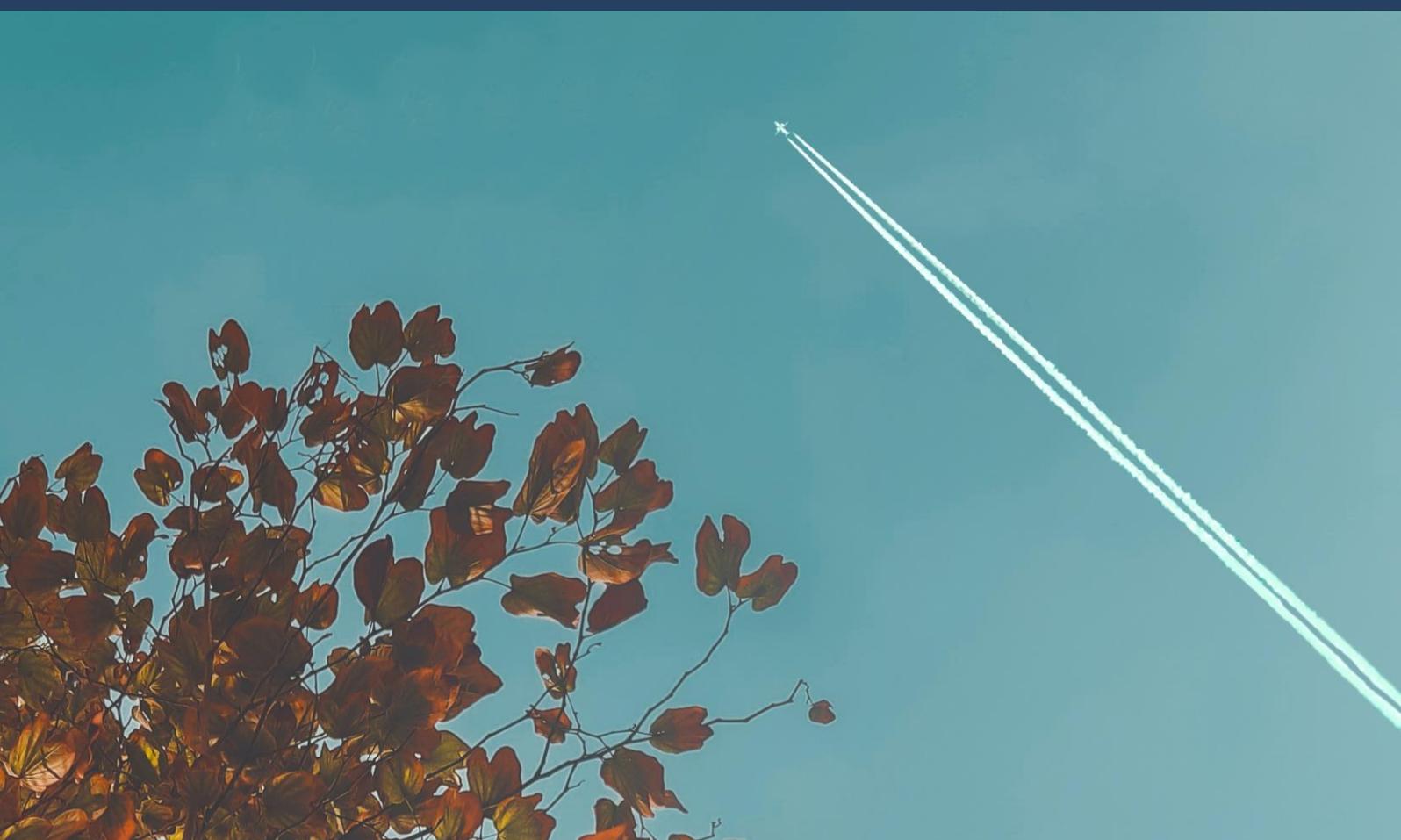


AVTECH

AVTECH SWEDEN AB (publ)

INTERIM REPORT **2022**
JANUARY - SEPTEMBER



CEO COMMENT

The third quarter of the year ends with higher sales (+4.3%) and improved net income (+55,6%) and cash flow (+52,1%) compared to the previous quarter. Increased demand for AVTECH's services, the strong dollar and reduced personnel costs during the holiday season are contributing to this. Earnings and cash have also been somewhat strengthened by a refund from the Swedish Tax Agency (+0.3MSEK) of parts of employer fees regarding research and development during the period Nov 2020 to Oct 2021. A result of the work of continuously reviewing regulations and possible cost reductions in the business. A combination of relatively small sales increases and cost reductions has a direct positive effect on earnings. The same effect can now be expected with each new customer agreement.



