leased premises. Short-term leases and leases for which the underlying asset has a smaller value have been excluded. Upon the introduction of the standard on January 1, 2019, an asset and leasing debt (the present value of future lease payments) of TSEK 8,306 was recognized.

In the income statement, operational leasing costs have been replaced by depreciation of the asset and interest expenses attributable to the leasing debt. For this reason, operating profit will increase, compared with previous periods, as part of the lease payments are reported as an interest expense.

In the cash flow statement, the lease payments are allocated between interest paid in the operating cash flow and the amortization of leasing liabilities in the financing activities. Thus, this results in a positive effect on the operating cash flow.

Ovzon has chosen to apply the simplified transition method and has therefore not calculated the comparative figures.

### Other new standards

No other EU-approved new and amended standards and interpretative statements from the IFRS Interpretations Committee are deemed to have a significant impact on the Group's financial position.

## NOTE 2: BUSINESS SEGMENT REPORTING

Segment information is not presented because the business activities comprise one segment.

## NOTE 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group has no derivative instruments or other financial instruments measured at fair value. The fair value of long-term and current interest-bearing liabilities is not considered to deviate materially from their carrying amount. For financial instruments measured at amortised cost (accounts receivable, other receivables, cash and cash equivalents, trade payables and other interest-free liabilities), their fair value is considered equal to their carrying amount.

## NOTE 4: FIXED ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS

OverHorizon AB has concluded an agreement with Orbital Sciences Corporation regarding acquisition of a communications satellite with the associated ground equipment, support and training. The advance payment recognised, reported in the item Property, plant and equipment, relates, in its entirety, to the first payment according to the agreement's payment plan. The parties have chosen not to disclose the total contractual value of the agreement.

## NOTE 5: TAX

Deferred tax assets on tax-loss carry forwards are not included on the balance sheet.

## NOTE 6: PLEDGED ASSETS AND CONTINGENT LIABILITIES

The Group had no pledged assets, nor contingent liabilities at the end of the period.



#### NOTE 7: RELATED-PARTY TRANSACTIONS

During the quarter, the company amortized TSEK 14,293 of the liabilities and accrued interest to Etheron AB and Equi Performance AB. Etheron AB is Per Wahlberg's company and Equi Performance AB is Kennet Lejnell's company. Amortized cash was used in its entirety to subscribe for shares in the company in connection with the rights issue. The company has also invoiced OverHorizon (Cyprus) Plc TSEK 278 for various expenses charged to Ovzon AB.

#### NOTE 8: EVENTS AFTER THE BALANCE SHEET DATE

- The company entered an agreement with Intelsat regarding future sales on the company's coming satellite Ovzon 3 of MUSD 56 (approx. MSEK 520), a so-called "Precapacity contract" for the first three years.
- The company has also entered agreement with Intelsat regarding capacity on their new satellite, IS-39, which adds possible capacity for the customers.
- At the AGM on April 10, Anders Björkman was elected a new Director of the Board. He was also elected new Chairman of the Board.
- In connection with this quarterly report, Ovzon changes CEO, from the founder Per Wahlberg to Magnus René, who is also a member of the board. Per continues as vice president of the company and in a role within innovation and development.

#### NOTE 9: DISTRIBUTION OF NET SALES

The Group's services have mainly been provided in the US, as well as a minor part in the UK.



# Financial statements, Parent Company

## CONDENSED PARENT COMPANY INCOME STATEMENTS

TSEK	Jan-Mar 2019	Jan-Mar 2018	Full-Year 2018
Revenue	1,689	1,410	6,640
Other operating income	–	–	18
Other external costs	-4,123	-6,830	-23,882
Personnel costs	-1,936	–	-2,408
<b>Operating profit/loss</b>	<b>-4,370</b>	<b>-5,420</b>	<b>-19,632</b>
Financial revenues	17,419	–	5,844
Financial expenses	-25	–	-169
<b>Profit/loss after financial items</b>	<b>13,024</b>	<b>-5,420</b>	<b>-13,957</b>
Appropriations	1	–	14,000
Tax on the profit for the period	-1	–	-11
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>13,024</b>	<b>-5,420</b>	<b>32</b>

## PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

TSEK	Jan-Mar 2019	Jan-Mar 2018	Full-Year 2018
<b>Profit/loss for the period</b>	<b>13,024</b>	<b>-5,420</b>	<b>32</b>
<b>Other comprehensive income:</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Comprehensive income for the period</b>	<b>13,024</b>	<b>-5,420</b>	<b>32</b>

