

Prospectus

Traffic Technologies Ltd ACN 080 415 407

Entitlement Offer to Eligible Shareholders

For a pro-rata non-renounceable entitlement offer of one (1) new Share for every two (2) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.005 (0.5 cents) per Share, together with one (1) free attaching Option for every one (1) new Share applied for and issued, with an Exercise Price of \$0.01 (1 cent) and an Expiry Date, being 24 months from the date of issue (**New Options**), to raise approximately \$2.8 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options) (**Entitlement Offer**).

Shortfall Offer

For a separate offer to Shortfall Participants, to remain open up to the Shortfall Offer Closing Date, to subscribe for any Shares and New Options not taken up pursuant to the Entitlement Offer, in each case to be issued on the same terms of the Entitlement Offer (**Shortfall Offer**).

Important Information

This is a replacement prospectus dated 11 November 2024. It replaces the Original Prospectus dated 11 November 2024 issued in relation to an offer of Shares and Options by the Company.

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Offer Securities or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Offer Securities offered by this Prospectus should be considered as speculative.

This is a transaction specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the US or to US Persons.

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Important Notice

This replacement prospectus relates to the offer of Offer Securities by Traffic Technologies Ltd ACN 080 415 407 (**TTI** or **Company**) under the Offer.

This replacement prospectus is dated 11 November 2024 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus**). This Prospectus replaces the prospectus dated 11 November 2024 and lodged by the Company with ASIC before this Prospectus (**Original Prospectus**).

This Prospectus differs from the Original Prospectus. The material changes that have been made to the Original Prospectus are as follows:

- the indicative Timetable for the Entitlement Offer in section 3 of this Prospectus has been updated and consequential changes to the relevant dates for the Offer referred to throughout the Prospectus have been made;
- section 8.4 has been updated to include further announcements lodged by the Company with ASX since the lodgement of the Company's annual report for the financial year ending on 30 June 2024 after the date of the Original Prospectus;
- section 8.6 has been updated to include details of the market price of Shares before the date of this Prospectus;
- new defined term "Original Prospectus" has been included to reference the prospectus lodged with ASIC before this Prospectus on 11 November 2024 (some references to "Prospectus" have been amended to "Original Prospectus" where appropriate); and
- ancillary updates to reflect this Prospectus being a replacement of the Original Prospectus.

The expiry date of this Prospectus is 5.00pm (AEDT) on the date that is 13 months after the date of the Original Prospectus (**Expiry Date**). No Offer Securities will be issued on the basis of this Prospectus after the Expiry Date.

Application for Official Quotation of the Shares will be made to ASX. The Company will also apply for Official Quotation of the New Options. However Official Quotation of the New Options is dependent on the satisfaction of among other things, ASX Listing Rule 2.5, condition 6, which requires that there are at least 100,000 New Options on issue and 50 holders of New Options with a marketable parcel (excluding restricted securities) (Quotation Condition). As at the date of this Prospectus, the Company cannot guarantee that the Quotation Condition will be satisfied. If the Quotation Condition is not satisfied, the New Options will continue to be issued but will not be quoted on the ASX. The fact that ASX may quote the Shares and New Options offered under this Prospectus is not to be taken in any way as an indication of the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer to acquire continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

None of ASIC, ASX, nor their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus, or on the exercise of any New Options issued under this Prospectus.

Not investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information

in this Prospectus in full before deciding to apply for Offer Securities and consider the risks that could affect the performance of the Shares, the New Options and Shares issued on exercise of the New Options.

If you have any questions, you should seek advice from your financial or other professional adviser.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Nature of Prospectus

The Offer Securities that will be issued under this Prospectus are either continuously quoted securities or options to acquire continuously quoted securities (as defined in the Corporations Act). This Prospectus is a transaction specific prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows for the issue of a more concise prospectus in relation to an offer of securities in a class that has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms, transaction specific prospectuses are only required to contain information in relation to the effect of the issue of the Offer Securities on the Company and the rights attaching to those securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering.

This Prospectus provides general information to assist you with your own evaluation of the Company's assets. This Prospectus is not, and is not intended to be, advice on legal, financial, taxation or investment matters nor is it intended to be financial product advice from the Company or any of its directors, employees, agents or advisers.

The information contained in this Prospectus has been prepared by the Company.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange.

Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 8.1 for further details.

Exposure Period

The exposure period under section 727(3) of the Corporations Act does not apply to the offer of Shares under this Prospectus and no exposure period applies to the New Options due to the relief granted by *ASIC Corporations (Exposure Period) Instrument 2016/74*.

