

ersonal use only



ADACEL

INVESTOR PRESENTATION

HALF YEAR ENDED 31 DECEMBER 2020

DISCLAIMER

This presentation has been prepared by Adacel Technologies Limited (ACN 079 672281) (Adacel or the Company). The information contained in this presentation is current at the date of this presentation. The information is a summary overview of the current activities of the Company and should be read in conjunction with the Company's disclosures lodged with the Australian Securities Exchange, including the Company's Appendix 4D lodged on 18 February 2021.

This document contains certain "forward-looking statements". Indications of, and guidance on, future earnings and financial position and performance, including Adacel's financial year 2021 outlook, are forward-looking statements, as are statements regarding Adacel's plans and strategies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Adacel, which may cause actual results to differ materially from those expressed or implied in such statements. Adacel cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive, or that Adacel's business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this document and Adacel assumes no obligation to update such information.

This presentation includes certain financial measures that are not recognized under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). Such non-IFRS financial measures do not have a standardized meaning prescribed by AAS or IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Recipients are cautioned not to place undue reliance on any non-IFRS financial measures included in this presentation.

All references to dollars are to Australian currency unless otherwise stated. The release, publication or distribution of this presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

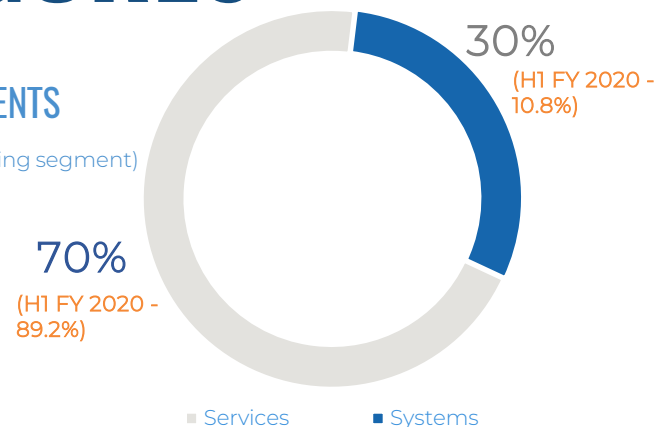
Personal use only

H1 2021 - ADACEL KEY FIGURES

REVENUE	\$20.6 million
GROSS MARGIN	\$8.9 million 43% of revenues
EBITDA	\$5.3 million
PROFIT BEFORE TAXES (PBT)	\$4.2 million 20.5% of revenues
PROFIT AFTER TAX	\$4.0 million
NET CASH	\$5.2 million

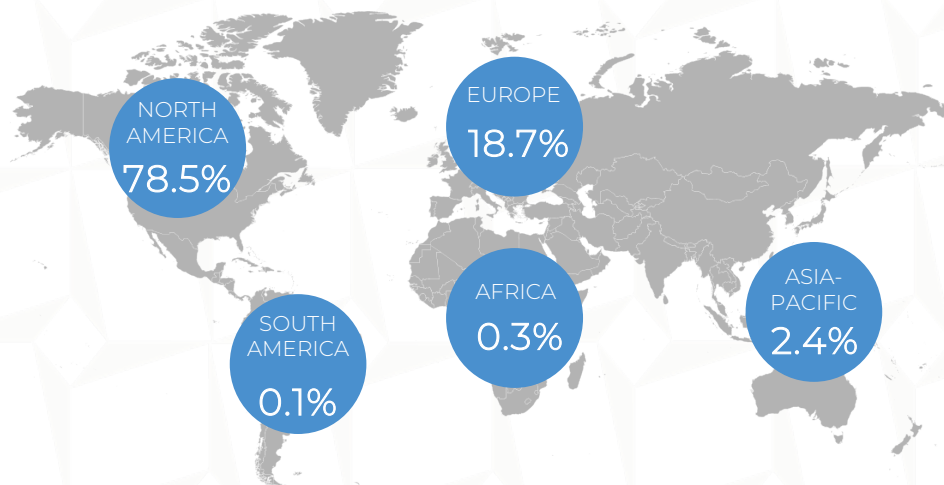
TWO OPERATING SEGMENTS

(breakdown of sales by operating segment)



DIVERSIFIED GEOGRAPHICAL PRESENCE

(breakdown of sales by geographic region)



H1 2021 HIGHLIGHTS

THE PROGRESS WE MADE IN THE FIRST SIX MONTHS

Services Segment

- Despite slightly lower revenues & negative currency headwind, the 54.9% gross margin was higher than in H1 FY2020
- Revenues from our FAA Advanced Technologies & Oceanic Procedures (“ATOP”) program are in-line with the prior year
- ATC Military contracts with USAF continue to deliver recurring revenues as planned

