



**AVTECH SWEDEN AB (publ)**

**INTERIM REPORT**  
JANUARY - MARCH **2021**





## CEO COMMENT

Finally, expectations for the development of air traffic over the next six months are starting to look a little bit more positive. For the first time since September, we are now seeing trends of increased turnover and the conditions seem good for an increase in flying in the remaining quarters of the year.

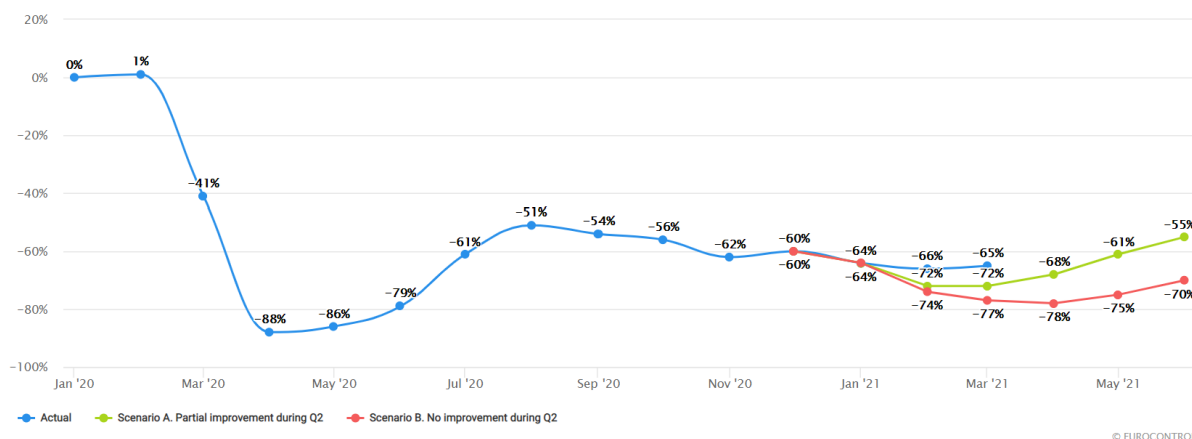
However, the sharply reduced flying continued in the first quarter and reduced the use of AVTECH's services and thus also sales compared to the same period last year. Despite cost-saving measures, this resulted in a negative net profit for the period.



Traffic in Europe remains low in March and many European airlines fly no more than 10-20% of their traffic compared to 2019. At the same time, the North American market is showing stronger traffic figures of around 75% of 2019 traffic. There is still a great deal of uncertainty about what the return will look like, but now the extensive national vaccinations could be what is finally slowing down the spread of infection and reopening borders.

In the positive scenario, Eurocontrol predicts a slight increase in flying already in Q2, followed by a larger return of flights during the summer. In the US there is an even more optimistic view of developments up to and during the summer. From the current booking situation, it can be concluded that private travel is what will take off before business travel when restrictions ease.

EUROCONTROL Draft Traffic Scenarios - 28 January 2021 (base year 2019)



We have great faith in the future and hope that this can finally be the beginning of a return. There is basically a pent-up need to travel, which has so far been limited by introduced pandemic restrictions. When these restrictions are lifted, flying is likely to take off. Our portfolio of services that reduce environmental impact and fuel consumption without requiring investment in new hardware should now seem particularly interesting to all those airlines that want to emerge from the crisis with a better environmental profile and more efficient operations.

AVTECH's latest optimization service, now named ClearPath, is a sophisticated add-on product that has shown a 1.6% fuel saving in the cruise phase in addition to the savings delivered by today's Aventus service. With ClearPath, we can also offer a free trial with a savings guarantee. Now we only need more

airlines testing this and during the spring our market initiative continues with increased sales efforts directly aimed at customers. Presently we have a dialogue with a large number of interested airlines and having four companies in line to start testing ClearPath. If the aviation industry is given the opportunity to restart, this queue will now be able to grow further during the year.

Since most of our contracts are related to the customer's current traffic volume, this means that our turnover increases with increased air traffic. As the pandemic and travel restrictions subside, we are well positioned to grow and deliver services that increase efficiency and comfort and reduce emissions. Although growth in the aviation industry would be slow in the coming years, AVTECH's growth could be faster.

We are now looking forward to a steadily increasing air traffic for our customers during the year.

