



ADACEL

INVESTOR PRESENTATION

HALF YEAR ENDED 31 DECEMBER 2022

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This announcement was authorised for release by the Board of Directors

ADACEL AT A GLANCE

A LEADER IN AIR TRAFFIC MANAGEMENT, SIMULATION & TRAINING SOLUTIONS

Adacel | Public Company | Founded in 1987 | 200 Employees



Direct field support to Royal Australian Air Force (RAAF) and Air Services Australia



Air Traffic Management (ATM) and International Simulation & Training business



US Simulation & Training and customer support



Single & multi-tower remote operations and customer support

PRIMARY CUSTOMERS



GLOBAL FOOTPRINT



MEET OUR TEAM

Senior Management



Daniel Verret
CEO



Mauro Ferrara
CFO



Kevin Pickett
Vice President
Operations



Michael Saunders
Vice President
Business Development and Strategy

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



Eryl Baron
Company Secretary

H1 2023 - ADACEL KEY FIGURES

REVENUE **\$14.1 million**

GROSS MARGIN **\$5.0 million**

35.4% of revenues

EBITDA **\$2.0 million**

PROFIT BEFORE TAXES (PBT) **\$1.0 million**

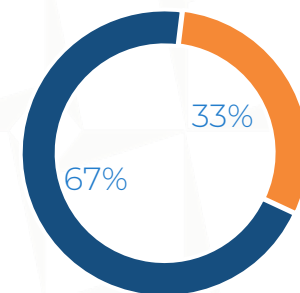
6.8% of revenues

DIVIDEND **AUD 1.50 cents per share**

NET CASH **(\$44 thousand)**

TWO OPERATING SEGMENTS

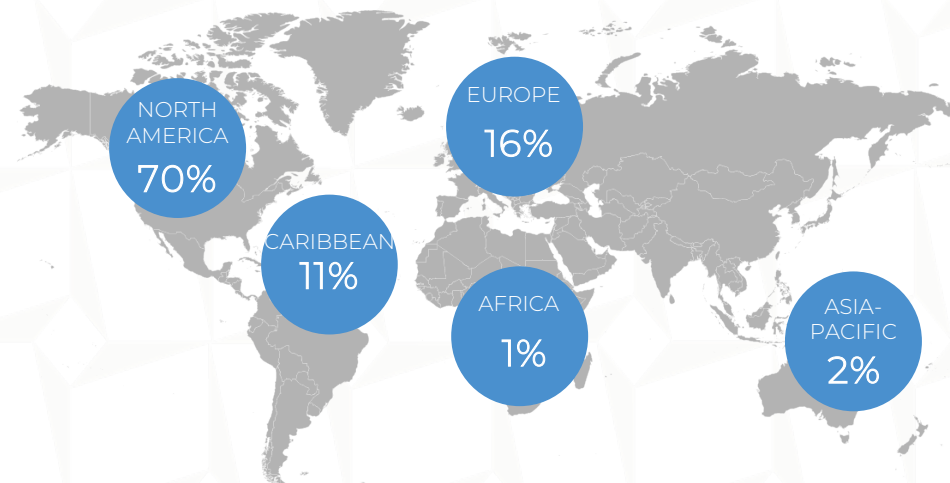
(breakdown of sales by operating segment)



■ Services ■ Systems

DIVERSIFIED GEOGRAPHICAL PRESENCE

(breakdown of sales by geographic region)



H1 FY2023 SUMMARY

Consolidated View

- Revenues increased by 11%. However, given the revenue mix, consolidated gross margin decreased by 7.2% to \$5M
- Revenues from Services made up 67.3% (H1 FY2022, 81.1%) of Consolidated revenues while Systems accounted for 32.7% (H1 FY2022, 18.9%)

Services Segment

- Revenues decreased by 7.8% mainly due to lower volumes from our ATOP program in North America.
- Gross Margin, which includes an allocation of overhead and other fixed costs, decreased from 50% to 46% due to lower revenues. Heading into H2 FY2023, we have adjusted our direct costs to account for lower volumes.

Systems Segment

- Revenues increased to \$4.6M up from \$2.4M last year as we advanced on several ATM programs in Seychelles, St. Lucia and Martinique
- Gross Margin increased from 10% to 13.5% of revenues

H1 FY2023 SUMMARY

EBITDA

- EBITDA decreased from \$2.7M in H1 FY2022 to \$2M in H1 FY2023 due to the revenue mix and lower gross margins on revenues. In addition, we incurred additional costs for planned investments in Business Development activities and incremental costs resulting from the acquisition of our Virtual Tower business in May 2022.

