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Adacel Technologies Limited

Investor Presentation
April 2016



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.

United States Facility



Canada Facility



Business Segments

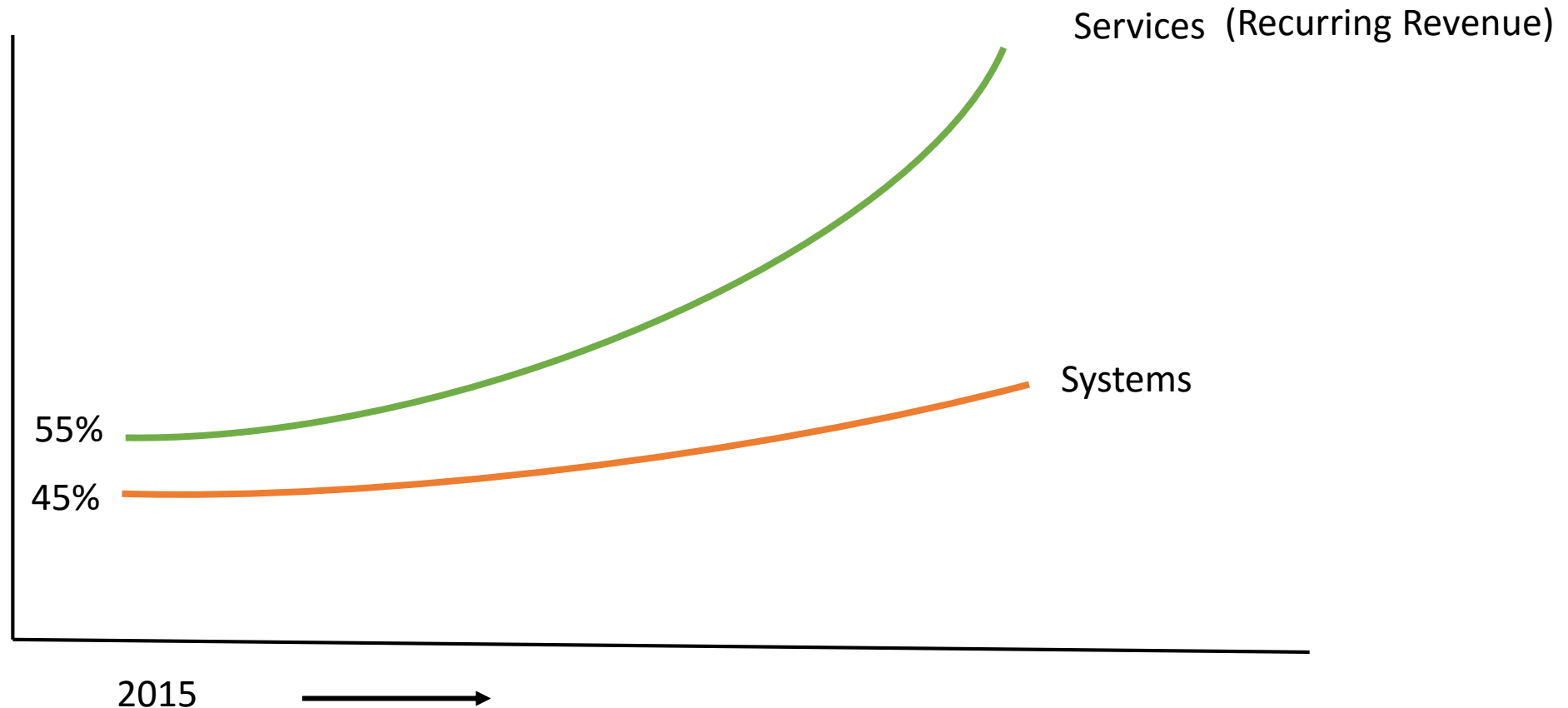
Systems

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





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Systems: Market Drivers



ATM Modernization



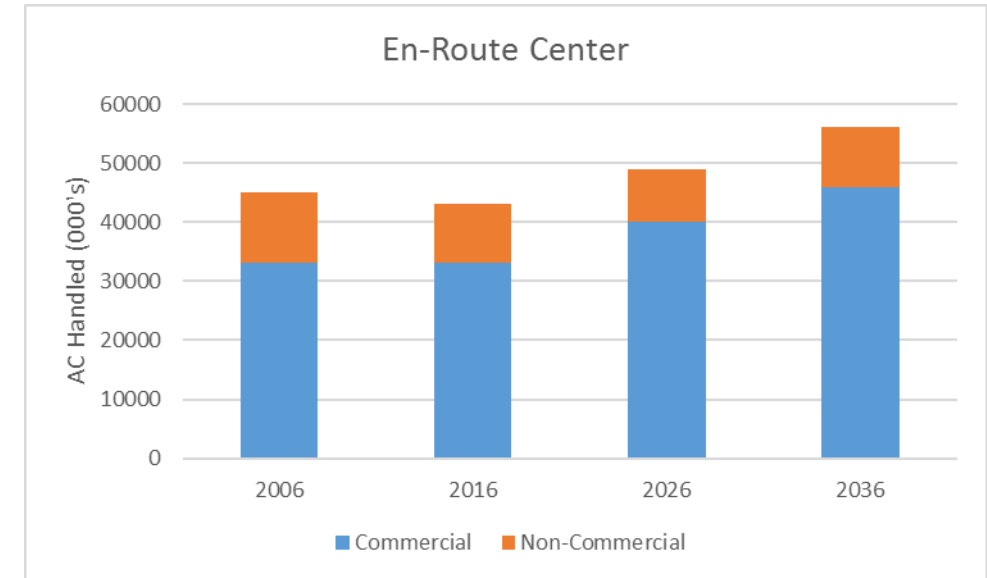
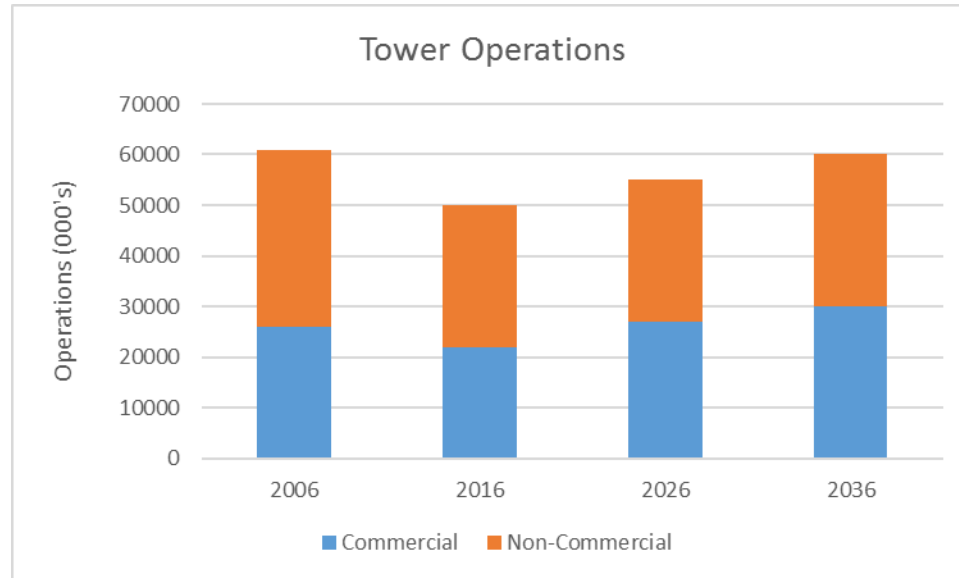
Single European Sky ATM Research program