Obtaining a Prospectus and Application Form

This Prospectus will be issued as an electronic Prospectus. An electronic copy of this Prospectus can be downloaded from <https://tti.irmau.com/> and www.asx.com.au, and complies with the conditions detailed at paragraph 107.21 of *ASIC Regulatory Guide 107*.

In accessing the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

If you are accessing the electronic version of this Prospectus for the purposes of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus and an Application Form free of charge prior to the Closing Date (as set out in Section 3 of this Prospectus) by calling the Share Registry, from 8.30am to 5.00pm (AEDT), Monday to Friday, on +61 3 9415 4000 (from within Australia) or 1300 850 505 (from outside Australia).

Risk factors

Potential investors should be aware that subscribing for Shares and subscribing for and exercising New Options involves a number of risks. The key risk factors which investors should be aware are set out in Section 7 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares, the New Options and Shares issued upon exercise of the New Options in the future.

Offer jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Prospectus may not be distributed, and the Offer Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of Offer Securities in any jurisdiction outside Australia, New Zealand, Hong Kong or the United Kingdom. This Prospectus is not to be distributed in, and no offer of Offer Securities is to be made in, countries other than Australia, New Zealand, Hong Kong or the United Kingdom. This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. This Prospectus may not be distributed to or relied on by persons outside Australia, New Zealand, Hong Kong or the United Kingdom.

It is the responsibility of Applicants to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Application Form under the Entitlement Offer will be taken by the Company as a representation by the Applicant that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia, New Zealand, Hong Kong or the United Kingdom.

In particular, this Prospectus, the Offer and the Offer Securities to be issued under the Prospectus have not been, and will not be, registered under the US Securities Act and the Offer may not be offered or sold in the US or to, or for the account or benefit of US Persons, except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Information for New Zealand investors

The Offer Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Information for Hong Kong investors

WARNING: This document may be distributed in Hong Kong only to (i) not more than 50 existing shareholders of the Company and (ii) any other shareholder who is a “professional investor” (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong). This document may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient’s consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document has not been reviewed by any Hong Kong regulatory authority. In particular, this document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong.

Information for United Kingdom investors

Neither this document nor any other document relating to the offer of Offer Securities has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Offer Securities.

The Offer Securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Offer Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 9.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated). A reference to time in this Prospectus is a reference to Melbourne, Australia time.

Privacy

If you apply for Offer Securities under this Prospectus, you will provide personal information to the Company its agents, contractors and third party services providers. The Company its agents, contractors and third party services providers collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder and Option holder, provide facilities and services that you request and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of the Company and by the Share Registry. You may also request the correction of your personal information by contacting the Company or the Share Registry using the details in the Corporate Directory at the back of this Prospectus.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus pursuant to the Entitlement Offer. A Target Market Determination (TMD) in respect of the offer of the New Options under this Prospectus has been prepared by the Company and is available on the Company’s website at <https://www.trafficld.com.au/>. The TMD seeks to offer potential investors an

understanding of the class of investors for which the offer of New Options has been designed, having regard to the objectives, financial situation and needs of the target market. The Company will only distribute this Prospectus to those investors who fall within the TMD or otherwise to persons to whom a target market determination is not required. By making an application under the Entitlement Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

1. Letter to Shareholders

Dear Shareholders

On behalf of the Board, I am pleased to advise that the Company is undertaking a pro-rata non-renounceable entitlement offer of one (1) new Share for every two (2) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.005 (0.5 cents) per Share (**Offer Price**), together with one (1) free attaching Option for every one (1) new Share applied for and issued, with an Exercise Price of \$0.01 (1 cent) and an Expiry Date, being 24 months from the date of issue (**New Options**), to raise approximately \$2.8 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options) (**Entitlement Offer**).

This Prospectus contains details of the Offer. You should read this Prospectus carefully.

Business overview

Demand for the Company's products and services remains strong with significant investment by Federal and State governments in road infrastructure projects across Australia. The Company's order book remains solid with forward orders of over \$8m and several long-term customer term contracts extending for up to 5 years to the value of over \$21m.

Whilst revenue for the past year continued to be affected by capital constraints within the Company's existing working capital facilities, the Company is addressing the issue with several initiatives. These include rationalising the composition of its working capital facilities to ensure a more appropriate facility structure in line with the current requirements of the business. This has resulted in the completion of refinancing of some of its debt facilities, including entering into a convertible note agreement for USD \$3m, a share placement and a manufacturing service agreement with the Season Group, a Hong Kong-based electronic manufacturing services provider.

