

January 22, 2024



Airship AI Issues Stockholder Letter and Provides Corporate Update

2023 Nasdaq Listing Strategically Positions Company to Accelerate Growth and Revenue, and Product Launches Drive Strong Demand Across Entire Product Set Reflected in \$10.9 Million Award from Department of Homeland Security

2024 \$11.8 Million Backlog Plus Pipeline of \$140 million Expected to Drive Triple-Digit Revenue Growth and Positive EBIDTA

Expanding Footprint Driven by Demand from Fortune 500 Customers, and U.S. Federal Government and Department of Defense Agencies with Strong Focus on Advanced Technologies for Enhanced Border Protection

REDMOND, Wash., Jan. 22, 2024 (GLOBE NEWSWIRE) -- Airship AI Holdings, Inc. (NASDAQ: AISP) ("Airship AI" or the "Company"), a leader in AI-driven video, sensor, and data management surveillance solutions, today issued a letter to stockholders from Paul Allen, Airship AI President, providing a reflection on the performance and achievements of the Company throughout 2023. Additionally, it shares guidance for a robust performance in 2024, highlighting the avenues for continued growth and success.

Dear Fellow Stockholders,

2023 was a transformative year in many ways for Airship AI and for our technology and business, highlighted by our Nasdaq listing in December through a business combination with BYTE Acquisition Corp. (NASDAQ: BYTS), a special purpose acquisition company. Our entry into the public markets serves multiple purposes, including the ability to raise capital for expansion and growth and, more importantly, financial transparency, a frequent discussion point with many larger government agencies with whom Airship is engaged.

Throughout calendar year 2023 we saw robust demand across our entire product set, including our newly announced AI driven edge appliance (Outpost AI). Significant progress was made across many customer fronts in the law enforcement space, both at the federal and state / local levels, as was our expansion into new solution areas within existing commercial accounts. 2023 also highlighted significant investments in our internal capabilities to handle future growth responsibly, including the tools and processes needed to forecast and report on a timely basis.

2023 Initiatives Accomplished:

- Next generation release of our Outpost AI edge appliance utilizing Nvidia Jetson Orin

module

- Multiple new Airship trained AI models released supporting advanced AI processing at the edge
- Transition to new cloud business management suite for all our CRM, ERP, Accounting processes
- New product launch of turn-key solutions for government customers leveraging Outpost AI
- Federal Government agency expansion from on-premises to the FedRAMP Cloud environment
- New customer acquisition with several U.S. Federal Government agencies
- New customer acquisition with several major state and local law enforcement agencies
- Improved delivery and gross margin with transition of hardware product line to new supplier

Nevertheless, 2023 was also a challenging year given the heavy lift of the activities associated with the transition to the public markets as an employee-owned company. Additionally, supply chain challenges with large orders received in Q3 impacted our Q4 and full year numbers. Rising to meet these challenges, we are carrying significant momentum into 2024 and look forward to building sustainable value for the long-term.

2024 Outlook

We believe 2024 will be a milestone year for Airship AI, getting back to a trajectory of triple-digit revenue growth and positive EBITDA. Our momentum is supported in part by the \$10.9 million award of the combined orders from the Department of Homeland Security (DHS), which include our edge Outpost AI appliance. These, combined with other orders received late in the second half of 2023, represent an approximate \$11.8 million backlog that will be delivered and invoiced across Q1 and Q2 of 2024.

In addition to this strong backlog of orders, we are carrying a validated pipeline of approximately \$140 million into 2024, including opportunities that rolled over from 2023. This pipeline consists of single and multi-year opportunities for our AI-driven edge, video, and sensor and data management platform across all our customer verticals. We additionally believe the intense focus on the crisis along the U.S. borders will continue to heighten demand for AI driven border surveillance solutions, an area of significant focus for Airship both tactically and strategically going into the new year.

In addition to our visible and robust pipeline, we intend to further leverage our new position as a public company to make additional tactical and strategic investments across our sales, marketing and development organizations. These investments should allow us to further capitalize on the explosive growth that we see across the \$7.0 billion edge AI hardware and software addressable markets¹ today, leveraging our existing Outpost AI hardware and software platform offering as well as expanding our core software offerings in support of existing customers and opportunities.

We also see significant expansionary opportunities in the commercial and retail markets, especially around those companies involved in fighting Organized Retail Crime (ORC), a

space we view as the perfect nexus opportunity between public and private sector organizations tackling a common challenge. We believe by leveraging our existing relationships and technical solutions with both public and private sector organizations, we are uniquely positioned to help solve some of the challenges associated with ORC.

Finally, many of the back-office investments made in 2023 will help drive the continued expansion of margins through improved sourcing, supply chain management and production-based process efficiencies. These efforts along with a continued focus on improving development cycles and time to market for new solutions complement the aggressive growth forecasted.

We thank all our stockholders for your ongoing support as we diligently work to build on the short- and long-term value of our Company and look forward to seeing some of you at our on-site investor day planned to take place in the coming months.

1) [Edge AI Hardware Market by Component, Valuates Reports](#)

About Airship AI Holdings, Inc.

Founded in 2006, Airship AI is a U.S. owned and operated technology company headquartered in Redmond, Washington. Airship AI is an AI-driven video, sensor and data management surveillance platform that improves public safety and operational efficiency for public sector and commercial customers by providing predictive analysis of events before they occur and meaningful intelligence to decision makers. Airship AI's product suite includes Outpost AI edge hardware and software offerings, Acropolis enterprise management software stack, and Command family of visualization tools.

For more information, visit <https://airship.ai>.

Forward-Looking Statements

The disclosure herein includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "project," "forecast," "predict," "potential," "seem," "seek," "future," "outlook," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters, but the absence of these words does not mean that a statement is not forward looking. These forward-looking statements include, but are not limited to, (1) statements regarding estimates and forecasts of other financial, performance and operational metrics and projections of market opportunity; (2) changes in the market for Airship AI's services and technology, expansion plans and opportunities; (3) Airship AI's unit economics; (5) the projected technological developments of Airship AI; (6) current and future potential commercial and customer relationships; (7) the ability to operate efficiently at scale; (8) anticipated investments in capital resources and research and development, and the effect of these investments; (9) the ability of the Company to issue equity or equity-linked securities in the future; and (10) the inability to maintain the listing of the Company's common stock and warrants on Nasdaq. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of Airship AI's management and are not predictions

of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. These forward-looking statements are subject to a number of risks and uncertainties, as set forth in the section entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Registration Statement on Form S-4, filed with the SEC on September 11, 2023, as amended from time to time, and the other documents that the Company has filed, or will file, with the SEC. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. The risks and uncertainties above are not exhaustive, and there may be additional risks that the Company does not presently know or that the Company currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward looking statements reflect the Company’s expectations, plans or forecasts of future events and views as of the date of this press release. The Company anticipates that subsequent events and developments will cause its assessments to change. However, while it may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company’s assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Investor Contact:

Chris Tyson/Larry Holub
MZ North America
949-491-8235
AISP@mzgroup.us



Source: Airship AI