Adacel Technologies Limited
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Chairman

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COMPANY

Adacel is a leading developer of advanced simulation and control systems for aviation and defense. The Company operates in the Global Aerospace Systems market including operational Air Traffic Management (ATM), Airport and Air Traffic Control (ATC) Training, and Airborne Vehicle Systems. Adacel delivers products to, and operates in, two business segments, Systems and Services.

Systems

All sales of integrated software systems, system upgrades and products covering both operational control and simulation markets.

Services

All potential recurring revenue, including software maintenance, system support, field services and on-site technical services.
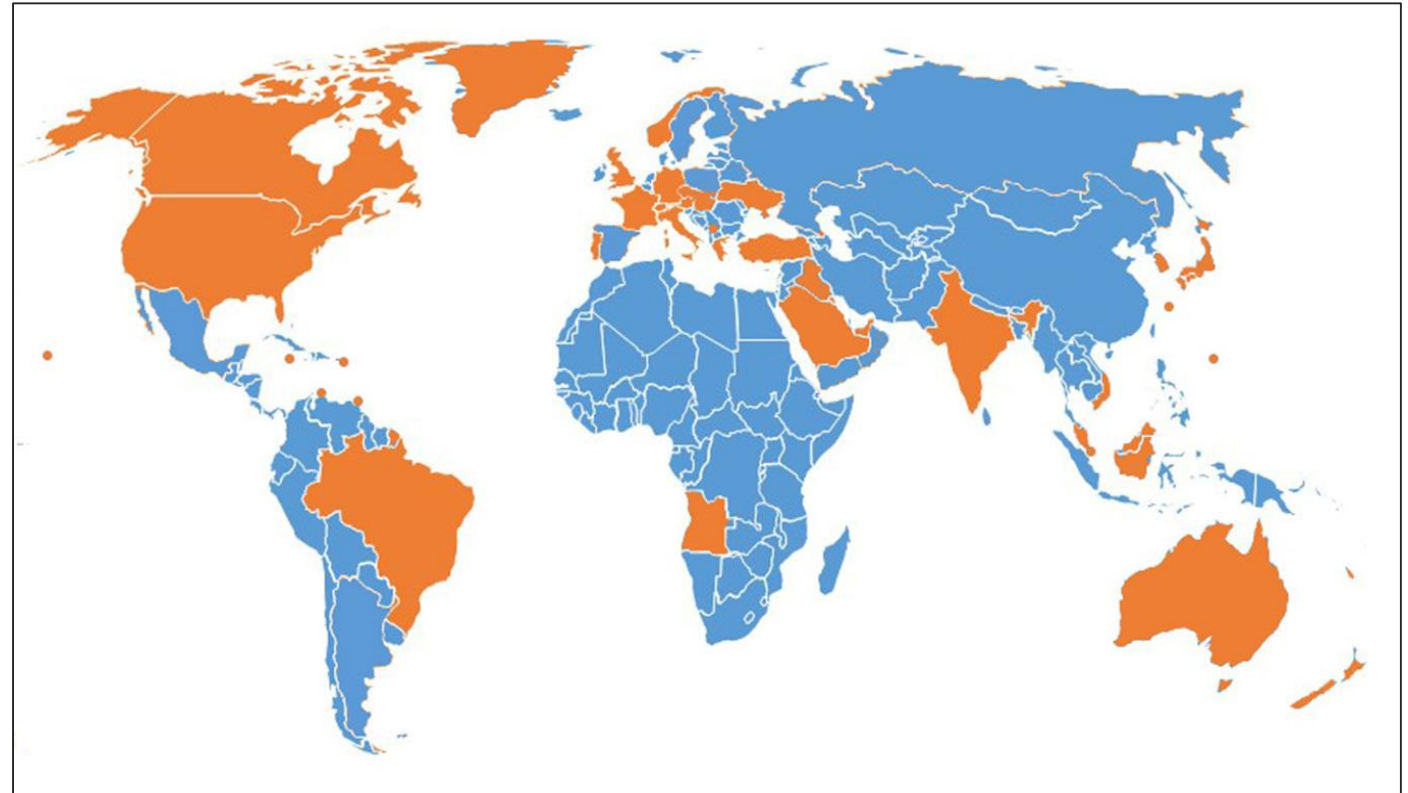
www.adacel.com   @adacelsystems
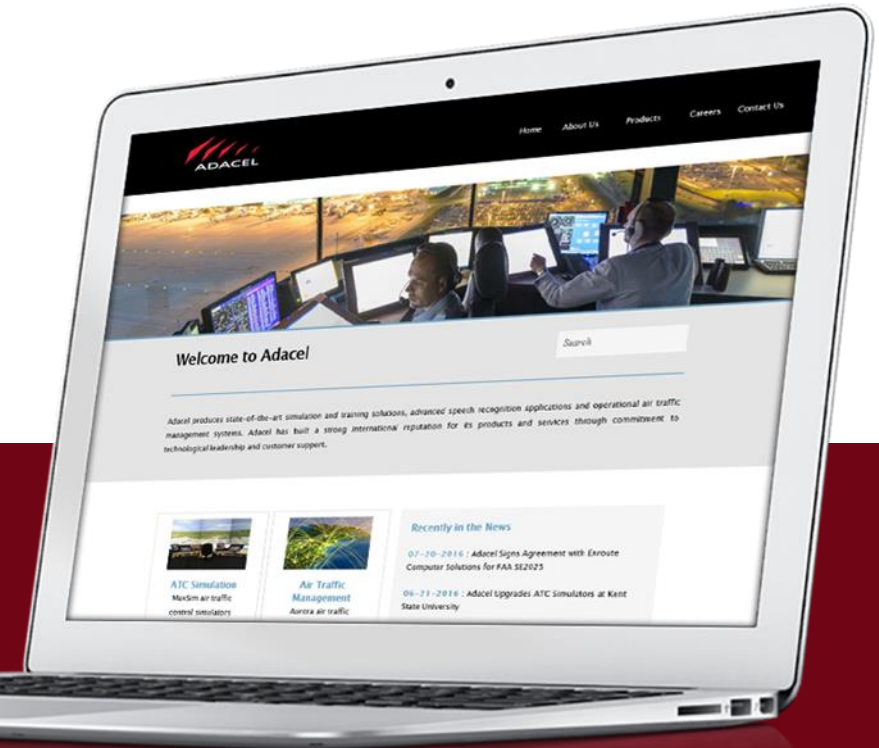
GLOBAL PRESENCE

