



Adacel Technologies Limited

Annual General Meeting
20 November 2015



FY2015: A Recap

- Fourth consecutive year of profitability
- Profit before tax: A\$5.9 million, an increase of 200%+ over the prior year
- Revenue up 26%+ over prior year with recurring revenue representing approximately 50%
- Net cash of A\$7.6 million
- Total dividends paid in 2015: 2 cents per share
- FY2016 outlook – profit before tax + 50% over 2015

FY2015: A Recap

- FY2015 a year of strong growth driven by contract wins in the Simulation and Training, and ATM businesses, and growth of the government services business
- Simulation market experiencing growth from new system sales and an improved performance in upgrade sales to large existing customer base
- Global air traffic management (ATM) system upgrades scheduled to occur over the next 10 years, estimated \$US120b in investment
- Adacel well placed in both simulation and ATM markets with leading positions and improved visibility on both secured and potential contracts



Our Business



Simulation and Training



MaxSim

The core product of the Simulation and Training Business is MaxSim, the industry's most advanced ATC simulation system

- High fidelity simulations using Adacel's speech recognition technology
- Training for real-life airfield environments with 'smart' virtual pilots
- Tower, Radar, Non-Radar Procedural and Precision Approach Radar simulation systems complete with communications packages
- Multiple system configuration: tower, small footprint, mobile unit
- Over 300 installations – on-going hardware/ software upgrades, maintenance and support

Simulation and Training

Civil

Federal Aviation Administration

- Over 50 systems installed
- Approximately US\$4m P.A in support revenue. Year 1 of a 5 year contract
- Contract includes hardware support, help desk and software upgrades. Includes 30 field support staff

ENAV (Italy)

- Largest international contract for ATC tower systems for its Forli facility with 38 tower simulators

