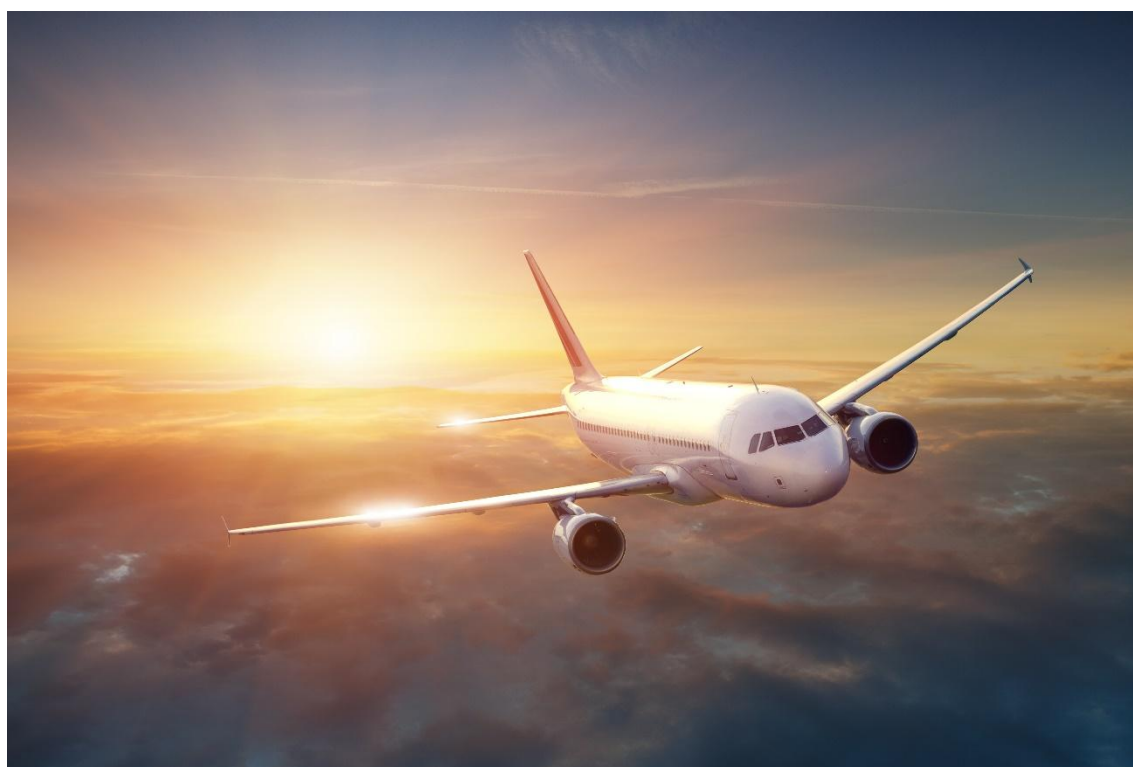


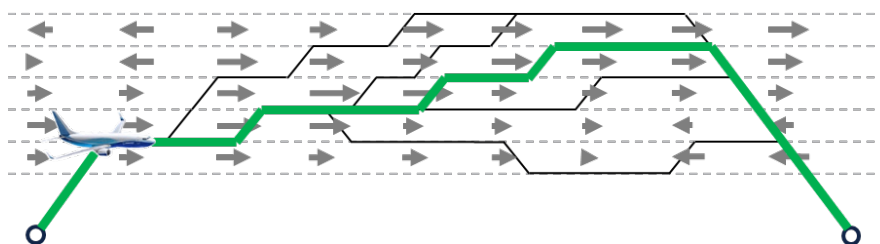


AVTECH Sweden AB (publ)