225
EMPLOYEES

ATC
341
Simulators

IN
219
Worldwide Locations
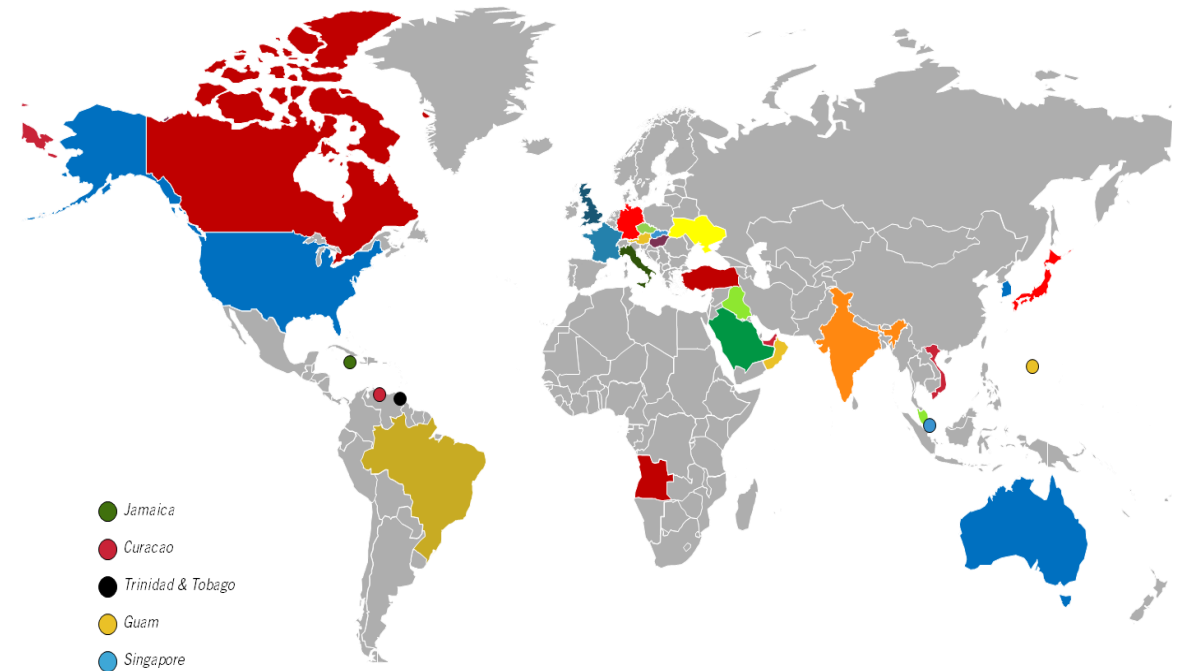
ATM
9
Systems

38
COUNTRIES

SYSTEMS: ATC SIMULATION AND TRAINING

The leading supplier of air traffic controller simulation training systems for:

- Use in both civil and defense environments; and

- Research, planning and modeling of air traffic procedures

- Jamaica
- Curacao
- Trinidad & Tobago
- Guam
- Singapore

put yourself in control
maxsim

5

SYSTEMS: ATC SIMULATION AND TRAINING (cont.)

