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## **Adacel Technologies Limited (ASX: ADA)**

### **ASX Announcement**

#### **Chair and CEO AGM Address**

**Melbourne, Tuesday, 21 November 2023** – Attached is a copy of the address to be given by the Chair and the slides to be presented by the CEO at the Adacel Technologies Limited (Adacel) Annual General Meeting today.

**-ENDS**

This announcement was authorised for release by the Board of Directors of Adacel.

#### **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. Adacel's latest flagship system, REVAL, a virtual Air Traffic Control (ATC) tower system delivers a wide spectrum of digital tower operational solutions, from consulting services to system design, development, deployment, and support. For more information, please visit [adacel.com](http://adacel.com).

**For further information, please visit [www.adacel.com](http://www.adacel.com) or contact:**

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# Annual General Meeting – 21 November 2023

## Chairman's Address

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Good afternoon and welcome to our 2024 AGM.

I'd like to begin by acknowledging Daniel Verret's 5-year anniversary at Adacel. He joined the Company in October 2018 as CFO and assumed the interim CEO role in July 2019, following the departure of the then CEO. He was appointed CEO in April 2020. As many of you know, at that time, we had to address significant issues with several existing large ATM contracts, the loss of the FAA TSS Support contract and the consequent impact on company cash and profitability.

Today, I'm pleased to report that the underlying strategy to focus on our core markets and products while instilling operating discipline at the Company is delivering value. Total shareholder return since the leadership change in FY2020, including dividends, has been approximately 112%. This includes the dividend of 1.5 cents per share announced on 2 October 2023 which will have been paid today.

Importantly, in the last six months we have been awarded contracts totalling in excess of \$66 million, notably, winning back the FAA TSS Support and Technical Refresh contract lost in 2018.

Daniel, and his Head of Business Development, Michael Saunders, have delivered these outcomes by focusing on client engagement, product development and prudent allocation of company resources.

We just concluded our strategy session and the primary outcomes are to provide best in class customer service to our existing and growing client base, to rapidly grow our remote tower business and to explore inorganic opportunities. Further, we will operate with financial discipline that focuses on strategic growth and balanced capital management.

I'm optimistic that our strategy and leadership team will continue to deliver value to Adacel shareholders.

I'd also like to take a moment to thank my fellow directors for their commitment and wisdom over the years, without which we would not be where we are today.

# CEO'S PRESENTATION TO SHAREHOLDERS

ISO 9001:2015 Certified | Appraised at CMMI Level 3 Capability  
adacel.com | 21 November 2023 | 1

# FY2023 RECAP

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# FY2023 HIGHLIGHTS

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## **Broward College (MaxSim)**

- New contract to deliver Virtual Reality and Mixed Reality training in the USA.
- This marks the first use of VR/MR for Air Traffic Controller training

## **Estonian Air Navigation Services (REVAL)**

- Tartu Airport goes live with Remote Tower
- The first airfield in Estonia to have its Aerodrome Flight Information Services provided with REVAL

## **Sky Warrior Flight Training (MaxSim)**

- New contract to replace the US Army Enhanced Tower Simulator and Army Aviation Radar Training Support Services

## **Air Traffic Management (Aurora)**

- Continued progress in Martinique, Seychelles and St. Lucia

# FY2023 - ADACEL KEY FIGURES - USD

REVENUE **\$27.3 million**

GROSS MARGIN **\$8.8 million**  
32.3% of revenues

EBITDA **\$2.9 million**

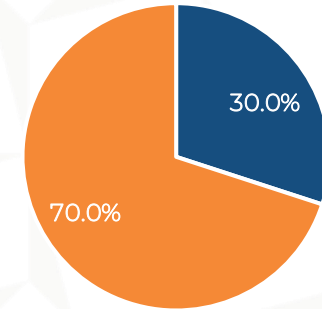
PROFIT BEFORE TAXES (PBT) **\$0.9 million**

PROFIT (LOSS) AFTER TAX **(\$0.1) million**

NET CASH **\$0.9 million**

## TWO OPERATING SEGMENTS

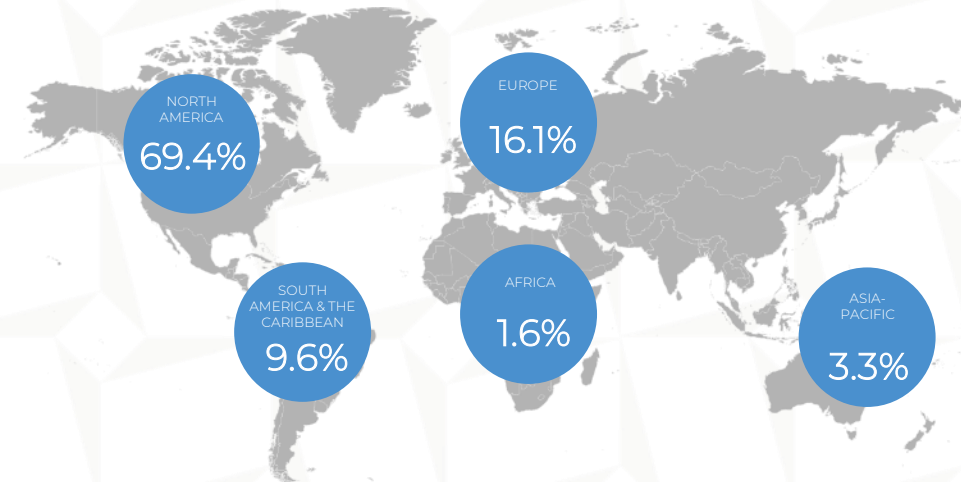
(breakdown of sales by operating segment)



■ Systems Revenue (%) ■ Services Revenue (%)

## DIVERSIFIED GEOGRAPHICAL PRESENCE

(breakdown of sales by geographic region)



# FY2024 UPDATE

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# FY2024 HIGHLIGHTS

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## **Federal Aviation Authority (FAA) Hardware Support Contract Award**

- \$59 million over 5 years
- Hiring of approximately 50 Field Service Representatives embedded within the FAA training facilities
- Full-Scale Technical Refresh of Hardware and related components
- Effective 1 December 2023



# Update on Pipeline

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## MaxSim

- FAA Contract Signed - \$59M
- US Army School House 21 Signed \$7M
- Closing in on \$100M target

## Aurora

- Opportunities identified with existing and new customers

## Reval

- Fastest growing pipeline

# ADACEL AT A GLANCE

## A LEADER IN AIR TRAFFIC MANAGEMENT, SIMULATION & TRAINING SOLUTIONS

Adacel | Public Company | Founded in 1987 | 200 Employees



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



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



US Simulation & Training and customer support



Single & multi-tower remote operations and customer support

## PRIMARY CUSTOMERS



**AIR NAVIGATION SERVICE PROVIDERS**



**DEFENSE & GOVERNMENT ORGANIZATIONS**



**AVIATION TRAINING INSTITUTIONS**

## GLOBAL FOOTPRINT



**250+ LOCATIONS**



**40+ COUNTRIES**

# MEET OUR TEAM

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## Senior Management



**Daniel Verret**

CEO  
Acting Interim CFO



**Michael Saunders**

Vice President  
Business Development and Strategy

## Board of Directors



**Michael McConnell**

Non-Executive Chairman



**Peter Landos BEco (ANU)**

Non-Executive Director



**Silvio Salom**

Non-Executive Director



**Natalya Jurcheshin, B.Comm, CA**

Non-Executive Director



**Sally McDow**

Company Secretary