FAA Next Generation ATM Initiative

A global ATM transition to satellite based technologies

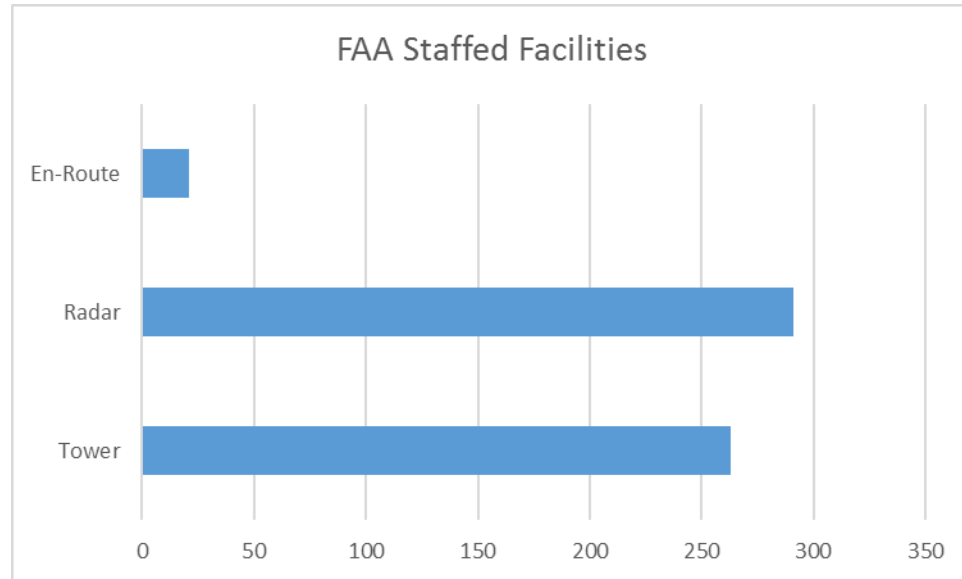
Increased Traffic Demand (North America)



Forecast steady growth in aircraft operations

*Source – FAA Aerospace Forecast – FY 2016-2036

Controller Training Demand (North America)



Approximately 14,000 air traffic controllers

Loss Category	Losses 2011 - 2020
Retirements	5,038
Resignations, Removals, Deaths	486
Developmental Attrition	1,380
Promotions / Transfers	3,641
Academy Attrition	702
Total	11,247