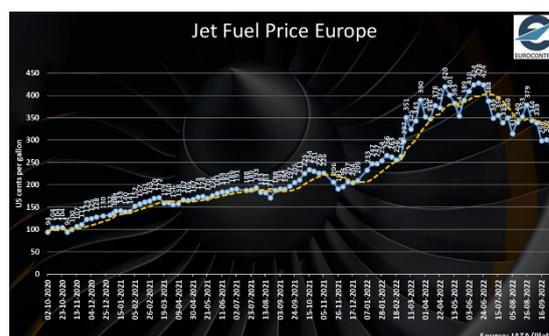
The number of flights in Europe and the US is now at a level of 85-90% of traffic in 2019 (Eurocontrol/Airlines for America). As usual, traffic decreases slightly when the summer high season is over and there is also some uncertainty about how a declining economic situation will affect the demand for travel this winter.

The need for travel after the pandemic, higher jet fuel prices and a recurring focus on sustainability increases the demand for our optimization services Aventus and ClearPath, which reduce costs for airlines. Increased economic pressure on airlines in the context of a recession could further reinforce this.

Two ongoing tests with new customers will end soon with analysis of results. In addition, test periods with new airlines are simultaneously under start-up. We are in discussions with and expect more customers during the last quarter who decide on tests and that a significant proportion of these tests will lead to new revenue. In fact, today we have more new customer processes up and running than ever before and our marketing efforts continue to steadily increase the number of airlines that test and opt to continue with our services.

The war in Ukraine has created an energy crisis and uncertainty globally but have a limited negative impact on aviation in Europe. Although air traffic in Europe is only affected to a limited extent and air traffic within the United States is not affected at all, airlines globally are affected by rising aviation fuel prices, especially if the conflict drags on. AVTECH has no customers in either Russia or Ukraine. In Europe, most of our airline customers are only marginally affected, while the US aviation market today is relatively unaffected by the crisis. In the short term, we therefore see no risk of near-term weakening earnings for AVTECH due to the war.

The price of jet fuel has increased steadily since the low in April 2020 and on December 31, 2021, fuel cost where about 220 US cents per gallon. As of early October 2022, the cost is now about 359 US cents per gallon (source: IATA).



Sharply increased fuel costs and a recurring focus on sustainability should now strengthen the airlines motivation to reduce fuel consumption and environmental impact. So far, the environmental debate has focused much on biofuel and new fossil-free aircraft engines, a development that is of course necessary but where it will take time before results are seen. However, the debate has focused less on solutions to reduce the environmental impact of the current operation, with the aircraft in use. There is great savings potential in being able to fly optimally with today's equipment and here AVTECH's solutions are available today.

Our offer is a package of effective optimization solutions linked to each aircraft that ensures that each flight can be carried out in an efficient, safe, and comfortable way where the pilots can take advantage of the prevailing winds to the maximum. A distinctive feature of our solutions is also that they are delivered as smart services without the need for new investments in hardware. After the crisis, this should be of particular interest to all those airlines that need to restart more cost-effectively and with an improved environmental footprint. The challenge is to reach all these airlines, and especially at a time when they are in the face of a changing market. At the same time, this is a market situation that offers opportunities.

In addition to the current savings delivered by the Aventus service in the descent phase before landing, AVTECH today offers the ClearPath optimization service, a sophisticated addition with 2.5% demonstrated average fuel savings in the cruise phase. Since ClearPath is so easy to test, we offer airlines a free trial with a savings guarantee. Our marketing initiative will continue with webinars and direct sales efforts to get even more airlines to test this themselves.

The situation has never looked better. AVTECH is now in a favorable position for growth with a low-cost profile and increasing sales. Despite an approaching recession next year, AVTECH should be able to grow by taking new market shares, and with a high contribution margin for additional revenues, the upside is great.

