

ASX Announcement**29 October 2019****Acquisition of L&M Traffic Signals Maintenance Business**

Traffic Technologies Ltd (**TTI or the Company**) (ASX:TTI) is pleased to announce that it has entered into an agreement to acquire the business and assets of L&M Traffic Signals Pty Ltd (L&M) for \$1.2 million plus stock estimated at up to \$65,000. The purchase consideration is payable over an 18 month period from completion with an earn-out of \$0.3 million payable in cash in late 2020, provided L&M meets profitability targets for the financial year to 30 June 2020.

Established in 1985 in Dandenong South Victoria, L&M is one of the oldest and most highly respected companies in its field. As an accredited provider and installer for Vic Roads involving traffic signal installation and maintenance and fully approved for installation work by the Department of Transport in Victoria, L&M also holds a number of term maintenance contracts with six local councils across Victoria. L&M had revenue of over \$5.0 million in the financial year ended 30 June 2019.

The acquisition has been structured as an asset purchase with TTI acquiring the business and assets from completion, along with customer contracts, staff, plant and equipment and related finance lease liabilities.

Commenting on the acquisition, TTI Managing Director Con Liosatos said, "The acquisition of the L&M business is an exciting time for the Company enabling TTI to further develop its maintenance business in Victoria and strengthen TTI's relationships with local councils serviced by L&M. Strategic benefits will include the enhanced ability to vertically integrate TTI's current product portfolio and more importantly to integrate our proprietary "Smart City Solution" TST into L&M's existing maintenance contracts giving councils real time information in order to make informed decisions on their assets enabling comprehensive Smart City capability."

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