Adacel Technologies Limited

Investor Presentation
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Introductions

Peter Landos
Non Executive Chairman

Gary Pearson
Chief Executive Officer

Brian Hennessey
V.P. Business Development
What Does Adacel Do?

Adacel is a developer and integrator of advanced air traffic control and training software systems with a primary focus on the aviation and aerospace domains.

Due to the complexity, safety critical nature and sovereignty of the systems installation, Adacel provides long term services and support.
Business Segments

**Systems**
The Systems segment represents all sales of integrated software systems, system upgrades and products covering operational control as well as simulation and training.

**Services**
The Services segment includes all potential recurring revenue, including software maintenance, system support, field services and on-site technical services.
Systems Sales Drives Services Revenue

![Graph showing Systems Sales and Services Revenue]

- Systems: 45% in 2015, increasing
- Services (Recurring Revenue): 55% in 2015, increasing significantly
Systems: Market Drivers
ATM Modernization

Single European Sky ATM Research program
FAA Next Generation ATM Initiative

A global ATM transition to satellite based technologies
Increased Traffic Demand (North America)

Forecast steady growth in aircraft operations

*Source – FAA Aerospace Forecast – FY 2016-2036*
Controller Training Demand (North America)

Approximately 14,000 air traffic controllers

**Controller Attrition Summary**

<table>
<thead>
<tr>
<th>Loss Category</th>
<th>Losses 2011 - 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirements</td>
<td>5,038</td>
</tr>
<tr>
<td>Resignations, Removals, Deaths</td>
<td>486</td>
</tr>
<tr>
<td>Developmental Attrition</td>
<td>1,380</td>
</tr>
<tr>
<td>Promotions / Transfers</td>
<td>3,641</td>
</tr>
<tr>
<td>Academy Attrition</td>
<td>702</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,247</strong></td>
</tr>
</tbody>
</table>

*Source – FAA Aerospace Forecast – FY 2016-2036*
Services: Market Drivers
Services Market Drivers

- Growing footprint of Adacel products and systems
- Broader need for on-site support
- Additional pending contract vehicles
- Demonstrated government qualifications
- Excellent formal US government past performance provides competitive advantage
Systems
MaxSim: USA Footprint
MaxSim: Rest of World Footprint
Aurora: Key Customers

**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
Aurora Global Footprint

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 - DSNA Fr. Guiana – Rochambeau
9 - Norway’s Aivinor
Systems Upgrade Products
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.
Insight – Adacel Common Image Generator

- Adacel’s image generator software used across the product range
- Expanded revenue opportunities in other visual simulation markets
- Increased margins on system deliveries
- Adacel retains control of feature development
- No third party license fees for visual simulators
- Advanced feature set
- Large potential for existing customer database upgrades
Existing Database: Standard Installation
New Database: Upgraded Standard
Other Products

- Security Simulation
- Air Traffic Environment for Flight Training
- AeroDrive – Airport driver training system
- Virtual and Augmented Reality Support
- Voice Activated Cockpit
Services
Adacel’s increased focus on high-quality post-sales service and support has expanded the Company’s addressable market and transformed its revenue mix, while creating a strong base of high-margin, annuity-like revenue.

### Services

**Extended System Support**
- Numerous extended support programs offered to customers
  - Field service representatives
  - Software and hardware extended warranties
  - Annual maintenance services
  - Remote system maintenance
  - Telephone support
  - Software upgrade services

<table>
<thead>
<tr>
<th>Extended System Support</th>
<th>Field Service Support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Field training services</strong></td>
<td><strong>Field service representatives</strong></td>
</tr>
<tr>
<td>- System maintenance</td>
<td>- Support personnel are co-located at the customer’s site to provide support services on an ongoing basis</td>
</tr>
<tr>
<td>- System operator</td>
<td></td>
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<tr>
<td>- Operator and scenario creation training</td>
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</table>

**Field Service Support**
- Field service representatives
  - Support personnel are co-located at the customer’s site to provide support services on an ongoing basis
Growth
Growth

- High level of visibility for new systems
- High level of visibility for systems upgrades with existing customers
- Continual expansion of ATC and ATM markets
- Expansion into new product offerings
- Improved competitive position in existing markets
- Leverage past performance qualification to secure additional contract vehicles
Questions?