The Company has also undertaken a cost saving program, involving consolidation of the Company's properties and a reorganisation of its manufacturing operations in Victoria and Queensland. This resulted in annualised cost savings in FY24 of \$2.2m with further annualised savings of up to \$5.6m expected to be achieved in FY25 with the relocation and rationalisation of the Company's NSW manufacturing operations, with \$0.9m savings achieved in the first quarter of FY25.

The aim of the Offer is to provide further working capital to increase its orders of new equipment and materials to enable the Company to better service its customers.

Entitlement Offer overview

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 Share at the Offer Price for every 2 Shares held at 7:00pm (AEDT) on the Record Date of Friday, 15 November 2024 (**Entitlement**).

In determining Entitlements to Shares, fractional Entitlements will be rounded up to the nearest whole number of Shares. Eligible Shareholders will also receive 1 free attaching New Option for every 1 Share issued under the Entitlement Offer.

Up to 559,408,983 Shares and 559,408,983 New Options may be issued under the Entitlement Offer. Shares will rank equally with existing Shares in all respects from date of quotation.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made in accordance with the timetable set out at section 3.

However Official Quotation of the New Options is dependent on the satisfaction of among other things, ASX Listing Rule 2.5, condition 6, which requires that there are at least 100,000 New Options on issue and 50 holders of New Options with a marketable parcel (excluding restricted

securities) (**Quotation Condition**). As at the date of this Prospectus, the Company cannot guarantee that the Quotation Condition will be satisfied. If the Quotation Condition is not satisfied, the New Options will continue to be issued but will not be quoted on the ASX.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company, the New Options now offered for subscription or the Shares that will be issued upon the exercise of the New Options.

Shortfall Facility overview

Eligible Shareholders may also apply for additional Shares and New Options in excess of their Entitlement at the same issue price of \$0.005 (0.5 cents) per Share (**Shortfall Facility**). Applications for Shares and New Options under the Shortfall Facility will be satisfied out of any Entitlements for which applications have not been received from Eligible Shareholders before the closing date of the Entitlement Offer.

The Company reserves the right to scale back applications for the Shortfall Facility in its absolute discretion. When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including but not limited to the size of an applicant's shareholding, the extent to which Eligible Shareholders have sold or bought additional Shares after the date on which the Entitlement Offer was announced, the date an application was made and any requirements of the Corporations Act and Listing Rules. Eligible Shareholders are therefore encouraged to submit their applications early. The Directors reserve the right to issue the Shares and New Options under the Shortfall Facility at their discretion.

The Entitlement Offer is non-renounceable and therefore is personal to you. It cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement, it will lapse and you will not receive any new Shares, nor any other benefit, under the Entitlement Offer.

Shortfall Offer overview

This Prospectus also includes the Shortfall Offer, being an offer pursuant to which any securities remaining in the event that less than the maximum number of Shares and New Options are applied for under the Entitlement Offer and the Shortfall Facility (**Shortfall**), will be placed at the discretion of the Board, in accordance with the allocation policy outlined in section 4.9.

The ability of Shortfall Participants to participate in the Shortfall Offer will be limited to the extent that there is a shortfall under the Entitlement Offer.

The terms and conditions of the Entitlement Offer and the Shortfall Offer (collectively, the **Offer**) are provided for in this Prospectus and will be accompanied by a relevant Application Form. You should read this Prospectus in its entirety before deciding whether to participate in the Offer.

How to apply under the Entitlement Offer?

The Entitlement Offer to which this Prospectus relates closes at 5.00pm (AEDT) on Friday, 6 December 2024 (unless extended).

Accompanying this Prospectus is your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). It details your Entitlement and is to be completed in accordance with the instructions provided on the form and the brief instructions in this Prospectus under section 4.2. You may also apply for further Shares and New Options under the Shortfall Facility using the Entitlement and Acceptance Form.

To participate, you must ensure that you have completed your application by paying application monies (**Application Monies**) by BPAY® or EFT (for eligible overseas holders only), so that they are received by the Share Registry before 5:00pm (AEDT) on Friday, 6 December 2024.

If you do not wish to take up any of your Entitlement, you do not have to take any action. The Entitlement Offer is non-renounceable so Entitlements will not be tradeable.

Further information

Further details of the Entitlement Offer, as well as the risks associated with investing in the Entitlement Offer are set out in this Prospectus which you should read carefully and in its entirety.