Military

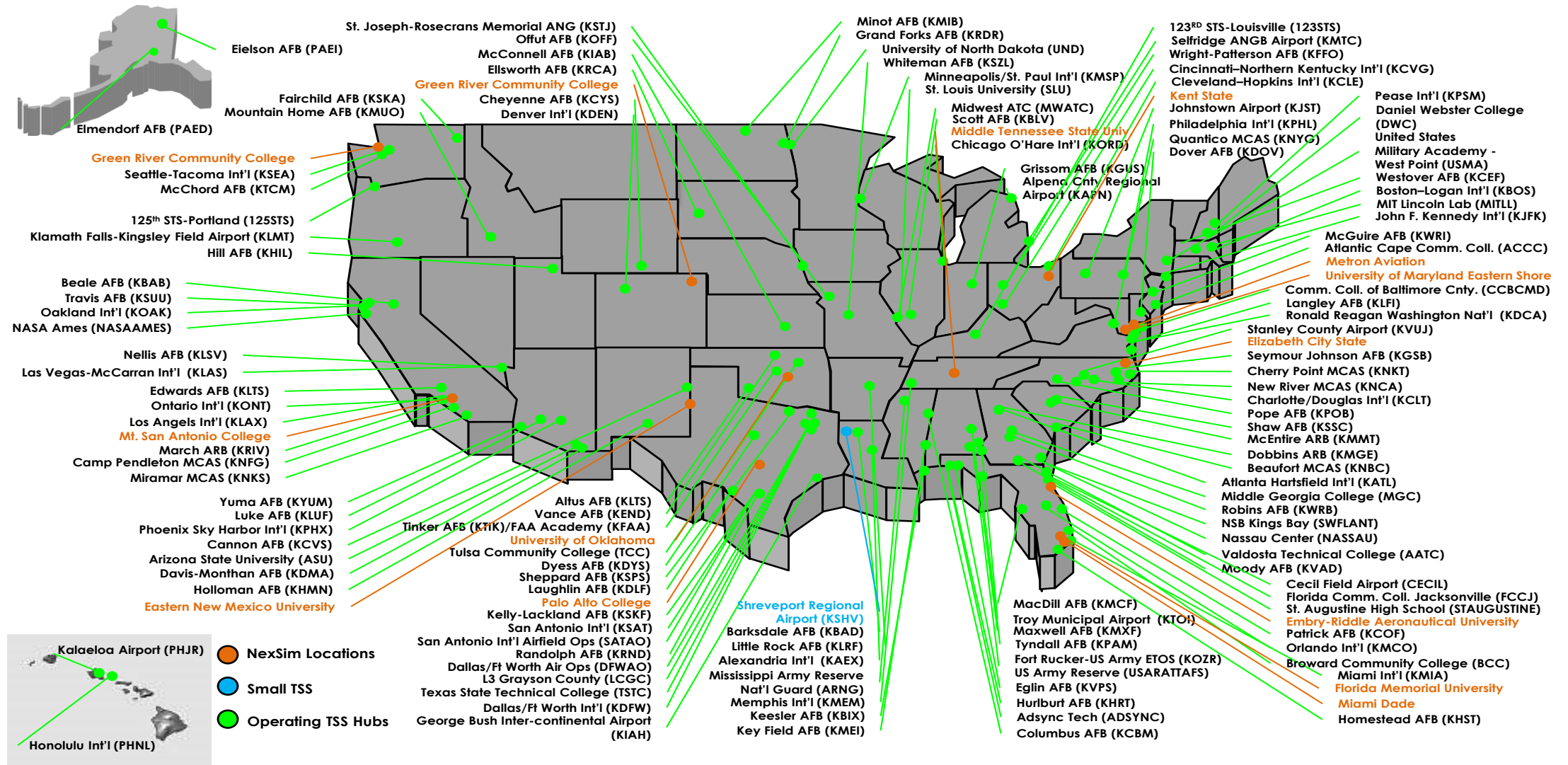
US Air Force

- Provides ATC tower simulators and support for the USAF globally – 92 systems installed at USAF facilities
- Comprehensive software and hardware upgrade commenced in 2015
- Year 2 of 5 year support contract

US Department of Defense

- MaxSim systems also used by the US Navy, Marine Corps, Army and Special Operations
- Includes ongoing support and maintenance

Simulation and Training – US Footprint



Simulation and Training – Market Drivers

- De-centralization of training – no longer just centralized training centers
- New markets for ATC simulation have begun to open up as recognition of the benefits in training efficiency and effectiveness from the use of simulators grows
- There is a shortage of air traffic controllers (ATCs) worldwide, particularly in the USA, with the FAA expected to hire 50% more ATCs in the next five years (~6000) vs the prior five years
- ATC Simulators are also used in the simulation and modelling of new ATM technologies, airport expansions and other aviation projects. The wave of investment in ATM technology bodes well for the increased demand for simulators to test and model the implementation of new systems
- Acquisition of CSC's NexSim Business in April 2015 has consolidated Adacel's position in the FAA's College Training Initiative with upgrades of the existing system already begun
- Growth in Simulation and Training will be underpinned by recent multi-year major contract wins (>US\$90m in 2014/ 2015), expanding work with existing customers and securing new customers as simulation continues to grow

Air Traffic Management



Aurora

Aurora is Adacel's ATM product centre-piece

- An ATM automation system utilizing satellite-based and data-linked technology
- Proven efficiency gains and increased safety for airlines – enables agencies to increase value-added services
- All across all global regions there is a strong desire to pursue improvements in safety, fuel efficiency, emission reduction and to seamlessly manage the continued forecast growth in air traffic
- Future opportunities exist with large programs including the FAA's NextGen program and EuroControl's SESAR Joint Undertaking

Air Traffic Management

FAA ATOP Program



- In partnership with Lockheed Martin, provides Aurora to manage US Oceanic airspace for the FAA
- Aurora is the core software for this program
- Program renewed in 2013 for a further 8 years

NAV Portugal Oceanic Program



- Adacel modernized Portugal's ATM system for the North Atlantic Santa Maria Oceanic flight region
- A single integrated system for oceanic, en-route, approach and tower control
- Recurring source of on-site support and upgrade revenue

French Guiana



- Adacel was awarded the contract by the Directorate of Air Navigation Services of France (DSNA) for the deployment of a new ATM system for Cayenne, French Guiana.
- The contract is the first in a series planned by the DSNA to modernize ATM systems in the overseas territories of France.
- Adacel is one of three companies prequalified to bid on the follow-on projects,



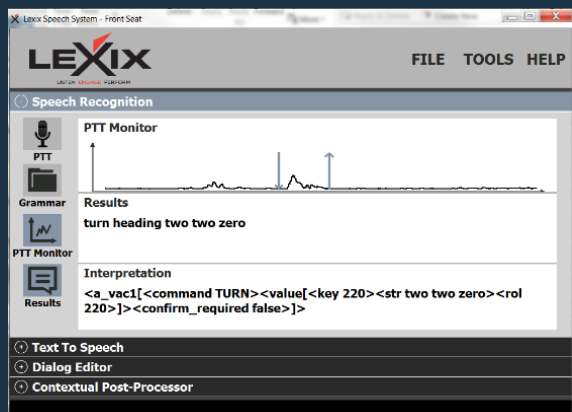
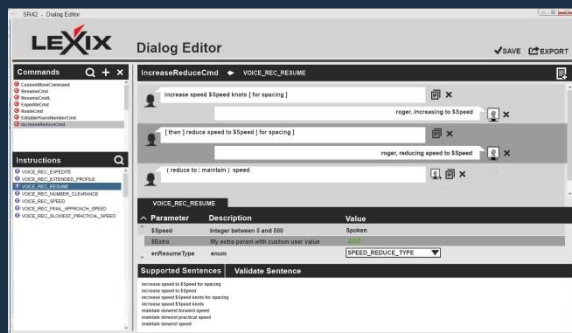
- 1 - ISAVIA – Reykjavik
- 2 - Nav Portugal – Santa Maria
- 3 - Airways New Zealand – Auckland
- 4 - FAA ATOP/Ocean21 – New York
- 5 - FAA ATOP/Ocean 21 – Oakland
- 6 - FAA ATOP/Ocean 21 – Anchorage
- 7 - Airports Fiji – Nadi
- 8 - DSNF Fr. Guiana – Rochambeau
- 9 - Norway's Avinor