Systems Segment

- Revenues increased by 52.1% due to higher number of system sales including the ACS units to the US Army
- Gross margin of 15.3% compared to a loss of 11.6% in H1 FY2020 driven by more profitable revenue mix and improved project execution
- Additional \$1 million in orders from our Guadeloupe customer to extend project completion into FY2022

ersonal use only

H1 2021 HIGHLIGHTS

HIGH CONFIDENCE IN OUR FY2021 COMMITMENTS

- As of 19 February 2021, over 100% of forecast revenues are either booked or in backlog
- Gross margin increased to 43.0% of revenues compared to 36.4% last year
- PBT doubled to \$4.2 million compared to \$2.1M last year

Outlook

- Company increases its FY2021 earnings guidance of PBT between \$7.0 million and \$7.3 million
- The Company declares an interim dividend of 2.75 cent per share (unfranked)

Personal use only

CORPORATE OVERVIEW

Appendix

ADA Price vs. Volume



CAPITAL STRUCTURE

Shares on issue ¹	76.4m
Share price (closing) as of 17 February 2021	\$0.905
Market Capitalisation	\$69.2 million
Net cash as of 31 December 2020	\$5.2 million
Interim Dividend per share	2.75 cents

Note 1: Net of share buybacks

Personal use only

ADACEL: A BRIEF INTRODUCTION

A LEADER IN AIR TRAFFIC MANAGEMENT, SIMULATION & TRAINING SOLUTIONS

Adacel | Public Company | Founded in 1987 | 200 Employees

 **ADACEL SYSTEMS, INC.**
Orlando, FL, USA

US Simulation & Training and customer support

 **ADACEL, INC.**
Montréal, Québec Canada

Air Traffic Management (ATM)
and International Simulation & Training business

 **ADACEL TECHNOLOGIES, LTD.**
Melbourne, Australia

Direct field support to Royal Australian Air Force (RAAF)
and Air Services Australia

PRIMARY CUSTOMERS



Air Navigation
Service Providers



Defense & Government
Organizations



Aviation Training
Institutions



250+ LOCATIONS



40+ COUNTRIES

ADACEL'S SOLUTIONS

INDUSTRY-LEADING. ADVANCED. AGILE



- **Advanced ATM** automation for oceanic, en-route, approach & tower control
- **Improves** airspace efficiency, levels of service and controller productivity
- **Scalable**, affordable, excellent choice for island nations
- **Space-based** ADS-B* ready
- **Customizable**, to meet the needs of most discerning customers
- **Currently used** in airspaces controlled by Iceland, Norway, France, Portugal, Fiji, New Zealand, and the United States

*ADS-B - Automatic Dependent Surveillance-Broadcast is a surveillance technology in which an aircraft determines its position via satellite navigation or other sensors and periodically broadcasts it, enabling it to be tracked.