Notwithstanding that the Directors consider that the Company will be sufficiently capitalised to carry out its objectives outlined in this Prospectus following completion of the Entitlement Offer, subject to prevailing investor demand and relevant circumstances at the applicable time, and in particular where the Entitlement Offer is oversubscribed, without limiting any of its discretions (including the discretion to increase the size of the Entitlement Offer) the Directors reserve the right to undertake a placement of Securities on the same terms as the Entitlement Offer in order to capitalise on any such demand. Any such placement will be undertaken subject to the Company satisfying any applicable requirements of the Listing Rules, including having sufficient placement capacity and/or obtaining any necessary shareholder approvals.

Con Liosatos has indicated that he will participate in this Entitlement Offer.

Queries

If you have any questions in relation to how to participate in the Offer, please contact the Share Registry, from 8.30am to 5.00pm (AEDT), Monday to Friday, on +61 3 9415 4000 (from within Australia) or 1300 850 505 (from outside Australia). If you have any questions in relation to whether an investment in the Company through the Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Thank you for your continued support of Traffic Technologies Ltd.

Yours sincerely

Cary P Stynes

Mr Cary Stynes
Non-Executive Chairman

2. Investment Overview

This section provides a summary of information that is key to a decision to invest in Shares and New Options. This is a summary only. Potential investors should read this entire Prospectus carefully.

If you are unclear in relation to any aspect of the Offer or if you are uncertain whether the Shares and New Options are a suitable investment for you, you should consult your financial or other professional adviser.

Question	Response	Further information
What is being offered and at what price?	<p>The Company is offering to issue New Shares and free attaching New Options to Eligible Shareholders by way of a pro-rata non-renounceable Entitlement Offer.</p> <p>Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 Share at the Offer Price for every 2 Shares held at 7:00pm (AEDT) on the Record Date of Friday, 15 November 2024 and 1 free attaching New Option for every 1 Share issued with each New Option having an exercise price of \$0.01 (1 cent) and expiring on 24 months from the date of issue (Entitlement).</p> <p>In determining Entitlements to Shares, fractional Entitlements will be rounded up to the nearest whole number of Shares.</p> <p>The full terms and conditions of the New Options are set out in section 6.1 of this Prospectus. Any Entitlements not taken up under the Entitlement Offer (including the Shortfall Facility) will form the Shortfall. The Shortfall Offer is a separate offer under the Prospectus. The Shortfall Offer will be on the same terms and conditions as the Entitlement Offer, except as set out in this Prospectus.</p>	Sections 4.1, 4.9 and 6
How many new securities will be issued?	Up to 559,408,983 Shares and 559,408,983 New Options may be issued under the Entitlement Offer.	Section 5.2
What is the amount that will be raised under the Offer and what is the purpose of the Offer?	If the Offer is fully subscribed, the Company will raise up to approximately \$2.8 million through the issue of Shares and New Options (before expenses of the Offer). The purpose of the Offer is to raise funds for additional equipment and materials, working capital and to fund expenses of the Offer.	Section 5.1.

Question	Response	Further information
Who is eligible to participate in the Entitlement Offer?	<p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those persons who, as at the Record Date:</p> <ul style="list-style-type: none"> (a) is recorded in the Company's register of members as having a registered address in Australia, New Zealand, Hong Kong or the United Kingdom. (b) as far as the Company is aware, is not located in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and (c) is not otherwise ineligible under all applicable securities laws to receive an offer under the Entitlement Offer. <p>If you are not an Eligible Shareholder, you are not able to participate in the Entitlement Offer. The Company may (in its absolute discretion) extend the Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws). The Entitlement Offer is not available to any person in the United States or any person acting for the account or benefit of a person in the United States.</p>	Important Notice and Section 4.12
How will Ineligible Shareholders be dealt with under the Entitlement Offer?	The Entitlement Offer of Shares and New Options will not be made to Ineligible Shareholders.	Section 4.12
What are the alternatives for Eligible Shareholders under the Entitlement Offer?	<p>The Entitlement Offer is non-renounceable, so you cannot trade your Entitlements. As an Eligible Shareholder, you may:</p> <ul style="list-style-type: none"> (a) take up all of your Entitlements; (b) take up all of your Entitlements and apply for additional Offer Securities above your Entitlement under the Shortfall Facility; (c) take up part of your Entitlements, and allow the balance of your Entitlements to lapse; or 	Section 4.2