INTERIM REPORT
January - March 2019



- AVTECH Group's turnover for the first quarter of 2019 amounted to MSEK 4.1 (2.8).
- Operating profit before depreciation for the first quarter of 2019 was MSEK +0.9 (+0.3).
- The net result for the first quarter of 2019 amounted to MSEK +0.1 (-0.9) or SEK 0.04 (0.04) per share.
- Cash flow from operating activities for the first quarter of 2019 amounted to MSEK -1.0 (-0.3). The Group's cash and cash equivalents at the end of the period amounted to MSEK 14.1 (15.7 at the end of the year). Increased market efforts of approximately SEK 0.8 million have affected liquidity during the quarter.
- Shareholders' equity at the end of the period amounted to SEK 28.2 million (28.1 at the previous year-end) or SEK 0.50 (0.50) per share. The Group's equity was 93.0 (93.0) percent.
- The first quarter of the financial year has led to continued investments in sales and marketing. Despite an increasing degree of uncertainty in the aviation industry, caused by both the decision to stop 737 MAX as well as a concern for the negative environmental effects, we can observe a continued increasing interest in our products. The lasting impression, however, is that the pressured cost situation within the airlines means that you do not buy anything other than those that have a significantly short return on investment. This means that you want to test all products in your own operation before deciding. The result is a long sales cycle starting from the customer interest ending with a contract. We believe that we currently have more than 4 major European airlines that are in the final phase of the decisions that usually generate contract negotiations. Often such a contract initially contains AVENTUS NowCast, our most proven product. Each customer relationship is connected to an "NDA" (non disclosure agreement). This makes it very difficult for us to inform about the progress of different customer projects before the LOI or contract has been signed. We hope for continued understanding of this limitation among our shareholders.
- Development projects in the area of climb and cruise optimization are proceeding according to plan. These projects will lead to new products within the Aventus product family that further increase the effect of using 10K weather. The Climb project has been granted external part-financing by the Swedish Energy Agency and is carried out in close cooperation with Norwegian.



- With the above complementary products, we can offer pilots an optimization solution of the flight path in order to considerably optimize fuel saving and flight time. The solution is based on AVTECH's unique access to 10K weather and is no longer limited by the capacity of the aircraft's computer. This is particularly requested and interesting for the market by Boeing 737 operators where the ability of the flight computer to optimize the flight based on favorable wind information is severely limited. These products have been presented and generated a clear interest from the airlines during the customer meetings during the period.
- In December 2018, a follow-up meeting was held with Southwest Airlines in Dallas. The conversation continued in the spring of 2019 in a good spirit.
- During one of the planned major customer meetings, a request was made for a customized adaptation of SIGMA for monitoring flight through volcanic ash. The dialogue has continued and opens for possible further development of the service.
- The discussion with Gatwick Airport regarding TTAM (Target Time Arrival Manager) is ongoing as planned. The project will be completed in the mid-2020s.

Events after the end of the period

- As a consequence of increased marketing efforts in recent quarters, interest in AVTECH's product portfolio has increased. An increased environmental focus and a rising fuel price are expected to further strengthen the interest in 2019. Airlines that have previously shown weak interest have returned with requests for detailed discussions.
- Björn Ostertag, former Fuel Efficiency manager at Lufthansa Cargo, has been affiliated with AVTECH and will be active in marketing and sales. Björn adds great expertise and experience to the market conditions under which airlines operate and is a welcome reinforcement in AVTECH's marketing team. Björn will be assigned his own focus area. focused on air cargo companies.
- The dialogue with airlines within the Lufthansa Group has intensified and moved into a more detailed phase. AVTECH's products receive an all over positive response and the goal is to work with a larger part of the Lufthansa Group airlines.
- An important part of our marketing plan is participation at trade fairs and conferences in the aviation industry. Decisions have been made to attend:
 - Airline & Aerospace MRO & Flight Operations IT Conference 11-12 Jun, Miami
 - 13th Annual Flight Operations Conference 3-4 Dec, London
- The number of pilots using proFLIGHT in their daily operation is continuously increasing. The users today represent more than 25 global airlines that together

have a worldwide network of networks. We also see increased interest among the airlines for proFLIGHT and for present discussions with two major European operators regarding the possibility of implementing proFLIGHT in their daily operations.

The process of getting proFLIGHT approved and verified by EASA (European Union Aviation Safety Agency) is ongoing and is expected to be completed during the second half of 2019. In addition to being an attractive tool for the pilot during the flight, proFLIGHT also appears to be an effective way of visually demonstrating the complex technical processes that form the basis of the different Aventus family products.

FIRST QUARTER 2019

Net sales

The Group's sales for the first quarter amounted to MSEK 4.1 (2.8), derived mainly from the Aventus NowCast™ business area. Depreciation amounted to MSEK -0.8 (-1.2), of which MSEK -0.8 (-1.2) related to amortization of capitalized development work expenses, etc. The net result for the first quarter of 2019 amounted to MSEK +0.1 (-0.9) or SEK 0.04 (0.04) per share.

Cash flow from operating activities was MSEK -1 (-0.3).

Investments

Investments in equipment during the period amounted to MSEK 0.0 (0.0).

Expenses for development work of MSEK 1.0 (0.9) have been capitalized.

Personnel

The average number of employees during the period was 8 (5) persons. At the end of the period, the number of employees was 8 (5).

