

# CEO'S PRESENTATION TO SHAREHOLDERS

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

# ADACEL AT A GLANCE

A LEADER IN AIR TRAFFIC MANAGEMENT, SIMULATION & TRAINING SOLUTIONS

Adacel | Public Company | Founded in 1987 | 200 Employees

 **ADACEL SYSTEMS, INC.**  
Orlando, FL, USA

US Simulation & Training and customer support

 **ADACEL, INC.**  
Montréal, Québec Canada

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

 **ADACEL TECHNOLOGIES, LTD.**  
Melbourne, Australia

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

## PRIMARY CUSTOMERS



Air Navigation  
Service Providers



Defense & Government  
Organizations



Aviation Training  
Institutions



**250+ LOCATIONS**



**40+ COUNTRIES**

# FY2021 IN REVIEW

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# FY2021 - ADACEL KEY FIGURES

REVENUE **\$40.2 million**

GROSS MARGIN **\$16.1 million**

40.1% of revenues

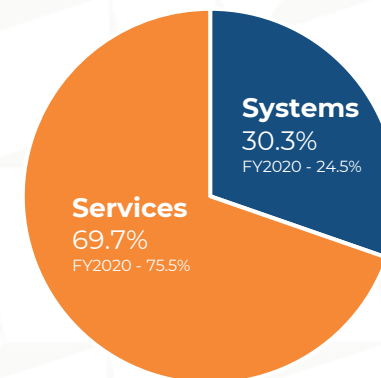
EBITDA **\$9.8 million**

PROFIT BEFORE TAXES (PBT) **\$7.7 million**

NET CASH **\$11.6 million**

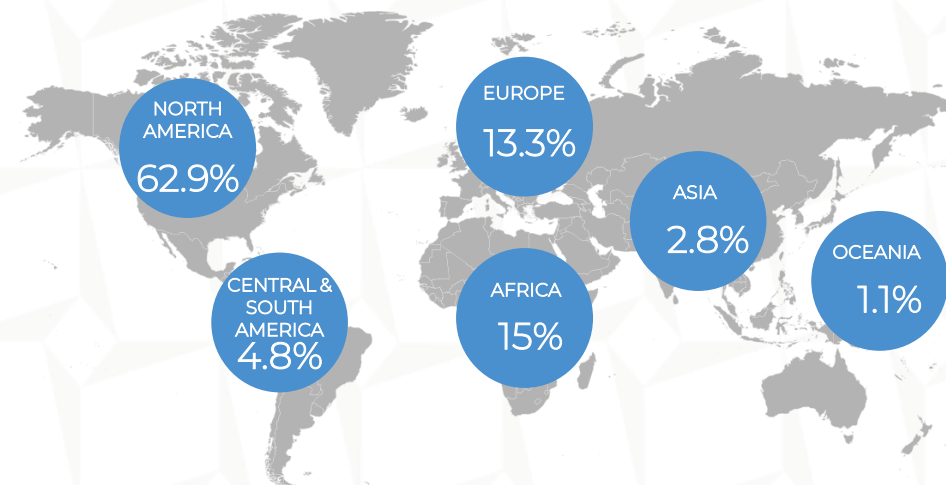
## TWO OPERATING SEGMENTS

(breakdown of sales by operating segment)



## DIVERSIFIED GEOGRAPHICAL PRESENCE

(breakdown of sales by geographic region)



# FY 2021 OPERATIONAL HIGHLIGHTS

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- Delivery and commissioning of Aurora ATM for En Route and Tower Control in Fiji
- New ATM Contract wins in St. Lucia and Seychelles
- New orders for ATM systems' technical refresh delivered to DSNA/DTI in Cayenne
- Completed two phases of Performance-Based Operations (PBO) for NavPortugal
- Delivery of Air Traffic Control Common Simulators (ACS) units to the US Army via General Dynamics
- New MaxSim functionalities delivered to USAF
- Technical refresh for RAAF

# 2021 FINANCIAL HIGHLIGHTS

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## IMPROVED PERFORMANCE ACROSS ALL MAJOR INDICATORS

- Profit before tax more than triples from \$2.2 million to \$7.7. million
- Cash more than doubles to \$11.5 million on strong operational cash conversion
- Gross Margin improvement to 40.1% of revenues compared to 35.2% last year
- Services Segment improved gross margin of 52.3% in FY2021 compared to 50.5% last year
- PBT of 19.1% of revenues compared with 5.5% last year

# STRATEGIC NEW HIRES

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- In April 2021, Adacel announced the appointment of **Michael Saunders** as the Company's new Vice President, Business Development and Strategy bringing a wealth of aviation industry knowledge, air traffic management and training experience. In his role, Michael leads the Company's business development strategies and drives Adacel's sales growth and profitability.
- In October 2021, Adacel appointed **Mauro Ferrara** as the Company's new Chief Financial Officer. Mr Ferrara brings over 25 years of progressive experience obtained from his previous roles, including Chief Financial Officer of Bitfarms (a large Bitcoin mining company in North America), Chief Financial Officer of Savaria Inc (a company traded on the TSX serving the accessibility industry) and Senior Director, Financial Reporting at WSP Global Inc.



# UPDATE ON FY2022

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# CONTRACT AWARDS AND BUSINESS DEVELOPMENT

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- In September 2021, we extended our subcontract with Leidos for the FAA's Advanced Technologies & Oceanic Procedures (ATOP) Program. The subcontract, comprising one base year and eleven option years, was extended on substantially the same terms.
- In October 2021 we announced a new contract with Avinor to upgrade its Bodø Oceanic ATM System (BOAS) with a technical refresh and backup support for the Air Traffic Management Surveillance Tracker and Server (ARTAS) valued at approximately US\$1 million.
- Other wins so far in FY 2022: the FAA Controller Training Program, General Dynamics Training Contract, USAF MaxSim Student Trainers and new TSS Systems at Pope AFB, new tech refresh for the University of Oklahoma, and more.

# FY 2022 OUTLOOK <sup>1</sup>

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- Earnings guidance for FY 2022 is a PBT between US\$5.7 million and US\$6.0 million.
- Continue to drive shareholder returns through our balanced capital management strategy, including dividends, share buybacks, and potential M&A activity

Note 1: The Company has elected to change its presentation currency from Australian dollars ("AUD") to United States dollars ("USD") effective 1 July 2021. Management believes that financial reporting in USD provides a more relevant representation of the Company's financial position in comparison to its peers. The change in presentation currency is a voluntary change which will be accounted for retrospectively.

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## Adacel Systems, Inc

9677 Tradeport Drive  
Orlando, Florida 32827  
USA

Tel.: +1 (407) 581 1560  
Fax: +1 (407) 581 1581

## Adacel, Inc

895 De La Gauchetière West  
Suite 300  
P.O. Box 48  
Montréal, Québec H3B 4G1  
Canada

**Daniel Verret, CEO**  
Tel.: +1 (514) 636 6365  
Fax: +1 (514) 636 2326

## Adacel Technologies, LTD

29/3 Westside Avenue  
Port Melbourne, Vic, 3207  
Australia

**Rebecca Weir, Company Secretary**  
Tel: +61 431 240 642

