FLYHT Aerospace Solutions Ltd.

TSX.V: FLY
OTCQX: FLYLF

May 2019
Disclaimer

Forward Looking Statements

This discussion includes certain statements that may be deemed “forward-looking statements” that are subject to risks and uncertainty. All statements, other than statements of historical facts included in this discussion, including, without limitation, those regarding the Company’s financial position, business strategy, projected costs, future plans, projected revenues, objectives of management for future operations, the Company’s ability to meet any repayment obligations, the use of non-GAAP financial measures, trends in the airline industry, the global financial outlook, expanding markets, research and development of next generation products and any government assistance in financing such developments, foreign exchange rate outlooks, new revenue streams and sales projections, cost increases as related to marketing, research and development (including AFIRS 228), administration expenses, and litigation matters, may be or include forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on a number of reasonable assumptions regarding the Canadian, U.S., and global economic environments, local and foreign government policies/regulations and actions and assumptions made based upon discussions to date with the Company’s customers and advisers, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include production rates, timing for product deliveries and installations, Canadian, U.S., and foreign government activities, volatility of the aviation market for the Company’s products and services, factors that result in significant and prolonged disruption of air travel worldwide, U.S. military activity, market prices, foreign exchange rates, continued availability of capital and financing and general economic, market, or business conditions in the aviation industry, worldwide political stability or any effect those may have on our customer base. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to have been correct. The Company cannot assure investors that actual results will be consistent with any forward-looking statements; accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are current only as of the date of this document. The Company disclaims any intentions or obligation to update or revise any forward-looking statements or comments as a result of any new information, future event or otherwise, unless such disclosure is required by law.
Capital Market Profile

Share Price
As of May 17, 2019 (all dollar figures are in Canadian dollars)

- Share Price: $1.59
- Market Capitalization: $32.51M
- 52-week low: $0.94
- 52-week high: $1.59
- Average Daily Volume: 22,069

Share Structure
As of April 17, 2019

- Shares: 21,088,340
- Diluted (assuming all instruments converted / exercised): 24,447,670
- Diluted (assuming only instruments of value converted / exercised): 23,084,561
- Warrants Outstanding: 769,200
- Stock Options Outstanding (weighted avg. exercise price $2.07): 1,063,865
- Insider Holdings (Directors and Officers): 5.2%
- Debt (Low-interest, government debt): $2.7 million
- Convertible Debt (8% coupon): $2 million
FLYHT: Leading Provider of Real-Time Aircraft Data Streaming Technology

The Automated Flight Information Reporting System (AFIRS™)

• Iridium-based SATCOM device installed on the aircraft
• AFIRS connects to numerous aircraft systems
• AFIRS software acquires and transmit aircraft data in real time
• Data is processed and distributed to the customer using FLYHT’s ground server network called UpTime™

Data-based services include:

• Enhanced global flight tracking
• Event triggered flight data recorder (FDR) streaming
• Two-way text messages (iPad, MCDU)
• Real-time proactive aircraft health monitoring solutions
• Fuel management
• Real-time weather observations

HOW WE DO IT
Leadership Team: Industry Veterans

Tom Schmutz
CEO

Derek Graham
CTO

Alana Forbes
CFO

Matieu Plamondon
COO

Jeff Rex
VP Sales and Marketing
Board Members for 2019

Bill Tempany
Chairman of the Board
former CEO FLYHT

Mike Brown
Partner
Geselbracht Brown LLP

Barry Eccleston
former President Airbus Americas, Inc.

