

AVTECH

AVTECH SWEDEN AB (publ)

INTERIM REPORT **2024**
JANUARY - SEPTEMBER



CEO COMMENT

AVTECH's services create value in the areas of Efficiency, Safety and Sustainability and we estimate that our services have delivered a total savings of approximately 550,000 tons of fuel so far. This represents a reduction of around 1.7 million tons of CO2 emissions, equivalent to the annual fossil CO2 emissions from nearly half a million Swedes.



Continues to Grow

Net sales revenue increased by 15.3% in the third quarter compared to the same period in 2023, thanks to new customer agreements. Despite a decreasing USD-SEK exchange rate (-3%), net revenue still shows a slight increase (+1%) compared to the second quarter, making it our best quarterly revenue to date.

The revenue growth is expected to continue due to the new agreements anticipated as a result of this year's customer tests. AVTECH is now a profitable company and, as an important milestone earlier this year, was able to declare a dividend of approximately 5.6 million SEK for the first time. The work throughout the year to broaden and prepare the company for the next major growth leap has involved resource reinforcements in both technology and sales, which has slightly slowed down the net profit development.

The Period in Brief

Quarter three includes the summer months when most of our customers are flying the most. During the period, the deployment of our services to SAS continued, with the SAS Connect fleet of around 30 aircraft being activated. Additionally, Norwegian activated the new turbulence warning module in ClearPath. During the quarter, tests with new airlines have been ongoing. Post-analysis has been conducted in collaboration with the airlines that have already completed their tests, and preparations have been made for upcoming tests with additional airlines. Contract processes and dialogue with the airlines that have previously completed tests are now underway. This often includes significant waiting time related to the customers' internal result validations, contract reviews, purchasing, and decision-making processes. We have limited ability to influence these lead times, but we have now simplified our agreements and are testing a new contract model with a shorter commitment period, which has the potential to significantly speed up customers' decision-making processes.

Outlook

With good profitability and a positive cash flow from operations, we are in a favourable position for continued growth. Approximately 1,650 aircraft are currently using our services commercially. New contracts are almost always preceded by successful tests, so the conditions are considered favorable for additional revenue in the short and long term, and each new agreement today has a significantly positive impact on earnings. After completed tests, the results must normally be reviewed and validated by the customer before contract discussions can begin, and our experience is that this takes time. Often, we see that the tests lead to positive results, but we note that it is challenging for many airlines to validate their results. It is not uncommon for airlines to have difficulty obtaining the necessary union approvals to use their flight data for analysis. In the fourth quarter, we are therefore adding several features, such as flight tracking data and new comparison functions, to our analysis dashboard to simplify this process for our customers.

Preparation for the Next Step

The goal for 2024 is to significantly increase AVTECH's revenue while reinvesting earnings into further development of the organization and product offering. During the latter part of the spring, the sales department has been reorganized and strengthened under the leadership of a new sales manager. Today, the team consists of sales representatives based both in Sweden and other European countries, with diverse backgrounds and previous experience. In addition to pilot expertise, we also have knowledge from the customer side (fuel efficiency manager) and extensive experience in selling IT services to airline customers. The investments in the sales department are now in place and should soon be reflected in the form of new customer agreements. After the summer, the technical department was also strengthened with two additional software developers. With these resource reinforcements, AVTECH should, over time, be able to handle more new airline customers in the pipeline, manage those being onboarded, and continue to develop our products in close collaboration with our customers.

Alongside this, work is underway as a preparation for growth to map out opportunities for further expansion of the product portfolio in related areas with clear synergy effects. For example, through solutions that involve the airline's ground staff as well as air traffic control, with the aim of optimizing the flow of air traffic in and out of airports; something that is expected to dramatically increase the savings potential. Up to SEK 2 million is budgeted for these activities during the year, which may include collaborations and partially financed research initiatives with other actors besides airlines.

Once Again a Record Year

2024 looks set to be our best year yet, and next year is going to be even better. We are profitable with satisfied customers who want to buy more and a pipeline of new customers. In addition, we have made significant progress in organizing and preparing for the next growth step, and we are well-equipped for upcoming new agreements and the next major leap in AVTECH's growth journey.

