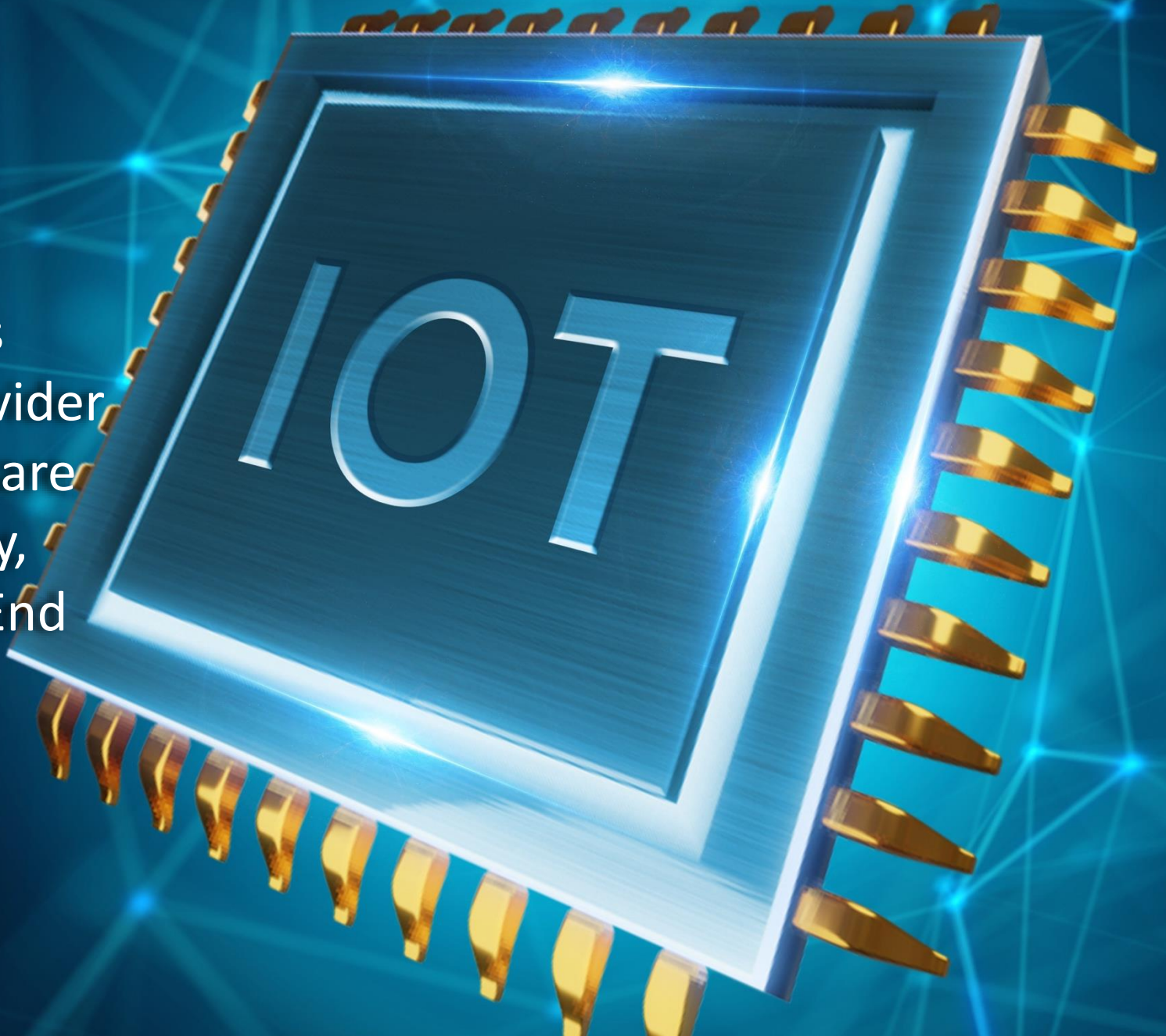




Traffic Technologies Limited (ASX Code: TTI)

Investor Presentation- March 2024

“Traffic Technologies is Australia’s leading provider of hardware and software solutions for Smart City, SAAS, IoT and End-to-End Traffic Management Systems”



- Australia actively implementing intelligent transport systems (ITS) to improve efficiency, safety, and sustainability in transportation. With an estimated market size of over \$1.13 Billion
- Intelligent Transport Systems (ITS) and the Internet of Things (IoT) are closely intertwined leveraging advanced technology to improve transportation efficiency, safety, and sustainability.