David Rytter  
CEO

## KEY FIGURES AND EVENTS

MSEK	2021 Quarter 1	2020 Quarter 4	2020 Quarter 1
Net turnover	2.1	2.1	4.0
Operating profit before depreciation	-1.2	-1.1	+0.3
Net profit	-2.0	-1.6	+0.0
Net profit per share, SEK	-0.035	-0.029	+0.000
Cash flow	-4.3	+2.0	-1.0
Cash and cash equivalents	7.8	12.1	12.3
Equity	24.5	26.5	28.5
Equity per share, SEK	0.43	0.47	0.50
Equity ratio, %	91.6%	86.7%	93.1%


- The first quarter's net sales remain significantly reduced due to reductions in air traffic during the Covid-19 pandemic
- The negative net result is a direct effect of the decrease in revenues for the period.
- The cash flow, which is normally often negative in the first quarter, has this period been further affected by the reduced turnover. **In addition, the cash flow has been burdened by delayed customer payments of SEK 1.5 million. These payments have now been received after the end of the period.**
- The staff have mainly continued to work from home according to the recommendations of the Public Health Agency of Sweden. Working time reductions in the form of short-term work have continued, where possible, during the period, which has contributed to reduced personnel costs. Since October, staff covered by short-term work have been working at 60%. The strategy is to retain staff and skills for the turning point.
- During the period, AVTECH has changed office space from floors 24 to 23, at the same address. The new office is slightly smaller and very well adapted to our needs, while providing an important, about 30%, rental cost reduction over the next five years.
- AVTECH's Cruise Profile Optimiser service was named "ClearPath" in January, a product name that makes it possible to further develop the service with additional features such as hazard avoidance and horizontal optimization.
- On January 28, 2021, an [Aircraft IT live webinar](#) was held on AVTECH's ClearPath optimization service. The webinar generated great interest and was conducted in two separate and well-attended sessions with a total of 158 registered participants from 97 airlines. The aim was to give participants an overview of the challenges currently associated with flying an optimal flight profile as well as an understanding of ClearPath and how this service enables airlines to easily address these challenges and increase the efficiency of their operation. The presentation is available via the following [video link](#).

- The deployment of ClearPath continues and is expected to be completed soon in two airlines, prior to the start of test periods.
- A new data integration between AVTECH and the Lufthansa group has been completed during the period. This new link, from now on, enables the delivery of AVTECH's services easily and without communication costs to the airlines within the Lufthansa Group.
- In connection with the interim report on 12 February, AVTECH's new website was launched. The new page is built on a platform that in the future makes it easier to continuously update with new pages, content and news. One of the website's most important purposes is to give our customers a clear overview of our products and encourage further direct contact with our sales team. The product pages will therefore be developed and updated in line with this in the coming months.
- The marketing work during the period has been conducted with a strong focus on ClearPath, partly through the above-mentioned webinars, partly through Advertising in AircraftIT as well as via social media mailings and direct contacts. The focus is on more customer contacts and meetings to increase the number of airlines in line for tests.

Airline decision-makers are made aware of the possibility of fuel and environmental savings through AVTECH's services, without the need for investment in new equipment. Performed operational analysis of the service in six months of operation at Norwegian has given us the opportunity to promise a 1.6% cost reduction. Watch video recording of Norwegian's experiences [here](#).


In addition to marketing and follow-up after the ClearPath webinar, the sales team has also held meetings with some twenty larger and smaller airlines.

- A number of campaigns have been launched on social media LinkedIn, Twitter, Facebook and Instagram.
  - Celebration of the one-year anniversary with TUI
  - ProFlight launch of 3 free premium flights per month
  - ClearPath Webinar
  - ProFlight updated with one month's free Premium for new users
  - Launch of new website
  - Celebration of crossing 10,000,000 uplinks
  - IATA webinar – Turbulence data in ProFlight
  - Article published in AircraftIT - ClearPath case study
  - ClearPath trial


**AVTECH Sweden AB**  
560 följare  
1 mån •

During December we were celebrating one year of partnership with the [TUI Airlines](#) using the AVTECH Aventus full-flight wind uplink service.