Thank you for your interest!

David Rytter
CEO, AVTECH Sweden AB (publ)

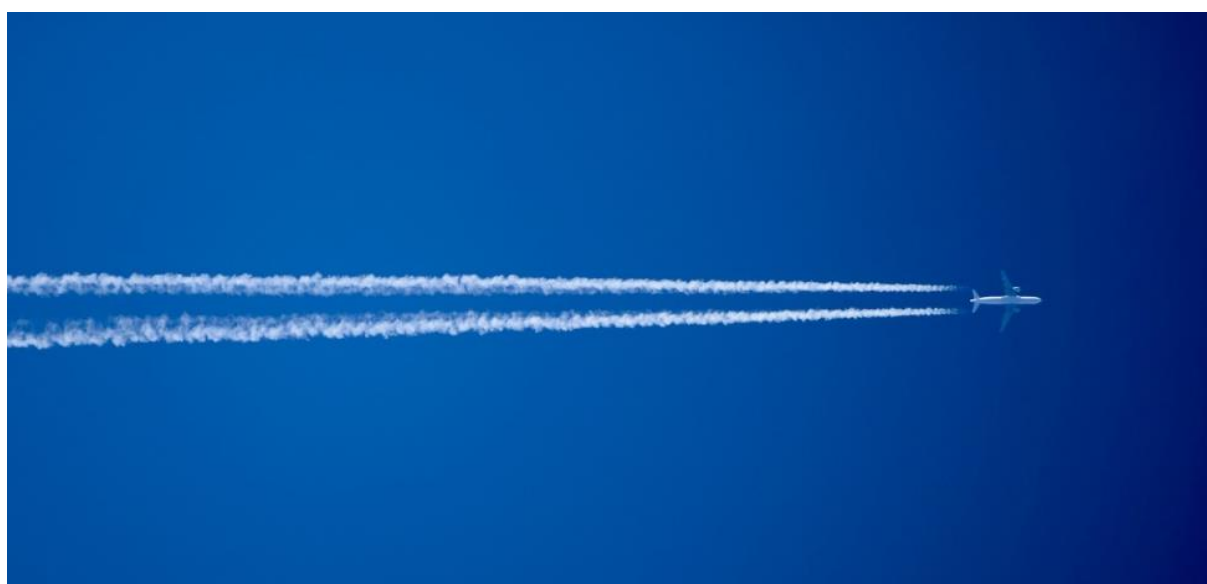


FINANCIAL KEY FIGURES FOR THE PERIOD

MSEK	2024 Quarter 3	2024 Quarter 2	2023 Quarter 3
Net sales revenue	8.6	8.6	7.5
Operating earnings before depreciation	+3.8	+4.0	+4.2
Net earnings	+2.7	+2.7	+3.1
Net earnings per share, SEK	+0.047	+0.048	+0.054
Cashflow	+4.1	-5.3*	+2.8
Cash and cash equivalents	24.8	20.7	21.0
Equity	43.0	40.3	37.8
Equity per share, SEK	0.76	0.71	0.67
Equity ratio, %	89.9%	90.2%	92.9%

* Dividend of approximately 5.6 MSEK

- Net sales revenue in the third quarter increased by 15.3% compared to the same period in 2023, and approximately 1% compared to the previous quarter. The new customer agreements established during the year contributed to this growth, while the increase was slightly tempered by negative developments in the USD/SEK and EUR/SEK exchange rates.
- Net earnings decreased by 13.3% compared to the same period in 2023. This is a result of the investments made over the past quarters, where we have increased resources in both sales and technology to enhance our scalability and manage a higher influx of new airline customers in the coming years.
- Cash flow increased by 47.9% compared to the same period in 2023. Delayed customer payments from previous quarters have largely been received, and the remaining overdue accounts receivable are expected to be paid after the end of the period.



EVENTS DURING THE THIRD QUARTER

- In July, Norwegian activated the turbulence module in ClearPath. The service avoids and warns against clear air turbulence along the flight path, thereby enhancing comfort for all passengers traveling with Norwegian.