Question	Response	Further information
	(d) allow all of your Entitlements to lapse.	
Is the Offer underwritten?	The Offer is not underwritten.	Section 4.8
Is there a minimum subscription?	No. There is no minimum subscription of the Offer.	Section 4.5
Can Eligible Shareholders apply for Offer Securities in excess of their Entitlement?	Yes. Under the Shortfall Facility, Eligible Shareholders (other than Directors and related parties) who have applied for their full Entitlement may also apply for additional Offer Securities, subject to scale back.	Section 4.9
Can I withdraw my Application?	Cooling off rights do not apply to an investment in Offer Securities Options under the Offer. You cannot withdraw your application or payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.	Section 4.7
What is the Shortfall Offer?	<p>Any Entitlements not taken up under the Entitlement Offer (including the Shortfall Facility) will form the Shortfall. The Shortfall Offer is a separate offer under the Prospectus. The Shortfall Offer will be on the same terms and conditions as the Entitlement Offer, except as set out in this Prospectus.</p> <p>The Shortfall Offer is not open to the general public. Investors (which may include Eligible Shareholders) will be invited by the Directors to participate</p>	Section 4.9
How will Shortfall be allocated?	After allocation of any Offer Securities to Eligible Shareholders who apply for their Entitlements and any additional Offer Securities under the Shortfall Facility, any Shortfall will be allocated in the sole discretion of the Company. The Shortfall Offer will close at 5:00pm (AEDT) on or before Thursday, 6 March 2025, or such earlier date as the Directors, in their absolute discretion, determine. The Company will not allocate or issue Offer Securities under the Shortfall Offer where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law.	Section 4.9
What are the key risks of further	Potential investors should be aware that subscribing for New Shares in the	Section 7

Question	Response	Further information
investment in the Company?	<p>Company involves a number of risks. Some of the more significant risks which affect an investment in the Company are:</p> <ul style="list-style-type: none"> (a) sufficiency of funding; (b) material uncertainty relating to going concern; (c) litigation risk; (d) supply chain risk; (e) government expenditure levels; (f) taxation; (g) inflation risk; (h) foreign exchange risk; (i) competition and obsolescence risk; (j) cyber security risk; and (k) key personnel risk. 	
What is the dilutionary impact and effect on control of the Company?	<p>Shares issued under the Offer will comprise approximately 33.33% of the Shares on issue after completion of the Offer.</p> <p>For further information regarding the dilutionary impact and effect of the Offer on control of the Company, see section 5.4.</p>	Section 5.4

3. Indicative dates

The indicative dates in respect of the Offer are as follows.

Event	Date*
Announcement of Entitlement Offer Lodgement of Original Prospectus with ASIC and ASX	Before market open on Monday, 11 November 2024
Lodgement of ASX Appendix 3B with ASX Lodgement of Prospectus with ASIC and ASX	After market open on Monday, 11 November 2024
"Ex" date (being the date that Shares start trading without the Entitlements to participate in the Entitlement Offer)	Thursday, 14 November 2024
Record Date for determining Entitlements	7.00pm (AEDT) Friday, 15 November 2024
Despatch Prospectus and entitlement forms to Eligible Shareholders Ineligible Shareholders letters despatched and announcement of despatch Opening Date	Wednesday, 20 November 2024
Last day to extend Closing Date	Tuesday, 3 December 2024
Closing Date	5.00pm (AEDT) Friday, 6 December 2024
Securities quoted on a deferred settlement basis	Monday, 9 December 2024
Announcement of the results of the Entitlement Offer and shortfall (if any)	Wednesday, 11 December 2024
Issue date and lodgement of Appendix 2A with ASX for Securities issued under the Entitlement Offer	Before 12.00pm (AEDT) Friday, 13 December 2024
Quotation of Securities issued under the Entitlement Offer	Monday, 16 December 2024
Shortfall Offer closing date	Thursday, 6 March 2025

**These dates are indicative only. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are Melbourne time.*

In particular, the Company reserves the right to extend the Closing Date, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date and any extension of the Closing Date will have a consequential effect on the

allotment date of Shares and New Options. Quotation of the New Options is subject to satisfaction of the Quotation Condition and confirmation from ASX.

The Company also reserves the right not to proceed with the Offer in whole or in part at any time prior to allotment and issue of the Shares and free attaching New Options. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. Cooling off rights do not apply to an investment in the Shares or free attaching New Options. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Offer are encouraged to submit their Application Form as soon as possible after the Offer opens. There is no minimum amount to be raised under the Offer as at the date of this Prospectus.

4. Details of the Entitlement Offer

4.1 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata entitlement offer of one (1) new Share for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.005 (0.5 cents) per Share together with one (1) free-attaching New Option for every one (1) new Share subscribed for and issued under the Entitlement Offer. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, and assuming no Shares are issued prior to the Record Date including on exercise or conversion of Securities on issue, approximately 559,408,983 Shares and 559,408,983 New Options may be issued under the Entitlement Offer to raise \$2,797,044.92. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company also has 3,000,000 convertible notes on issue all of which may be convertible into Shares in accordance with their terms, prior to the Record Date in order to participate in the Entitlement Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.01 (1 cent) on or before the date being 24 months from the date of issue and otherwise on the terms set out in Section 6.1.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 5.

