



ADACEL

INVESTOR PRESENTATION

HALF YEAR ENDED 31 DECEMBER 2019

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WELCOME TO ADACEL

A Leader in Air Traffic Management, Simulation & Training Solutions

At a glance:

- Public company founded in 1987
- Offices in Canada, USA and Australia with 220 employees
- Air Traffic Management (ATM) and International Simulation & Training business located in Montreal, QC., Canada
- US Simulation & Training, along with customer support located in Orlando, FL., USA
- We provide products and services to Air Navigation Service Providers, Defense & Government Organizations and Aviation Training Institutions in more than 40 countries worldwide

ADACEL'S SOLUTIONS

INDUSTRY-LEADING. ADVANCED. AGILE



- Advanced ATM automation for oceanic, en route, approach and tower control
- Improves airspace efficiency, levels of service and controller productivity
- Latest CNS/ATM Technologies
- Scalable, customizable, affordable
- Currently used in airspaces controlled by Iceland, Norway, France, Portugal, Fiji, New Zealand, and the United States



- Air traffic control simulation and training
- High accuracy of airports and aircraft. Photo-like quality.
- Agile scalability, from 360-degree set up to a desktop or mobile system
- Easy customization of training lessons
- Major customers: FAA, US Air Force, DoD, foreign military departments in Mexico, Saudi Arabia, Australia, Sri Lanka and other countries



- 3D, immersive driving training on airports grounds
- Part 139 compliance training
- Fuel savings, less airport carbon footprint and vehicles ownership costs
- Training in a safe, risk-free environment
- Now available as SAAS: no upfront investments in hardware, software, predictable, low monthly fees

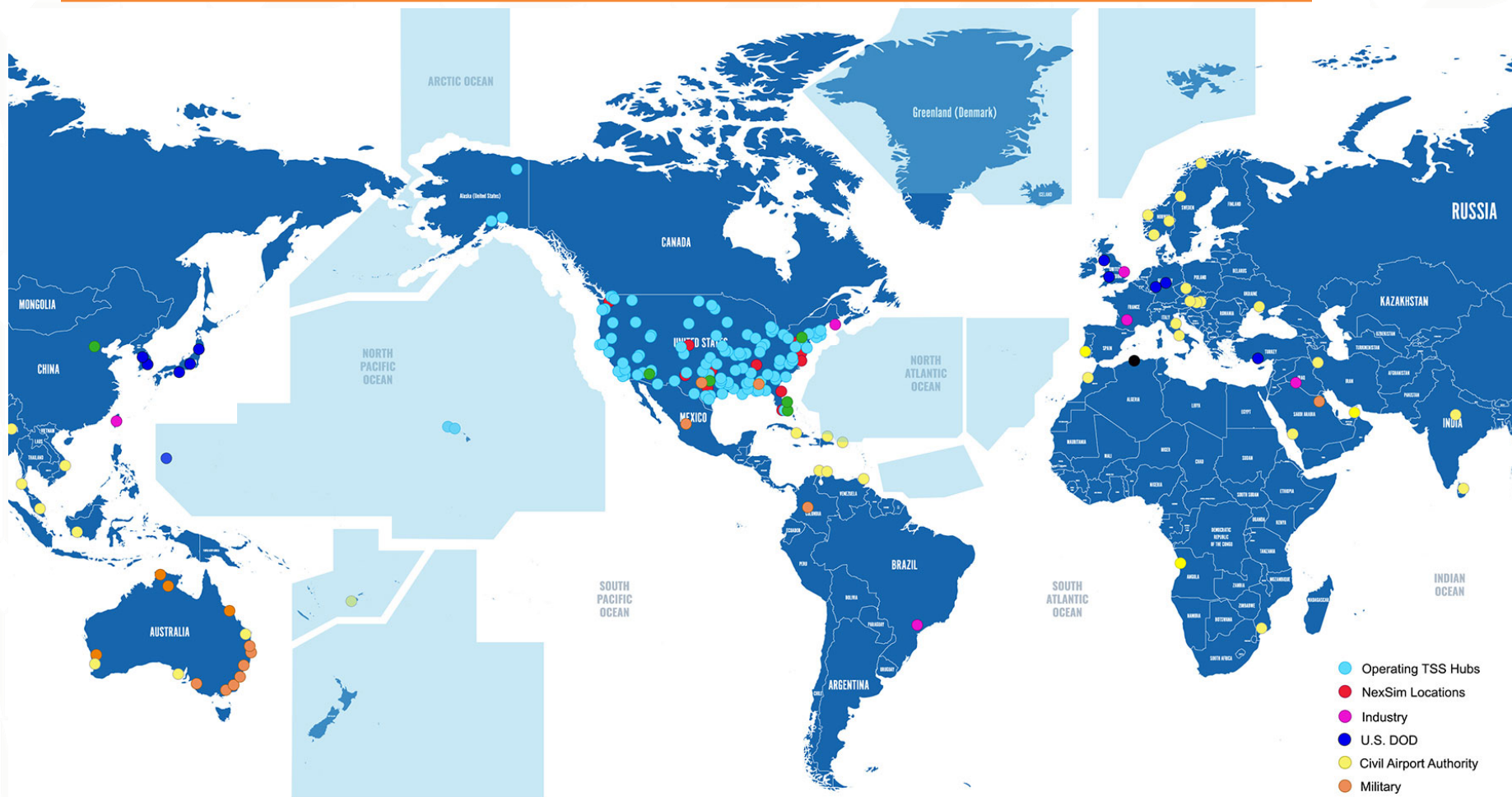
SUPPORT SERVICES

IN CLOSE PARTNERSHIP WITH OUR CUSTOMERS

- Conceptualization, development, and implementation of customers' training programs
- Training new and seasoned air traffic control specialists
- Ensure all ATC training materials meet the latest regulatory government guidelines
- Ongoing systems administration and maintenance
- Field Service Representatives – as needed – deployed at customer locations