- The rollout of AVTECH's ClearPath service has continued within the SAS group in accordance with the agreement signed earlier this year. In August, the service was activated for SAS Connect with its fleet of approximately 30 aircraft. The flight optimization service ClearPath, based on state-of-the-art high-resolution flight weather forecasts from the Met Office, delivers precise and tailored tactical decision support for SAS pilots to improve the efficiency of each individual flight. By providing its flight crews with up-to-date guidance on the most efficient flight altitudes, SAS can take maximum advantage of prevailing winds and temperatures to reduce its overall carbon emissions. In addition, ClearPath also warns of turbulence along the flight path, enhancing comfort for all passengers traveling with SAS. With the ClearPath service, SAS is expected to be able to reduce its carbon dioxide emissions by 6,000 tons per year, which is equivalent to the annual emissions of 1,626 Swedes.



- On September 10-11, AVTECH participated in the MRO & Flight Ops IT, Americas Conference in Miami, Florida, attended by airlines primarily from North, Central, and South America. We



have observed significant interest in optimization solutions among airlines in South America for some time, and this market has been particularly prioritized this year. The exhibition in Miami is an excellent opportunity to meet many of the airlines we are already in dialogue with to initiate the next steps toward testing



and agreements.

- In early September, AVTECH's technical department was expanded with the hiring of two new software developers. This resource reinforcement is part of the effort to prepare AVTECH for growth and will enhance our ability over time to manage the deployment and operation of services for more airline customers, as well as the further development of our products in close collaboration with our customers.
- Our services are currently aimed at airlines, enabling them to save valuable fuel and reduce their environmental impact through optimization. However, AVTECH's vision from the outset has been that maximum savings and benefits can be realized if additional parties, such as air traffic control and airports, can be included. These effects only occur when all parties share the same information with each other. Through the communication our services currently have with the aircraft actively using our optimization services, valuable data exists that could be shared with

other actors in the system to create additional value. We are therefore now participating in two different research project applications together with Linköping University (LiU) and the Swedish Transport Agency (LFV), aiming to improve the flow of incoming air traffic to airports and better understand and manage the contrails (clouds) generated by aviation.

- Two research and development projects with students from both Linköping University and KTH have been underway during the period and are expected to be completed after the end of the quarter. The first project focuses on horizontal optimization of flight routes, which can provide additional significant fuel and time savings. The second project involves modeling and studying how well or poorly the aircraft's computer can optimize the vertical profile. This also gives us the opportunity to demonstrate and measure the savings against the aircraft computer's optimization profile in AVTECH's analysis dashboard.



EVENTS AFTER THE PERIOD

- Below are some of the planned ongoing information and marketing activities for this year:
 - Participation in the Air Support USER GROUP 2024, Billund, October 30-31
 - Participation in the 17th Annual Flight Operations Conference, London, December 3-4



THIRD QUARTER 2024**Net sales revenue**

The group's net sales revenue for the third quarter amounted to MSEK 8.6 (7.5), primarily derived from the services Aventus NowCast™ and ClearPath. Depreciation amounted to MSEK -1.3 (-1.1) of which MSEK -1.3 (-1.1) were related to depreciation on capitalized expenses for development work, etc. Cash flow during the quarter was MSEK +4.1 (+2.8).

Investments

During the three-month period, investments in inventory were made with MSEK 0.0 (0.0). Expenses for development work of MSEK 1.3 (1.0) have been capitalized.

STAFF

The average number of employees during the period was 11 (10). At the end of the period, the number of employees totalled 12 (10). In addition to the employed staff, the company also engaged consultants during the period primarily for internal development work and marketing activities.

FINANCIAL POSITION**Cash and cash equivalents**

The group's cash and cash equivalents at the end of the period amounted to MSEK 24.8 (at year end 22.8), which corresponds to SEK 0.44 (at year end 0.40) 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 43.0 (at year end 40.2) or SEK 0.76 (at year end 0.71) per share. The group's equity to assets ratio was by the end of the period 89.9 percent (at year end 92.7).

RELATED PARTY TRANSACTIONS

Ide Design AB, a company owned 100% by Christer Fehrling, invoiced SEK 127,657 during the three-month period, primarily for IR- and management services.