IoT technology plays a pivotal role in enabling the development and deployment of ITS (intelligent transport systems), by facilitating real-time data collection, connectivity, and analysis, thereby enhancing the efficiency, safety and sustainability of transportation networks.



Australia is actively implementing intelligent transport systems (ITS) to improve efficiency, safety, and sustainability in transportation. With an estimated market size of over \$1.130b the key initiatives and technologies include:

- **Smart Traffic Management:** Australian cities have been deploying advanced traffic management systems that use real-time data from sensors, cameras, and other sources to optimize traffic flow, reduce congestion and improve road safety.
- **Public Transport Systems:** Major cities in Australia have been investing in smart public transport solutions including real-time tracking, electronic ticketing, and integration of different modes of transportation (e.g., buses, trains, ferries) to enhance commuter experience and encourage the use of public transport.
- **Connected and Autonomous Vehicles (CAVs):** Australia has been conducting trials and research on connected and autonomous vehicles to assess their potential benefits and challenges. These vehicles can communicate with each other and with infrastructure to improve safety, reduce accidents, and increase traffic efficiency.
- **Smart Parking Systems:** Several cities in Australia have implemented smart parking solutions that use sensors and mobile apps to help drivers find available parking spaces more easily, reducing traffic congestion and emissions associated with circling for parking.
- **Data Analytics and Predictive Modelling:** Governments and transportation agencies in Australia are increasingly using data analytics and predictive modelling techniques to analyse traffic patterns, predict demand, and plan infrastructure upgrades more effectively.
- **Electric Vehicles (EVs) and Charging Infrastructure:** With the growing adoption of electric vehicles, there has been a focus on developing EV charging infrastructure across the country. Smart charging solutions are being explored to manage electricity demand and integrate renewable energy sources.



Queens Promenade Blackpool UK
Intelligent Traffic Lights

Intelligent Transport Systems (ITS) and the Internet of Things (IoT) are closely intertwined leveraging advanced technology to improve transportation efficiency, safety, and sustainability.

- **IoT in ITS:** The IoT refers to the network of interconnected devices embedded with sensors, software, and connectivity that enable them to collect, exchange, and act on data. In the context of ITS, IoT devices can include sensors installed on vehicles, infrastructure (such as roads, traffic lights, and bridges), and other components of the transportation system. These devices gather real-time data on traffic flow, vehicle speed, weather conditions and road conditions.
- **Data Collection and Analysis:** IoT devices deployed in ITS generate vast amounts of data that can be analysed to gain insights into transportation patterns, identify congestion hotspots, predict traffic incidents, and optimise traffic flow. This data-driven approach allows transportation agencies to make informed decisions and implement proactive measures to improve the efficiency and safety of the transportation network.
- **Connected Vehicles:** IoT technology enables vehicles to become connected devices that can communicate with each other (vehicle-to-vehicle or V2V communication) and with infrastructure (vehicle-to-infrastructure or V2I communication). Connected vehicles can exchange information about their location, speed, direction, and other relevant parameters, allowing for enhanced situational awareness, collision avoidance, and cooperative driving.
- **Smart Infrastructure:** IoT sensors deployed in transportation infrastructure, such as traffic lights, road signs, and parking meters, enable these assets to become "smart" and interconnected. By collecting real-time data on traffic flow, pedestrian movement, and environmental conditions, smart infrastructure can dynamically adjust traffic signals, manage congestion, and optimise resource allocation.
- **Enhanced Services and Mobility Solutions:** IoT-enabled ITS opens up opportunities for the development of innovative mobility services and solutions. For example, ride-sharing and mobility-as-a-service (MaaS) platforms can leverage IoT data to offer personalised transportation options, optimise route planning, and provide real-time updates to users.



