

LETTER TO SHAREHOLDERS

Q3 2022



As the aviation industry continues to recover from the shock of the global pandemic, airlines are shifting their focus from cost savings to improving efficiency and profitability. During this time, we have battle hardened our business and invested in disruptive new technologies. The aviation industry is finally waking up to FLYHT's solutions and this awakening is increasingly evident across our business. We have a re-energized team of industry veterans and new blood that is taking an upgraded set of products and services to our existing and potential new customers, where we are pursuing some of the most meaningful sales opportunities in our company's history. Most importantly, this awakening is evident in our financial results.

We reported our strongest quarter in years in Q3 2022. Not only did we deliver record revenue in Q3 2022, but we also delivered improved bottom line results with positive EBITDA and positive net income. Revenue was a record \$6.7 million, up 112% year over year, as we are generating growth in SaaS and delivering on the purchase order of modems from our long-time OEM partner received in Q2. EBITDA was \$925k – our first positive quarter since the COVID-19 pandemic.

I couldn't be more excited about what's in store for FLYHT. The AFIRS Edge is on the verge of being a qualified product which should set the stage for large scale commercialization in 2023. We are in the final stages of lab testing before the device gets in the air next for additional testing at altitude, and development on the A320 and B737 Supplemental Type Certificates (STC's) is well underway. We are currently working on multiple large scale request for proposals (RFPs) for several major industry players. With the only device coming to market capable of 3G/4G/5G transmission as 3G sunsets across the globe, we believe we are in a strong position to pursue a meaningful share of the 25,000 aircraft that require these data services – we estimate the total addressable market value to be a \$750 million hardware and \$3 billion software opportunity. Success here would be transformational for FLYHT and our shareholders.

CrossConsense is delivering on our strategic vision and is a positive contributor to our financial performance. The business is sharpening its focus on SaaS which is coinciding with higher interest levels from their customers in all of FLYHT's products. With CrossConsense we have increased our revenue diversification with 20% of FLYHT's overall revenue now coming from Europe.

Continued support from our staff, customers, partners and shareholders through the pandemic has enabled FLYHT to build solutions the industry needs to meet the communications and environmental challenges they are facing today. We are extremely excited to be in a position to deliver it and hope to deliver to shareholders improving fundamental performance as evidence of our growing traction.

Yours Truly,

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

William T. Tempany
Interim Chief Executive Officer