

2 March 2018

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Dear Shareholder,

### Non Renounceable Rights Issue Offer and Shortfall Offer

As announced on 28 February 2018, Traffic Technologies Limited ACN 080 415 407 (**Company**) is undertaking a non renounceable pro-rata rights offer to the Company's shareholders (**Offer**). The Offer is open to all eligible shareholders of the Company who are on the share register as at 6 March 2018 (**Record Date**) and who have a registered address in Australia or New Zealand (**Eligible Shareholder**).

The Company is seeking to raise a total of approximately \$6.2 million from the Offer, on the basis that no more than approximately 206,667,664 new shares will be issued pursuant to the Offer.

Under the terms of the Offer, each Eligible Shareholder will have the right to subscribe for new shares in the Company on the basis of a non-renounceable Rights Issue of 3 new shares for every 4 shares held as at the Record Date (rounded up to the nearest share) at a price of \$0.03 per new share (**Rights Issue Offer**).

Proceeds raised from the Offer will be used by the Company for working capital purposes, including in part repayment to Westpac Banking Corporation and funding the costs of the bank restructuring and the expenses of the capital raise.

The anticipated timetable for the Offer is as follows:

Rights Issue announced and Company resumes trading upon opening.	28 February 2018
Lodgement of Cleansing Notice and Appendix 3B with ASX	28 February 2018
Letter sent to Shareholders advising of Rights Issue Appendix 3B information and timetable	2 March 2018
'ex' date	5 March 2018
Record date to determine entitlements under the Rights Issue Offer	6 March 2018
Rights Issue document dispatched to Shareholders and Rights Issue Offer opens	9 March 2018

Rights Issue Offer closes	21 March 2018
Rights Issue securities quoted on a deferred settlement basis	22 March 2018
Shortfall (if any) announced to the ASX	26 March 2018
Issue of new shares issued under the Rights Issue Offer. Deferred settlement trading ends.	28 March 2018
Trading of new shares expected to commence	29 March 2018

The above timetable is indicative only and subject to change. Subject to the *Corporations Act 2001* and the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.

The total shares on issue as at the date of the announcement of the Rights Issue was 275,556,885 shares. If the Offer is fully subscribed, the effect of the Offer would be the issue of an additional 206,667,664 new shares, resulting in an estimated total share capital as at the date holding statements are despatched for the new shares of 482,224,549. As the Offer is not underwritten, there is no guarantee of the number of new shares which may be applied for and issued pursuant to the Offer, so the Company cannot guarantee what the total issue capital of the Company will be after the close of the Offer.

Details of the Offer are contained in the announcement made on ASX on 28 February 2018. Full details of the Offer, together with all other relevant information relating to the Offer, will be contained in the Offer Document proposed to be available on the ASX website ([www.asx.com.au](http://www.asx.com.au)) as from the opening of the Offer, namely 9 March 2018. The Offer Document and the Entitlement & Acceptance Form will be sent to all Eligible Shareholders on 9 March 2018.

Please ensure you read the Offer Document in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Offer. If in any doubt you should consult your professional advisor.

If you do not wish to participate in the Offer you do not need to take any action.

For further information on your Entitlement please contact the Company's share registry on 1300 850 505 (with Australia) or +61 (0)3 9415 4000 (outside Australia).

Yours faithfully



**Peter Crafter**  
**Company Secretary**