In addition to the employees, the company also hired a number of consultants during the period, mainly for internal development and marketing work.

Financial Position

Liquid funds

The Group's cash and cash equivalents at the end of the period amounted to MSEK 14.1 million (at year-end 15.7), which corresponds to SEK 0.25 (0.28) 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 28.2 (at year-end 28.1) or SEK 0.50 (0.50) per share. At the end of the quarter, the Group's equity / assets ratio was 93.0 per cent (93 per cent at year-end).

RELATED PARTY TRANSACTIONS

Ide Design AB, a company wholly owned by Christer Fehrling (AVTECH's CEO), invoiced SEK 200,000 for management services during the period.

Costs of SEK 110,000 charged to AVTECH's income statement during the period for work carried out by a company Redeborn Consultant AB, a company wholly



owned by Bo Redeborn, AVTECH's Chairman of the Board Costs related to services mainly within the framework of marketing.

PARENT COMPANY

AVTECH Sweden AB (publ) reported a net profit for the first quarter of MSEK +0.1 (-0.9). At the end of the period, the Parent Company's equity amounted to MSEK 28.2 (MSEK 28.1 at year-end). Cash and cash equivalents amounted to MSEK 14.1 (at year-end MSEK 15.7). Investments in equipment during the period amounted to MSEK 0.0 (0.0).

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

The Group and the Parent are exposed to risks of both business and financial nature, which the company may partly influence. The company is engaged in a continuous process to identify the risks ahead and to assess how they are to be handled. The market for the AVTECH Group's products is characterized by long sales cycles. The Group operates in a early market with great potential but with harsh sales development. The Parent Company conducts operational activities, whereby the risks in this company are not limited to liquidity risk. For a full account of identified risks and the company's efforts to handle these, refer to pages 11-13 and page 40 of the Company's New Issue Prospectus 2013, sections "Risk Factors," and "Legal Issues and Complementary Information." The prospectus is available through the AVTECH website www.avtech.aero

OUTLOOK

The market shows clear signs of an increasing interest in efficient IT solutions in the aerospace industry. This interprets the Board as positive signals for AVTECH's opportunities 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.

The Board of Directors has a continued positive view of the company's business areas.

FUTURE INFORMATION REPORTS

Annual General Meeting	2019-05-05
Quarterly report Q2 2019	2019-08-28
Quarterly report Q3 2019	2019-10-16
Year-end report 2019	2020-02-12

Kista, May 6, 2019 AVTECH Sweden AB (publ), the Board. This report has not been reviewed by the company's auditors.

For further information, please contact

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or visit the company's website www.avtech.aero

AVTECH Sweden AB (publ), corporate identity number 556568-3108, has its registered office in the municipality of Stockholm.

Postdress: Färögatan 33, 24 tr, 164 51 KISTA, Sweden.

The company's B-share (short name AVT B) has been traded on NASDAQ OMX First North since February 2012. The company's A share is not traded on any marketplace. Certified Adviser is currently Redeye AB (www.redeye.se), tel: 08-121 576 90, e-mail address certified.adviser@redeye.se. For explanation of technical terms, see the glossary on page 73 of the company's New Issue Prospectus 2011. The information in this press release is such that AVTECH Sweden AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the agency of the above contact person, for publication on May 8, 2019 at 08.30 CET

CONSOLIDATED INCOME STATEMENT	2019	2018	2018
SEK	Jan-Mar	Jan-Mar	Full-year
Net sales	4.1	2.8	12.5
Capitalized development work expenses, etc.	1.0	0, 9	3.5
Other operating income	0.0	0.0	0.0
Total income for the period	5.1	3.7	16.0
External costs	-2.7	-2.1	-9.8
Personnel	-1.5	-1, 3	-3.9
Depreciation	-0.8	-1.2	-4.2
Total operating expenses For the period	-5.0	-4.6	-17.9
Operating profit for the period	0.1	-0.9	-1.9
Financial Net	0.0	-0.0	-0.0
Profit before tax for the period	0.1	-0, 9	-1.9
Tax			
PERFORMANCE FOR THE PERIOD	0.1	-0.9	-1.9

GROUP CASH FLOW STATEMENT	2019	2018	2018
MSEK	Jan-Mar	Jan-Mar	Full year
Cash flow before change in working capital (Note 2)	-0.4	-1.5	-5
Change in working capital	1.4	1.8	3.0
Cash flow from operating activities	-1.0	-0.3	-2.0
Cash flow from investing activities (Note 2)	0.0	0.0	0.0
CHANGES IN CASH EQUIVALENTS	-1.0	-0.3	-2.0

