

Adacel Technologies Limited

September 2018



Gary Pearson - Chief Executive Officer
Brian Hennessey – Vice President Business Development



DISCLAIMER



This presentation has been prepared by Adacel Technologies Limited (ACN 079 672 281) (**Adacel** or the **Company**). The information contained in this presentation is current by 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 4E lodged on 23rd August 2018.

This document contains certain "forward-looking statements". Indications of, and guidance on, future earnings and financial position and performance, including Adacel's financial year 2018 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 recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). Such non-IFRS financial measures do not have a standardised 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.



COMPANY



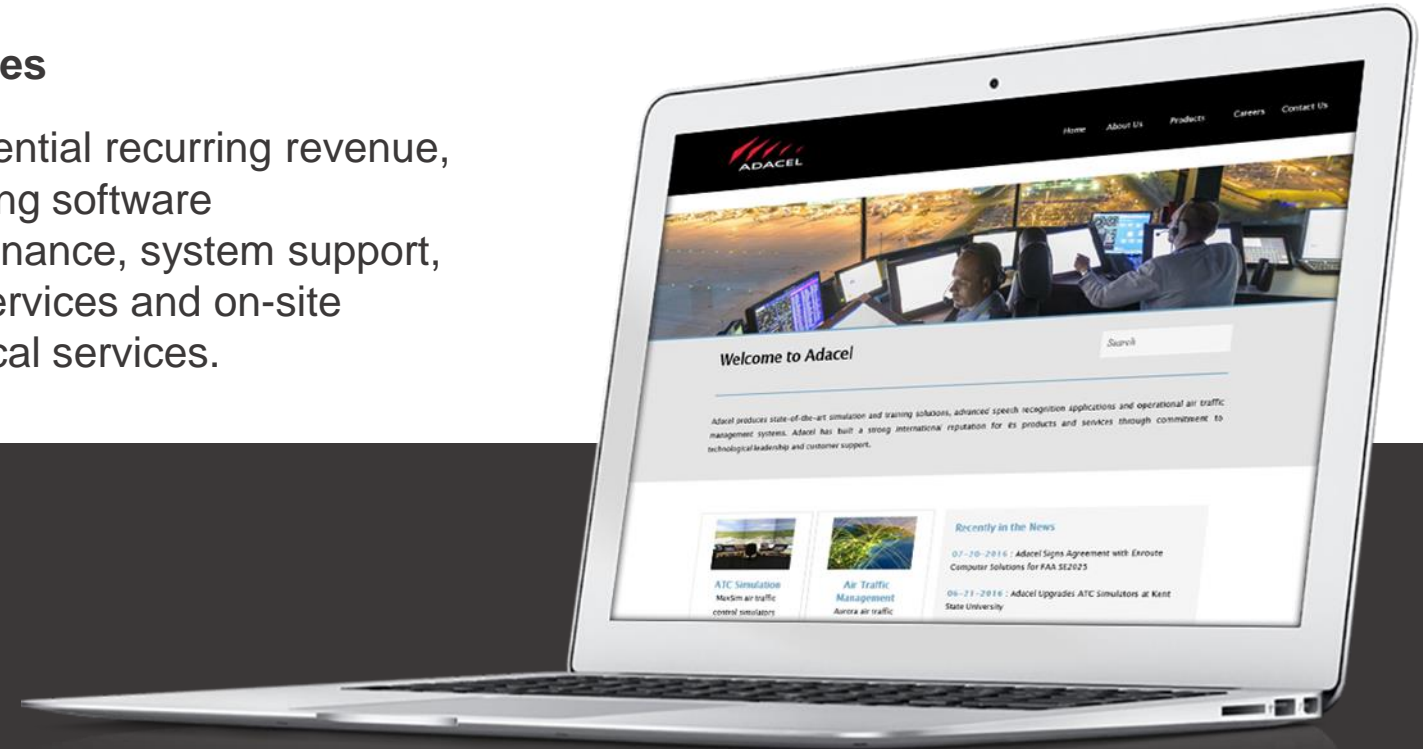
Adacel is a leading developer of advanced simulation and control systems for aviation and defense. The Company operates in the Global Aerospace Systems market including operational Air Traffic Management, Airport and Air Traffic Control Training, and Airborne Vehicle Systems. Adacel operates two business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

