



Pressrelease 2019-06-19

AVTECH communicates a business update

The Board of AVTECH Sweden AB (publ) communicates the following business update:

The initial 2 quarters of 2019 has involved intensified marketing and development activities. AVTECH has visited several trade shows, airlines and conventions but has also had an active period of more conventional marketing activities. The last 18 months has involved similar type of activities and we are glad to announce that there is an increasing market interest in AVTECH's technology.

Several airlines are currently reviewing business offers sent from AVTECH and decisions from these airlines are expected during 2019. AVTECH has increased its capacity on the marketing side by engaging Björn Ostertag, former Head of Fuel Efficiency at Lufthansa Cargo. Björn is a welcome strength and fits very well with the AVTECH team. AVTECH has so far focused on the European market, but with this increase in resources also the North American market will be closely reviewed.

A strong focus has been put on the development of additional cruise and climb optimization services to expand AVTECH's in-flight optimization offering. In Q3 and Q4 these new services are being rolled out and tested primarily in Norwegian operation.

The first of a series of proFLIGHT campaigns was launched during Q2. The first campaign focused on attracting European airline pilots to sign up for a free proFLIGHT PREMIUM trial.

CUSTOMERS

As earlier mentioned AVTECH has had a continuous dialogue with different airlines within the Lufthansa Group. As a result of these discussions Eurowings, Eurowings Europe and Germanwings, SN Brussels and Sunexpress Deutschland, airlines who are all members of the Lufthansa Group, have decided to execute a trial of Aventus NowCast™ wind uplink system. The testing period will start in Q3-19 and last until Q4-19 and includes a full evaluation of the benefits from Aventus NowCast™. The test is closely monitored by other airlines of the Lufthansa group.

The process with Southwest airlines continues, but as a significant part of their fleet is grounded (B737MAX), their resources are currently focusing on this matter. AVTECH has made it clear that we respect the current situation Southwest is facing and that we are ready to resume the discussions on enlarging our cooperation when the situation so allows.

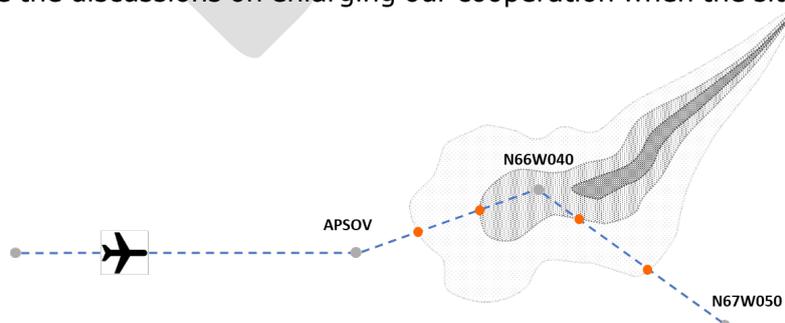


Figure 1 Ash Cloud Monitoring

On the demand of one airline, AVTECH has begun defining how a dedicated service to monitor the time an aircraft has flown in Volcanic Ash. The service includes specific engine exposure to areas contaminated with Volcanic Ash, a tracking capability as well as logging total time in an Ash-cloud. If the suggested solution is accepted by the airline, the service is expected to operational not later than Q419.

CHARTER AIRLINES

A couple of airlines, focusing on Charter flights, has shown a large interest in Aventus NowCast™. A rising fuel price, together with AVTECH marketing activities, has made these airlines attracted to AVTECH's solutions. A basic requirement in the airline industry is not only proof of concept but also value of the service, it is expected that the on-going talks will result in a test period, before any commercial contracts can be signed. Decisions are expected during Q319.

LOW-COST AIRLINES

Also, airlines with a low-cost profile is showing an increased interest in AVTECH and our products. The business discussions in this area are normally more complex, as the installed equipment on their aircraft is not always initially compatible with requirements of Aventus. Thanks to our experience in all aspects of wind uplinking, AVTECH can deliver support and suggestions to these airlines as part of our sales process

NETWORK AIRLINES

Network airlines such as SAS, Lufthansa and British Airways are generally more mature in both their evaluation of systems and their technical equipment. Also, in this segment an increased interest in AVTECH services is noted. At least one of the business offers being reviewed by an airline belongs in this category.

