

LETTER TO SHAREHOLDERS

Q1 2023



We start 2023 in a strong strategic and financial position. FLYHT's transformation into a provider of Actionable Intelligence ("AI") over the past three years is enabling us to offer the aviation industry the tools and solutions it is increasingly demanding as it undergoes its own transformation.

Our pipeline of potential business continues to increase and currently stands at the highest level in company history. In addition to a tailwind from the ongoing recovery of global passenger traffic, there is sustained demand for our legacy flagship products anchored by AFIRS 228™ and surging interest in our new and innovative solutions built around our AFIRS Edge technology and SaaS solutions.

FLYHT's AFIRS 228 solution is a leading Iridium satcom solution with a proven track record and an installed base of over 4,000 aircraft. Sales of the AFIRS 228 continue to be strong and account for a significant portion of our SaaS growth of 44% during the quarter. This quarter Transport Canada awarded FLYHT a Supplemental Type Certificate ("STC") to install the AFIRS 228 on the Boeing 737 MAX-8, one of the world's most popular aircraft types, creating additional growth potential for FLYHT. Airlines can now request that their aircraft come off the factory line with Iridium satcom provisions, and our new STC allows for updates to those provisions to accommodate FLYHT's AFIRS 228.

Additionally, FLYHT continues to make progress toward the commercialization of the AFIRS Edge™, the Company's 5G-enabled Wireless Quick Access Recorder ("WQAR"). During the quarter we received DO-160 environmental testing certification, which means the AFIRS Edge is now ready for installation on commercial aircraft, and we are currently in the process of obtaining STCs for the product on multiple aircraft platforms. There will be a number of new products and services built off the AFIRS Edge infrastructure that will drive our SaaS model.

Weather is fast becoming another driver of growth for FLYHT as we leverage our solutions to address environmental imperatives for the aviation industry. FLYHT's WVSS-II water vapour sensor system, in conjunction with either an AFIRS Edge or AFIRS 228, is a significant aspect of Aircraft Based Observations ("ABOs") for both meteorologists and airlines. These observations support weather forecasting models and aviation operations including playing a key role in detecting and avoiding contrails which may be responsible for up to 50% of aviation's climate impact. In March it was gratifying to see our own Meredith Bell testify before the Subcommittee on Environment of the United States House of Representatives to discuss a collaboration with NOAA and the airlines using FLYHT's weather sensor technology.

Financially, we delivered expected results in Q1 2023, considering we had just completed two of the strongest quarters in years in the back half of 2022. Revenue decreased 5% year-over-year but would have increased when adjusting for last year's large licensing orders. Our gross margins remain robust at 57.3% and I am particularly pleased that our cash balance increased by \$564,000 to \$3.2 million as we collected on the large OEM order that we fulfilled last year.

FLYHT was named to the 2023 TSX Venture 50, an annual ranking of the top 50 performers on the TSX Venture Exchange. We were thrilled to be recognized as a top 50 performer amongst 1,700 TSX listed companies for superior market capitalization growth, share price appreciation and shareholder returns.

I'm truly excited about the outlook for FLYHT in 2023. I look forward to working closely with our new Chairman, Captain Mary McMillan, and the rest of our Board of Directors, including our new members Pete Large and Nancy Young. Also, I want to thank former Board members Nina Jonsson and Jack Olcott for their guidance and unwavering commitment to FLYHT.

In closing and as a telling indication of FLYHT's rising industry stature, on June 20-22, 2023, we will welcome hundreds of our industry peers from around the world to Calgary for the semi-annual AEEC/IATA Electronic Flight Bag ("EFB") Users Forum. The EFB Users Forum is a joint activity with AEEC/IATA that provides a unified forum for airlines, system integrators, hardware and software providers, regulators, and other interested parties to present and discuss topics of interest to the EFB user community.

I am proud and grateful for the level of commitment and engagement shown by our incredible team at FLYHT. I would like to thank our customers for the opportunity to continue serving them, and to thank our shareholders for their loyal support.

Yours truly,

A handwritten signature in black ink, appearing to read "Mary McMillan". The signature is written in a cursive, flowing style.