- Over 90% ATC Simulation market share in the U.S.
  - Installed base of 341 air traffic training simulators
  - MaxSim is the core of the ATC simulation and training offering
  - US civil market penetration remains small, further international market penetration provides additional upside potential

- Have won all major large scale simulator system deployment contracts in the USA

SYSTEMS: MAXSIM EXAMPLE CONFIGURATIONS

Radar Suite

360 Degree Wrap Around Tower

Single Seat Self-Paced

Reconfigurable - Portable

Small Footprint Tower

Table Top

Ruggedized Mobile

SYSTEMS: MAXSIM DATABASE VISUAL SCENES

SYSTEMS: AIR TRAFFIC MANAGEMENT

Aurora ATM

- Aurora is an open architecture air traffic management automation system that is used for controlling aircraft over oceanic and continental airspace

- Air Traffic Controllers use the system to manage high volumes of aircraft, using satellite communication and surveillance technologies

- System capabilities provide opportunity for improved safety, higher traffic volumes, reduced fuel costs and emission reductions

- System contains flexibility to easily handle the diverse mix of aircraft using both conventional analog and NextGen satellite communications

FAA ATOP Program

NAV Portugal Oceanic Program

French Guiana

FY 2016 FINANCIAL HIGHLIGHTS

NET CASH
A$15.8M
▲ 107%

EPS
11.63cps
▲ 135%

EBITDA
A$11.9M
▲ 72%

TOTAL REVENUE
A$47.9M
▲ 14.3%

SYSTEMS REVENUE
A$17.8M
▼ 4.9%

GROSS MARGIN
45.2%
▲ 10%

GLOBAL PRESENCE 38 COUNTRIES
350 Installations

SERVICES REVENUE
A$30.1M
▲ 29.8%

DIVIDENDS
3cps
▲ 50%

FINANCIAL RESULTS: GROWTH

Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	
A$33.1M	A$41.9M	A$47.9M	REVENUE
38.7% A$12.8M	*41.1%* A$17.2M	*45.2%* A$21.6M	GROSS MARGIN
A$2.6M	A$6.9M	A$11.9M	EBITDA
A$1.8M	A$5.9M	A$10.8M	PROFIT BEFORE TAX

REVENUE: SYSTEMS AND SERVICES GROWTH

FY2014	**A$33.1M** Total Revenue
FY2015	+27% **A$41.9M** Total Revenue
FY2016	+14% **A$47.9M** Total Revenue

