

# LETTER TO SHAREHOLDERS

## Q3 2021



A year and a half into a global pandemic that continues to create challenges for our customers, the FLYHT team is hard at work reinventing our business model to ensure that we emerge as the global aviation leader in Actionable Intelligence when this is all said and done. We have sharpened our strategic focus, shifting the company from a provider of Satcom hardware to SaaS solutions. We have extended our technology leadership, launching the world's first 5G/LTE Quick Access Recorder (wQAR) and introduced the first comprehensive AI solution for airlines. We have been very fortunate in the ability to attract and maintain a great team to build and deliver our new products to both our existing and new customers. We have increased our sales force, paid off all of our debt outside of government low coupon long-term debt, and continue to see strengthening in both the OEM part of our business and the SaaS business. We completed the purchase of complementary technology in the weather space with the purchase of the WVSS-II technologies from SpectraSensors Inc. We are getting great support from the weather community for rescuing this technology and together with our

TAMDAR product, now have humidity sensor equipment for any type of aircraft. Over the next short while, we will be working with major agencies around the world to map out how these technologies will be deployed.

We have seen good year-over-year growth with revenues over \$3 million in the third quarter of 2021 compared to less than \$2 million last year, a 50% increase in revenue. Our gross margin improved as well to \$2.16 million from \$1.98 million from last year and our EBITDA loss was \$0.73 million, compared to \$1.08 million in 2020. While we continue to see slow recovery of the industry, everyone we talk to speaks to the pent-up demand for travel. Since all of our customers survived the devastation, we feel the recovery will come for our revenues in lock step with the recovery of the industry. The raise of funds in the quarter leaves us in a very healthy place to grow our business significantly faster than the recovery of the industry.

Our development teams have been hard at work on both the AFIRS Edge product and our Actionable Intelligence tools. FLYHT's sales force is now equipped with both the tools necessary to take it to the world and teams in place to start rolling it out to our customers. We are very excited about the fantastic capabilities that have been developed over the last year and look forward to the continued strengthening of our customers and our business alongside them.

As always, we thank our loyal customers, shareholders and board for their support, and I thank the FLYHT team for their adaptability to be very productive during extremely unusual times, as we all can't wait for normal to return.

Yours Truly,

A handwritten signature in blue ink, appearing to read "W. Tempany".

William T. Tempany  
Interim Chief Executive Officer