

ASX Announcement

30 May 2024

Chairman's Address to Shareholders

Good morning Ladies and Gentlemen. My name is Cary Stynes. As Chairman of the Board of Traffic Technologies Limited, I would like to welcome you to today's meeting and thank you for your attendance and for your continued support.

As the time is now 10.00 a.m. and a quorum is present, I formally declare open this Extraordinary General Meeting of Traffic Technologies Limited.

I am joined by my fellow Directors Mr. Con Liosatos, Mr. Luke Donnellan and Mr. Peter Wu along with the Company Secretary, Mr. Peter Crafter.

As you are aware, this Extraordinary General Meeting of the Company is being conducted as a "virtual" meeting using Zoom.

The **Notice of Meeting** has been given in accordance with the Company's Constitution. I will take the Notice of Meeting as read.

Before turning to the business of the Extraordinary General Meeting, I would like to give you an update on the Company and its recent trading performance.

Trading Update: Revenue for the 9 months ended 31 March 2024 of \$26.5m was down 39% on the previous corresponding period. Operating revenue has been significantly affected by challenging supply chain issues, government delays on projects and capital constraints within the Company's existing working capital facilities. The outlook is however promising, with a strong order book and term contracts with visibility greater than 5 years.

Contracts and order wins are positive including contracts to supply LED streetlights, traffic controllers and software licences in China and LED traffic signalling equipment as part of the Gold Coast Light Rail in Queensland. Demand for the Company's products and services is considerable, with increased infrastructure expenditure plans of government and municipal councils. This is largely due to the Company's position as one of the largest, most established and innovative traffic solutions providers in Australia.

The Company has developed a cost reduction program to reduce the Company's cost base and consolidate the operating footprint of its activities. The consolidation of properties occupied by the Company and the reorganisation of manufacturing has commenced and has started to deliver a positive impact.

I will now explain the business of the Extraordinary General Meeting, further details of which are contained in the Notice of Meeting and Explanatory Memorandum sent to you last month.

Resolution 1: involves refreshing the capacity of the Company to raise capital under the ASX's 15% Rule. ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. Resolution 1 seeks ratification of the issue by the Company on 27 March 2024 of 113,650,528 Shares at an issue price of \$0.0062 (0.62 cents) per Share to Great Harvest Pty Ltd pursuant to a private placement.

Resolution 2: seeks approval for the issue of shares under the shortfall placement agreement with Lazarus Capital Partners, announced on 22 April 2024. Under that agreement the Company received a binding commitment from Lazarus Capital Partners to subscribe for any Shares which were not taken up by eligible shareholders under the Share Purchase Plan. Resolution 2 seeks approval for the issue of up to 227,301,056 Shares at an issue price of \$0.0062 (0.62 cents) per Share, under the terms of the shortfall placement agreement.

Announcement authorised for release by the Board of Traffic Technologies.