Nina Jonsson
Viking Fleet Advisors;
Plane View Partners

Doug Marlin
Software Entrepreneur
Marlin Ventures

Jack Olcott
former President National Business Aviation Association

Mark Rosenker
former Chairman National Transportation Safety Board
Major General, US Air Force Reserve (ret)

Paul Takalo
CPA, CA Audit Chair

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Mike Brown
Partner
Geselbracht Brown LLP

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Doug Marlin
Software Entrepreneur
Marlin Ventures

Jack Olcott
former President National Business Aviation Association
Industry Drivers:

Global

UN: ICAO’s Annex 6: Operation of Aircraft
Amendment 39 - November 2018
• Normal Aircraft Tracking: 15 minute intervals
Amendment 40 - January 2021
• Autonomous Distress Tracking: 1 minute intervals
• Timely Access to Flight Recorder Data: recovered & available


China

CAAC legislated SATCOM regulations
CCAR 121 R5 - December 2019
• Airline Operations Center: aircraft within 4 minutes

Destination China!
• 25% of aircraft on order
• FLY has captured 23 of 57 carriers
• 74 new civil airports being built by 2020. 216 new airports by 2035!
Unique, Value-Added Services FLYHT Upsells (SaaS)

• Saves Aircraft Operators Money
• Streamlines their operations
• Enhances Operational Safety
Customer Specific Reporting (FLYHTHealth)

“A one percent increase in on-time performance equates to several hundreds of thousands of dollars per year savings for a 50 aircraft operation.”

- Battery Status Report
- APU Usage Report
- Real-time Engine Fault Code Report
- Hydraulic Pressure Report
- Oil Pressure Report
- Cabin Pressurization and Door Status Report
- Fuel Door State Report
- Fuel Door Warning Reports
- Landing Gear Warning Report
- Customized Out, Off, On, In Reports incl. FOB
- Electrical Warning Report
- Gate Door State Reports
## AFIRS - Competitive Advantages

<table>
<thead>
<tr>
<th>FLYHT</th>
<th>Other Satcom OEM</th>
<th>Tracking Solutions</th>
<th>QAR/Health Monitoring</th>
<th>Feature</th>
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<tbody>
<tr>
<td>✓</td>
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<td>✓</td>
<td>✓</td>
<td>Global Voice Coms</td>
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<td>✓</td>
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<td>✓</td>
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<td>FANS/Safety Services</td>
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<td>ACARS over Iridium</td>
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<td>QAR</td>
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<td>Aircraft Health Monitoring (Trends &amp; exceedances - engine / airframe)</td>
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<td>ICAO: Global Flight Tracking</td>
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<td>Autonomous Distress Tracking</td>
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<td>Live Black Box Streaming</td>
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<td>Real-time TAMDAR 4D weather observations</td>
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<td>Real-time Systems Diagnostics</td>
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<td>TSO C-159A (Voice &amp; Data)</td>
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<td>STCs Supporting 95% of Air Transport Aircraft</td>
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# Customer Successes: Flexible Solution

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<th>Solution</th>
<th>Savings</th>
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<td><strong>High engine vibration</strong></td>
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| FLYHTHealth alerted customer to engine exceedance  
  - Customer was able to take the aircraft out of service to diagnose and fix the issue | Replacement cost for the engine: $5.2 million  
  Repair cost based on AFIRS-driven data: $780k  
  Net Savings > $4 million |
| **Logistical support issues** | |
| Geo-fencing solution built into software  
  - Alerts sent to customer showing aircraft entering/exiting specific boundaries  
  - Keeps all parties advised, in real-time, on the progress of each flight | Reduced costs for the airline associated with poor communication and logistical support issues |
| **Lease agreement required 10% of takeoffs at reduced thrust** | |
| Monitor aircraft operations  
  - Customer was able to monitor the parameters of operations and create real-time reports | Hundreds of thousands of dollars in lease penalties |
Milestones since last AGM

Mar 2018
2 Million Uptime Flights

Apr 2018
3 Million Uptime Flight Hours

May 2018
Canadian patent for FLYHTStream™

May 2018
FLYHT’s selection as Inmarsat’s inaugural Aviation Certified Application Provider (CAP) for Imarsat’s new SwiftBroadband-Safety services

Aug 2018
Boeing, Embraer and FLYHT’s joint release of a whitepaper, describing the results of the positive ecoDemonstrator trials