Controller Attrition Summary

*Source – FAA Aerospace Forecast – FY 2016-2036

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Services: Market Drivers



Services Market Drivers

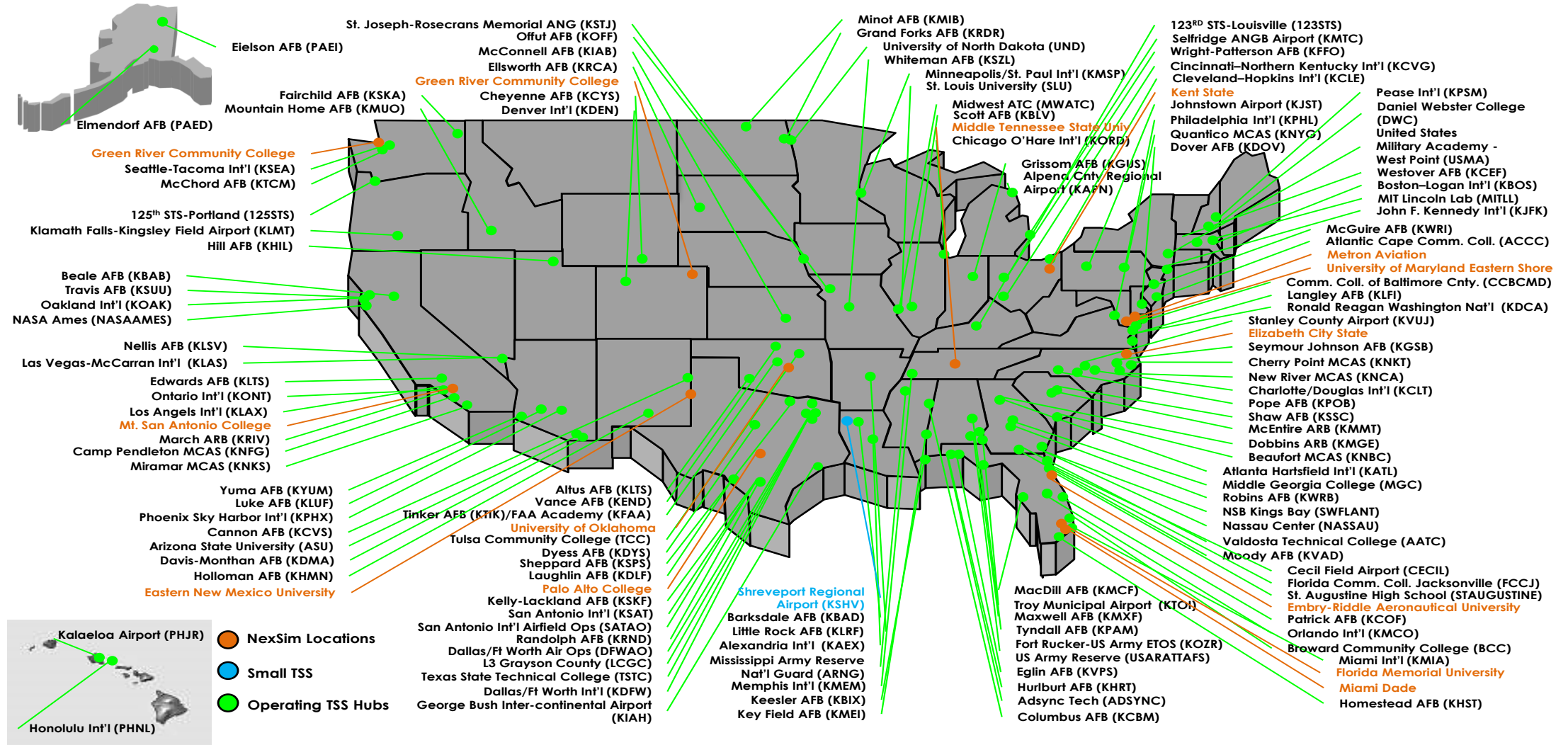
- Growing footprint of Adacel products and systems