FINANCIAL SNAPSHOT: 30 JUNE 2018



Profit Before Tax of \$10.2M,
up 29.8%

Revenue \$53.1M up 25%

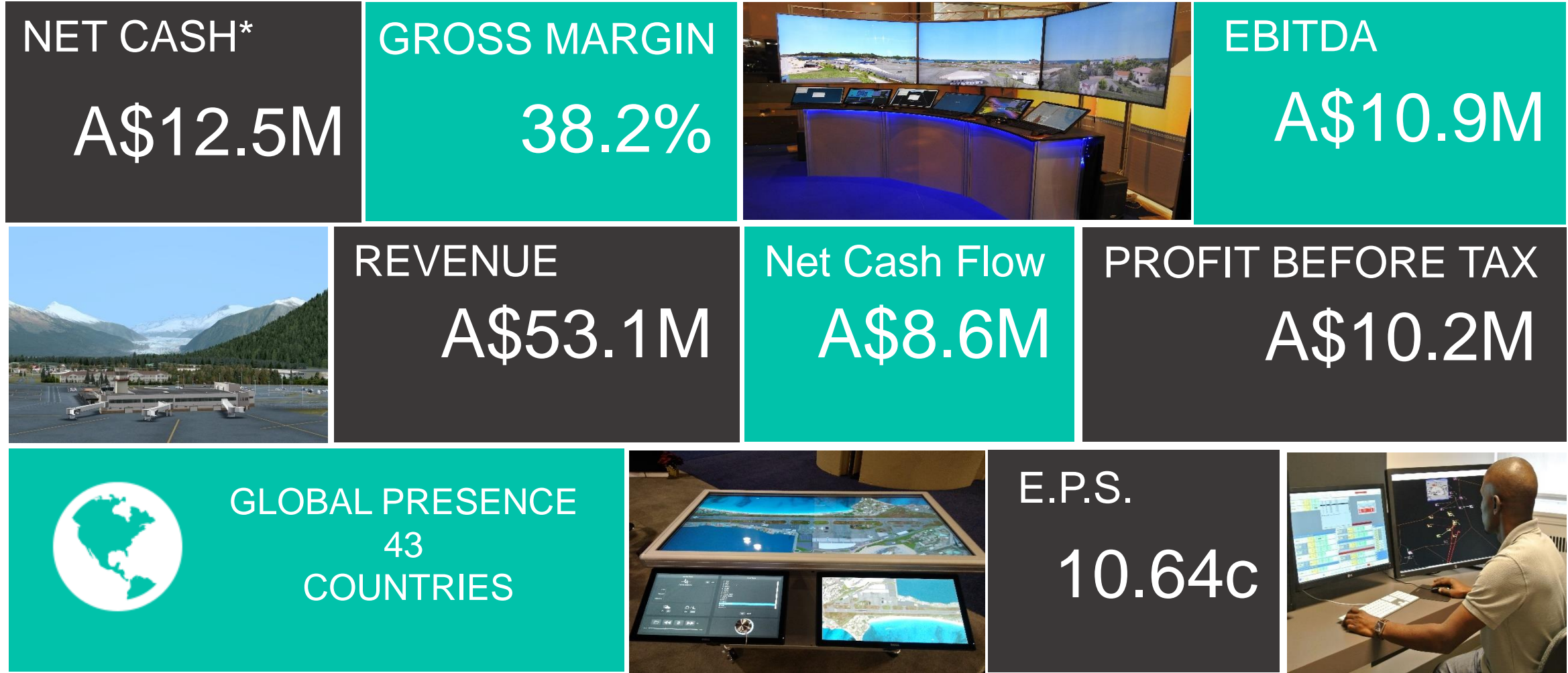
Total ordinary dividends for
FY2018 of 4.5 cps