Ingvar Zöögling was paid a fee of SEK 90,000 for management and legal services during the three-month period.

PARENT COMPANY

AVTECH Sweden AB (publ) reported net earnings for the three-month period of MSEK 2.7 (3.1). The parent company's equity at the end of the period amounted to MSEK 43.0 (at year end MSEK 40.2). Cash and cash equivalents amounted to MSEK 24.8 (at year end 22.8). 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, with the introduction of travel restrictions, has had a negative impact on the aviation industry, including AVTECH, in recent years. The restrictions have today been lifted in connection with getting the infection under control. AVTECH has weathered the crisis well and as the pandemic subsided in 2022 and travel restrictions have been lifted, our airline customers have once again been able to resume their traffic. 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)

2025-02-07

Kista, October 25th, 2024, AVTECH Sweden AB (publ). This report has not been reviewed by the company's 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	2024	2023	2024	2023	2023
	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	Full year
Net turnover	8.6	7.5	25.0	19.8	27.5
Capitalized expenditure for development work, etc.	1.3	1.0	3.9	3.0	4.2
Other operating income	0.1	0.2	0.6	0.5	0.5
Total revenue for the period	10.1	8.7	29.5	23.3	32.2
External expenses	-3.7	-2.7	-9.7	-7.5	-10.6
Personnel expenses	-2.5	-1.8	-7.9	-6.0	-8.2
Depreciation	-1.3	-1.1	-3.8	-3.2	-4.3
Total operating expenses for the period	-7.5	-5.7	-21.4	-16.7	-23.2
Operating profit for the period	2.5	3.1	8.2	6.6	9.0
Sum financial income	0.1	0.0	0.2	0.0	0.0
Earnings before taxes	2.7	3.1	8.4	6.6	9.0
Taxes	0.0	0.0	0.0	0.0	0.0
PERIOD EARNINGS	2.7	3.1	8.4	6.6	9.0

CONSOLIDATED CASH FLOW ANALYSIS MSEK	2024	2023	2024	2023	2023
	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	Full year
Cash flow before change in working capital	2.6	3.1	8.2	6.8	9.1
Change in working capital	1.5	-0.4	-0.6	-0.4	-1.0
Cash flow from operations	4.1	2.8	7.6	6.4	8.2
Cash flow from investment activities	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	-5.6	0.0	0.0
TOTAL CHANGE IN LIQUID FUNDS	4.1	2.8	1.9	6.4	8.2

KEY FIGURES MSEK	2024	2023	2024	2023	2023
	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	Full year
Turnover per employee, MSEK	0.7	0.7	2.1	2.0	2.9
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	0.15	0.13	0.44	0.35	0.49
Net earnings per share, SEK before dilution	0.05	0.05	0.15	0.12	0.16
Net earnings per share, SEK after dilution	0.05	0.05	0.15	0.12	0.16
Cash flow (from operations) per share, SEK (note 1)	0.07	0.05	0.13	0.11	0.14
Operating margin	29.4%	40.9%	32.6%	33.2%	32.9%

CONSOLIDATED BALANCE SHEET	2024	2023	2023
MSEK	30-sep	30-sep	31-dec
ASSETS			
Balanced expenditure for development work, etc.	13.9	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	13.9	13.7	13.7
Other current receivables	9.1	6.0	6.8
Cash and cash equivalents (note 3)	24.8	21.0	22.8
Total current assets	33.9	27.0	29.7
TOTAL ASSETS	47.8	40.7	43.4
EQUITY AND LIABILITIES			
Equity	43.0	37.8	40.2
Non-current liabilities	0.0	0.0	0.0
Current liabilities (note 3)	4.8	2.9	3.2
TOTAL EQUITY AND LIABILITIES	47.8	40.7	43.4
Memorandum Items			
Pledged assets (note 4)	-	-	-
Contingent liabilities	-	-	-

CHANGE IN GROUP EQUITY	2024	2023	2023
MSEK	Jan- Sept	Jan-Sept	Jan-Dec
Equity at the beginning of the period	40.2	31.2	31.2
Profit for the period	8.4	6.6	9.0
Translation differences in equity	-5.6	0.0	0.0
Equity at end of period	43.0	37.8	40.2