Thank you for your interest in AVTECH.

David Rytter
CEO

FINANCIAL KEY FIGURES FOR THE PERIOD

MSEK	2022 Quarter 3	2022 Quarter 2	2021 Quarter 3
Net turnover (sales)	5.7	5.5	3.4
Operating profit before depreciation	+3.1	+2.3	+1.0
Net profit	+2.2	+1.4	+0.2
Net profit per share, SEK	+0.039	+0.025	+0.004
Cashflow	+1.7	+1.1	+0.7
Cash and cash equivalents	12.5	10.8	9.8
Equity	29.4	27.2	25.0
Equity per share, SEK	0.52	0.48	0.44
Equity ratio, %	92.2%	90.6%	90.1%

- Sales for the third quarter increased by 4,3% compared to previous quarter and 66,3% compared to Q3 2021 thanks to new agreements at the beginning of the year, increased flying, and a rising dollar exchange rate.
- Continued growth in net earnings that increased by 55.6% since the previous quarter and 927.6% compared to Q3 2021 thanks to increased sales, reduced personnel costs during the holiday season and exchange rate gains. Corrections to previously paid employer fees to the Swedish Tax Agency for the period November 2020 to October 2021 have reduced personnel costs by MSEK 0.3.
- Cash flow increased in the third quarter by 52.1% since the previous quarter and 149.5% compared to Q3 2021 mostly thanks to increased customer payments. The cash position was also positively affected by a refund of employer contributions of MSEK 0.3 from the tax agency.

EVENTS DURING THE THIRD QUARTER

- On July 12, a press release with several key financial figures for the second quarter was released in advance, before the publication of the full interim report. These figures showed, among other things, that net sales have increased by 106% and net income by 335% compared to the same period last year and that the business remains cash flow positive.
- Test periods of ClearPath that were started and ongoing during the period in two airlines are now moving towards the final phase with analysis of results, which could lead to new agreements in the last quarter of the year. In addition, test periods will shortly begin with additional airlines. During the quarter, additional airlines signed up for tests and more are expected to be added shortly.
- On September 13-14, AVTECH participated in the Airline Flight Ops IT Conference - AMERICAS in Miami where we had the opportunity to meet and make new important



contacts with airlines in both North and South America. After the conference, the follow-up work continues with customer meetings that will lead to new tests of AVTECH's services.

- Every new contract is always prompted by a successful test and although our services are easy to get started with, it often takes some time to fit this test activity into the airlines' planning. Additional airlines signed up for tests during the quarter. During winter we expect more airlines to decide on tests and that most of these tests will result in continued contracts. If ongoing tests finish with positive results, this may mean new commercial agreements in the fourth quarter.
- At the end of the period, Niklaes Persson left his role at AVTECH to return to his previous work as a traffic pilot. Niklaes has, as a consultant, led AVTECH's marketing team since December 2020. During 2022 he has reduced his work with AVTECH as air traffic and the need for pilots increased. AVTECH's CEO, David Rytter, who during these years has been actively involved in the marketing work, will take over the coordination of the marketing department and ongoing activities during a transitional period. "Niklaes is greatly missed by all the colleagues here at AVTECH. He leaves at a very exciting time where the need for our optimization services is higher. It is great that we have more new customer processes underway than ever before and that our marketing efforts continue steadily to increase the number of airlines that test and choose to continue with our services.", said David Rytter, AVTECH's CEO.
- New R&D projects in the form of MSc degree projects with students from KTH and other higher education institutions are now planned for spring 2023. Through these projects, we get the opportunity to further develop our optimization services with new features that further elevate customer benefit. It is also an opportunity to get to know good candidates for employment to our technology team.
- During the period, the number of premium users of ProFlight, our professional weather briefing and optimization tool for pilots, has continued to increase. Many of the pilots are Scandinavian or from the Middle East. The service continues to be appreciated by the pilots who test it and includes a unique high-resolution flight weather forecast from the Met Office as well as supplementary weather data from IATA and NOAA. ProFlight was commercially launched at the end of November 2020 and with this, work also started to increase the number of premium users through direct marketing and influencers. ProFlight is a great sales tool to showcase AVTECH's capabilities and the quality of the data we deliver.