- Broader need for on-site support
- Additional pending contract vehicles
- Demonstrated government qualifications
- Excellent formal US government past performance provides competitive advantage

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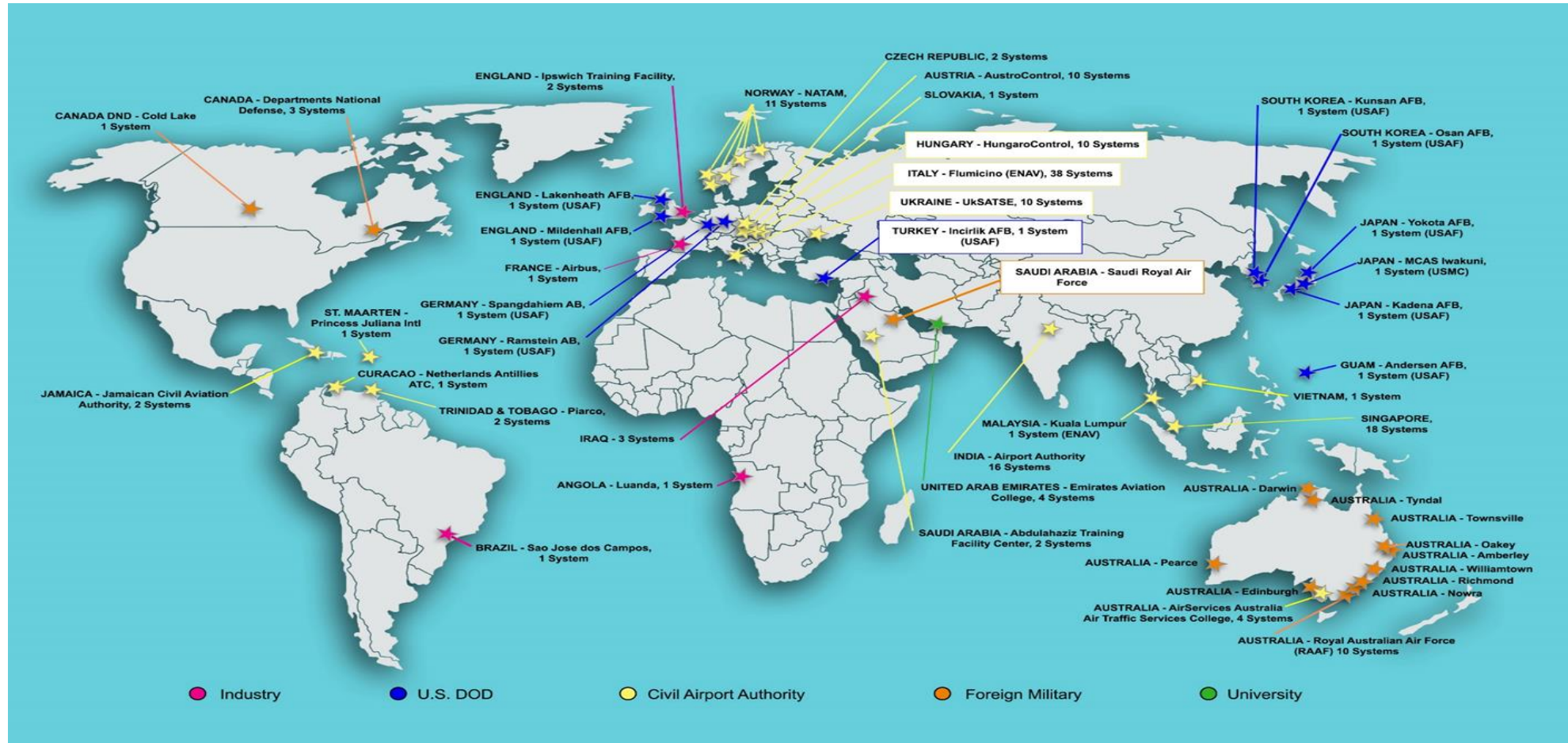
Systems