4.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form available through the offer website at www.computersharecas.com.au/ttioffer, which will contain personalised payment details to accept the Offer.

Eligible Shareholders may choose any of the options set out in the table below.

Option	Key considerations	Further information
Take up all of your Entitlement	Should you wish to accept all of your Entitlement, then your application for your Offer Securities must be made by following the instructions on the personalised Entitlement and Acceptance Form available through the offer website at www.computersharecas.com.au/ttioffer . Payment can be made by the methods set out in Section 4.3. As set out in Section 4.3, if you pay by BPAY® or EFT (for eligible overseas holders only), you do not need to return the Entitlement and Acceptance Form.	Section 4.3
Take up all of your Entitlement and also apply for Offer	Should you wish to accept all of your Entitlement and apply for any shortfall under the Shortfall Facility, then your application for	Section 4.3

Option	Key considerations	Further information
Securities under the Shortfall Facility	<p>your Entitlement and additional Offer Securities under the Shortfall Facility under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form available through the offer website at www.computersharecas.com.au/ttioffer. Please read the instructions carefully.</p> <p>Payment can be made by the methods set out in Section 4.3. Payment should be made for your Entitlement and the amount of the additional Offer Securities under the Shortfall Facility for which you are applying. As set out in Section 4.3, if you pay by BPAY® or EFT (for eligible overseas holders only), you do not need to return the Entitlement and Acceptance Form.</p> <p>If you apply for Offer Securities under the Shortfall Facility you are deemed to have accepted your Entitlement in full. You should note that the allocation of Offer Securities under the Shortfall Facility is at the discretion of the Company as per the allocation policy set out in Section 4.9. Accordingly, your application for additional Offer Securities may be scaled-back.</p> <p>The Company's decision on the number of Offer Securities to be allocated to you under the Shortfall Facility will be final.</p>	
Take up a proportion of your Entitlement and allow the balance to lapse	<p>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application for the number of Offer Securities you wish to take up must be made by following the instructions on the personalised Entitlement and Acceptance Form available through the offer website at www.computersharecas.com.au/ttioffer, and making payment using the methods set out in Section 4.3 below. As set out in Section 4.3, if you pay by BPAY® or EFT (for eligible overseas holders only), you do not need to return the Entitlement and Acceptance Form.</p>	Section 4.3
Allow all or part of your Entitlement to lapse	<p>If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.</p>	N/A

4.3 Payment options

(a) **By BPAY®**

For payment by BPAY®, please follow the personalised instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Offer Securities under the Shortfall Facility (if any), to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (AEST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application Form in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Offer Securities under the Shortfall Facility (if any), to the extent of the excess.

4.4 Representations by Eligible Shareholders

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® or EFT (for eligible overseas holders only) will be taken to constitute a representation by you that you are an Eligible Shareholder and that you:

- (a) have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer, the provisions of this Prospectus, and the Company's Constitution;
- (c) authorise the Company to register you as the holder(s) of Offer Securities allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) acknowledge that once the Company receives your payment of Application Monies via BPAY® or EFT (for eligible overseas holders only), you may not withdraw your Application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of Offer Securities specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT (for eligible overseas holders only), at the Offer Price per Share;
- (h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for Offer Securities to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that Offer Securities are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledge that determination of eligibility of Eligible Shareholders for the purposes of Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and acknowledge that each of the Company and the Share Registry and their respective officers, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (l) acknowledge the "Risk Factors" in section 7 of this Prospectus, and that investments in the Company are subject to risk;
- (m) acknowledge that none of Company, or its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;

- (n) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) represent and warrant (for the benefit of the Company and its related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- (q) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for Offer Securities or being issued Offer Securities and that you are otherwise eligible to participate in the Entitlement Offer;
- (r) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- (s) represent and warrant that the Corporations Act and the Listing Rules do not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor do they prohibit you from making an Application for Offer Securities or being issued Offer Securities and that no approvals or authorisations are required to permit you to apply for Offer Securities or be issued Offer Securities (including any authorisations required by the Foreign Investment Review Board under the *Foreign Acquisitions and Takeovers Act 1975* (Cth));
- (t) acknowledge that the Offer Securities have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States and accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws; and
- (u) if in the future you decide to sell or otherwise transfer the Offer Securities, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; notwithstanding the foregoing, you may sell such Shares in regular way on the ASX or otherwise where neither you, nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

4.5 Minimum subscription

There is no minimum subscription in respect of the Entitlement Offer.