## CONDENSED PARENT COMPANY BALANCE SHEET

TSEK	31 Mar 2019	31 Mar 2018	31 Dec 2018
<b>ASSETS <sup>1)</sup></b>			
Shares in Group companies	1,605	305	1,605
Receivables from Group companies	212,558	6,605	187,574
Current receivables	1,621	1,122	1,119
Cash and cash equivalents	725,664	79	41,774
<b>TOTAL ASSETS</b>	<b>941,448</b>	<b>8,111</b>	<b>232,072</b>
<b>EQUITY AND LIABILITIES <sup>1)</sup></b>			
Equity	936,594	1,084	229,197
Liabilities to Group companies/related parties <sup>2)</sup>	–	3,896	–
Current liabilities, non-interest-bearing	4,854	3,131	2,875
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>941,448</b>	<b>8,111</b>	<b>232,072</b>

1)

2) The carrying amounts of financial assets and liabilities are either measured at fair value or represent a close approximation of fair value.

3) Related to the former parent company OverHorizon (Cyprus) Plc

## CONDENSED PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

TSEK	31 Mar 2019	31 Mar 2018	31 Dec 2018
Equity at the beginning of the year	229,197	504	504
Comprehensive income for the period	13,024	-5,420	32
Share issue, net after transaction costs	694,373	–	222,661
Unconditional shareholder contribution	–	6,000	6,000
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>936,594</b>	<b>1,084</b>	<b>229,197</b>



# Notes, Parent Company

## NOTE 1: ACCOUNTING POLICIES

The company has prepared the interim report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The accounting policies applied in the preparation of this interim report apply to all periods and are consistent with the accounting policies presented in Note 2 Summary of significant accounting policies in the 2018 Annual Report for Ovzon AB (publ).

## NOTE 2: RELATED-PARTY TRANSACTIONS

The company has also invoiced OverHorizon (Cyprus) Plc TSEK 278 for various expenses charged to Ovzon AB.

## NOTE 3: PLEDGED ASSETS AND CONTINGENT LIABILITIES

No pledged assets or contingent liabilities exist at the end of the period.

## NOTE 4: RECEIVABLES IN GROUP COMPANIES

Receivables in Group companies, TSEK	2019-03-31	2018-12-31
OvzerHorizon AB	69,226	50,197
OverHorizon OHO 1 Limited	142,628	136,672
OverHorizon Communications Group LLC	70	70
OverHorizon LLC	635	635
<b>Total</b>	<b>212,558</b>	<b>187,574</b>

Ovzon AB (publ) is the parent company of the Group, which also consists of the subsidiaries OverHorizon AB, OverHorizon OHO 1 Limited, OverHorizon Communications Group LLC and OverHorizon LLC, a wholly owned subsidiary of OverHorizon Communications Group LLC.

In connection with the listing in May 2018, and the share issue that was carried out in connection with the listing, the parent company Ovzon AB (publ) was supplied liquid funds. The parent company has subsequently, according to plan, financed the subsidiaries in connection with repayments of loans in subsidiaries, after which claims to these subsidiaries arose.

## NOTE 5: EVENTS AFTER THE BALANCE SHEET DATE

At the AGM on April 10, Anders Björkman was elected a new Director of the Board. He was also elected new Chairman of the Board. Kennet Lejnell and Peter Näslund declined re-election and other board members were re-elected.



# Alternative key ratios

The company reports alternative key ratios in this interim report. The alternative key ratios provide valuable supplementary information to investors and other stakeholders as they enable evaluation of the company's performance. The alternative key ratios in this report may differ from the calculation method of similar measurements used by other companies.

## **Adjusted operating profit/loss**

Operating profit/loss excluding items affecting comparability.

## **Operating margin**

Operating profit/loss in relation to revenue.

## **Adjusted operating margin**

Operating profit/loss, excluding items affecting comparability, in relation to revenue.

## **Earnings per share**

Profit for the period in relation to the average number of shares. Average number of shares is calculated as the number of shares at the end of the period multiplied by the number of days that this number of shares has existed during the period, plus any other number of shares during the period multiplied by the number of days that this number of shares has existed during the period, divided by the total number of days in the period.

## **Equity/assets ratio**

Equity in relation to total assets.



# TRULY MOBILE TRULY BROADBAND

## FINANCIAL CALENDAR

- Interim Report January-June 2019
- Interim Report January-September 2019
- Year-end Report 2019

August 23, 2019  
November 15, 2019  
February 19, 2020

## CONTACT INFORMATION

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