Other Products



Speech Recognition Portfolio



- Lexix is Adacel's name for its range of stand-alone speech recognition solutions that have the capacity to be sold into all of our existing markets and provide an expansion path into new domains
- Both MaxSim simulators and aircraft cockpit domains currently include speech recognition technology
- Delivered the speech recognition software for a number of aircraft including the F-35 Joint Strike Fighter, the Aermacchi M346 and the Boeing Apache helicopter
- As the market for the use of human-to-computer voice interaction in aviation continues to grow Adacel are well positioned as a proven market leader

Other products under development



- Insight Image Generator
- Real Terrain 3D Visual Databases (VdB)
- Portable ATC Simulators
- AeroDrive





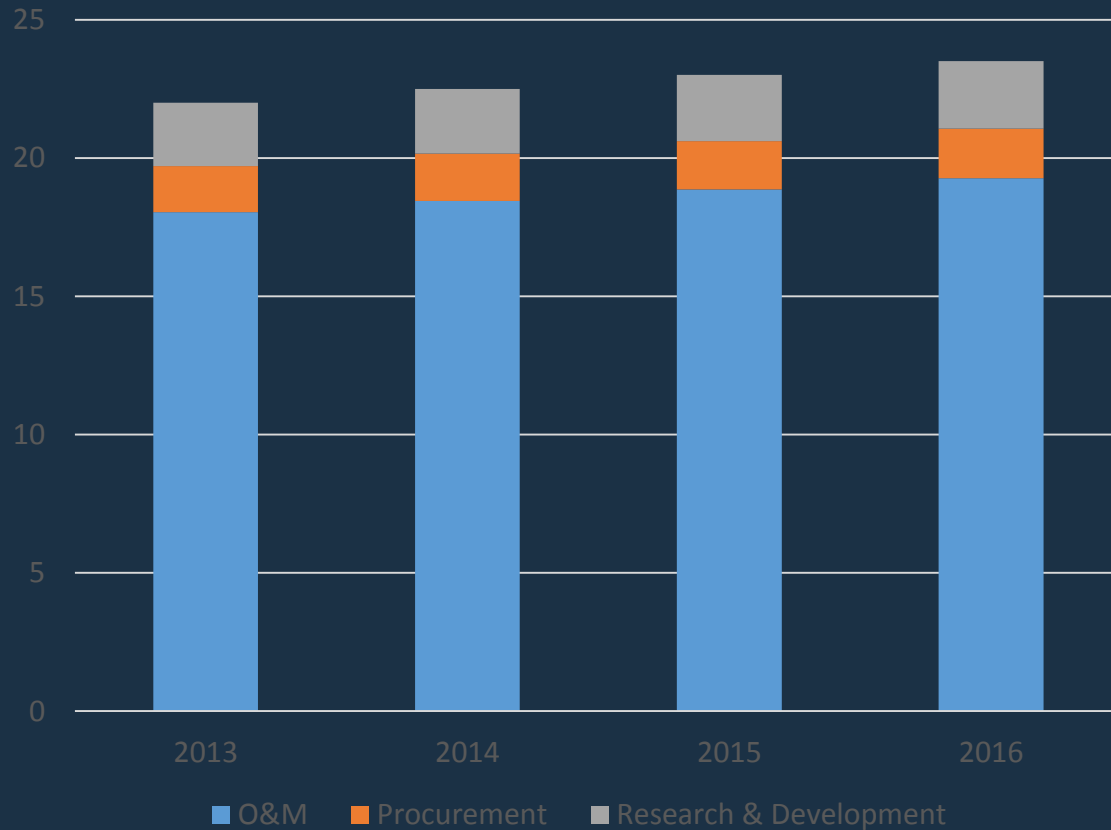
Adacel Technical Services



Adacel Technical Services (ATS)

- Adacel has been providing field support personnel to existing customers since 2003
- ATS Established as a separate business unit to provide on-site personnel to Government which use Adacel product suite – provides a complementary earnings stream to existing product offerings
- Adacel employees are co-located with Adacel products in Australia, The Azores and US Army and FAA facilities in the USA
- This strategy has resulted in the award to provide air traffic control instructors and training support staff to the FAA as part of the Controller Training Contract awarded to SAIC

Operations & Maintenance (O&M)



Why the Interest?