A$'000

FY14 to FY16 Revenue Growth

Legend: FY14, FY15, FY16

Categories: Systems, Services, Total Revenue
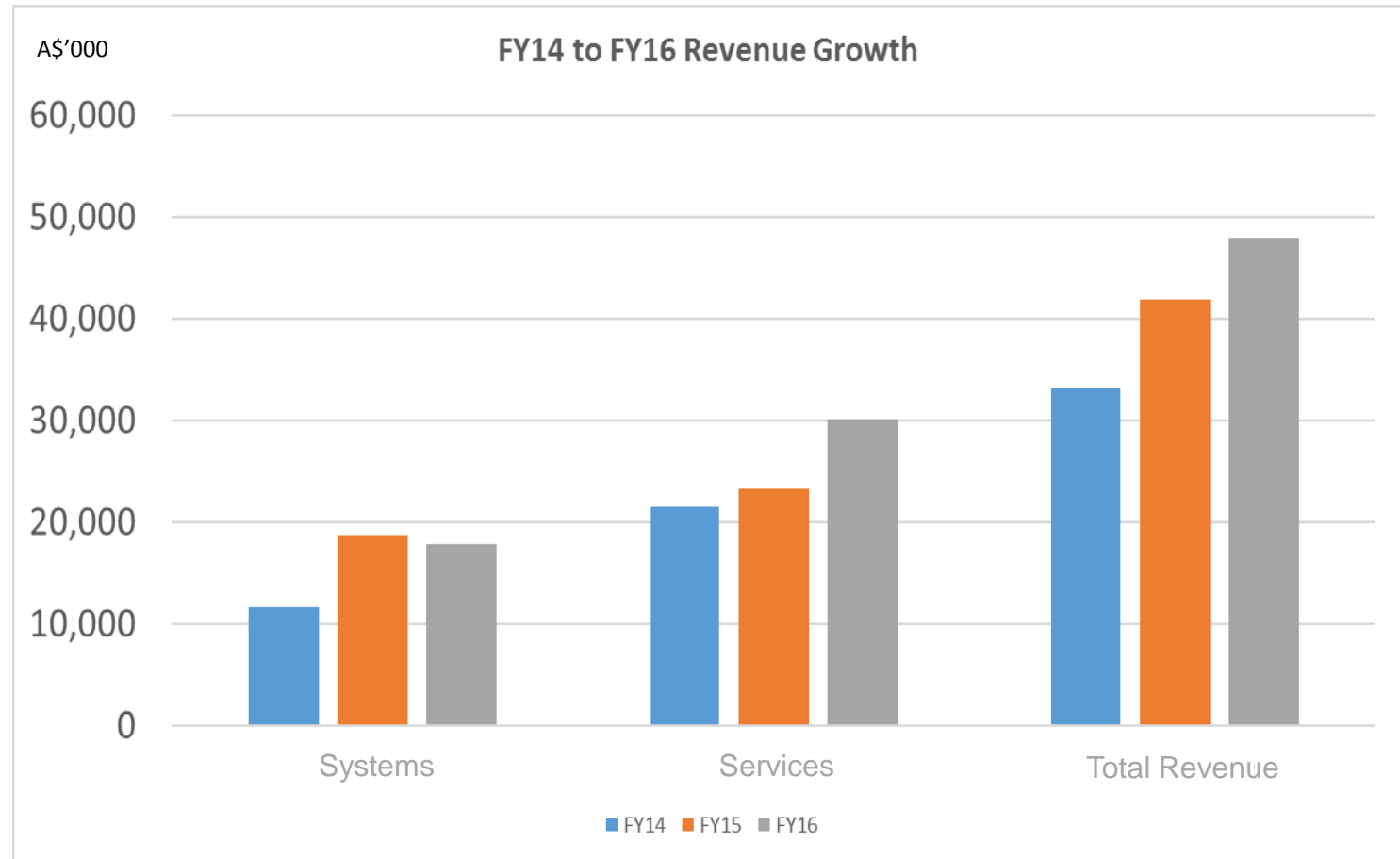
BUSINESS SEGMENTS: FY2016

Systems

Total Revenue	Gross Margin
A$17.8M	A$8.7M

Revenue Composition

Civil	Military
A$9.7M	A$8.1M

North America	Rest of World
A$10.6M	A$7.2M

Services

Total Revenue	Gross Margin
A$30.1M	A$12.9M

Revenue Composition

Civil	Military
A$25.4M	A$ 4.7M

North America	Rest of World
A$28.5M	A$ 1.6M

Segments

- Systems: 37.2%
- Services: 62.8%

FY 15 Revenues

- Systems: 45%
- Services: 55%

FY 14 Revenues

- Systems: 35%
- Services: 65%

CUSTOMER DATA

ADACEL
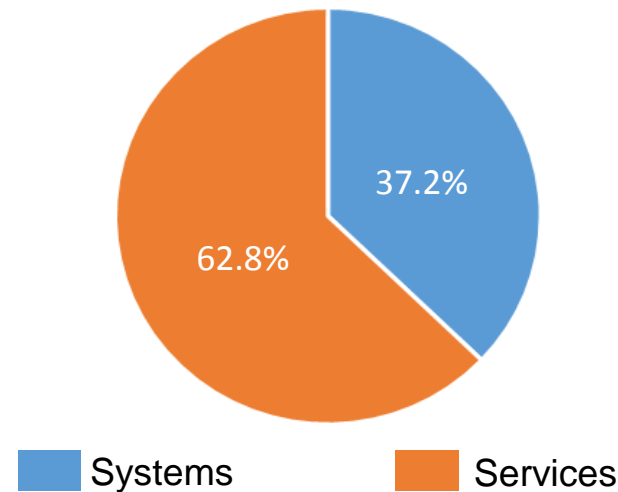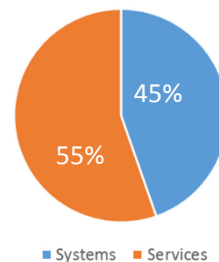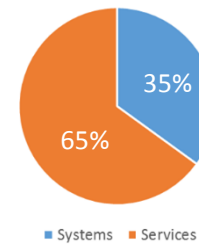
Longest Active Contract	Largest Customer (FY16)	Oldest Customers	
18 Years	**US$11.1M**	FAA	USAF
		Uni. North Dakota	US Army
		Hungaro Control	Canada DND
		Embry Riddle	Brazil CAA
NavPortugal	Lockheed Martin	Austro Control	NavPortugal
		Lockheed Martin	Italy ENAV