[Se översättning](#)




17  
Gilla Kommentera

Results from a case study done one year ago showed that ClearPath could save in average 1.6% cruise fuel per flight which corresponded to 761 tons of fuel and as much as 2359 tons of CO2 could be saved during th ...se mer

[Se översättning](#)

### EASY TO USE

AUTOMATIC UPLINK TO COCKPIT PRINTER



**AVTECH**

9 • 1 kommentar

Gilla Kommentera

- Karolina, AVTECH's marketing coordinator since a year and a half, has at the end of the period chosen to leave AVTECH for a new position a little closer to home in Uppsala. April 13<sup>th</sup> was her last working day. In the near future, Niklaes Persson takes over most of her duties until a replacement can be hired.
- ProFlight, our professional weather briefing and optimization tool for pilots, has so far been tested by over 1760 pilots from more than 230 airlines. The service is appreciated by the pilots testing it and includes a unique high-resolution storm forecast from the Met Office as well as supplemental weather data from IATA and NOAA. ProFlight was commercially launched in the end of November and with this, the journey also starts to increase the number of premium users through direct marketing and "influencers". When many pilots do not currently fly, or fly very sparingly, this is likely to take a little longer.
- The dialogue with Southwest Airlines regarding the testing of Aventus full-flight winds has resumed during the period after being paused in 2020 due to the COVID-19 pandemic.
- The dialogue with a Scandinavian airline has deepened during the period around ClearPath.

## EVENTS AFTER THE PERIOD

- Below are some of this year's planned information and marketing activities:
  - Continued follow-up on delivered ClearPath webinar
  - ClearPath campaigns towards selected customers/segments such as the Lufthansa group airlines
  - Update of AVTECH's graphical profile
  - proFLIGHT campaigns aimed at increasing the number of premium users (towards airlines, pilots, free premium plan tests)

- proFLIGHT campaign around IATA Turbulence Aware real-time turbulence data
- Electronic Flight Bag (EFB) Users Forum, Virtual Meeting, 8-10 June
- A video production in collaboration with the Met Office focusing on the benefits of high-resolution weather applied to AVTECH's services. Scheduled for release by the end of May. This is done in combination with an internal and external Met Office webinar on May 25th where Norwegian also participates.
- Campaign around real-time CB (thunderstorm) information in ProFlight in connection with the commercial launch of this feature. Marketing of the service for the summer storm season.
- Webinar in September

## **FIRST QUARTER 2021**

### **Net turnover**

The group's net turnover for the first quarter period amounted to MSEK 2.1 (4.0), derived mainly from the Aventus NowCast™ service. Depreciation amounted to MSEK -0.8 (-0.3) of which MSEK -0.8 (-0.3) were related to depreciation on capitalized development work expenses, etc. Cash flow from operating activities was MSEK -4.3 (-1.0).

### **Investments**

During the period, investments in inventory were made with MSEK 0.0 (0.0). Expenses for development work of MSEK 0.6 (1.0) have been capitalized.

## **STAFF**

The average number of employees during the period was 9 (10). At the end of the period, the number of employees were 9 (10). 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 7.8 (at year-end 12.1), which corresponds to SEK 0.14 (at year-end 0.22) 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 24.5 (at year-end 26.5) or SEK 0.43 (at year-end 0.47) per share. The group's equity to assets ratio was by the end of the period 91.6 percent (at year-end 86.7).

## **RELATED PARTY TRANSACTIONS**

Ide Design AB, a company owned 100% by Christer Fehrling, invoiced SEK 112,500 during the period for primarily 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 -2.0 (+0.0). The parent company's equity at the end of the period amounted to MSEK 24.5 (at year-end MSEK 26.5). Cash and cash equivalents amounted to MSEK 7.8 (at year-end 12.1). During the period, investments in inventory were made by MSEK 0.0 (0.0).

**SIGNIFICANT RISKS AND UNCERTAINTY FACTORS**

The aviation industry is currently characterized by great uncertainty and a global economic downturn due to the COVID-19 outbreak, which has led to a sharply reduced demand for air travel. It is currently unclear how long this reduction in air travel will last and how quickly the economy and air travel can subsequently return to a new normal state.

There is also a concern and uncertainty in the aviation industry as to what effects global warming will have on aviation.

A low fuel price may temporarily reduce airlines' willingness to invest in fuel saving solutions.

In its operations, the Group and the Parent Company are exposed to risks of both operating and financial nature, which the Company can partially influence itself. A process is ongoing to identify and manage these risks. The market for the AVTECH Group's products is characterized by long sales times. The Group operates in an early market with great potential but with jerky sales development. AVTECH conducts operational services, whereby the risks in the company are not limited to liquidity risk. 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](http://www.avtech.aero).

**PROSPECTS**

The Board of Directors continues to have a positive view of the company's business areas, despite the temporary economic downturn caused by COVID-19. 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 Optimizer, proFLIGHT and SIGMA. More customers and more products for current customers.