Strong performance from
Systems Segment revenue
up 127%

Special dividend – 5.0 cps

5% lower Services Segment
revenue

FINANCIAL METRICS: 30 JUNE 2018

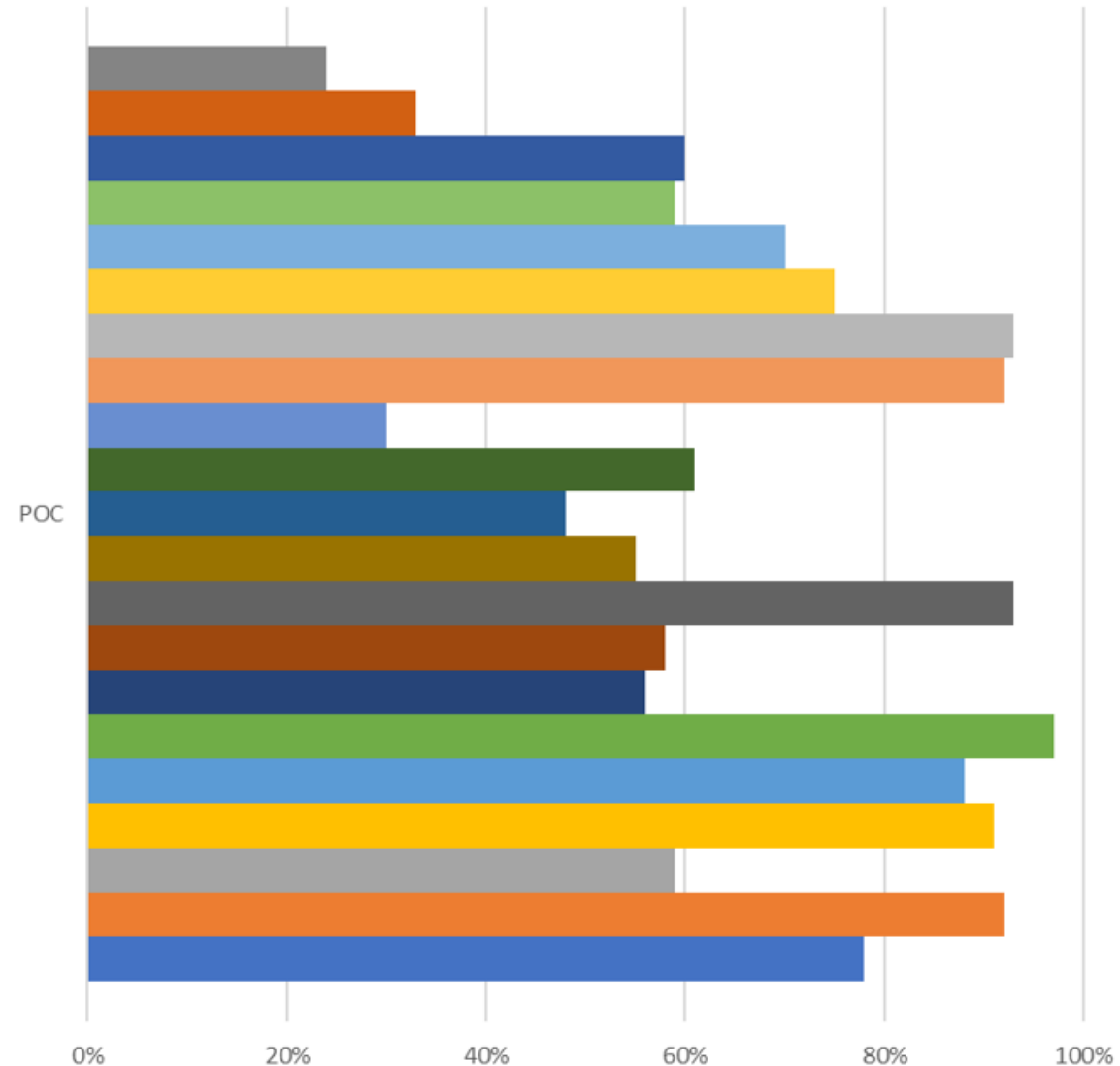


* Cash net of A\$11.5M share buy back and dividends payments

SYSTEMS SEGMENT CONTRACT STATUS



Name	Contract Value	POC
Systems 21	\$ 1,399,801	24%
Systems 20	\$ 755,300	33%
Systems 19	\$ 235,605	60%
Systems 18	\$ 3,506,265	59%
Systems 17	\$ 1,044,400	70%
Systems 16	\$ 433,157	75%
Systems 15	\$ 1,530,757	93%
Systems 14	\$ 195,568	92%
Systems 13	\$ 3,114,977	30%
Systems 12	\$ 897,708	61%
Systems 11	\$ 1,908,558	48%
Systems 10	\$ 706,579	55%
Systems 9	\$ 493,580	93%
Systems 8	\$ 271,050	58%
Systems 7	\$ 694,305	56%
Systems 6	\$ 1,020,581	97%
Systems 5	\$ 2,604,664	88%
Systems 4	\$ 584,264	91%
Systems 3	\$ 4,869,283	59%
Systems 2	\$ 1,248,310	92%
Systems 1	\$ 488,390	78%
	\$ 28,003,101	



Revenue Backlog	
\$	1,063,849
\$	506,051
\$	94,242
\$	1,437,569
\$	313,320
\$	108,289
\$	107,153
\$	15,645
\$	2,180,484
\$	350,106
\$	992,450
\$	317,960
\$	34,551
\$	113,841
\$	305,494
\$	30,617
\$	312,560
\$	52,584
\$	1,996,406
\$	99,865
\$	107,446
\$	10,540,481

Total Contract value and revenue recognition percent complete at 30th July 2018, ONLY for system sales greater than \$175,000

Unrecognized revenue at 30th July 2018,

SYSTEMS SEGMENT PROGRAM EXAMPLES



Customer	Description	Total Contract Duration
French Territories Infogen	Development of an Auxilliary Aeronautical Information display for Cayanne, Gaudeloupe and Martinique. Can be sold to existing and new customers	6 months