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 - DSNF Fr. Guiana – Rochambeau
- 9 - Norway's Avinor

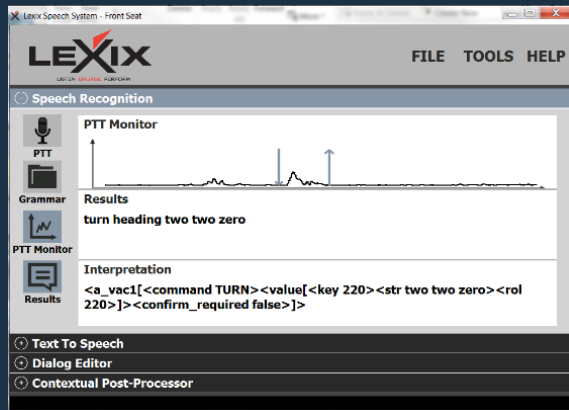
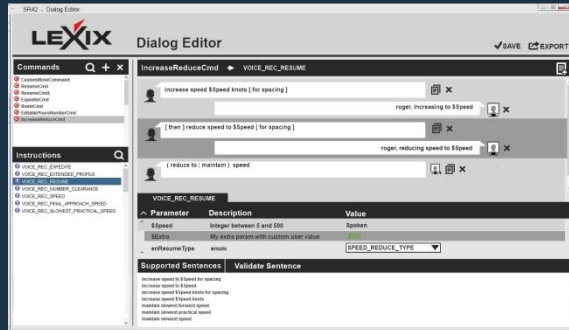


