FY22 Results Presentation

TRAFFIC TECHNOLOGIES

Company Highlights

- 3% increase in revenue despite c.$7m delayed due to covid disruptions
- 60% increase in term contracts - $35m year on year with +5 year visibility underpinning future revenue
- 52% increase in back orders - $19m locking in forward orders for FY23
- 130% increase in annuity revenue from Smart Cities Platform
- $7.2m capital raising completed
- Stronger balance sheet
- Finance costs reduced by 31% ($0.4m) H1 vs H2
- $6m ADM debt repaid including interest

23 Countries | 128 Cities | +31,000 Intersections

+600,000 Devices | +25,000,000 Data Points

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FY22 Results

(A$m)	FY22	FY21
Revenue ($m)	53.8	52.3
EBITDA ($m)	4.1	4.5
D&A ($m)	(2.3)	(2.2)
EBIT ($m)	1.7	2.3
Interest ($m)	(2.2)	(2.1)
NPAT ($m)	(0.5)	0.2

- Operating revenue of $54m for FY22, up 3% on FY21 despite impact from global disruptions to supply chains causing c.$7m to be deferred from FY22 into FY23.
- Operating margins impacted by higher raw material and freight costs; all being passed on to customers in FY23.
- Strong order book, up 52% ($19m) over the past 12 months, giving FY23 a strong start with continued growth in government expenditure on infrastructure.
- Increase in term contracts up 60% ($35m), over the past 12 months, with visibility up to 5 years giving greater certainty for FY23 and future revenue.
- Finance costs reduced 31% from $1.3m in H1 to $0.9m in H2.

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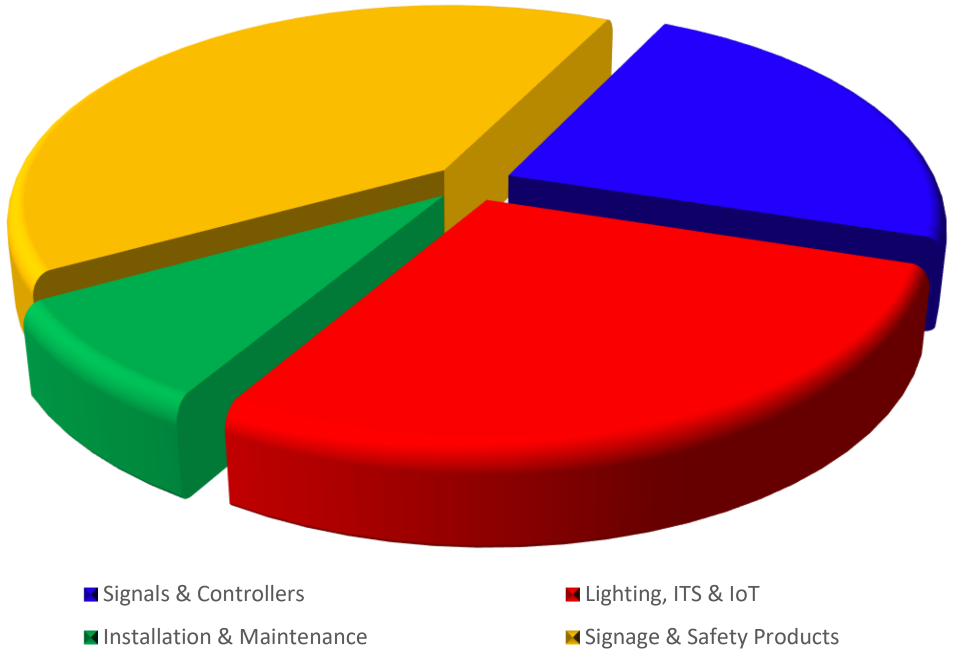
FY22 Operational Update

- Diversified Revenue Base:
    - Software Platforms and IoT applications;
    - Smart, safer products;
    - Installation and Maintenance;
    - Customers; and
    - Export markets.
- Long term supply contracts with authorities across Australia
- Smart City Data Concentrator and iCell listed on the latest AEMO unmetered load table
- Lighting approvals continue to bring significant contracts and orders
- Urban Traffic Controllers continue to be exported worldwide despite COVID-19
- Traffic signals retains dominant market position with next generation launched



