



**KNOW NOW™**

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To Our Valued Shareholders:

Since my last update to shareholders in October 2020 PASSUR closed Q4 with revenues of \$1.9 million and positive net income for the first time in eight quarters. Fiscal 2020 results showed revenues of \$11.529 million and a net loss of \$12.3 million, including an impairment charge of \$9.9 million taken in Q2. Excluding impairments, PASSUR would have had a loss from operations of \$1.5 million in fiscal 2020, compared to a loss from operations of \$3.1 million in fiscal 2019.

We continued our trend of profitable quarters in Q1 2021 with a net income of \$135,000 on revenues of \$1.7 million, compared to a net loss of \$583,000 during the same period in fiscal 2020. PASSUR's objectives are unchanged – we continue to strive for sustainable, profitable growth, along with increased shareholder and customer value. Notwithstanding the drop in the Company's revenue, we have managed to improve our liquidity, without incurring additional debt.

Subsequent to the Company's Q3 earnings announcement, the pandemic's third wave and accompanying financial impact to the aviation industry has been substantial. Assessing where spend could occur during this temporary downturn, PASSUR focused our efforts on Airports & General Aviation. The team has developed new digital channels to tap these opportunities, lowering prospecting costs and time to close. Emphasis on international expansion has occurred, seeing the post-pandemic opportunities as aligning well with our offering and client type. At the same time, a new digital focus is emerging for the airline space globally. Taken together, recent successes and competitive assessments suggest medium and small clients will provide clear revenue potential for PASSUR as the industry recovers. We are positioned to be a unique blend of data aggregation and software tooling for this clientele.

The capital structure of commercial airlines will impact long-term behaviors, with some estimates of total industry debt exceeding \$1 trillion by 2024. Given the pressure this debt will place on industry balance sheets, large capital and time-intensive projects are going to face massive headwinds for many years. PASSUR is responding to these evolving market dynamics by refining our value proposition to be a blend of cost reduction, service delivery, and ease of adoption, making Passur solutions an integral part of our client's ecosystem.

Airlines have seen a dramatic uptick in forward bookings over the past several weeks, with a further surge in domestic leisure travel expected as the COVID-19 vaccine rollout continues to accelerate. The return of demand for air travel will positively impact all segments of our customer base. While timing will certainly be a question, we believe PASSUR is well positioned to participate in the industry resurgence. In fact, we believe PASSUR will emerge from these unprecedented times as a stronger and more innovative company than ever before.

I want to thank you, our shareholders, our loyal customers, and our dedicated PASSUR team for the continued support, patience, and faith in our Company.



Brian Cook  
President & Chief Executive Officer

### **Forward Looking Statements**

This letter contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the Company’s future plans, objectives, and expected performance. Forward-looking statements are subject to risks, uncertainties and assumptions, and are identified by words such as “will”, “expects”, “estimates”, “projects”, “anticipates”, “believes”, “intends”, “plans”, “may”, “pending”, “continues”, “should”, “could” and other similar words. All statements other than statements of historical fact are considered to be forward-looking statements and such forward-looking statements, including statements of management’s expectations and beliefs, are based on preliminary information and assumptions and expectations of future events. The Company cannot and does not guarantee that such information, assumptions, and expectations are accurate or will be realized. These forward-looking statements are not guarantees of future performance or results, and should be evaluated in light of important risk factors, assumptions, and uncertainties that could cause the Company’s results to differ in material respects, including, without limitation, those related to customer needs, budgetary constraints, competitive pressures, the success of airline trials, the Company’s maintenance of above average quality of its product and services, as well as potential regulatory changes. Additional uncertainties include, without limitation, uncertainties relating to the ability of the Company to sell its existing product and professional service lines, plus new products and professional services, as well as the potential for terrorist attacks, changes in fuel costs, airline bankruptcies and consolidations, and economic conditions, including, without limitation, the severity and duration of the continuing COVID-19 pandemic and its adverse impact on the U.S. and world aviation and travel industries. Further information regarding some of the factors that could affect the Company’s results and cause those results to vary materially from those currently anticipated is contained on Forms 10-K, 10-Q, and other reports filed with the Securities and Exchange Commission. In addition, undue reliance should not be placed on the Company’s forward-looking statements. Any forward-looking statement made by the Company in this letter speaks only as of the date on which we made it and reflect management’s analysis, judgments, belief, or expectation only as of such date. Except as required by law, the Company disclaims any obligation to update its risk factors or to publicly announce updates to the forward-looking statements contained in this press release to reflect new information, future events, or other developments.