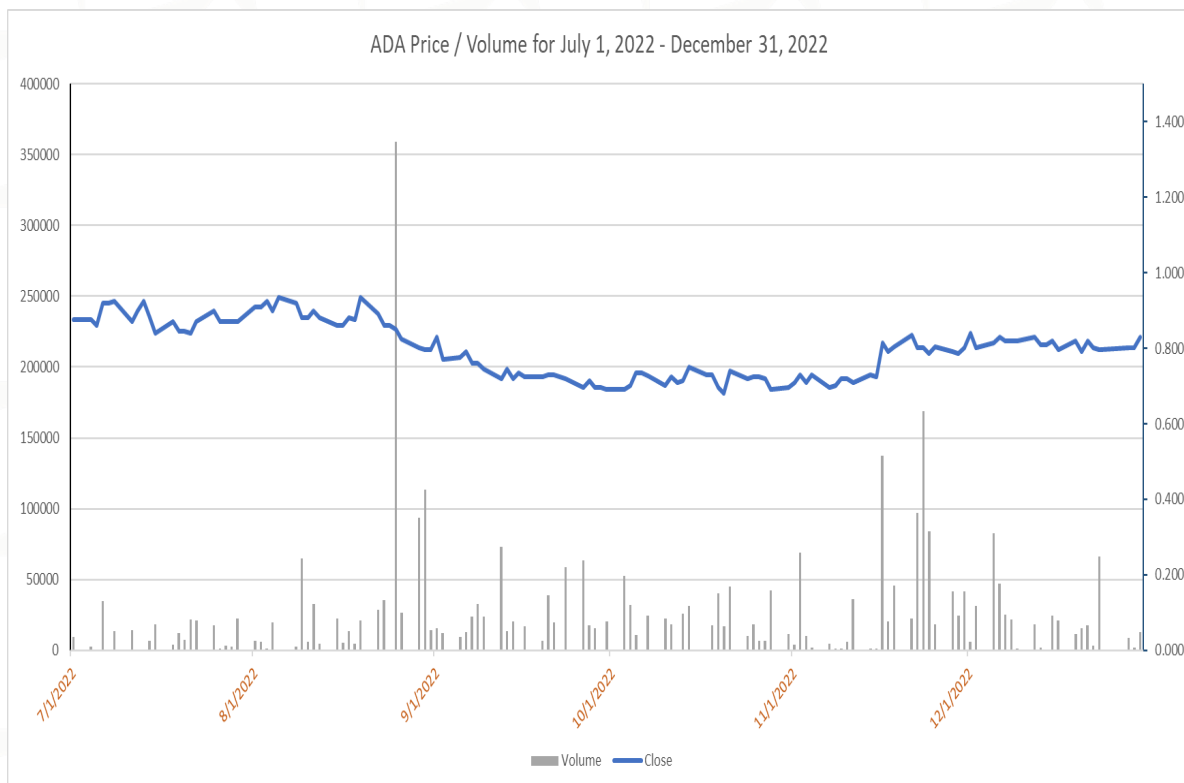
Outlook

- The Company now forecasts FY 2023 EBITDA between USD\$4.4 million and USD\$4.6 million and PBT between USD\$2.4 million and USD\$2.6 million, mainly due to lower revenues from our ATOP program in North America. In addition, the ongoing conflict in Ukraine has resulted in a delay of a planned delivery of a Virtual Tower system in Estonia for FY 2023. The Virtual Towers market is the highest growth sector in the ATC global equipment market, and we are well positioned to take advantage of this segment which is expected to grow to \$500 million by 2027.

CORPORATE OVERVIEW

Appendix

ADA Price / Volume for July 1, 2022 - December 31, 2022



CAPITAL STRUCTURE

Shares on issue 76.4m

Share price
December 31, 2022 AUD\$0.83

Share price
June 30, 2022 AUD\$0.84

Market Capitalization
December 31, 2022 AUD\$63.4 million

Net cash
as of 31 December 2022 USD\$ - 44 thousand

HY 2023 Dividend per share AUD 1.50 cents per share

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