

LETTER TO SHAREHOLDERS

Q4 2021



The past year was one of tremendous strategic and operational progress for FLYHT as we navigated another challenging year for both FLYHT and the aviation industry. We advanced our efforts to build one of the industry's premier platforms for Actionable Intelligence, creating multiple, durable revenue streams and positioning the company as a trusted, critical, value-adding partner for a growing list of customers. We are well positioned to serve our customers as they see more normalized flight activities across their businesses and around the world.

At FLYHT, we have taken an aggressive approach to being prepared to help our partner customers with that recovery. We have made several strategic investments that we believe are going to be beneficial to the company and our shareholders in the months, quarters and years to come. We have taken our traditional products and services and positioned them to anticipate the industry's evolving needs. We do not capitalize those investments, so they appear as losses on our financial statements, however, these strategic initiatives have set FLYHT up for significant wins.

At the start of last year, we assembled a team to take advantage of our Amazon Web Services relationship, both as a customer of AWS and a partner in their industry steering group. We certified a team of 25 developers, deployed and enhanced a set of tools that we had developed, and we created new tools to become an AWS Certified Partner in the Travel and Hospitality group. Approximately 50% of our research and development costs were invested in recruitment, training, and certification of on the AWS toolset and product certification aircraft in anticipation of the sales of AFIRS Edge, a cornerstone of the solutions that we will be providing to our customers for years to come, and our sales team is working closely with the AWS sales group to identify and close opportunities in this space.

We have previously stated that to better succeed in the aviation industry FLYHT needs to grow, with more products and better geographic representation. This was accomplished with the acquisition of CrossConsense in early 2022, which brings us a new maintenance capability and meaningfully expands our footprint in Europe, not to mention an enviable list of customers. We expect due diligence costs \$250k, staff efforts approaching a similar level, and the acquisition price to start producing results directly following the March 17 closing date. Our teams are already cross-selling and working on products with a launch customer in pursuit of the great synergies we see coming from this relationship. Beyond CrossConsense, we continue to investigate other non-organic growth opportunities that will drive our SaaS-focused growth strategy.

We recently announced a partnership with SITA, the largest provider of ACARS data in the world and a very strong player in airport systems and other airline related products. This initial announcement described how we will be using their relationship with Iridium to secure preferred pricing on Certus connectivity for our Edge product. The intent is to significantly grow this relationship with services and tools that we can deliver on our exciting new platform.

The development of the AFIRS Edge has been an exciting project. We have repurposed large portions of the AFIRS IP on a light weight, cost-effective platform that has the capability to drive many more functions for our customers while keeping the reliability and serviceability of the AFIRS family. This platform delivers unprecedented capabilities to provide a replacement for the old 2G-3G systems installed on 4,000+ aircraft with a device that supports 3G, 4G and 5G, Iridium Certus, Bluetooth, Wi-Fi, and connection through virtual and in-flight entertainment systems. Due to our ability to repurpose AFIRS IP, development costs to date for this product are at \$750k. We have received government support on the program and market acceptance is strong. We have initial production units in house and are working on STC's for launch customers as this is written.

As part of our transition to a more SaaS-driven model, we invested in training staff and building teams to take advantage of adopting agile development principles and get the most benefit out of the AWS tool set for our customers to take advantage of the security and speed of this state-of-the-art Cloud environment.

We are confident that FLYHT's strategic investments this past year will show results in 2022 as we continue to return to normal levels of activity with our customers. We have proven technology and solutions, a talented team, long-standing relationships with our customers who we have supported throughout the pandemic, and partners that are providing the right tools to support the industry.

As always, I want to thank our loyal shareholders and our incredible staff, and I want to assure our customers that we are here to support them as they get back to business.

Yours Truly,

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

William T. Tempany
Interim Chief Executive Officer