**UPCOMING INFORMATION EVENTS**

Annual Shareholders Meeting	2021-05-20
Quarterly Report (Q2)	2021-08-26
Quarterly Report (Q3)	2021-10-28
Year-end Report (Q4)	2022-02-10



Financial reports and documents can be found at [www.avtech.aero/report](http://www.avtech.aero/report).

Kista, April 28th, 2021 AVTECH Sweden AB (publ). This report has not been reviewed by the auditors.

**For more information, please contact**

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This information is information that AVTECH Sweden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted, through the above contact person's provision, for publication on April 28th, 2021, 08.30 CET.

[www.avtech.aero/press-release-english](http://www.avtech.aero/press-release-english)

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](http://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 ([www.redeye.se](http://www.redeye.se)), Phone: 08-121 576 90, e-mail address [certifiedadviser@redeye.se](mailto:certifiedadviser@redeye.se). For explanation of technical terms, see glossary on page 73 of the Company's New Issue Prospectus 2011.

<b>GROUP INCOME STATEMENT</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
MSEK	Jan-Mar	Jan-Mar	Full year
Net turnover	2.1	4.0	12.2
Capitalized expenditure for development work, etc.	0.6	1.0	2.2
Other operating income	0.2	0.0	1.2
<b>Total revenue for the period</b>	<b>3.0</b>	<b>5.0</b>	<b>15.6</b>
External expenses	-2.4	-2.9	-9.3
Personnel expenses	-1.8	-1.9	-6.7
Depreciation	-0.8	-0.3	-1.6
<b>Total operating expenses for the period</b>	<b>-5.0</b>	<b>-5.0</b>	<b>-17.6</b>
<b>Operating profit for the period</b>	<b>-2.0</b>	<b>0.0</b>	<b>-2.0</b>
Sum financial income	0	0	0
Earnings before taxes	-2.0	0.0	-2.0
Taxes	0	0	0
<b>PERIOD EARNINGS</b>	<b>-2.0</b>	<b>0.0</b>	<b>-2.0</b>

<b>CONSOLIDATED CASH FLOW ANALYSIS</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
MSEK	Jan-Mar	Jan-Mar	Full year
Cash flow before change in working capital	-1.8	-0.7	-2.7
Change in working capital	-2.5	-0.3	1.6
<b>Cash flow from operations</b>	<b>-4.3</b>	<b>-1.0</b>	<b>-1.1</b>
Cash flow from investment activities	0	0	0
Cash flow from financing activities	0	0	0
<b>TOTAL CHANGE IN LIQUID FUNDS</b>	<b>-4.3</b>	<b>-1.0</b>	<b>-1.1</b>

<b>KEY FIGURES</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
MSEK	Jan-Mar	Jan-Mar	Full year
Turnover per employee, MSEK	0.2	0.4	1.3
Average number of shares, thousands	56 480	56 480	56 480
Average number of shares, thousands, after dilution (note 1)	56 480	56 480	56 480
Turnover per share, SEK	0.04	0.07	0.22
Net earnings per share, SEK before dilution	-0.04	0.00	-0.04
Net earnings per share, SEK after dilution	-0.04	0.00	-0.04
Cash flow (from operations) per share, SEK (note 1)	-0.08	-0.02	-0.02
Operating margin	-95.0%	0.2%	-16.3%

# CONSOLIDATED BALANCE SHEET

	2021	2020	2020
MSEK	31-Mar	31-Mar	31-Dec
<b>ASSETS</b>			
Balanced expenditure for development work, etc.	14.1	14.3	14.3
Buildings and land	0	0	0
Inventories, tools and installations (note 2)	0	0	0
<b>Total fixed assets</b>	<b>14.1</b>	<b>14.3</b>	<b>14.3</b>
Other current receivables	4.8	4.0	4.1
Cash and cash equivalents (note 3)	7.8	12.3	12.1
<b>Total current assets</b>	<b>12.6</b>	<b>16.3</b>	<b>16.3</b>
<b>TOTAL ASSETS</b>	<b>26.7</b>	<b>30.6</b>	<b>30.6</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	24.5	28.5	26.5
Non-current liabilities	0	0	0
Current liabilities (note 3)	2.3	2.1	4.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26.7</b>	<b>30.6</b>	<b>30.6</b>
<b>Memorandum Items</b>			
Pledged assets (note 4)	-	-	-
Contingent liabilities	-	-	-

# CHANGE IN GROUP EQUITY

	2021	2020	2020
MSEK	Jan-Mar	Jan-Mar	Full year
Equity at the beginning of the period	26.5	28.5	28.5
Profit for the period	-2.0	0.0	-2.0
Translation differences in equity			
<b>Equity at end of period</b>	<b>24.5</b>	<b>28.5</b>	<b>26.5</b>