Sept 2018
Integration with Spectralux FANS datalink

Oct 2018
Acquired Panasonic Weather Solutions’ Assets

Oct 2018
Jambojet Selects FLYHT for Long Range Communications

Dec 2018
FLYHT announces Contract for Additional 100 AirAsia Aircraft

Jan 2019
FLYHT signs US$740K deal expansion with Azur Aviation

Jan 2019
Appoints Nina Johnson to BOD

Feb 2019
Hires Liolios now Pathways as US Based IR Advisor

March 2019
KRC Insights publishes Financial Research Report on FLY

April 2019
FLYHT receives US$1.8 Million OEM Purchase Order
FLYHT’s Weather and Satellite Data Team

October 2018 - Acquired Panasonic Weather Solutions

**Experienced Personnel**

- Operational sensor network since 2004
- 27 atmospheric scientists, meteorologists, and engineers

**Technology and Intellectual Property**

- Patented TAMDAR sensor installed on commercial aircraft for high-resolution weather observation collection
- Advanced quality assurance for data transmitted from aircraft
- Global real-time communications and data management infrastructure
- TAMDAR = Tropospheric Airborne Meteorological Data Reporting

**Asset Acquisition Details**

- $20M backlog
- 12 new airline customers including Air Asia with 190ac
- Synoptic/NOAA contract for TAMDAR Weather observations
- US $3.3- $4.3M asset acquisition PAC contribution
Creating a Better Weather Forecast

- TAMDAR Equipped Commercial Aircraft
- Iridium Global Satellite Communication System
- Data Quality Assurance, Filtering, and Processing

Government / Partner Data Assimilation & Weather Modeling
TAMDAR: State-of-the-Art Weather Data Acquisition

Weather Balloons

- 70-year old technology
- 800 locations around the globe
- 2x daily soundings (12 hours apart)
- High-latency in reporting (2-4 hours)
- Inaccurate position data

TAMDAR

- Patented TAMDAR atmospheric sensor
- 200+ aircraft in North America, Asia, and Europe
- Frequent soundings & continuous observations
- Real-time reporting (no latency)
- GPS-based date/time/position data
- Thousands of soundings per day
FLYHT’s proprietary Tropospheric Airborne Meteorological Data Reporting (TAMDAR) weather sensor accurately captures:

- Wind: speed and direction
- Temperature
- Relative humidity
- Icing
- Eddy Dissipation Rate (EDR)
- Turbulence
- Position: lat/lon, altitude, time
The TAMDAR Difference

72 hour forecast with / without TAMDAR Data versus actual weather

USD $2 Million / year contract with NOAA
Boeing ecoDemonstrator Program

✓ Five trials over seven years
✓ 2018 Program:
  • Fedex B777 Freighter
  • 37 different technologies tested

Boeing initiative focused on accelerating the testing, refinement, and completion of new technologies.

2018 ecoDemonstrator Flight Data Streaming Trials: a collaboration between Boeing, Embraer, and FLYHT
Boeing ecoDemonstrator - Joint Conclusion (Boeing, Embraer, FLYHT)

Whitepaper jointly presented at AEEC conference (Aug 2018)

“Existing, commercially available equipment and network services (FLYHT’s AFIRS and Inmarsat SwiftBroadband) are suitable for providing distress flight data streaming capabilities that support ICAO objectives”

Core Findings

- Current equipment supports ICAO 10054 FDR and CVR streaming requirements
- Inmarsat SwiftBroadband capabilities exceed bandwidth requirements to stream real-time and historical FDR and CVR data
- Limited bandwidth options such as the Iridium SBD services used in these tests can provide a useful flight data streaming capability
Recreating the Pilot’s Experience: Virtual Cockpit

- Real-Time Flight Data
- Real-Time Cockpit Area Microphone
- Flight Profile
- Map Location
- Aircraft Attitude
- Flight Deck Instrumentation
- Situational Awareness!