PARTNERS

AVTECH has during the last 6 months been approached be companies affiliated with aviation. In some cases, we have entered discussions to either review these companies capability to act as supplier to AVTECH or alternatively to understand how AVTECH services could compliment an existing product. It is clear from these talks that AVTECH knowledge of both IT, aviation and aviation weather is not only respected but also valued.

TECHNICAL DEVELOPEMENT

During the first two quarters AVTECH has been focused on the development of two new service additions, a cruise profile optimizer and a climb profile optimizer. The cruise module will provide pilots with the most optimum vertical flight path in real time based on the current route, weather, aircraft weight and priority between fuel and time. The climb module will provide the pilots with a climb speed recommendation before take-off in order to optimize the climb profile. This calculation is based on real-time information about climb route, aircraft weight and priority between fuel and time.

These new services should be able to increase the fuel efficiency of the flight beyond the current capabilities of the installed flight computer on-board the aircraft. The expected outcome is a fuel saving potential of 1% of cruise fuel and 3% of climb fuel. For an average Boeing 737 flight this could roughly equate to a 75 kg + 48 kg fuel saving potential. The cruise and climb optimizer modules will be deployed and tested primarily within Norwegians B737 operation during Q3 and Q4 this year.

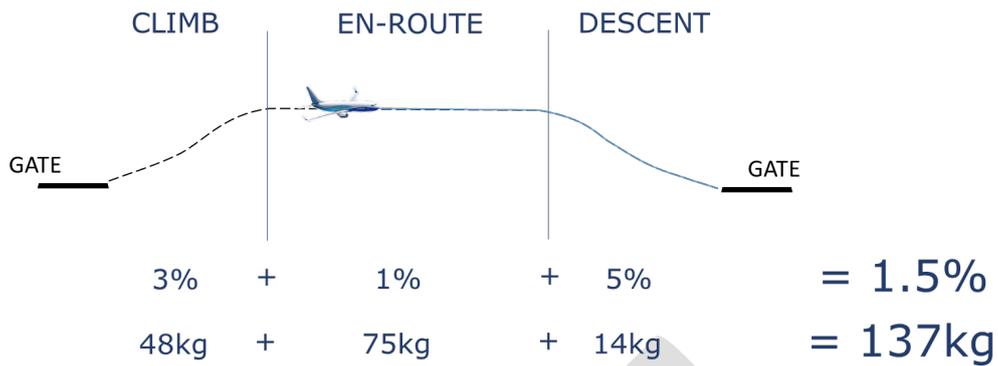


Figure 2 Climb and Cruise Optimizer

proFLIGHT

In a very short period proFLIGHT has attracted hundreds of pilots around the world. The users represent more than 70 different globally operating airlines. The feedback from the pilots is very positive and it helps us to further develop proFLIGHT to become an outstanding decision support tool for airline pilots.

A process has been initiated to get an EASA approval for proFLIGHT. The approval guarantees that proFLIGHT comply with guidelines and rules for Electronic Flight Bag (EFB) weather applications as set out in the standardization documentation. The approval eases the process for the airlines to implement proFLIGHT in their daily operation. We estimate that we will have the EASA approval in place for a commercial launch of proFLIGHT Q4 2019.

There is an ongoing series of campaigns for proFLIGHT of which the first took place in Q2, and these will continue during Q3 and Q4 with the aim to significantly increase the number of pilots using proFLIGHT on a daily basis.



Figure 3 proFLIGHT App Screenshot

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The information was submitted for publication by the contact persons listed above, on 19 June 2019 at 15.00 CET.

About AVTECH Sweden AB (publ)

AVTECH develops products and services for digital air traffic control systems. Customers are the aviation industry's various players such as airlines, airports, aviation, technology companies and aircraft manufacturers. With the help of the company's products and services, each individual flight or the entire flight operation can be optimized in terms of economy, noise and emissions, efficiency, punctuality and safety. The head office is in Stockholm / Kista. AVTECH Sweden AB (publ) is listed on NASDAQ OMX First North and has appointed Redeye AB to certified adviser.

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