

# LETTER TO SHAREHOLDERS

## Q1 2024



Only a few weeks have passed since I last updated you on our progress, but there is no shortage of energy across the FLYHT organization as we go to market with our innovative 5G aviation and weather solutions. This excitement is fueled by having completed substantial development on the Edge and Edge+, having physical products in hand, and having STCs for additional aircraft types on the way. We can now be out in the market aggressively telling our story, and this is exactly what we are doing.

We'd like to share with you some of the more visible activities and engagements of our senior team, working around the world with our customers, partners, and investors, that are fueling my excitement.

We have a very active calendar of industry "shows" and events. At [Aerospace TechWeek Europe](#) in Germany (April 17-18), we brought strong representation from both our North American and European teams. Highlights included Murray Skelton (VP Business Development & Weather Solutions) presenting about FLYHT's role in contrail detection and avoidance, and Axel Christ (Managing Director) at CrossConsense, engaging in some very interesting conversations which will further strengthen our already competitive and growing AMOS tech support offering. At the [China Aviation New Tech Forum](#) in Hangzhou, China (April 11-12), Willie Cecil (Director, Aircraft Data & Edge Solutions) presented on the AFIRS Edge+. During the 10-day China sales trip that followed the New Tech Forum, our team met with five of the country's top 11 airlines who represent a combined fleet of nearly 900 A320 aircraft. China's mandate for wireless, post-flight transmission of QAR data makes the country's large commercial aviation industry an attractive market for our solutions. Both of these events were precursors to the high profile [2024 AEEC | AMC](#) conference in Phoenix (May 19-23), which brought together aviation industry experts from around the world. FLYHT, again, had a big presence this year at the AMC and showcased both the Edge and Edge+ in full operation in our hospitality suite.

On the investment front, not to be missed, will be FLYHT board member Nancy Young's fireside chat at the [Jefferies Aerospace ESG Summit](#) on June 20. Nancy will sit down, virtually, with Jefferies' US Aerospace & Defense and Airlines team and other thought-leaders from around the world to discuss how our weather solutions can play a role in the industry's sustainable aviation goals (webcast details will be available on FLYHT's website closer to the event). At the [Rivemont MicroCap Technology Special](#) in Montreal (May 14), I delivered our corporate presentation in-person to a group of technology and growth investors.

I hope you share my enthusiasm -- this is such an important and exciting time for the industry and for FLYHT.

Turning to the quarter, we returned to growth as we have now cycled past the large OEM order in 2022 that made for difficult comparisons in the second half of last year. Our SaaS revenues are continuing to increase at double-digit rates, representing over half of our company revenue at 60%+ gross margins. Growing traction by CrossConsense drove continued strength in Technical Services, which grew 128% to \$1.3 million making it our highest ever quarter for that revenue category. We significantly narrowed our EBITDA loss to \$594,000 demonstrating the operating leverage potential of our recurring revenue model.

FLYHT moves into the commercialization phase of our newest product set with a large pipeline of opportunity, and, per the loan agreement announced today, expanded financial resources to support our growth plans. I am confident in our strategy and our ability to bring our innovative aviation and weather solutions to market and that we will generate value for our customers, our team, and our loyal shareholders.

Yours truly,

A handwritten signature in black ink, appearing to read "Kent Jacobs".

Kent Jacobs  
President and Interim CEO