# KEY FIGURES

	2021	2020	2020
MSEK	31-Mar	31-Mar	31-Dec
Equity ratio	91.6%	93.1%	86.7%
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	0.14	0.22	0.22
Equity per share, SEK	0.43	0.50	0.47
Market price at the end of the period, SEK (note 6)	1.47	1.23	0.93
Price/Equity per share (note 6)	3.39	2.44	1.98
Market capitalization at end of period, MSEK (note 6)	83.0	69.5	52.5

QUARTERLY DATA		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full year
MSEK						
<b>Net turnover</b>						
	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				
<b>Operating profit</b>						
	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				
<b>Cash flow from operating activities</b>						
	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	+0.5
	2021	-4.3				

## 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)** 2021-03-31

Name	AK A	AK B	Holdings	Holdings %	Votes	Votes %
OLCON ENGINEERING AKTIEBOLAG	1411084	159300	1570384	2.78	14270140	11.62
FEHRLING, CHRISTER	984968	2364515	3349483	5.93	12214195	9.94
OLSSON, JONNY	851683	1000000	1851683	3.28	9516830	7.75
FÖRSÄKR.AB., AVANZA PENSION	0	8053308	8053308	14.26	8053308	6.56
BRONGE, JOHAN	644600	0	644600	1.14	6446000	5.25
S-BOLAGEN AB	600000	261456	861456	1.53	6261456	5.10
BÄCKVALL, LARS	470000	1238584	1708584	3.03	5938584	4.83
REDEBORN CONSULTING AB	500000	0	500000	0.89	5000000	4.07
JOHANSSON, RUNE	350084	480301	830385	1.47	3981141	3.24
CDA TRADING AB	0	3000000	3000000	5.31	3000000	2.44
LÄKARLEASING SVERIGE AB	300000	0	300000	0.53	3000000	2.44
DAHLSTRÖM, LARS ANDERS GUSTAF A	250084	262353	512437	0.91	2763193	2.25
IDÉ DESIGN AKTIEBOLAG	200000	50000	250000	0.44	2050000	1.67
REDEBORN, BO	150084	322598	472682	0.84	1823438	1.48
TONSJÖ, MATS	0	1670625	1670625	2.96	1670625	1.36
MARTIN LAGERQVIST AB	150084	30800	180884	0.32	1531640	1.25
PENSION, FUTUR	150084	7000	157084	0.28	1507840	1.23
KRONANDER, BJÖRN-OLA JOHAN	150084	0	150084	0.27	1500840	1.22
SAXO BANK A/S CLIENT ASSETS	0	1308884	1308884	2.32	1308884	1.07
ZÖÖGLING, INGVAR AXEL HJALMAR	109800	54454	164254	0.29	1152454	0.94
WAHLUND, LARS	0	1074517	1074517	1.90	1074517	0.87
NORDNET PENSIONS FÖRSÄKRING AB	0	792045	792045	1.40	792045	0.64
IBKR FINANCIAL SERVICES AG, W8IMY	0	656842	656842	1.16	656842	0.53
MORTAZAVI SHEMIRANI, MARTIN	0	623141	623141	1.10	623141	0.51
MUTH, PETER	0	569536	569536	1.01	569536	0.46
HANDELSBANKEN LIV FÖRSÄKR.AB	0	542135	542135	0.96	542135	0.44
RYTTER, DAVID	50000	35000	85000	0.15	535000	0.44
WACHTMEISTER, CARL MATTIAS	0	510634	510634	0.90	510634	0.42
STAAR, ANDERS	50028	0	50028	0.09	500280	0.41
GULLANDER, ANDERS	0	500000	500000	0.89	500000	0.41
<b>TOTAL 30 LARGEST SHAREHOLDERS</b>	<b>7 372 667</b>	<b>25 568 028</b>	<b>32 940 695</b>	<b>58.32</b>	<b>99 294 698</b>	<b>80.82</b>
<b>TOTAL OTHERS</b>	<b>302 084</b>	<b>23 236 782</b>	<b>23 538 866</b>	<b>41.68</b>	<b>26 257 622</b>	<b>19.18</b>
<b>TOTAL</b>	<b>7 674 751</b>	<b>48 804 810</b>	<b>56 479 561</b>	<b>100</b>	<b>125 552 320</b>	<b>100</b>

## **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](http://www.avtech.aero).