EVENTS AFTER THE PERIOD

- Below are some of this year's planned information and marketing activities:
 - Participation at the Aircraft IT, Flight Operations IT Conference, London, November 29-30 where Norwegian will be presenting their experience with ClearPath.
 - A new ClearPath webinar in December, with a presentation of news and latest results.
 - Continued dialogue and follow-up with the airlines that participated in the so far completed ClearPath webinars.
 - ProFlight campaigns to increase the number of premium users. Aimed at airlines, pilots, limited free trial of premium.

THIRD QUARTER 2022**Net turnover**

The group's net turnover for the third quarter amounted to MSEK 5.7 (3.4), derived mainly from the Aventus NowCast™ service. Depreciation amounted to MSEK -0.9 (-0.8) of which MSEK -0.9 (-0.8) were related to depreciation on capitalized development work expenses, etc. Cash flow from operating activities was MSEK +1.7 (+0.7).

Investments

During the period, investments in inventory were made with MSEK 0.0 (0.0). Expenses for development work of MSEK 0.9 (0.5) have been capitalized.

STAFF

The average number of employees during the period was 9 (8). At the end of the period, the number of employees were 9 (8). In addition to the employed staff, the company also engaged consultants mainly for technical development and sales.

FINANCIAL POSITION**Cash and cash equivalents**

The group's cash and cash equivalents at the end of the period amounted to MSEK 12.5 (at year-end 10.2), which corresponds to SEK 0.22 (at year-end 0.18) per share. At the end of the quarter, the group had no overdraft facilities.

Equity and equity ratio

Equity at the end of the period amounted to MSEK 29.4 (at year-end 25.1) or SEK 0.52 (at year-end 0.44) per share. The group's equity to assets ratio was by the end of the period 92.2 percent (at year-end 89.8).

RELATED PARTY TRANSACTIONS

Ide Design AB, a company owned 100% by Christer Fehrling, invoiced SEK 112,500 during the period, primarily for management services.

Redeborn Consulting AB, a company owned 100% by Bo Redeborn, invoiced SEK 112,500 during the period for management and marketing services.

PARENT COMPANY

AVTECH Sweden AB (publ) reported a net profit for the three-month period of MSEK 2.2 (0.2). The parent company's equity at the end of the period amounted to MSEK 29.4 (at year-end MSEK 25.1). Cash and cash equivalents amounted to MSEK 12.5 (at year-end 10.2). During the period, investments in inventory were made by MSEK 0.0 (0.0).

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

The company's operations are affected by risks that can affect earnings or the financial position to varying degrees. When assessing the development, it is important to consider relevant risk factors and uncertainties in addition to the opportunities for earnings growth. All of these cannot be described in this section but should be evaluated together with other information in this interim report and a general external assessment. In their operations, the Group and the Parent Company are exposed to risks of both an operational and financial nature, which the company itself can partly influence. A process is ongoing to identify and manage these risks. The market for Avtech group products is characterized by long sales times. The Group operates in a market with great potential

but with complicated sales processes. AVTECH conducts operational activities, whereby the risks in the company are not limited to liquidity risk.

The Covid-19 pandemic has negatively impacted the airline industry including AVTECH over the past two years with travel restrictions imposed. Although the restrictions have largely been lifted, the infection is increasing in some parts of the world. AVTECH has done well through the crisis and as the pandemic has now subsided and travel restrictions have been released, our airline customers have once again been able to resume their service. At present, our customers fly unusually much thanks to a pent-up travel need. AVTECH is following developments and is ready to react on effects of new COVID-19 outbreaks. The introduction of new restrictions could lead to a reduction in demand for air travel and thus cost-saving programs, reprioritization, and a reduction in staffing.

The war in Ukraine affects the world situation in many areas. In addition to changing travel patterns, the outside world's restrictions on Russia have had a negative impact on the world economy as well as on the travel industry, which is sensitive to economic cycles. An uncertain security situation in Europe and the world could have a negative impact on AVTECH's future opportunities, operating income and cash flow. AVTECH has so far not been negatively affected but continues to follow developments closely.

