

February 4, 2025

Dear Fellow Shareholders,

As a global leader in aviation intelligence and with over 50 years of experience, PASSUR Aerospace is one of the aviation industry's most trusted partners serving more than 200 airlines and airports worldwide.

PASSUR is at the forefront of innovation and specializes in leveraging advanced technologies, including Artificial Intelligence (AI), Machine Learning (ML), and big data analytics, to tackle some of aviation's most complex challenges.

PASSUR's mission is to provide actionable insights that transform the aviation industry, supporting its evolution toward greater sustainability, efficiency, and resilience. The company's unique value proposition lies in its ability to integrate and analyze vast datasets, providing clients with predictive tools to address challenges like congestion, delays, disruptions, and capacity constraints enabling its clients to manage complexities, reduce costs, and drive superior financial and operational performance.

History

PASSUR Aerospace was founded in 1967 with a focus on developing radar and aviation monitoring technologies. Over the decades, the company has constantly evolved to stay ahead of the industry needs, transforming from a hardware-focused organization to a leading provider of software driven aviation intelligence, leveraging cutting-edge technologies to solve some of the industry's most complex challenges once thought of as a cost of doing business.

Key milestones in the company's history include:

1. **Pioneering Radar Solutions:** In its early years, PASSUR developed advanced radar technologies that laid the groundwork for its future expertise in flight tracking and operational monitoring.
2. **Introduction of PASSUR Radar Network:** The company introduced a proprietary radar network that provided precise and reliable flight tracking data for airlines and airports, setting a new standard for operational efficiency.
3. **Big Data and AI Integration:** Recognizing the transformative potential of AI and data analytics, PASSUR transitioned into a technology-driven company, integrating diverse data sources such as ADS-B, satellites, weather feeds, and airline/airport operations into its platforms.
4. **Global Data Leadership:** Today, PASSUR is one of the world's largest integrators of aircraft positioning data, collecting and analyzing information from over 50 sources, including 76,000 terrestrial ADS-B sensors and a global space-based satellite ADS-B network.

5. **ARiVA Platform Launch:** A recent milestone was the launch of the ARiVA platform, a cutting-edge AI-driven solution designed to enhance collaborative decision-making and address critical aviation challenges such as capacity management, disruption recovery, and operational efficiency.
6. **Product Expansion:** The company expanded its offerings with the 2022 introduction of ARiVA Global Feed (AGF), delivering mission-critical flight and operational data services to airlines, airports, and other air transport entities, tracking every active transponder equipped aircraft in the air and on the ground everywhere in the world, processing circa 10,000 aircraft positional updates per second. This was enabled by the migration of all major systems onto the AWS cloud, providing for global workload capacity, availability, and resiliency.
7. **Strategic Acquisition:** In 2023, PASSUR acquired the Symphony[®] for Airports product line from L3Harris Technologies, further strengthening its product portfolio and market position.

Financial Performance

PASSUR's unaudited revenue for Fiscal Year 2024 (FY24), which ended October 31, 2024, was approximately \$14.3 Million and includes full year revenues from our prior year acquisition of the Symphony Product line from L3Harris. This compares to \$10.1M with 7 months combined operation in FY23 and \$5.8M revenue in FY22, representing a 32% Revenue CAGR over the three-year period.

Revenue growth in FY24 compared to a 12 month FY23 proforma was up about 13%, driven by an expansion in aircraft tracking data and surface management revenues.

Annual Recurring Revenue (ARR) at year end FY24 was \$13.3M up from \$10.0M in FY23,

Total bookings in FY24 \$13.1M, up from \$10.1M in FY23.

FY24 Net Retention remained strong at 94%.

On a cash operating basis, the company was cash positive in FY24 generating \$15M in gross cashflows, with no requirement for cash infusion for either operations or to complete the final payment for its 2023 acquisition.

PASSUR's audit for FY24 is ongoing, however the consolidation of the two businesses has been successful and has provided significant opportunities to enhance product development as well as provide technology upgrades for our customers, while returning economic benefit and lower costs from the integration of the two companies. We will provide further information when the audit is completed.

Conclusion

The aviation AI sector is poised for exponential growth, driven by the industry's need for operational efficiency, sustainability, and enhanced customer experiences. With the increasing volume of air traffic and the complexity of modern aviation, companies that leverage AI effectively can position themselves as indispensable players in a multi-trillion-dollar industry. A company like PASSUR Aerospace, with its expertise in AI and data integration, has the potential to lead this transformation. In addition, the company is well-positioned to capitalize on emerging opportunities, including aviation fees management, urban air mobility, sustainability initiatives, and the growing use of autonomous technologies in aviation.

On behalf of the entire PASSUR team, I thank you for your confidence in our vision and your continued support. We are excited about the opportunities ahead and look forward to sharing our progress with you in the years to come.

Sincerely,



President and Chief Executive Officer
PASSUR Aerospace