- US DoD spends over 20b/yr on training
- Procurement represents just 7.6%
- The O&M Market represents 82%
- This by far the largest market segment and is recurring revenue

Controller Training Contract

Adacel manages personnel for 2
FAA regions – Current revenue
US\$160,000 per month and
growing from an initial rate of
US\$125,000 in September 2015

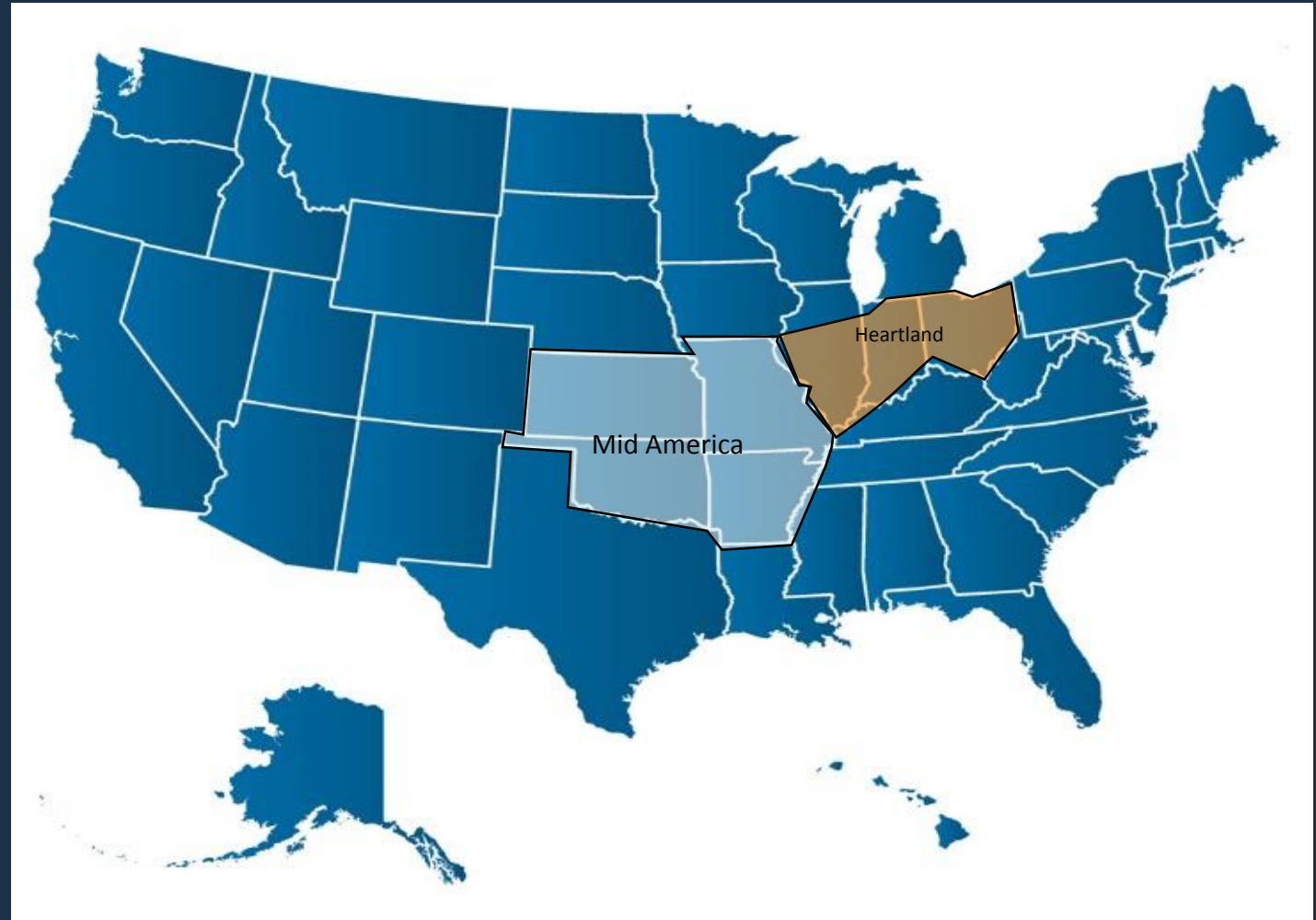
34 Employees at initiation and
now 40

Mid America

14 facilities
Oklahoma
Arkansas
Kansas
Missouri

Heartland

13 facilities
Illinois
Indiana
Ohio





Outlook



- FY2016 profit before tax guidance - +50% growth over FY2015
- The Board is committed to delivering shareholders consistent earnings and further dividends