Boeing ecoDemonstrator
Boeing ecoDemonstrator
Streaming Black Box Data in Real-time via Inmarsat
Inmarsat Trial - Pre-trial Phase

AFIRS will send data to UpTime Cloud via Inmarsat to test “Black Box in the Cloud” capability

FLYHT: the first recipient of “Inmarsat Certified Application Provider” status (May 2018)
Revenue and Other Income

Current Backlog of > $60M

Annual Revenues and Other Income

Overall Gross Margins

SaaS Quarterly Revenue

2018 information reflects the adoption of IFRS15 as at January 1, 2018. Under the transition method chosen for application of IFRS15, comparative 2017 information has been restated.
Revenue and Other Income, Annual Source

2018 information reflects the adoption of IFRS15 as at January 1, 2018. Under the transition method chosen for application of IFRS15, comparative 2017 information has been restated.
Holding Line on Expenses while growing the Topline
## Investment Highlights

<table>
<thead>
<tr>
<th>Robust SaaS recurring revenue gross margins of <strong>70-85%</strong></th>
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<tbody>
<tr>
<td>• Five-year customer contracts</td>
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<td>• 100% retention for going concerns</td>
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<tr>
<td><strong>20-year proven track record</strong></td>
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<tr>
<td>• 3+ million flight hours and 2+ million flights using AFIRS</td>
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<tr>
<td>• 80+ customers...and growing</td>
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<td>• 2,200+ shipments and growing rapidly</td>
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<th>Sustaining &gt; <strong>$60M</strong> sales backlog</th>
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<td><strong>Major growth of sales in China</strong></td>
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<tr>
<td>• 23 airline customers</td>
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<tr>
<td>• Contracted with 4 new airlines in 2017; 8 airlines in 2016</td>
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<tr>
<td>• 2016: launched real-time data services in China</td>
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<tr>
<td>• Significant remaining opportunity in sales funnel; significant backlog</td>
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<th>Hardware sales with gross margin of <strong>30-40%</strong></th>
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<td><strong>Supplemental Type Certificates (&gt; 100 STC)</strong></td>
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<tr>
<td>• World’s most extensive Satcom catalogue</td>
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<td>• Qualified on 95% of commercial aircraft types</td>
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<tr>
<td>• Significant barrier to entry for competitors</td>
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<td><strong>Factory option on Airbus A320, A330 and Bombardier CRJ</strong></td>
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<th>Licensing arrangement with OEM ~ <strong>90%</strong> margin</th>
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<td><strong>Regulatory requirements driving growth</strong></td>
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<tr>
<td><strong>ICAO Annex 6 Amendment 40</strong></td>
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<td><strong>China CCAR 121 Revision 5</strong></td>
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2,200 AFIRS shipped and/or installed units, all channels

2 million flights and 3 million hours of in-service use on Uptime server providing SaaS subscription voice and data services

2018 Geographical Revenue

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue</th>
<th>% of Total</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>North America</td>
<td></td>
<td>43.7%</td>
<td>$5,935,692</td>
</tr>
<tr>
<td>Central &amp; South America</td>
<td></td>
<td>4.9%</td>
<td>$660,007</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td>5.7%</td>
<td>$770,574</td>
</tr>
<tr>
<td>Africa</td>
<td></td>
<td>4.3%</td>
<td>$588,473</td>
</tr>
<tr>
<td>Middle East</td>
<td></td>
<td>13.2%</td>
<td>$1,794,439</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td>23.5%</td>
<td>$3,194,342</td>
</tr>
<tr>
<td>Australasia</td>
<td></td>
<td>4.8%</td>
<td>$646,989</td>
</tr>
</tbody>
</table>

Revenues:
- Total Revenue: $13,590,516
- Licensing: 16.7% ($2,265,262)

* Excludes Other Income
FLYHT Aerospace Solutions Ltd.

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