The energy crisis, inflation and recession can also lead to a reduced demand for air travel. At the same time, increased energy and fuel prices lead to an increased demand for AVTECH's services that save fuel and costs for airlines. A future low fuel price, on the other hand, may temporarily reduce airlines' willingness to invest in fuel-saving solutions.

There is also long-term concern and uncertainty in the aviation industry regarding what effects global warming and a transition to fossil-free will lead to in aviation. AVTECH's services reduce the climate impact of each individual flight and thus contribute to such a transition.

AVTECH is exposed to currency risks over time through the sale of services in a global market, for example when selling in USD in North America and EUR in Europe. AVTECH does not currently use any currency hedging methods. A negative change in the exchange rate for foreign currencies may therefore impact the Company's earnings and financial position.

For a complete account of identified risks and the company's work on managing these, refer to pages 11 - 13 and page 40 of the new share issue prospectus 2013, the sections "Risk factors" and "Legal issues and supplementary information". The prospectus is available through AVTECH's website www.avtech.aero.

PROSPECTS

The Board of Directors has a positive view of the company's business areas now that flying is increasing after the pandemic and when the oil price is high. The market shows clear signs of a growing interest in efficient IT solutions that support airlines' increasing need to save fuel, become more environmentally responsible and increase passenger comfort during the flight. This is interpreted by the Board as positive signals for AVTECH's abilities to attract new customers. The increased customer interest shows AVTECH's acceptance as a competent developer and supplier of robust and practically applicable IT tools.

Today, AVTECH's sales consist largely of revenue from one product, Aventus. Looking ahead we see a great interest and potential in our portfolio of newly developed products ClearPath, ProFlight and SIGMA. More customers and more products for current customers.



UPCOMING INFORMATION EVENTS

Year-end Report (Q4) 2023-02-17

Kista, October 28th, 2022, AVTECH Sweden AB (publ). This report has not been reviewed by the auditors.

Financial reports and documents can be found at www.avtech.aero/report.

AVTECH Sweden AB (publ), corporate identity number 556568-3108, has its registered office in Stockholm. Address: Färögatan 33, 164 51 Kista, Sweden. www.avtech.aero
The company's B-share (short-term AVT B) is traded on the NASDAQ First North Growth Market since February 2012. The company's A-share is not traded on any marketplace. Certified Adviser is Redeye AB.

GROUP INCOME STATEMENT

MSEK	2022	2021	2022	2021	2021
	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	Full year
Net turnover	5.7	3.4	15.7	8.2	11.8
Capitalized expenditure for development work, etc.	0.9	0.5	2.7	1.7	2.6
Other operating income	0.3	0.3	0.7	1.9	2.0
Total revenue for the period	6.9	4.2	19.0	11.8	16.4
External expenses	-2.4	-1.9	-7.0	-6.3	-8.6
Personnel expenses	-1.4	-1.4	-5.0	-4.7	-6.1
Depreciation	-0.9	-0.8	-2.7	-2.3	-3.1
Total operating expenses for the period	-4.7	-4.0	-14.7	-13.3	-17.8
Operating profit for the period	2.2	0.2	4.3	-1.5	-1.4
Sum financial income	0	0	0	0	0
Earnings before taxes	2.2	0.2	4.3	-1.5	-1.4
Taxes	0	0	0	0	0
PERIOD EARNINGS	2.2	0.2	4.3	-1.5	-1.4

CONSOLIDATED CASH FLOW ANALYSIS

MSEK	2022	2021	2022	2021	2021
	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	Full year
Cash flow before change in working capital	2.2	0.5	4.3	-0.9	-0.8
Change in working capital	-0.5	0.2	-2.0	-1.5	-1.1
Cash flow from operations	1.7	0.7	2.3	-2.4	-2.0
Cash flow from investment activities	0	0	0	0	0
Cash flow from financing activities	0	0	0	0	0
TOTAL CHANGE IN LIQUID FUNDS	1.7	0.7	2.3	-2.4	-2.0