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Systems Upgrade Products



Speech Recognition Portfolio



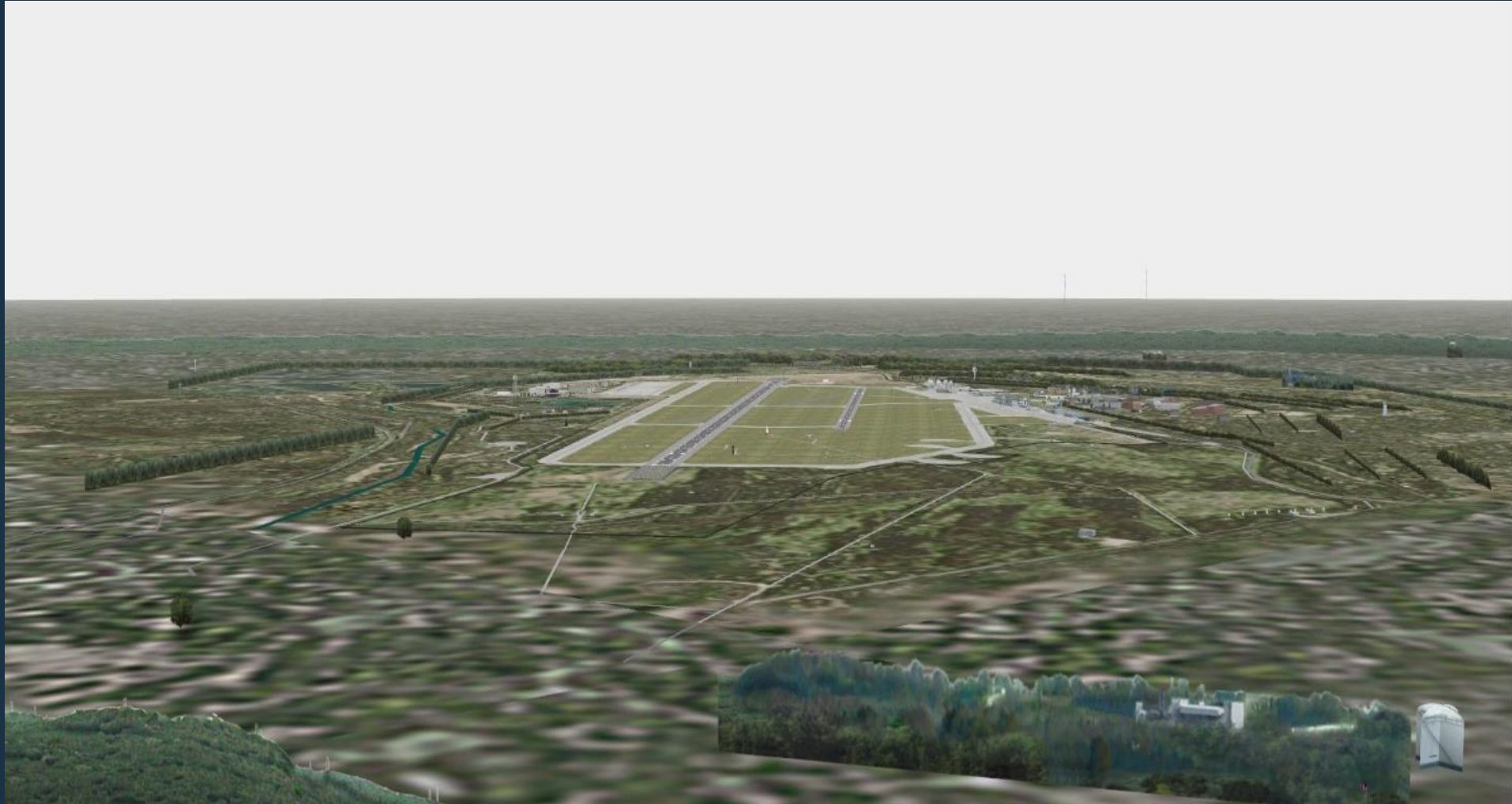
- Lexix is Adacel's name for its range of stand-alone speech recognition solutions that have the capacity to be sold into all of our existing markets and provide an expansion path into new domains
- Both MaxSim simulators and aircraft cockpit domains currently include speech recognition technology
- 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

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



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Services



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

Extended System Support	Field Service Support
<p>Numerous extended support programs offered to customers</p> <ul style="list-style-type: none">• Field service representatives• Software and hardware extended warranties• Annual maintenance services• Remote system maintenance• Telephone support• Software upgrade services	<p>Field training services</p> <ul style="list-style-type: none">• System maintenance• System operator• Operator and scenario creation training <p>Field service representatives</p> <ul style="list-style-type: none">• Support personnel are co-located at the customer's site to provide support services on an ongoing basis



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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

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Questions?

