

ASX Announcement

28 August 2024

REFINANCE OF DEBT FACILITIES

Traffic Technologies Ltd (ACN 080 415 407) (ASX: TTI) (TTI or Company) is delighted to announce that it has entered into binding agreements for the refinancing of its existing debt facilities. The agreement also includes a placement of new shares in the Company to improve its working capital position to fund its ongoing operations.

The key terms of the refinancing of the debt facility and placement can be summarised as follows:

- TTI entering a 3-year convertible note agreement for US\$3m (approx. AUD \$4.5m) and a manufacturing service agreement with a Hong Kong-based electronic manufacturing services provider, the Season Group.
- Season Group taking a share placement in TTI of A\$904,783 through the issue of approximately 146 million shares at A\$0.0062 (0.62 cents) per share.
- TTI entering a 3-year convertible note agreement for A\$1m, a A\$0.5m equity conversion and a A\$0.5m debt facility with First Samuel Ltd to replace its existing \$2m term loan.
- Convertible note conversion for the Season Group and First Samuel will be at the lower of:
 - (i) \$0.0085 (0.85 cents) per Share; and
 - (ii) the price calculated by applying a 20% discount to the 30-day VWAP of the Shares as at the last trading day immediately before the Maturity Date.

Season Group is a Hong Kong-based, IoT technology solutions provider and manufacturer, with worldwide operations including manufacturing facilities in China, Malaysia, Mexico and engineering teams in Hong Kong, China, Eindhoven and Toronto. Traffic Technologies will be able to leverage the expertise of the Season Group to broaden the scope of Traffic Technologies' product roadmap and enable it to satisfy customer demand on a global scale.

Con Liosatos, Traffic Technologies' Managing Director, welcomed the new facility agreements with Season Group and the ongoing partnership with First Samuel, and commented: 'The new facilities with Season Group along with the manufacturing

capabilities in electronic and IoT products and systems will provide Traffic Technologies with the necessary liquidity on better terms to meet our ongoing working capital requirements, and the balance sheet strength to pursue the next stage of the Company's growth in IoT – which is particularly beneficial following a number of significant recent contract wins.'

Carl Hung, Season Group President and CEO said, 'Both Season Group and Traffic Technologies are committed to developing products that enhance our living standards. Our confidence in Traffic Technologies' capabilities is exemplified by our investment of working capital, and design and manufacturing support. We foresee significant growth and value delivered to its shareholders.'

The Company will call an Extraordinary General Meeting of shareholders to seek the necessary approvals to give effect to the refinancing.

Announcement authorised for release by the Board of Traffic Technologies Ltd.

For further information, please contact:

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