



Press release, 2020-03-25

AVTECH provides a business update regarding COVID-19

AVTECH's management hereby wishes to provide the following update due to the ongoing global coronavirus (COVID-19) outbreak.

The 2020 fiscal year was expected to be a positive year for AVTECH with several new customers as well as expanded collaboration with existing customers. This picture has now changed drastically with the global spread of the corona virus and the resulting reduced demand for air travel.

Today we have a portfolio of products that are of interest to airlines in times of environmental concerns and cost savings. For this year the portfolio has been strengthened with a recently launched cruise optimization service with 1.5% cost savings potential in cruise as well as the weather app proFLIGHT, which is currently being tested by approximately 1300 professional pilots in 150 airlines.

The target has been for proFLIGHT to be launched commercially aimed at individual pilot users by the end of March. However, due to the present COVID-19 situation the launch will now be delayed at least one month.

AVTECH has a balance between revenues and costs as well as good cash liquidity, which gives us the endurance to cope with a temporarily failing market. Current turnaround consists of 80% fixed-price contracts and 20% variable price contracts where the revenue is dependent on the number of aircraft using the service each month. This means that a large part of our revenue is not affected in the short term.

AVTECH continues to monitor the situation and evaluates possible measures to minimize the effects of COVID-19 on the operations and the financial results of the business.

- In accordance with recommendations from authorities, all personnel work from home to ensure the well-being of our staff.
- Our services continue to operate with a high degree of availability and the ongoing development work continues.
- We work actively with costs and will review possible cost reductions.
- We are preparing a reduction in working hours within the framework provided by the government to reduce staff costs and be able to retain all staff until the situation for our customers improve.

We remain flexible in the face of changes to the current situation and prepare for various scenarios in order to ensure the long-term well-being for our staff and business continuity.



For more information, please contact

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This is information that AVTECH Sweden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication on March 25th, 2020 at 11.00 CET.

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About AVTECH Sweden AB (publ)

AVTECH develops products and services for digital air traffic control systems. Customers are the aviation industry's various players such as airlines, airports, aviation, technology companies and aircraft manufacturers. With the help of the company's products and services, each individual flight or the entire flight operation can be optimized in terms of economy, noise and emissions, efficiency, punctuality and safety. The head office is in Stockholm / Kista. AVTECH Sweden AB (publ) is listed on NASDAQ First North Growth Market and has appointed Redeye AB to certified adviser. Email address: certifiedadviser@redeye.se and telephone number +46 (0)8 121 576 90.