Saudi Arabia	Supply, Installation, & Commissioning of an Air Traffic Control Simulator Training System and upgrades to 2 existing simulators	16 Months
Guadeloupe	Installation of Aurora ATM with development of significant new features, adding to product portfolio for new opportunities	11 Months
Air Services Australia	Major upgrade to image generators, deployment of latest image technology and upgrade of a part task trainer to a full 360 degree system	8 Months
Sri Lanka	Supply, Installation, & Commissioning of an Air Traffic Control Simulator Training System	7 Months
Algeria	Supply, Installation, & Commissioning of an Air Traffic Control Simulator Training System	9 Months
Kurdistan	Supply, Installation, & Commissioning of an Air Traffic Control Simulator Training System	
China	Delivery of 40 ICE English language training systems	7 Months
Fiji	Major upgrade of existing ATM system	14 Months
Morocco Radar	Rehabilitation of the Radar Control Simulator equipment at the International Civil Aviation Academy Mohammed VI located in Casablanca, Morocco. Rehab (16 Radar Controller Positions, 9 Pseudo Pilots), with 14 seats of ICE English language trainer	11 Months
Morocco Tower	The provision, installation and commissioning of air traffic control simulator equipment at the International Civil Aviation Academy Mohammed VI located in Casablanca, Morocco (2 180 Towers, 3 tower controller positions, 7 pseudo pilot positions, 3 radar supervisor positions, 4 radar controller positions, 4 assistant radar positions)	11 Months
Nav Portugal	Multiple deliveries of new features and enhancements to Aurora	15 Months

