

Press release, August 18 2016

AVTECH communicates a Business Update

AVTECH Sweden AB (publ) ("AVTECH", the "Company") today communicates the following Business Update:

Cost savings programme

The previously announced cost savings programme has been finalized according to plan, resulting in a reduction of the Company's fixed costs of approximately 40%. The Company's fixed cost base, not including costs for weather delivery, is now approximately 850 000 SEK/month, which together with the other implemented and ongoing activities gives the Company a solid foundation to reach profitability within a reasonable time period. Irrespective of today's relatively low fixed costs, the Company's fixed costs are expected to increase as the investment areas described below are executed.

As part of the cost savings programme the Company's agreements for delivery of weather have furthermore been renegotiated, resulting in a maximum level of provisions to weather suppliers of currently 30% (formerly 50%) of the Company's Aventus turnover, with sustained weather quality. See additionally the section related to "strategic weather delivery".

A new Strategic Technical Platform

The Company has over an extended period of time been executing work to define a new groundbreaking platform to service the air transport industry as a whole, i.e. in parallel to airlines also Airports, Air Traffic Control, ground services and other system suppliers. The platform is based off a Big Data concept where large quantities of data is collected, processed and interpreted in order to generate information of large value to customers. The data sources of the new strategic platform will consist of the four-dimensional trajectory data (4DT) generated by the Aventus-system and the communication system that is used by Aventus for communication with the navigational computers of aircraft. These system components have now been used in over 2 million flights, with a reliability exceeding 99,96%. Supplemented with additional data that correctly used will make it possible to build a portfolio of unique quality services that enable significant efficiency improvements and as such large financial savings to customers, gate-to-gate.

The platform definition work has been finalized during the summer of 2016 and the initial work building the new platform has now commenced. During the summer a demonstrator has also been developed, which will be used in customer discussions during the autumn of 2016 to substantiate and strengthen AVTECH's sales message.

Strategic weather delivery

AVTECH has over a time period done work to identify a number of supplementary services to Aventus NowCast, and has as such held discussions with a pair of the World's largest Met-organizations to improve and expand the weather data that AVTECH is using already today. Discussions have been positive and they have led to AVTECH being able to launch a number of operations critical services during the autumn of 2016 as part of or in addition to Aventus NowCast, i.e. related to turbulence-, lightning- and extreme winds warnings.

The Market

Positive discussions are being held with **Southwest airlines** related to an important expansion of Southwest's ongoing delivery of Aventus NowCast, from Aventus NowCast Descent to Aventus NowCast Full Flight. The length of discussions with Southwest reflects the usual procurement time within Aviation. According to information from the customer AVTECH is supplying a service that besides fuel savings also improves the pilot's opportunity to safely plan and execute approaches.

The initial phase of the previously announced contract with **easyJet** is ongoing according to plan and it is expected to be finalized during the first half of September 2016. The agreement is a commercial agreement with an initial phase and a fuel savings target, after which the service will be expanded automatically to easyJet's full routenet.

The previously announced public procurement that **Etihad** is currently conducting has commenced with AVTECH as a participant.

The other more concrete commercial discussions that AVTECH are executing are continuing according to plan and the Company expects to be able to, within a reasonable time period, but not including the above mentioned customer processes, be able to announce one or a few smaller but strategically import Aventus agreements.

For more information, please contact

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About AVTECH Sweden AB (publ)

AVTECH develops products and services for digital Air Traffic Management (ATM). Its customers include the global aviation industry; e.g. airlines, airports, aviation authorities, technology companies and airline manufacturers. By using AVTECH's products and services, each individual flight as well as the entire airline operation can be optimized in terms of cost, noise and emission, efficiency, punctuality and safety. The head office is in Stockholm, Sweden with subsidiaries in Toulouse, France and an associated company in Dubai, U.A.E. AVTECH Sweden AB is listed on NASDAQ OMX First North and has appointed Redeye AB, tel: +46 8 545 013 30, as Certified Adviser.