



ADACEL
TECHNOLOGIES LIMITED

ANNUAL GENERAL MEETING

Tuesday 26 November 2019

CEO'S PRESENTATION TO SHAREHOLDERS

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 at the date of this presentation. The information is a summary overview of the current activities of the Company and does not purport to be all inclusive or to contain all the information that a prospective investor may require in evaluating a possible investment. It is to be read in conjunction with the Company's disclosures lodged with the Australian Securities Exchange, including the Company's Appendix 4E for the financial year ended 30 June 2019 lodged with the Australian Securities Exchange on 13 August 2019. The material contained in this presentation is not, and should not be considered as, financial product or investment advice. This presentation is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction.

This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor which need to be considered, with or without professional advice, when deciding whether or not an investment is appropriate. This presentation contains information as to past performance of the Company for illustrative purposes only, and is not – and should not be relied upon as – an indication of future performance of the Company.

To the maximum extent permitted by law, Adacel makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of any information contained in this document. To the maximum extent permitted by law, Adacel will have no liability (including liability to any person by reason of negligence or negligent misrepresentation) for any statements, opinions or information (express or implied), arising out of, contained in or derived from, or for any omissions from this document.

Forward looking statements

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including Adacel's financial outlook, are also forward-looking statements, as are statements regarding Adacel's plans and strategies and the development of the market. 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.

Non-IFRS 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. The non-IFRS information has not been subject to audit or review by Adacel's external auditor.

All references to dollars are to Australian currency unless otherwise stated.

BUSINESS UPDATE

Based on results for the first four months of FY2020, we are executing on our plan.

Services Segment

- Revenues from our FAA Advanced Technologies & Oceanic Procedures (“ATOP”) program are in-line with FY2019, as planned, while the relationship with both Leidos and the FAA has been strengthened through more frequent interactions at all levels of the organization;
- ATC Military contracts with USAF are expected to deliver recurring revenues as planned;

Systems Segment

- ATM projects in Fiji and Portugal are expected to be completed in FY2020, on budget;
- Incremental orders of over \$1M to expand ATM products in Guadeloupe beyond FY2020

NEW PRODUCT INTRODUCTION

Based on the development of robust business cases, we are pursuing the following two new products:

AERODRIVE

Adacel's AeroDrive is an immersive driving training simulator exclusively designed to coach airport drivers in a safe, risk-free, 3-D environment.

AEROBOOKS

Adacel's advanced Aerobooks aeronautical billing system provides a fully integrated cloud-based solution for the Civil Aviation Authority (CAA), Air Navigation Service Providers (ANSPs), airports and airlines



AERODRIVE MARKET OPPORTUNITY

THE NEED FOR AIRPORT DRIVING TRAINING

- The FAA mandates that all ground vehicle drivers operating at US civil airports be certified;
- To increase safety and assist in the certification process, the FAA encourages airport operators to set up driver training programs at their airports;
- To drive on an airport one must obtain an appropriate driving certificate, such as an Airport Vehicles Operators Permit (AVOP);
- Training for this certification can be done by physically driving a vehicle on the airport with an instructor or by using a driving simulator designed for airport driving training.

AERODRIVE ADVANTAGES

- No upfront investments in hardware and software;
- Low monthly fees. No unplanned expenses;
- Compliance training to meet the FAA training and certification requirements;
- Saves fuel, manpower, and lowers your carbon footprint;
- Ensures training consistency among all students;
- Enables proactive approach in training with seasonal employees;
- Adacel provides support with training curriculum development;
- Training in a safe, risk-free 3-D environment



AERODRIVE ECONOMICS

SAAS – SYSTEM AS A SERVICE

ADACEL'S ADVANTAGES

- New customers/revenue streams: Higher probability the low monthly fees fall within our customers' department budgets;
- Shorter sales cycles;
- More predictable forecasting and revenue stream

CUSTOMERS' ADVANTAGES

- Lower risk with no upfront major investments;
- Simplified purchase decision;
- Customers' simulation costs better align with their revenue stream.

FY2020 OUTLOOK

Based on year-to-date results and current forecasts for the balance of FY2020, we anticipate to deliver profit before tax of between \$4.3 million and \$4.7 million.

The guidance reflects the following:

- Increased visibility on key, known and high-probability contracts representing approximately 85% of forecast revenues for the year;
- Completion of our Fiji and Portugal ATM projects in FY2020;
- Extension of our Guadeloupe ATM project, including over \$1M of new orders received in the first four months of FY2020 from our existing customer to fund further enhancements, hardware and maintenance;
- Ongoing cost-management across the organization

A hand in a white shirt is holding a green line graph that trends upwards. Below the hand, wooden blocks are arranged to spell out the word 'FORECAST'.