



Adacel Technologies Limited
ABN 15 079 672 281
Unit 29, 3 Westside Avenue
Port Melbourne, Victoria 3207 Australia
T. +61 3 8530 7777
W. www.adacel.com

Adacel Technologies Limited

(ASX: ADA)

ASX & Media Release

Tuesday 26 November 2019

AGM Address by the Chairperson

Dear Shareholders,

Much has happened in the last year, notably since April 1st. Following a 90 day comprehensive review of all aspects of the business, the Company entered the 2019/20 financial year with a plan focused on our core products and services and a keen eye towards data-driven metrics to inform operational decision making and to drive efficiencies, sales and product management.

We are making progress towards building a solid foundation for Adacel. Specifically, we expect to complete and deliver the Fiji and NAV Portugal Approach and Tower control systems in 2020, as planned, and on budget. Further, we have received incremental orders totaling over \$1.0M to provide additional product enhancements to this product, specifically for Guadeloupe. Importantly, we believe there are approximately 30 potential customers for our Approach and Tower Control software platform and one of our most senior executives has been tasked with driving that sales pipeline.

Next, we implemented a more rigorous and data-driven forecasting methodology. As of November 25th, approximately 85% of our forecast revenue for the year is either contracted or a very high probability win. This is up from 77% at the start of the year.

Third, we indicated a number of products were placed on the shelf unless and until management developed a robust business case to support their market introduction. Two of those products, a billing system and an airport driving simulator called Aerodrive, have received Board approval to move into the market. Daniel will share a brief summary of the Aerodrive business case in a few moments. It is important to emphasize that while the first priority in 2019/20 was to stabilize the Company by focusing on core products and services and operating efficiencies, we have concurrently pursued growth opportunities. We believe these two products specifically, and the application of overall management discipline, will drive future profitable growth for Adacel.

Lastly, we have completed the operational restructuring plan, the last piece of which impacted the business development organization early in the financial year. Daniel and his team have done a terrific job leading through this necessary change and we can already see a significant and positive shift in the culture of the Company. Most people want to be part of a crisp, transparent, objective and disciplined organization with appropriate levels of accountability. These are the basic building blocks of a winning culture.

Taken together, we are making progress in all aspects of the business and as a result, we are increasing our earnings guidance range for the year to deliver profit before tax of between \$4.3M and \$4.7M.

I would like to thank my fellow Board members for their guidance and commitment over the course of the year. I would also like to thank the management team and our valued staff for their hard work and dedication. Much work remains to rebuild trust and confidence, and your Board and management are committed to building a strong foundation for Adacel.

-ENDS-

About Adacel

Adacel is listed on the ASX and is a leading developer of operational air traffic management systems, speech recognition applications and advanced air traffic control simulation and training solutions. Further information on the Company can be found on its website at www.adacel.com

For further information, contact:

Daniel Verret
Chief Executive Officer (Acting) and
Chief Financial Officer
+1 (514) 558 9801
dverret@adacel.com

Sophie Karzis
Company Secretary
+61 (0) 3 9492 9200
sk@ccounsel.com.au