Cash Flow

CASH FLOW ($m)	FY22	FY21
Receipts	56.7	55.6
Payments	(55.6)	(53.3)
Interest	(1.7)	(1.4)
Operating Cash Flows	**(0.6)**	**0.9**
PP&E	(0.1)	(0.2)
Intangible Assets	(2.2)	(1.8)
Purchase of businesses	(0.8)	(0.8)
Investing Cash Flows	**(3.1)**	**(2.8)**
Issue of Shares	7.2	-
Capital Raising Costs	(0.7)	-
Borrowing Proceeds	7.9	1.7
Borrowing Repayments	(12.0)	(0.8)
Borrowing Costs	(0.3)	-
Financing Cash Flows	**2.1**	**0.9**
Cash Start	2.6	3.6
Net Cash Flow	**(1.6)**	**(1.0)**
Cash End	1.0	2.6

- Capital raising $7.2m achieved in Q2
- Repayment of $6m debt including interest to ADM in December 21 (annualised interest saving up to $1.2m)
- Operating cashflow impacted by prepayment of overseas suppliers
- Borrowing costs relate to additional fees charged by ADM and Octet
- Borrowing repayments include repayments to ADM ($5.7m); Octet ($4.4m), Timelio ($0.9m) and capitalised property leases under AASB 16 ($0.8m)

Balance Sheet

Balance Sheet ($m)	FY22	FY21
Cash	1.0	2.6
Receivables	11.8	9.9
Inventories	15.2	12.2
Total Current Assets	**27.9**	**24.7**
PP&E	2.3	1.8
Goodwill	1.1	1.1
Intangibles	10.8	9.8
Total Non-Current Assets	**14.2**	**12.7**
Total Assets	**42.1**	**37.4**
Payables	11.3	10.7
Borrowings	12.2	11.3
Provisions	3.2	3.1
Total Current Liabilities	**26.7**	**25.1**
Borrowings	0.9	3.7
Other	0.2	0.2
Total Non-Current Liabilities	**1.1**	**3.9**
Total Liabilities	**27.8**	**29.0**
Equity	**14.4**	**8.3**

- Stronger balance sheet following capital raising and debt repayment to ADM
- Receivables include $1.4m pre-payments in advance to overseas suppliers
- $3.0m increase in inventory to manage market disruptions of COVID
- Net debt: $11.2m – reduction of ADM debt in December 21 partially offset by increase in working capital facility and decrease in cash to fund prepayments to overseas suppliers
- Net Assets: 14.4m
- Gearing Ratio: 44%

Net Debt excludes $0.8m relating to property leases capitalized

Gearing is Net Debt divided by Net Debt plus Shareholders' Equity

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FY22 Operational Update

Road & Street Lighting

- Continuing roll-out of LED street lights for state road authorities, local councils and other customers
- Third generation LED road lights are substantially more energy efficient relative to conventional road lights, providing material savings to power bills and maintenance costs in a time of rising electricity prices
- Providing Smart City street lighting upgrade for Sydney. Ausgrid - 46,000 next-generation street lights, as part of the largest smart lighting upgrade program across Australia
- A 12-month extension of the Company’s contract with TasNetworks worth approximately $3.0 - $5.0 million

Ausgrid

TasNetworks

Safety Signage

- Continues to be one of Australia’s major suppliers of road signs and safety products to all states and territories in the domestic market
- Further enhanced integration synergies with other business units

Traffic Controllers & Signals

- Growing demand for traffic controllers and signals in key export markets, including New Zealand, Singapore, Ecuador, China and the Middle East
- iTouch touchless push button (for pedestrian signals) for the world market with orders and trials across Australia, Asia and UK

How the Business is Evolving

- Launched SaaS platform to underpin future revenue growth
- SaaS platform sold on an annual licensing basis, creating new annuity revenue streams
- TTI's platform – TST integrating with third-party hardware and vice versa, increasing the company’s total addressable market
- Data analytics providing additional upside to solutions

Outlook and Business Strategy

TTI expect earnings enhancements and cost savings from a variety of sources:

- Strong current **order book of $19m** and term supply contracts with **greater visibility of $35m**.
- The consolidation of manufacturing in FY23 with increased focus on engineering efficiencies with **annualised savings of up to $1.6m**
- Increased government expenditure on road infrastructure
- Demographic and fiscal policy tailwinds
- A pipeline of bolt-on strategic acquisition opportunities within the IoT environment
- Stronger balance sheet following capital raising and repayment of debt

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This announcement has been authorised by the Board of Directors of TTI

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