4.6 No trading of Entitlements

Entitlements to Offer Securities pursuant to the Entitlement Offer are non-renounceable and accordingly Eligible Shareholders may not dispose of or trade any part of their Entitlement.

4.7 Opening and Closing Dates

The Offer will open for receipt of acceptances on Wednesday, 20 November 2024.

The Entitlement Offer will close at 5.00pm (AEDT) Friday, 6 December 2024, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

The Shortfall Offer will close at 5:00pm (AEDT) on or before Thursday, 6 March 2025, or such earlier date as the Directors determine, in their absolute discretion. Accordingly, applicants are encouraged to submit their applications under the Shortfall Offer as soon as possible.

The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to vary these dates without prior notice, including to extend a closing date, or to accept late applications, or to delay or withdraw the Offer made under this Prospectus. If an Offer made under this Prospectus is withdrawn, all Application Monies for Offer Securities under that Offer which have not been issued will be refunded (without interest) as soon as practicable.

4.8 Underwriting

The Offer is not underwritten.

4.9 Shortfall Facility and Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer, including the Shortfall Facility (**Shortfall**), will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer is \$0.005 (0.5 cents) while the New Options will be offered for nil consideration on the basis of one (1) New Option for every one (1) Share issued under the Shortfall Offer, in each case, being the price at which Shares and New Options have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Facility and Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties. The Shortfall Facility and Shortfall Offer will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Offer Securities under the Shortfall Facility by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Offer Securities in accordance with Section 4.3.

The Company proposes to allocate Offer Securities pursuant to the Shortfall Facility and Shortfall Offer with a view to:

- (a) recognising the ongoing support of existing Shareholders of the Company;
- (b) identifying new potential long-term or cornerstone investors; and
- (c) ensuring an appropriate Shareholder base for the Company.

The Directors reserve the right at their absolute discretion to reject any application for Offer Securities or Shortfall under the Shortfall Facility and Shortfall Offer or to issue a lesser number of Securities than that applied for, and it is an express term of the Shortfall Facility and Shortfall Offer that applicants will be bound to accept a lesser number of Securities allocated to them than applied for. If a lesser number is allocated, excess Application Monies will be refunded without interest as soon as practicable.

The Company notes that no Securities will be issued to an Applicant under this Prospectus, including via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

4.10 ASX listing

(a) Shares

Application for Official Quotation of the Shares offered pursuant to this Prospectus (other than the Director Options) will be made in accordance with the timetable set out at Section 3.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares offered for subscription.

(b) New Options

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made in accordance with the timetable set out at Section 3.

However Official Quotation of the New Options is dependent on the satisfaction of among other things, ASX Listing Rule 2.5, condition 6, which requires that there are at least 100,000 New Options on issue and 50 holders of New Options with a marketable parcel (excluding restricted securities) (**Quotation Condition**). As at the date of this Prospectus, the Company cannot guarantee that the Quotation Condition will be satisfied. If the Quotation Condition is not satisfied, the New Options will continue to be issued but will not be quoted on the ASX.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or New Options now offered for subscription.

4.11 Issue of Securities

Securities issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 3.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Offer Securities will be mailed as soon as practicable after the issue of the Securities.

4.12 Overseas Shareholders

The Entitlement Offer under this Prospectus is being made to Eligible Shareholders, who as at the Record Date have a registered address in Australia, New Zealand, Hong Kong or the United Kingdom.

It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions.

The Company is of the view that it is unreasonable to make the Entitlement Offer under this Prospectus to Shareholders outside of Australia, New Zealand, Hong Kong or the United Kingdom (**Ineligible Shareholders**) having regard to

- (a) the number of Ineligible Shareholders;
- (b) the number and value of the Offer Securities to be offered to Ineligible Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the jurisdictions in which Ineligible Shareholders reside.

Accordingly, the Company is not required to, and does not, make the Entitlement Offer under the Prospectus to the Ineligible Shareholders.

This Prospectus does not, and is not intended to, constitute an offer of Offer Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Entitlement and Acceptance Form, may not be distributed to any person, and the Offer Securities may not be offered or sold, in any country where it would be unlawful to do so.

The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained and that you are able to apply for, and be issued, the Offer Securities under all applicable laws, including foreign investment takeover laws.

This document does not constitute an offer of Offer Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Offer Securities may not be offered or sold in any country outside Australia except to the extent permitted.

All rights that would have been offered to Ineligible Shareholders will be allowed to lapse and will form part of the Shortfall.