KEY FIGURES

MSEK	2022	2021	2022	2021	2021
	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	Full year
Turnover per employee, MSEK	0.6	0.4	1.7	1.0	1.4
Average number of shares, thousands	56 480	56 480	56 480	56 480	56 480
Average number of shares, thousands, after dilution (note 1)	56 480	56 480	56 480	56 480	56 480
Turnover per share, SEK	0.10	0.06	0.28	0.14	0.21
Net earnings per share, SEK before dilution	0.04	0.004	0.08	-0.03	-0.02
Net earnings per share, SEK after dilution	0.04	0.004	0.08	-0.03	-0.02
Cash flow (from operations) per share, SEK (note 1)	0.03	0.01	0.04	-0.04	-0.03
Operating margin	38.5%	6.2%	27.6%	-17.8%	-11.9%

CONSOLIDATED BALANCE SHEET	2022	2021	2021
MSEK	30-sep	30-sep	31-dec
ASSETS			
Balanced expenditure for development work, etc.	13.8	13.7	13.7
Buildings and land	0.0	0.0	0.0
Inventories, tools and installations (note 2)	0.0	0.0	0.0
Total fixed assets	13.8	13.7	13.7
Other current receivables	5.6	4.2	4.0
Cash and cash equivalents (note 3)	12.5	9.8	10.2
Total current assets	18.1	14.0	14.2
TOTAL ASSETS	31.9	27.8	27.9
EQUITY AND LIABILITIES			
Equity	29.4	25.0	25.1
Non-current liabilities	0.0	0.0	0.0
Current liabilities (note 3)	2.5	2.7	2.8
TOTAL EQUITY AND LIABILITIES	31.9	27.8	27.9
Memorandum Items			
Pledged assets (note 4)	-	-	-
Contingent liabilities	-	-	-
CHANGE IN GROUP EQUITY			
MSEK	2022	2021	2021
	30-sep	30-sep	31-dec
Equity at the beginning of the period	25.1	26.5	26.5
Profit for the period	4.3	-1.5	-1.4
Translation differences in equity			
Equity at end of period	29.4	25.0	25.1
KEY FIGURES			
MSEK	2022	2021	2021
	30-sep	30-sep	31-dec
Equity ratio	92.2%	90.1%	89.8%
Number of shares at end of period, thousands (note 5)	56 480	56 480	56 480
Number of shares at period closing, thousands, after dilution (note 1)	56 480	56 480	56 480
Cash and cash equivalents per share, SEK	0.22	0.17	0.18
Equity per share, SEK	0.52	0.44	0.44
Market price at the end of the period, SEK (note 6)	2.69	1.37	2.29
Price/Equity per share (note 6)	5.17	3.08	5.15
Market capitalization at end of period, MSEK (note 6)	151.9	77.1	129.3

QUARTERLY DATA		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year
MSEK						
Net turnover						
	2018	2.8	3.3	3.1	3.4	12.5
	2019	4.0	3.8	4.0	3.4	15.1
	2020	4.0	3.3	2.7	2.1	12.2
	2021	2.1	2.7	3.4	3.6	11.8
	2022	4.5	5.5	5.7		
Operating profit						
	2018	-0.9	-0.9	-0.2	+0.1	-1.9
	2019	+0.0	+0.5	+0.6	-0.7	+0.4
	2020	+0.0	+0.3	-0.6	-1.6	-2.0
	2021	-2.0	+0.3	+0.2	+0.1	-1.4
	2022	+0.7	+1.4	+2.2		
Cash flow from operating activities						
	2018	-0.3	-0.2	-0.1	-0.1	-0.7
	2019	-1.7	-0.8	+0.1	+2.8	+0.5
	2020	-1.0	+0.5	-2.6	+2.0	-1.1
	2021	-4.3	+1.3	+0.7	+0.4	-2.0
	2022	-0.5	+1.1	+1.7		

ACCOUNTING PRINCIPLES AND NOTES

All amounts are reported in millions of Swedish kronor (MSEK) unless otherwise stated. The accounts have been prepared in accordance with BFNAR 2012: 1 (K3).

Note 1) At the end of the periods, the Group had no option programs or other outstanding financial instruments that affect the potential number of shares in AVTECH Sweden AB (publ), so no potential dilution was available.

Note 2) Refers mainly to capitalized office inventory and IT-related hardware.