KEY FIGURES	2019	2018	2018
	Jan-Mar	Jan-Mar	Full year
Turnover per employee, SEK	0.8	0.7	2.6
Average number of shares, thousands	56 480	56 480	56 480
Average number of shares, thousands, after dilution (Note 3)	56 480	56 480	56 480
Turnover per share, SEK	0.06	0.05	0.18
Net earnings per share, SEK before dilution	0.07	0.06	-0.0 , 01
Net earnings per share, SEK after dilution	0.07	0.06	-0.06
Cash flow (from operations) per share, SEK (Note 2)	-0.03	-0.04	-0.12
Operating margin	Neg.	Neg.	Neg.

QUARTERLY DATA MSEK	Q 1	Q 2	Q 3	Q 4	Full year
Turnover					
2017	2.2	1.4		3.1	10.4
2018	2.8	3.3	3.1	3.4	12.6
2019	4.1				
Operating profit					
2017	-1.3	-1.1	-0.8	-0.3	-3.5
2018	-0.9	-0.9	-0.2	+0.1	-1.9
2019	+0.1				
Cash flow from operating activities (Note 2)					
2017	-0.5	-0.1	-1.0	-3.5	-5.1
2018	-0.3	-0.2	-0.1	-0.1	-0.7
2019	-1.0				

Accounting principles and notes

All amounts are reported in millions of Swedish kronor (MSEK) unless otherwise stated.

The report has been prepared in accordance with BFNAR 2012: 1 (K3).

Note 1) Refers to the UAE-registered company AVTECH Middle East LLC, established in the autumn of 2011, where AVTECH Sweden AB (publ) owns 49% of the shares. RR13 is applied when accounting for participations in associated companies.

Note 2) As of January 2012, the principle for how capitalized development work is managed in cash flow calculations has been changed so that capitalization is now considered as "adjustments for items not included in the cash flow",

which affects "cash flow from operating activities". Previously, capitalized development work expenses have been classified as belonging to the investment business, ie, "cash flow from operating activities" is exempted. Adjustments to the change in principle have not been made to the previous periods in AVTECH's reports.

Note 3) At the end of the periods, the Group had no stock option plans or other outstanding financial instruments that affect the potential number of shares in AVTECH Sweden AB (publ), and therefore no potential dilution existed.

Note 4) Refers primarily to capitalized office equipment, IT-related hardware (workstations and production centers for Aventus NowCast in Orlando, USA).

Note 5) 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 expenses, and other current liabilities.

Note 6) Refers to corporate mortgages provided as collateral for the company's overdraft facility in Sweden.

Note 7) The key figure shows the actual number of outstanding shares in AVTECH Sweden AB (publ) at the respective time.

Note 8) Refers to the price on each balance sheet date for AVTECH's B-share. AVTECH Sweden AB (publ) was listed on NASDAQ OMX First North on February 20, 2012, which is why stock prices are not available for period end earlier than this date.

Shareholders of AVTECH Sweden AB (publ)

2019-03-31

Name	AK A	AK B	Holding	Holdings %	Votes	Votes in%
LINDBERG, LARS	2 126 683	786 521	2 913 204	5.16%	22 053 351	17.57%
OLCON ENGINEERING SHAREHOLDERS	1 411 084	1 070 000	2 481 084	4.39%	15 180 840	12.09%
FEHRLING, CHRISTER	884 968	2 180 515	3 065 483	5.43%	11 030 195	8.79%
INSURANCE ACTION COMPANY, AVANZA PENSION	0	8 905 007	8 905 007	15.77%	8 905 007	7.09%
BRONGE, JOHAN	644 600	0	644 600	1.14%	6 446 000	5.13%
REDEBORN, BO	450 084	322 598	772 682	2.25%	4 823 438	3.84%
S-BOLAGEN AB	400 000	261 456	661 456	2.98%	4 261 456	3.39%
BÄCKVALL, LARS	270 000	1 238 584	1 508 584	6.80%	3 938 584	3.14%
JOHANSSON, RUNE	250 084	480 301	730 385	3.29%	2 981 141	2.37%
Dahlström, Lars	150 084	351 820	501 904	0.89%	1 852 660	1.48%
Total the 10 largest shareholders	6 587 587	15 596 802	22 184 389	48.10%	81 472 672	64.89%
Total other	1 087 164	33 208 008	34 295 172	59.31%	44 079 648	35.04%
Total	7 674 751	48 804 810	56 479 561	100.00	125 552 320	100 , 00

ABOUT THE AVTECH GROUP

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