GLOBAL PRESENCE



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

OUR PARTNERS AND CUSTOMERS

AIR NAVIGATION SERVICE PROVIDERS



GOVERNMENT ORGANIZATIONS



ATC EDUCATIONAL ORGANIZATIONS



INDUSTRY PARTNERSHIPS



H1 2020 - ADACEL KEY FIGURES

REVENUE **\$19.7 million**

GROSS MARGIN **\$7.2 million**

36.4% of revenues

EBITDA **\$3.2 million**

PROFIT BEFORE TAXES (PBT) **\$2.1 million**

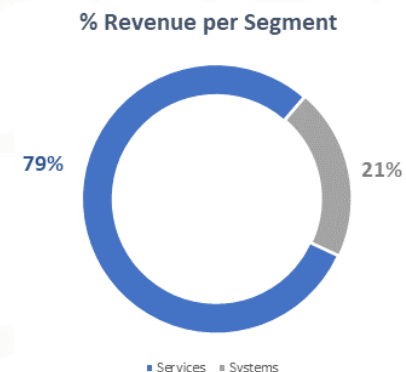
NORMALIZED PBT **\$2.7 million**

13.4% of revenues

NET CASH **\$1.95 million**

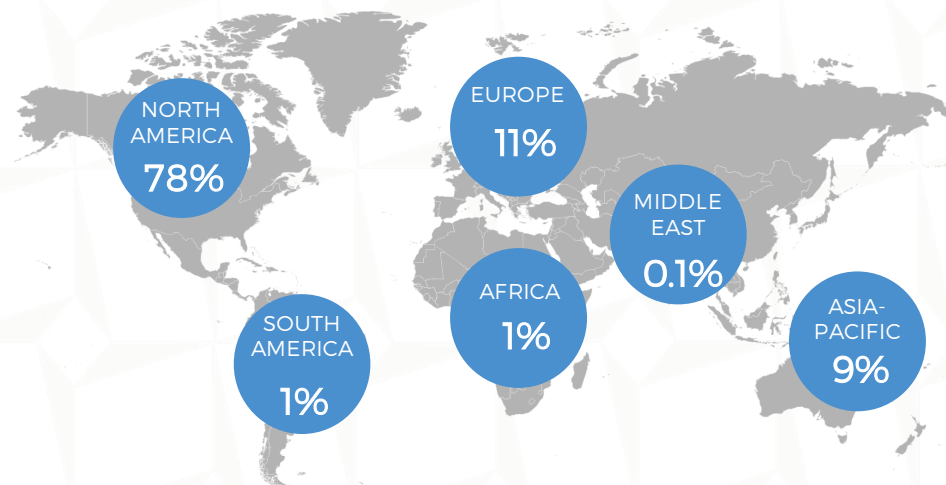
TWO OPERATING SEGMENTS

(breakdown of sales by operating segment)



DIVERSIFIED GEOGRAPHICAL PRESENCE

(breakdown of sales by geographic region)



H1 2020 HIGHLIGHTS

THE PROGRESS WE MADE IN THE FIRST SIX MONTHS

Services Segment

- Revenues from our FAA Advanced Technologies & Oceanic Procedures (“ATOP”) program are in-line with FY2019
- ATC Military contracts with USAF continue to deliver recurring revenues as planned

Systems Segment

- ATM projects in Fiji and Portugal are expected to complete in FY2020, within budget
- Incremental orders of almost \$2M to expand Aurora ATM products beyond FY2020;
- New ATC order received from RAAF

H1 2020 HIGHLIGHTS

Focusing on our core products and services has allowed us to return to profitability

- As of 19 February 2020, approximately 93% of forecast revenues are booked or in backlog;
- Gross Margin improvement to 36.4% of revenues compared to 35.4% last year;
- Normalized PBT of 13.4% of revenues compared with 10.0% last year;

Outlook

- Resume payment of dividends, declaring an interim dividend of 1 cent per share, unfranked
- Company updates its FY2020 earnings guidance of PBT between \$5.5 million and \$5.8 million excluding non-recurring litigation costs and the impact of the adoption of AASB 16 Leases (an estimated \$1.1 million to \$1.4 million)

CORPORATE OVERVIEW

Appendix

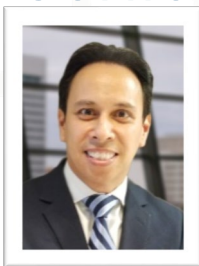


CAPITAL STRUCTURE

Shares on issue	76.25m
Share price as of 13 August, 2019	\$0.47
Share price as of 18 February 2020	\$0.66
Market Capitalisation	\$50.3 million
Net cash as of 31 December 2019	\$1.95 million
Dividend per share	1 cent per share

MEET OUR TEAM

Senior Management



Daniel Verret
CEO (Acting) & CFO



Kevin Pickett
Vice President - Operations

Board of Directors



Michael McConnell
Non-Executive Chairman



Peter Landos, B.Econ
Non-Executive Director



Silvio Salom
Non-Executive Director



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



Hasaka Martin
Company Secretary

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THANK YOU