Note 3) At the end of the quarter, the Group had no overdraft facilities. Current liabilities include accounts payable, interim liabilities relating to ongoing projects, other accrued costs, and other current liabilities.

Note 4) Refers to unused corporate mortgages provided as collateral regarding the company's overdraft credit in Sweden.

Note 5) The key figure shows the actual number of shares outstanding in AVTECH Sweden AB (publ) at the respective time.

Note 6) Refers to the price on the respective balance sheet date for AVTECH's B-share.

SHAREHOLDERS OF AVTECH SWEDEN AB (publ)

2022-09-30

Name	AK A	AK B	Holdings	Holdings %	Votes	Votes %
OLCON ENGINEERING AKTIEBOLAG	1411084	159300	1570384	2.78	14270140	11.66
FEHRLING, CHRISTER	984968	2394515	3379483	5.98	12244195	10.00
OLSSON, JONNY	851683	1134986	1986669	3.52	9651816	7.89
AVANZA PENSION	0	8184659	8184659	14.49	8184659	6.69
BRONGE, JOHAN	644600	0	644600	1.14	6446000	5.27
S-BOLAGEN AB	600000	261456	861456	1.53	6261456	5.12
BÄCKVALL, LARS	470000	1238584	1708584	3.03	5938584	4.85
REDEBORN CONSULTING AB	500000	0	500000	0.89	5000000	4.08
JOHANSSON, RUNE	350084	480301	830385	1.47	3981141	3.25
CDA TRADING AB	0	3000000	3000000	5.31	3000000	2.45
LÄKARLEASING SVERIGE AB	300000	0	300000	0.53	3000000	2.45
DAHLSTRÖM, LARS	250084	262353	512437	0.91	2763193	2.26
IDÉ DESIGN AKTIEBOLAG	200000	150000	350000	0.62	2150000	1.76
REDEBORN, BO	150084	372598	522682	0.93	1873438	1.53
MARTIN LAGERQVIST AB	150084	30800	180884	0.32	1531640	1.25
TONSJÖ, MATS	0	1525270	1525270	2.70	1525270	1.25
PENSION, FUTUR	150084	7000	157084	0.28	1507840	1.23
KRONANDER, BJÖRN-OLA JOHAN	150084	0	150084	0.27	1500840	1.23
IBKR FINANCIAL SERVICES AG, W8IMY	0	1366868	1366868	2.42	1366868	1.12
SAXO BANK A/S CLIENT ASSETS	0	1235275	1235275	2.19	1235275	1.01
ZÖÖGLING, INGVAR AXEL HJALMAR	109800	54454	164254	0.29	1152454	0.94
WAHLUND, LARS	0	1146827	1146827	2.03	1146827	0.94
MORTAZAVI SHEMIRANI, MARTIN	0	809448	809448	1.43	809448	0.66
NORDNET PENSIONS FÖRSÄKRING AB	0	610246	610246	1.08	610246	0.50
HANDELSBANKEN LIV FÖRSÄKRING AB	0	577135	577135	1.02	577135	0.47
RYTTER, DAVID	50000	35000	85000	0.15	535000	0.44
MUTH, PETER	0	519536	519536	0.92	519536	0.42
BECKMAN, LARS	0	452636	452636	0.80	452636	0.37
John Eric, Selwood	0	435000	435000	0.77	435000	0.36
FEHRLING, MARKUS	0	423000	423000	0.75	423000	0.35
TOTAL 30 LARGEST SHAREHOLDERS	7 322 639	26 867 247	34 189 886	60.53	100 093 637	81.77
TOTAL OTHERS	2 000	22 287 675	22 289 675	39.47	22 307 675	18.23
TOTAL	7 324 639	49 154 922	56 479 561	100	122 401 312	100

ABOUT AVTECH Group

AVTECH develops products and services for digital air traffic management systems. Customers are players in the global aviation industry such as airlines, airports, air traffic management suppliers, technology companies and aircraft manufacturers. With the company's products and services, every single flight or entire flight operation can be optimized in terms of finances, noise and emissions, efficiency, capacity, punctuality and safety. The head office is located in Stockholm, Kista. For more information, see www.avtech.aero.