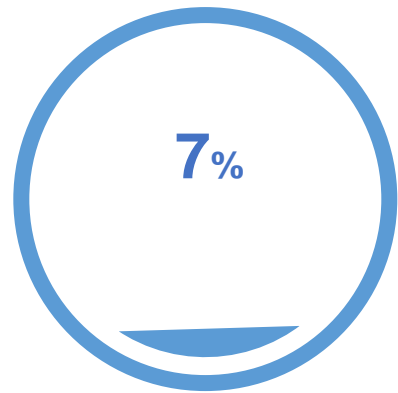| Average Age of Current Contracts	Average Age of 12 Oldest Contracts	Airspace Controlled by Aurora	% of Earth's Surface Controlled by Aurora	Number of Simulator Training Positions	Average Revenue (FY16) Top 10 Contracts
8.3Yrs	**15Yrs**	**41Million Sq. Miles**	**21%**	**>1500**	**US$3.1M**

SALES BY PRODUCT CATEGORY

Percentage of Total Revenue FY2016

7%
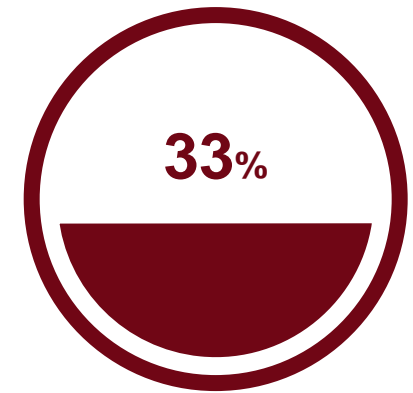
ATM SYSTEMS

30%

SIMULATION SYSTEMS

30%

ATM SERVICES

33%
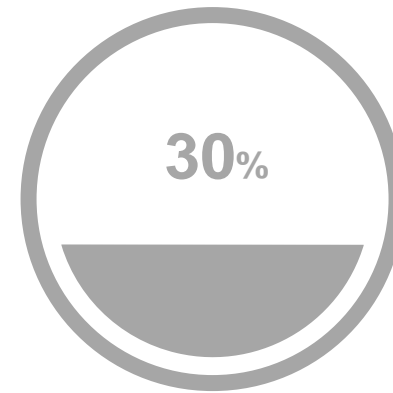
SIMULATION SERVICES

GROWTH STRATEGY

EXISTING CUSTOMERS

With over 340 installations, Adacel has a captive market for an ongoing series of new product sales as well as hardware and software upgrades. Customers can make direct contract awards.

SERVICES EXPANSION

Increase Simulation and ATM customers that lead to multi-year support. Leverage US government contract qualifications and experience to further expand into additional government services programs, e.g., CTC, SE2025

NEW CUSTOMERS

Capture new customers through a strategy of best value pricing and technology advantages, resulting in a larger opportunity for services contracts and premium product upgrades.
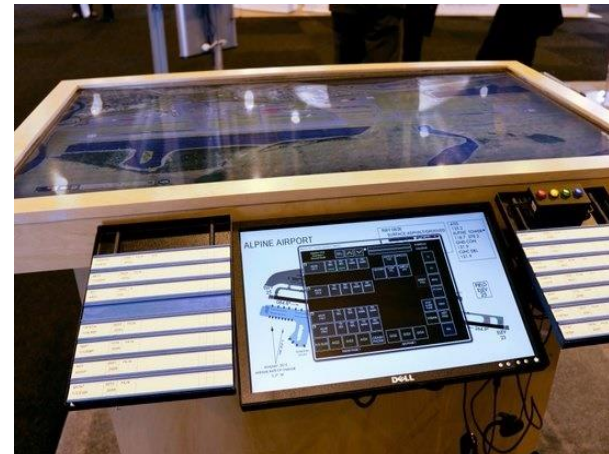
ACQUISITIONS

Objective to grow capabilities and addressable markets through acquisition of businesses with existing earnings

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