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# Adacel Technologies Limited

(ASX: ADA)

## ASX & Media Release

Melbourne, 16 November 2022

### **Chairman's Address at 2022 Annual General Meeting**

The Chairman's Address to the Annual General Meeting of Shareholders to be held at 8.30 am today (Melbourne time) is provided below.

Welcome to our 2022 annual general meeting. Today I am more excited than ever about the future of our company.

The building blocks are in place

1. a focused strategy;
2. a strong leadership team;
3. operational muscle; and
4. an expanding product portfolio, notably the addition of Reval, our remote tower offering.

Most importantly, we are pursuing six significant contracts with award dates beginning towards the end of this financial year and through FY2024, and whose total contract value exceeds \$100 million. We have invested more heavily this year than in the recent past to pursue these contracts; in people, product and business development, our balance sheet remains solid and free cash flow generation healthy. Over the last five years, we converted on average 78% of EBITDA. If developments unfold as we hope, FY2024 may well turn out to be one of the better in the Company's 35-year history.

Despite this strong foundation and business prospects, our market valuation continues to trade well below what we believe is fair value. Recently, the Board initiated and completed an internal analysis to determine our approximate view of fair value. The value gap is significant. We believe this gap is a consequence of being a small, mature, illiquid, sub-scale, publicly traded company in Australia with primary operations in Canada and the US. Understand, some days we trade fewer than 1,000 shares and our average daily traded volume sits at 27,000 shares or approximately \$19,000 AUD. Over the last five years, the Company has returned approximately \$22.1 million USD to its



owners via dividends and share buybacks. This equates to approximately 70% of the current net market capitalization of the company. We will continue to utilize capital management tools of dividends and share buybacks to deliver value to our shareholders. Moreover, your Board will consider all avenues to close the value gap while focusing on driving new, profitable, business opportunities.

**-ENDS**

This announcement was authorised for release by the Chairman.

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

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