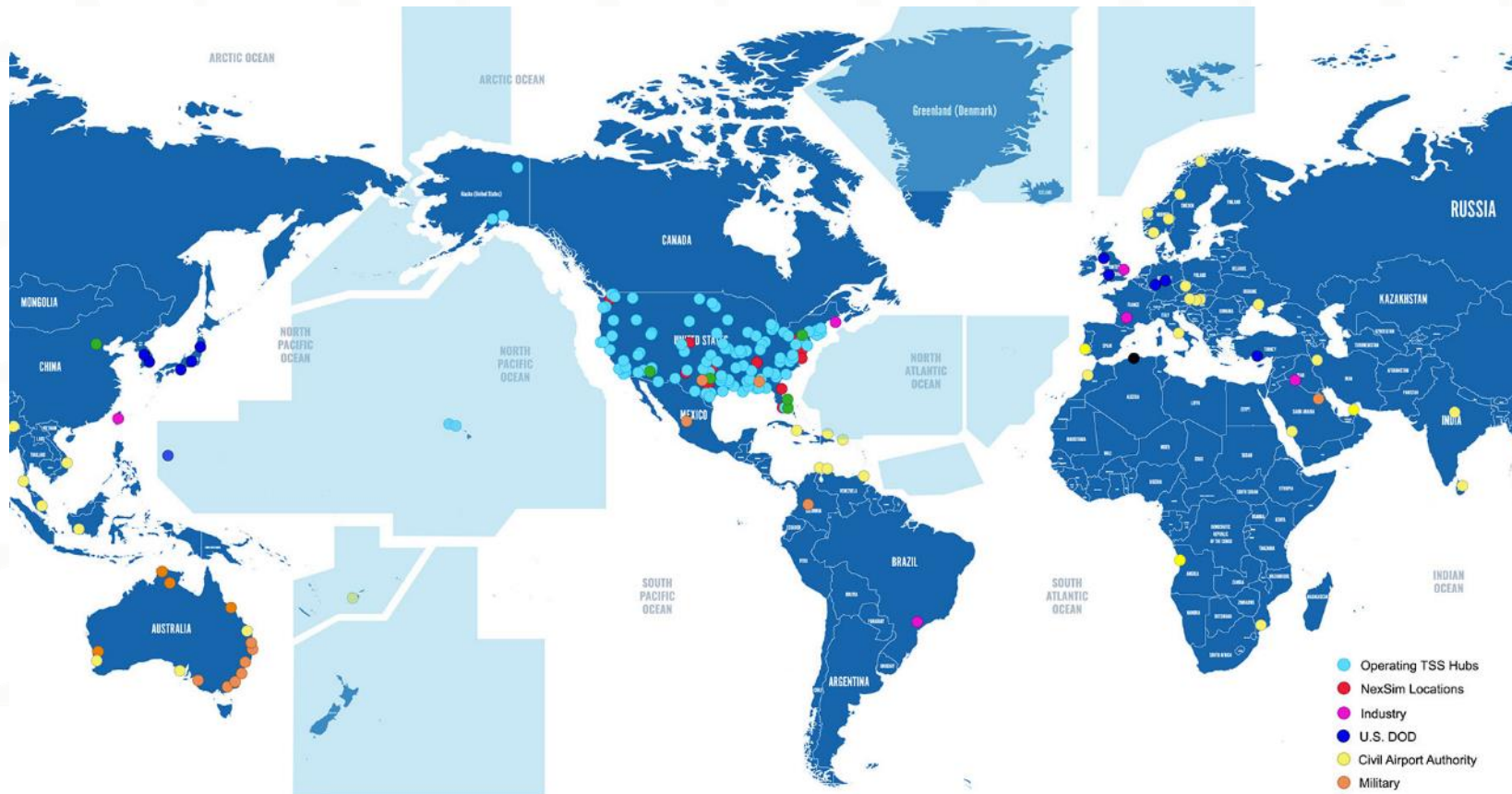


- **State-of-the-art** air traffic control simulation & training
- **High accuracy** of airports & aircraft.
- **Agile scalability**, from 360-degree setup to a desktop or mobile system
- **Easy customization** of training lessons
- **Lexix** - speech recognition system
- **Major customers:** FAA, US Air Force, DoD, ENAV, UksATSE, foreign military departments in Mexico, Saudi Arabia, Australia, Sri Lanka and others countries

Personal use only

GLOBAL PRESENCE

INDUSTRY-LEADING ATC SYSTEMS. BROAD ATM COVERAGE

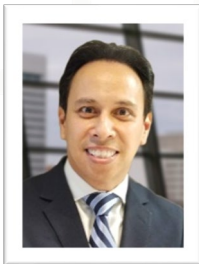


370+ MAXSIM INSTALLATIONS | 9 AURORA INSTALLATIONS | 250+ WORLDWIDE LOCATIONS | 40+ COUNTRIES

Personal use only

MEET OUR TEAM

Senior Management



Daniel Verret
CEO



Kevin Pickett
Vice President - Operations

Board of Directors



Michael McConnell
Non-Executive
Chairman



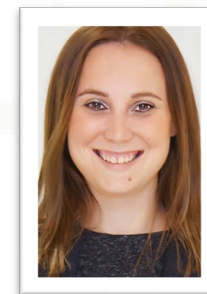
Peter Landos
Beco (ANU)
Non-Executive Director



Silvio Salom
Non-Executive
Director



Natalya Jurcheshin
(B.Comm, CA)
Non-Executive Director



Rebecca Weir
Company Secretary

Personal use only

CONTACT US

Adacel Systems, Inc

9677 Tradeport Drive
Orlando, Florida 32827
USA

Tel.: +1 (407) 581 1560
Fax: +1 (407) 581 1581

Adacel, Inc

895 De La Gauchetière West
Suite 300
P.O. Box 48
Montréal, Québec H3B 4G1
Canada

Daniel Verret
Tel.: +1 (514) 636 6365
Fax: +1 (514) 636 2326

Adacel Technologies, LTD

29/3 Westside Avenue
Port Melbourne, Vic, 3207
Australia

Investor Relations:

Rebecca Weir
Tel.: +61 (0) 3 9492 9208