SERVICES SEGMENT



Revenue – A\$31.1M, GM – A\$14.1M

Key Contracts & Revenue

FAA ATOP – A\$12.6M	Grew 11% over FY2017 and is expected to grow again for 2019 with completion of hiring and backlog of work.
USAF Support – A\$3.5M	Active since 2002. Typically 1 year contract plus 4 additional 1 year options. Does not include engineering upgrades or new sales.
Nav Portugal Field Service – A\$1.03M	Two software engineers located in Santa Maria to provide software maintenance services. Typically 5 year contracts. Now in its 8 th year.
FAA Controller Training – A\$2.6M	Approximately 47 people providing instructor and simulator operator services to FAA for controller training. Year 4 of 5 years.
FAA Simulator Field Services – A\$4.1M	Personnel located alongside ATC simulators at field locations, providing simulator operations assistance.
FAA Simulator Support – A\$3.6M	Support services for Adacel simulators. Amount varies each year based on additional system sales. In FY2018 approximately 55% were tasks that could not be executed by another vendor.

AIR TRAFFIC MANAGEMENT HIGHLIGHTS



Upgrades and new features for 4 existing customers – Norway, Fiji, Portugal, French Guiana

Commencement of second system of 3 French Territories systems awarded to Adacel

Acquisition of new ATM products and capabilities to broaden addressable market

Continuing growth in ATOP program of 10% with further increases expected in FY2019

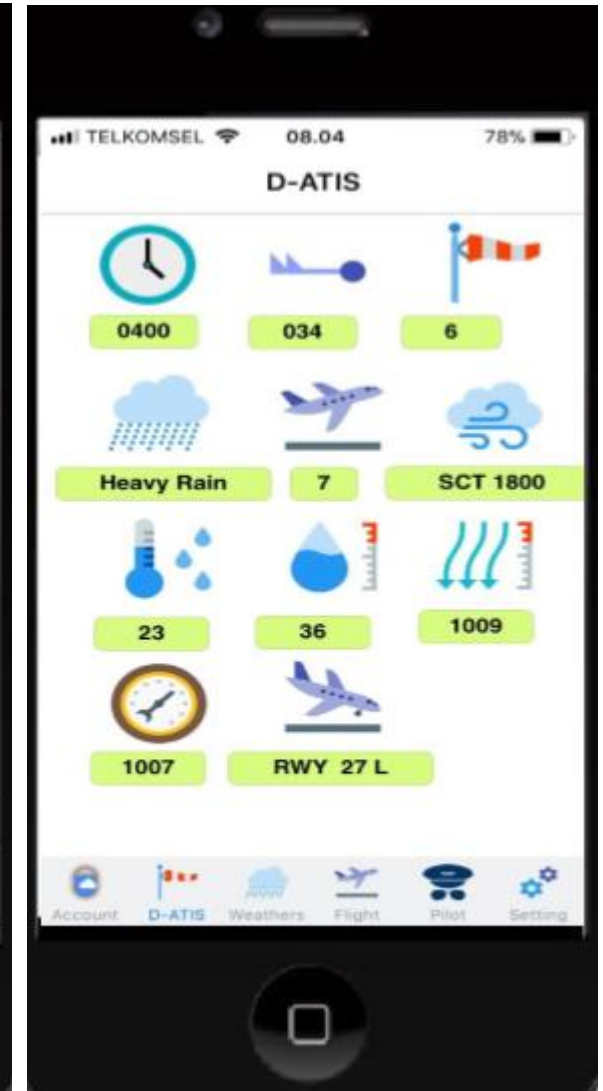
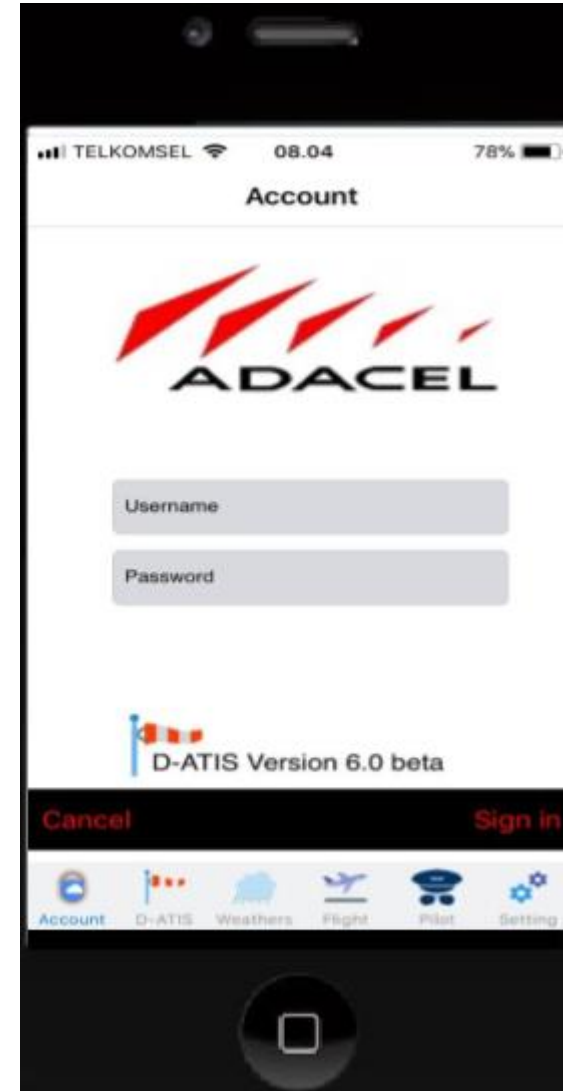
Expectation of 4 new ATM system opportunities for FY19 outside of French Territories

