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NATS takes equity stake in Aireon to help accelerate technology revolution in global aviation surveillance

MCLEAN, Va. – May 16, 2018 – The UK air traffic management service provider, NATS, has announced it has invested in Aireon, the company pioneering a space-based air traffic surveillance service set to revolutionise the aviation industry.

Through a network of 66 low earth orbiting Iridium® NEXT satellites, AireonSM will monitor the location of Automatic Dependent Surveillance-Broadcast (ADS-B) equipped aircraft flying anywhere in the world, transforming the way air traffic control services are provided.

The service will offer global air traffic surveillance of aircraft. This means that oceans and remote regions like the poles, deserts and mountainous areas will have real-time aircraft surveillance for the first time.

The forecasted safety and airspace capacity benefits, together with the savings in fuel and carbon emissions, are being hailed as the greatest revolution in air traffic management since the introduction of radar 70 years ago.

News of the \$69 million USD investment, worth around 10% equity, was announced at a press conference in Washington DC, near Aireon's headquarters, at which NATS also confirmed it is currently consulting with its customers about introducing the satellite technology for use over the North Atlantic starting with operational trials from 2019 to deliver the capacity and safety benefits that the airspace requires to keep pace with demand.

Martin Rolfe, NATS Chief Executive Officer, said: "This is a transformational technology that will deliver the world's first truly global air traffic control infrastructure, making flying even safer and more efficient.

"Investing in Aireon is the best way for us to shape the future of the service in a way that benefits our customers in the UK and elsewhere, and to demonstrate NATS' commitment to playing a leading role in the development of the next generation of global air traffic technology.

"We're currently consulting with our airline customers about how to best deploy this technology. The North Atlantic is the busiest area of oceanic airspace in the world and the gateway to Europe, but its routes have now reached their limit of capacity with existing technology, so we are delighted to now have a way to safely fulfil the ever growing demand from our customers. What is additionally exciting is that this same technology will also deliver fuel savings and CO₂ reductions that will directly benefit airlines and their customers."

Don Thoma, Aireon Chief Executive Officer, added: "We are ecstatic to welcome NATS to the Aireon investor family. NATS was among the first air navigation service providers to see the benefits of space-based ADS-B, and now it only makes sense that they would become a more formal part of Aireon. The enhancements Aireon's space-based ADS-B service will allow in the North Atlantic are

a game changer for the aviation industry and will connect North America and Europe unlike ever before.”

Marc Courtois, Chair of the Board of Directors for both Aireon and NAV CANADA stated: “Adding NATS to our ownership group further confirms what the industry has largely already realised, that Aireon is on track to fundamentally improve flight safety worldwide. The technology is real, the system is already performing beyond expectations, there are just a few more launches to go, and we are eager to start seeing the improved benefits to the aviation industry and the flying public.”

Baroness Sugg, the UK’s Aviation Minister said: “We welcome the agreement between NATS and Aireon which will see UK skills and expertise play a leading role in developing the next generation of global air traffic management technology. Our world class aviation industry has a proud and accomplished history, from the invention of the jet engine to pioneering air traffic control. This agreement will help ensure that we remain at the forefront of this vibrant sector.

In addition, it will further enhance safety by enabling the monitoring of aircraft anywhere in the world, as well as improving the sustainability of our aviation sector. These are all central to the Government as we develop our Aviation Strategy.”

In order to ensure a safe operation today without the technology to automatically monitor flights in real time, aircraft over the Atlantic follow very prescriptive speed and separation restrictions along a rigid track structure that both limits the capacity of the airspace and forces the airlines to fly trajectories that burn more fuel and generate more CO₂. Air traffic controllers can only track a flight’s progress by receiving around five position reports from the pilot every hour.

Fulfilling future traffic demand and delivering service improvements whilst maintaining a safe operation isn’t possible using today’s technology without operational constraints being applied to our customers. The analysis jointly undertaken by NATS and NAV CANADA, endorsed by the International Civil Aviation Organization (ICAO), projects an approximate 76% reduction in safety risk from using the Aireon service. This would allow NATS to meet ICAO’s safety targets while also meeting the growth needs of the North Atlantic as well as giving customers more flexibility in how they fly across the ocean.

Last year, NATS Controllers handled 500,000 flights through North Atlantic airspace -that’s 80% of all transatlantic traffic - and by 2030 industry estimates expect that to grow to almost 800,000 flights. Being able to control this volume of flights as well as offer airlines the routes they want at a speed that suits them would generate a net saving of more than \$300 in fuel and 2 tonnes of CO₂ per flight, according to analysis by NATS and ICAO. That equates to more than a million tonnes of CO₂ saved every year.

Monitoring aircraft in real-time will also support the reduction of separation distances from around 40 nautical miles (nm) to just 15nm, in turn making the airspace more flexible and with predictable fuel and environmental benefits.

The investment in Aireon has been made by NATS (Services) Limited (NSL). It also comes one year after NSL became joint shareholders in the Canadian digital tower company, Searidge Technologies alongside NAV CANADA.

About NATS

NATS is a leading air traffic management and solutions company, established in the UK in 1962 and now operating in countries around the world.

NATS handled 2.6 million flights in 2017, covering the UK and eastern North Atlantic from its centres at Swanwick, Hampshire and Prestwick, Ayrshire. NATS also provides air traffic services at 13 UK airports; at Gibraltar Airport and, in a joint venture with Ferrovial, at a number of airport towers in Spain.

Building on its reputation for operational excellence and innovation, NATS offers aerodrome, data, engineering, capacity, efficiency and environmental performance solutions to customers worldwide, including airports, airlines air traffic service providers and Governments.

For more information visit the NATS website at www.nats.aero

About Aireon LLC

Aireon is deploying a space-based air traffic surveillance system for Automatic Dependent Surveillance-Broadcast (ADS-B) equipped aircraft throughout the globe. Aireon will harness next-generation aviation surveillance technologies that are currently ground-based and, for the first time ever, extend their reach globally to significantly improve efficiency, enhance safety, reduce emissions and provide cost savings benefits to all stakeholders. Real-time ADS-B surveillance will cover oceanic, polar and remote regions, as well as augment existing ground-based systems that are limited to terrestrial airspace. In partnership with leading Air Navigation Service Providers (ANSPs) from around the world, like NAV CANADA, Enav, NATS, the Irish Aviation Authority (IAA), and Navair, as well as Iridium Communications, Aireon will have an operational, global, space-based air traffic surveillance system by 2018. For more information, please visit www.aireon.com

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