

The Adacel logo features five red, stylized, upward-pointing arrowheads of varying sizes, arranged in a diagonal line from the top left towards the top right. Below these arrows, the word "ADACEL" is written in a bold, white, sans-serif typeface.

ADACEL

INVESTOR PRESENTATION

HALF YEAR ENDED 31 DECEMBER 2020

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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.

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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)

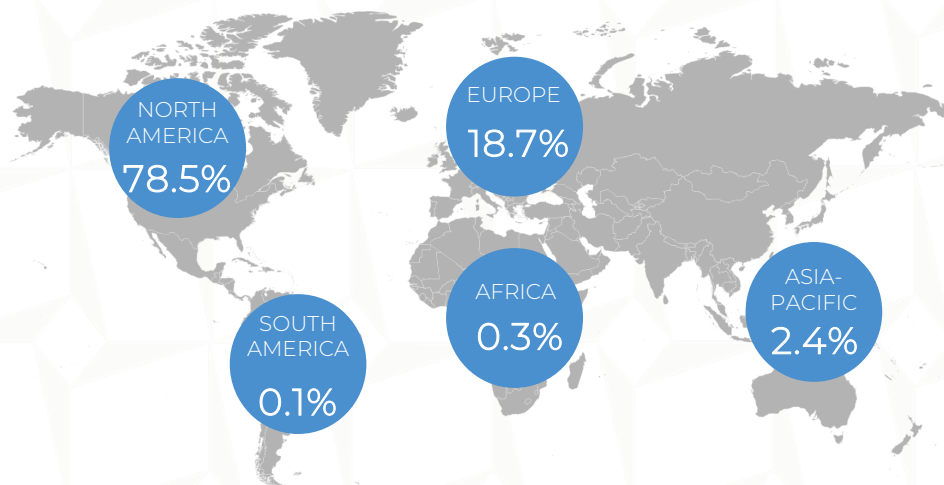
70%
(H1 FY 2020 - 89.2%)

30%
(H1 FY 2020 - 10.8%)

■ Services ■ Systems

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

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)

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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

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

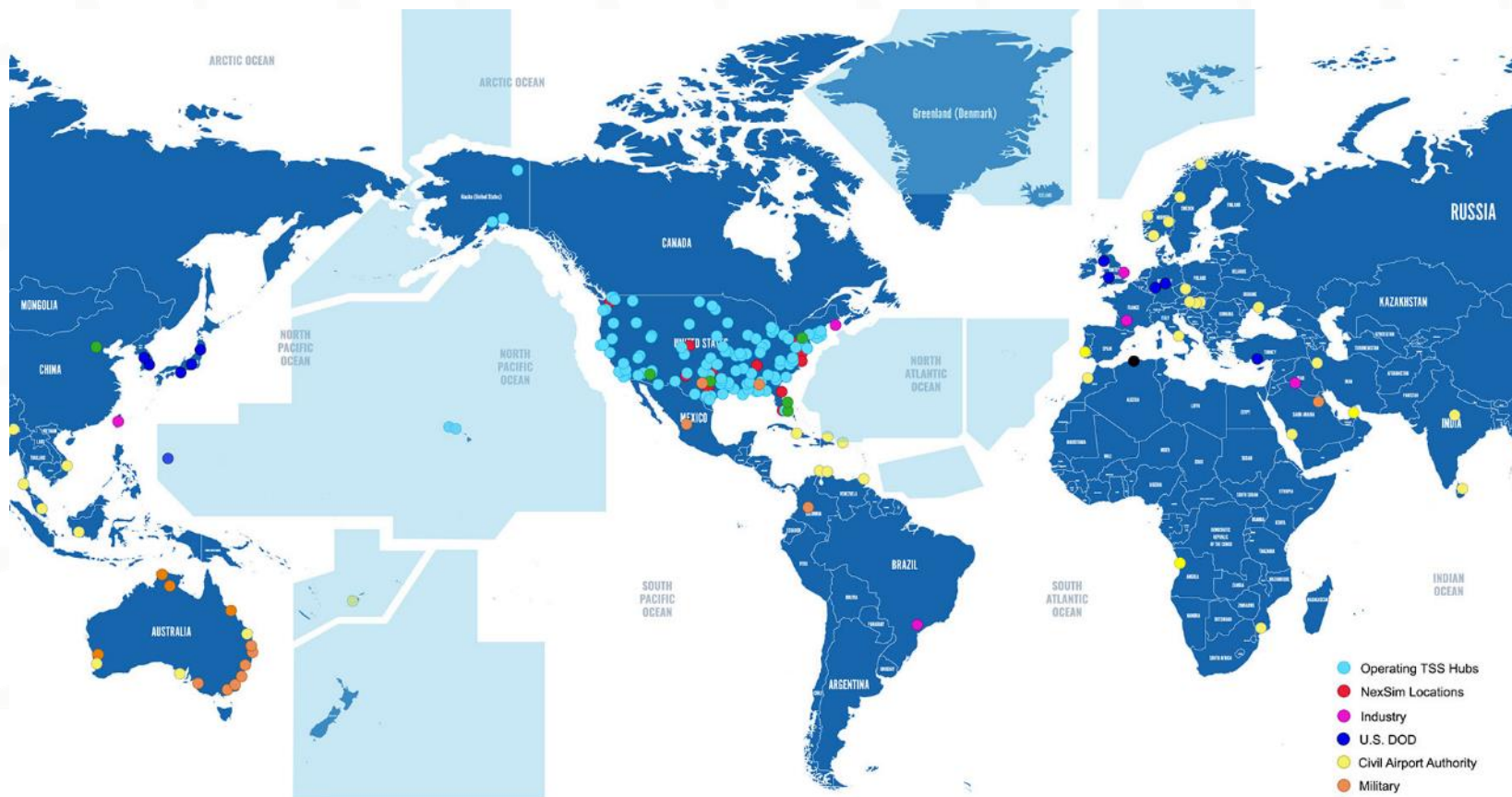
*ADS-B - Automatic Dependent Surveillance-Broadcast is a surveillance technology in which an aircraft determines its position via satellite navigation or other sensors and periodically broadcasts it, enabling it to be tracked.



- **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

GLOBAL PRESENCE

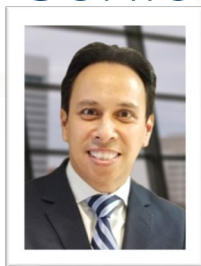
INDUSTRY-LEADING ATC SYSTEMS. BROAD ATM COVERAGE



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

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

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