KEY FIGURES	2024	2023	2023
MSEK	30-sep	30-sep	31-dec
Equity ratio	89.9%	92.9%	92.7%
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	0.44	0.37	0.40
Equity per share, SEK	0.76	0.67	0.71
Market price at the end of the period, SEK (note 6)	5.30	3.51	3.95
Price/Equity per share (note 6)	6.97	5.25	5.55
Market capitalization at end of period, MSEK (note 6)	299.3	198.2	223.1

QUARTERLY DATA		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year
MSEK						
Net Sales						
	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	5.7	21.4
	2023	5.7	6.6	7.5	7.6	27.5
	2024	7.9	8.6	8.6		
Operating earnings						
	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	+1.8	+6.1
	2023	+1.4	+2.1	+3.1	+2.5	+9.0
	2024	+2.9	+2.7	+2.5		
Cash flow						
	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	+2.2	+4.5
	2023	+1.0	+2.6	+2.8	+1.8	+8.2
	2024	+3.2	-5.3	+4.1		

ACCOUNTING PRINCIPLES AND NOTES

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

Note 1) The group had no options programs or other outstanding financial instruments at the end of the periods that would affect the potential number of shares in AVTECH Sweden AB (publ), and therefore no potential dilution existed.

Note 2) Primarily refers to capitalized office inventory and IT-related hardware.

Note 3) The group had no overdraft facilities at the end of the quarter. Current liabilities include accounts payable, interim liabilities related to ongoing projects, other accrued expenses, and other short-term liabilities.

Note 4) Refers to the unused corporate mortgage provided as security for the company's overdraft facility in Sweden.

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

Note 6) Refers to the price of AVTECH's B-shares on each balance sheet date.

SHAREHOLDERS OF AVTECH SWEDEN AB (publ)

2024-09-30

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	1156401	2008084	3.56	9673231	7.90
AVANZA PENSION	0	8463725	8463725	14.99	8463725	6.91
BRONGE, JOHAN	644600	0	644600	1.14	6446000	5.27
S-BOLAGEN AB	600000	261456	861456	1.53	6261456	5.12
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
BÄCKVALL, ÅSE	235000	619292	854292	1.51	2969292	2.43
JUHLIN, MIA	235000	619292	854292	1.51	2969292	2.43
DAHLSTROM, LARS	250084	255683	505767	0.90	2756523	2.25
IBKR FINANCIAL SERVICES AG, W8IMY	0	2658551	2658551	4.71	2658551	2.17
IDÉ DESIGN AKTIEBOLAG	200000	150000	350000	0.62	2150000	1.76
REDEBORN, AGNETA	150084	382598	532682	0.94	1883438	1.54
MARTIN LAGERQVIST AB	150084	30800	180884	0.32	1531640	1.25
TONSJÖ, MATS REINHOLD	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
ZÖÖGLING, INGVAR AXEL HJALMAR	109800	54454	164254	0.29	1152454	0.94
WAHLUND, LARS	0	1146827	1146827	2.03	1146827	0.94
SAXO BANK A/S CLIENT ASSETS	0	1114762	1114762	1.97	1114762	0.91
CLEARSTREAM BANKING S.A., W8IMY	0	991387	991387	1.76	991387	0.81
NORDNET PENSIONS FÖRSÄKRING AB	0	981769	981769	1.74	981769	0.80
RYTTER, DAVID	50000	35000	85000	0.15	535000	0.44
BECKMAN, LARS	0	502628	502628	0.89	502628	0.41
FEHRLING, MARKUS	0	439000	439000	0.78	439000	0.36
SELWOOD, JOHN ERIC	0	435000	435000	0.77	435000	0.36
HANDELSBANKEN LIV FORSAK AB	0	429135	429135	0.76	429135	0.35
TOTAL 30 LARGEST SHAREHOLDERS	7 322 639	28 294 146	35 616 785	63.06	101 520 536	82.94
TOTAL OTHERS	2 000	20 860 776	20 862 776	36.94	20 880 776	17.06
TOTAL	7 324 639	49 154 922	56 479 561	100.00	122 401 312	100.00

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.