Highlights

- Company has significant order book and long-term customer contracts, with extensive footprint across all levels of government and road projects across Australia and internationally.
- Industry outlook extremely positive with increasing growth in ITS and IoT markets.
- A number of funding initiatives underway to enable stronger working capital for growth.
- Improvement program to reduce cost base and improve profitability, with estimated annualised savings up to \$2.5m in FY24 and further significant savings in FY25.
- Consolidation of business units into new administration and production facilities has been completed with cost and operational benefits now being realised.
- Recent contract wins include:
 - *Contract to supply traffic controllers to Pudong, China*
 - *Contract to supply LED streetlights to Mornington Peninsula Shire*
 - *Contract to supply LED traffic signals for Gold Coast Light Rail*
 - *Streetlighting Supply contract for TasNetworks extended by 12 months*



Surface Paradise Foreshore Qld
IoT SmartCity LED Street Lights

1H FY24 Results

(A\$m)	1H FY24	1H FY23
Revenue (\$m)	21.2	32.2
EBITDA (\$m)	(1.0)	1.9
D&A (\$m)	(1.3)	(1.1)
EBIT (\$m)	(2.3)	0.8
Interest (\$m)	(1.0)	(0.8)
NPAT (\$m)	(3.3)	(0.05)
EPS (cents)	(0.44)	(0.01)

- H1FY 2024 revenue affected by supply chain issues, project delays and working capital constraints within existing finance facilities.
- Order book and long term contracts remain strong.
- Further \$4m of new contracts recently announced.
- Funding initiatives underway (including Share Purchase Plan) to better align working capital for growth)
- Cost reduction program commenced and already delivering results



Cost Reduction Plan (CRP)

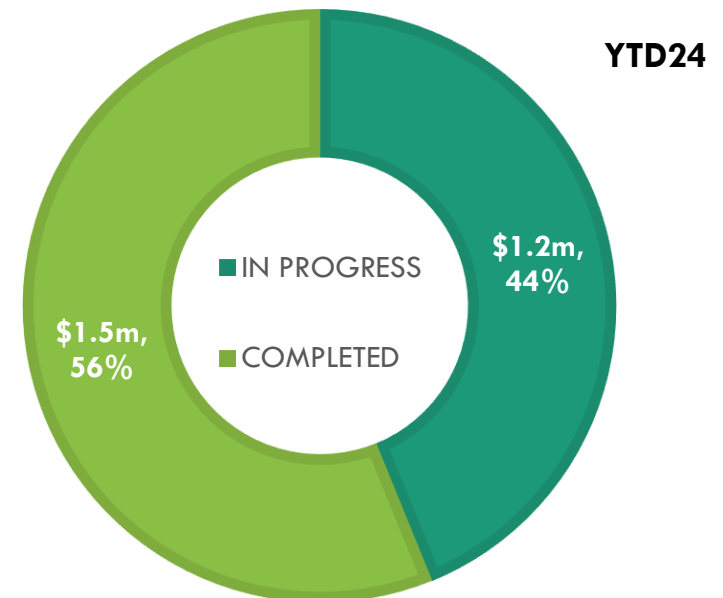
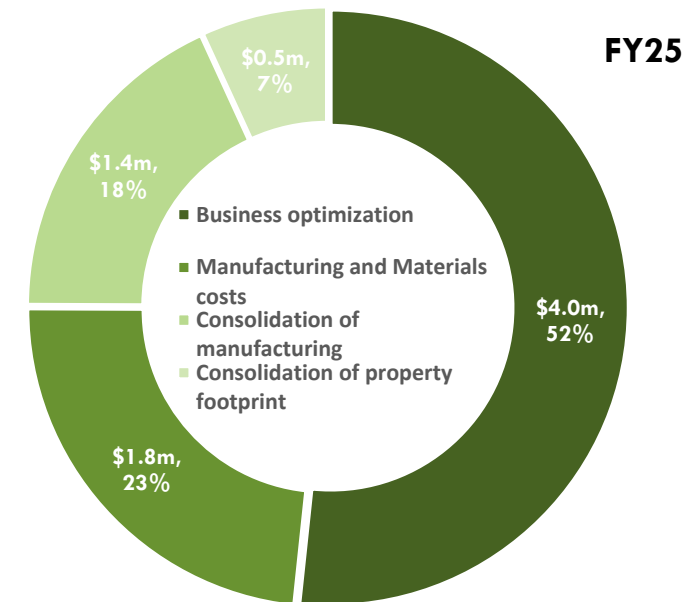
The Company has embarked on a cost reduction plan as previously announced to focus on engineering efficiencies and business optimization with key objectives:

- Consolidation of manufacturing.
- Consolidation of property footprint.
- Business optimization
- Manufacturing and Materials costs

Estimated annualised savings:

- FY24 up to \$2.5m (initiated Nov'23)
- FY25 up to \$7.7m

Note: Forecasts assume refinancing included for FY24/FY25 cost reduction programmes to be fully effective.



