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## Adacel Technologies Limited (ASX: ADA)

### ASX Announcement

30 July 2020

### Long Term Incentive Plan and Chairman's Remuneration

Adacel Technologies Limited (**Adacel** or the **Company**) provides an update below on the remuneration arrangements of the Company's executives and chairman.

#### FY 2021 Long Term Incentives

The Company has agreed to issue 361,000 Performance Rights and 835,000 Performance Options under the Long-Term Incentive (LTI) Plan to the Company's Key Management Personal, Daniel Verrett and Kevin Pickett.

The Performance Rights and Options will vest after the release of the FY23 audited consolidated financial statements, subject to the performance conditions (outlined in the table below) and a continuous employment condition. The Performance Options have an exercise price of \$0.54 and expire on 30 June 2028.

FY21 LTI Performance Conditions	FY21 LTI Rights and Options Vesting (%)
For FY 2021 the Board approved budgeted USD EBITDA; and a 10% or greater average annual growth rate, over the subsequent two financial years ending 30 June 2023.	50%
An average annual return on invested capital (ROIC) of 26%, or greater, over the three years beginning with FY 2021.	50%

An Appendix 3G will follow this announcement to notify the market of issue of the Performance Rights and Performance Options under the LTI Plan

#### FY 2020 Long Term Incentives

The Company has amended the average annual return on invested capital (ROIC) performance condition associated with the FY 2020 LTI grant, from an average annual ROIC of 40% over the two years (FY 2020 and FY 2021) to an average annual ROIC of 26% over that period. All other terms remain unchanged.

The Performance Rights and Options will vest after the release of the FY 2021 audited consolidated financial statements, subject to the performance conditions (outlined in the table below) and a continuous employment condition.

FY20 LTI Performance Conditions	FY20 LTI Rights and Options Vesting (%)
For FY 2020 an EBITDA of USD \$4.5 million or greater; and for FY 2021 an EBITDA 10% higher than the base budget approved by the Board or greater.	50%
An average annual return on invested capital (ROIC) of 26% over the two years FY 2020 to FY 2021 (based on the audited consolidated financial statements).	50%

### Chairman's Remuneration

The Company has agreed to additional remuneration for the Chairman (by way of equity) associated with executive support services that were provided during the 2019 executive transition.

Adacel has agreed to issue 277,778 fully paid ordinary shares (Shares) at \$0.54 per Share to Michael McConnell for these services. The issue is subject to shareholder approval at the 2020 Annual General Meeting and the resulting Shares will be held under a voluntary escrow for a period of 12-months from issue.

An Appendix 3B will follow this announcement to notify the market of the above.

### **-ENDS**

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

### **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](http://www.adacel.com).*

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