Aurora license sale to legacy customer and expectation of engineering services

AIR TRAFFIC MANAGEMENT NEW PRODUCTS

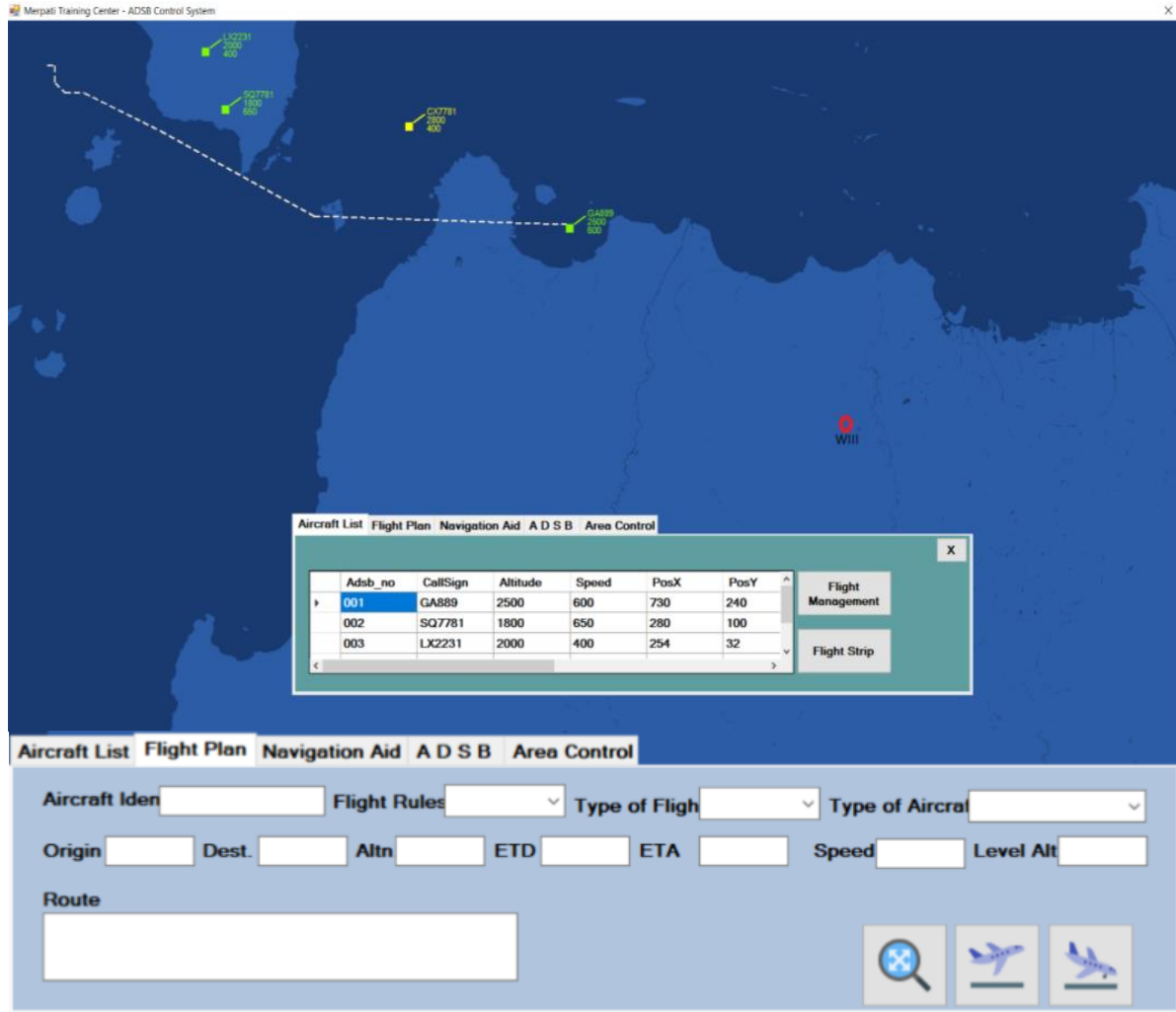


Digital ATIS - ATIS, is a continuous broadcast of recorded aeronautical information in busier terminal areas, i.e. airports and their immediate surroundings. D-ATIS provides full automation to the ATIS service. It can deliver text based weather information as well as synthesized audio and can be made available to a wider user base using phone / tablet apps and existing aviation datalink technologies



Aviation Master Clock – A time server that synchronizes accurate time across multiple air traffic control applications

AIR TRAFFIC MANAGEMENT NEW PRODUCTS



Runway Monitoring and Airport Information Systems – Provides a single display for viewing information from multiple ATC applications, reducing the hardware and space requirements in air traffic control cabs

Low cost digital surveillance system with ADS-B and Mode-S support

DVAR - Digital Video and Audio Recording, is a hardware and software system used to record ATC radio communications and surveillance displays for use in incident investigation

TRAINING SYSTEMS HIGHLIGHTS



18 new training system sales, 5 with new customers

Displaced competitors in 3 new systems awards

Acquired new technologies that will reduce the cost and fast track the development of new products in training systems