Outlook



- Delivering road safety products and services to all states in Australia, New Zealand and internationally
- Significant opportunity with increasing expenditure on road infrastructure
- Product range approved for use by state road authorities and power companies across Australia (across 537 Australian local councils) and New Zealand
- Smart City Platform currently collecting data points associated with:
 - Vehicle Speed and Count
 - Environmental Conditions
 - Pedestrian Count and Movement
 - Energy Consumption
 - State, Local and Maintenance Organisations using Smart City Platform

TTI Clients



- The Share Purchase Plan (SPP) is an opportunity for eligible shareholders to increase their investment in TTI.
- Funds raised pursuant to the SPP are intended to be used towards the following:
 - Providing working capital to purchase materials for the completion of works on its current order book and long term contracts;
 - Accelerating the cost reduction programme as previously announced and which is delivering upon expectations to date; and
 - Assist in the reorganisation, consolidation and relocation of production facilities into fewer and less expensive properties.

Investors should refer to the Key Risks and Disclosures slides below.



Share Purchase Plan

Issue Price	\$0.0062 (0.62 cents) per share, being a 19.5% discount to the 5-day VWAP of TTI shares traded on the ASX up to and including 20 March 2024, being the day before the SPP was announced to market on 21 March 2024
Raise Amount	Up to \$1.4 million
Use of Funds	Provide additional working capital for existing committed workbook and projects and the cost reduction program
Closing Date	Friday 26 April 2024
Contact	Computershare Investor Services Pty Limited Phone: 1 300 850 505
For more details	Offer website: www.computersharecas.com.au/ttispp



Key Risks:

- *The market price or value of the Shares is subject to market volatility. This means that there is a risk that the price or value of Shares may be higher or lower than the Offer Price of the SPP Shares you receive. The market price may change between the date of the SPP booklet and the date when SPP Shares are issued or allotted to you under the SPP.*
- *Applicants should be aware that this SPP may need to be supplemented by additional capital to be raised by equity or debt to meet the Group's funding requirements.*
- *The material business risks faced by the Group that could have a significant impact on the financial prospects of the Group and how the Group manages these risks include:*
 - *Supply chain disruption and freight forwarding delays, including disruptions to the worldwide supply chain for electronic and hardware equipment. The Group actively manages this with our suppliers through prepayments and other initiatives given our strong pipeline of new customer contracts.*
 - *Changes or delays in Federal or State government expenditure on road infrastructure. The Group maintains regular contact with road authorities to ensure that it can plan the resources required for major projects as far ahead as possible or make arrangements for the deferral of major projects in times of economic slowdown.*
 - *Inflationary pressures affecting the cost of raw materials and componentry. The Group constantly monitors its cost base and implements cost savings and operating efficiencies where possible in response to macro economic conditions.*
 - *Foreign exchange risk - a decrease in the Australian dollar exchange rate can affect import prices. The Group purchases components from a number of overseas countries denominated in US dollars and other currencies. Conversely, an increase in the Australian dollar exchange rate can affect export opportunities as the Group sells its products to a number of countries around the world.*



Key Risks (continued):

- *Technological obsolescence. The Group works closely with road traffic authorities and incurs research and development expenditure to ensure that its products remain state-of-the-art and competitive.*
- *Availability of financing facilities. The Group is reliant on its ability to source appropriate working capital facilities in line with its operational requirements and to fulfil customer orders and contracts.*
- *Competition. The Group maintains its competitive position by investing in research and development to ensure its products remain up to date and are priced competitively.*
- *Cyber security. The Group addresses cyber security as part of its risk management strategy due to the increasing risks in this area. Measures implemented have included enhanced security for the Group's operating systems, stronger authentication controls and additional training for all computer users.*
- *TTI is currently involved in a range of discussions about various corporate transactions including divestments and mergers of parts of its business with other companies. At this stage these discussions are only preliminary in nature and there can be no guarantee that a deal will eventuate. TTI will update the market if and when these transactions progress.*

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