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Adacel Technologies Limited (ASX: ADA)

ASX Announcement & Media Release

17 November 2021

AGM Address by the Chairperson

Dear Shareholders,

A little over three years ago we set a strategy and set of principles and disciplines to stabilize the business and drive shareholder value. During the first year, we addressed the challenges of the Company's initiative to evolve its core Air Traffic Management product - Aurora – into an integrated ATM system with oceanic, approach, and tower control capabilities. Additionally, the Company introduced a set of business disciplines throughout the organization to drive operational efficiencies.

During the second year, we embedded the disciplines into how we operate, focused our engineering spend to address legacy tech debt, and began to build the sales pipeline while focusing on our core products and services. Notably, we challenged ourselves to validate our new ATM product in the marketplace.

In the past year, despite the challenges presented by Covid, we further strengthened our sales motion and GTM disciplines while securing new ATM contracts in Seychelles and Saint Lucia. Moreover, we have articulated a balanced capital management program and paid out 6 cents per share in dividends in FY 2021 and 2.5 cents per share in FY 2020 while at the same time driving the share price from 43 cents per share in early July 2019, following the announcement of our strategic review, to \$1.34 as of close of trade on Monday, 15 November.



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Looking ahead, our sales pipeline continues to strengthen. Our team just returned from a successful World ATM Show in Madrid where they were able to re-engage face-to-face with existing customers as well as potential customers. Our team is excited about product innovation and the reopening of global economies. We are poised to build upon the solid foundation built over the last several years.

As importantly, your Board is well aware of the challenges we face as a small-cap, thinly-traded public company with lumpy long sales cycles. Specifically, the issue of scale. We have an excellent core management team and growth capital allocates to strong management. Accordingly, we have been and will continue to, actively look at inorganic opportunities in market adjacencies. However, we also understand that more often than not company's erode shareholder value when executing M&A transactions. We will approach this strategic initiative with the same attention to detail and discipline that we have embedded into our day-to-day operations.

-ENDS-

This announcement was authorized for release by the Board of Directors.

About Adacel:

Established in 1987, Adacel is a publicly traded company listed on the ASX. The company plays a significant role in global air space safety. A world-leader in its industry, Adacel applies cutting-edge technologies to develop advanced air traffic control simulation and training systems and state-of-the-art air traffic management solutions. Adacel's customers include international air navigation service providers (ANSPs), military, defense & security organizations, universities, and airport authorities. More than 21% of the world's airspace is managed with Adacel's Aurora ATM software. MaxSim Tower Simulator and Training systems lead the industry with the highest number of installations worldwide. For more information, please visit adacel.com.

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