Added 3 new US Government contracting vehicles

Ongoing improvements in the cost of delivering ATC systems, particularly visual databases with a cost decrease of 15% to 20%

Acquired a large volume of ATC audio recordings to be used in the evolution and improvement of speech recognition systems

FISCAL YEAR 2019 OUTLOOK



OUTLOOK

- Increasing level of effort on the FAA ATOP program that will contribute to growth in the Services business.
- 5 new ATM systems opportunities outside of French Territories including two likely sole source awards.
- Continued strong opportunities pipeline in training systems.
- Expectation of ATM engineering services contract for legacy customer upgrade.
- Participation in US Army TADDS program to add additional time and material resources.
- Expected revenue contribution from new Aeronautical Information Services, ATM products.
- Introduction of new business model for Aeronautical Information Services.

CONTACT US

NORTH AMERICAN BUSINESS HEADQUARTERS

ADACEL SYSTEMS, INC.

9677 Tradeport Drive
Orlando, Florida 32827-5318
USA

Tel.: +1 (407) 581 1560

Fax: +1 (407) 581 1581

info@adacel.com

CORPORATE AND ASIA-PACIFIC HEADQUARTERS

ADACEL TECHNOLOGIES LTD.

Suite 1
342 South Road
Hampton East, Vic, 3188
Australia

Tel.: +61 (3) 8530 7777

Fax: +61 (3) 9555 0068

info@adacel.com



Gary Pearson
Chief Executive Officer



Peter Landos
Chairman



Sophie Karzis
Company Secretary