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Hong Kong or the United Kingdom without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5. Purpose and effect of the Offer

5.1 Purpose of the Offer

The purpose of the Offer is to raise gross proceeds of up to \$2,797,044.92 pursuant to the Entitlement Offer.

Assuming the Entitlement Offer is fully subscribed, the Company intends to apply the funds raised from the Entitlement Offer in accordance with the table set out below:

Use of funds	Amount (\$m)	%
Additional equipment and materials and working capital	\$2.7	96.43%
Expenses of the Offer	\$0.1	3.57%
Total	\$2.8	100%

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

In the event that circumstances change or other more favourable opportunities arise, the Company may vary the proposed use of funds to maximise the benefit to Shareholders and, to the extent that the Company does not raise the full amount of funds it is seeking to raise, the Company will reduce its expenditure as required.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the Entitlement Offer is not fully subscribed, additional funding may be required to advance such objectives as deemed appropriate.

5.2 Effect of the Offer

The principal effect of the Offer, assuming the Entitlement Offer is fully subscribed and assuming no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the number of Shares on issue by approximately 559,408,983 Shares;
- (b) increase the number of Options on issue by approximately 559,408,983 Options;
- (c) increase the Company's cash reserves by \$2,797,044.92 (before costs and excluding any additional capital that may be raised upon the exercise of the New Options); and
- (d) provide the Company with additional working capital for the purposes referred to in Section 5.1 of this Prospectus.

The table below sets out the effect on the capital structure of the Company upon completion of the Offer assuming the Entitlement Offer is fully subscribed, in each case before costs and excluding any additional capital that may be raised upon the exercise of the New Options:

Shares	Number
Shares on issue as at the date of Prospectus*	1,118,817,965

Shares	Number
Shares to be issued under Entitlement Offer (including under the Shortfall Offer)	559,408,983
Shares on issue following the Offer	1,678,226,948
Options and Convertible Notes	Number
Convertible notes on issue as at the date of Prospectus*	3,000,000
New Options to be issued under Entitlement Offer (including under the Shortfall Offer)	559,408,983
Options and convertible notes on issue following the Offer	562,408,983

*Note: This assumes no existing convertible securities are converted into Shares prior to the Record Date.

Fully diluted capital structure

The table below sets out the fully-diluted capital structure of the Company upon completion of the Offer assuming:

- (a) the Entitlement Offer is fully subscribed;
- (b) all New Options offered under the Prospectus are exercised; and
- (c) all existing convertible notes are converted into Shares based on a conversion price of \$0.0085 (0.85 cents) and a AUD/USD foreign exchange conversion rate of A\$1 = US\$0.65.

Shares	Number
Shares on issue as at the date of Prospectus	1,118,817,965
Shares to be issued under Entitlement Offer (including under the Shortfall Offer)	559,408,983
Shares issued upon conversion of existing convertible notes	542,986,425
Shares issued upon exercise of Options issued under Entitlement Offer (including under the Shortfall Offer)	559,408,983
Total Shares (on a fully diluted basis)	2,780,622,356

Notes: Upon the exercise of such Options, the Company will receive additional capital of approximately \$5.9 million from the exercise price payable by the holders of the New Options in order to exercise the New Options.

5.3 Effect of the Offer on financial position

Assuming the Entitlement Offer is fully subscribed, a principal effect of the Entitlement Offer will be that cash reserves will increase by \$2,797,044.92.

The pro-forma statement of financial position has been prepared assuming all Entitlements are accepted and no convertible securities are converted into Shares prior to the Record Date and there have been no material movements in assets and liabilities of the Company between 30 June 2024 and the date of this Prospectus other than:

- (a) impact of the Entitlement Offer (net of expenses) on the cash balance; and
- (b) expenses of the Offer of approximately \$95,306.

The pro forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	30 Jun 2024 \$'000	Pro forma \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	455	3,157
Trade and other receivables	4,058	4,058
Inventories	9,171	9,171
Total Current Assets	13,684	16,386
Non-Current Assets		
Property, plant and equipment	3,423	3,423
Intangible assets	3,920	3,920
Total Non-Current Assets	7,343	7,343
TOTAL ASSETS	21,027	23,729
LIABILITIES		
Current Liabilities		
Trade and other payables	14,491	14,491
Interest-bearing liabilities	5,281	5,281
Provisions	2,740	2,740
Total Current Liabilities	22,512	22,512
Non-Current Liabilities		
Interest-bearing liabilities	5,899	5,899
Provisions	202	202
Total Non-Current Liabilities	6,101	6,101
TOTAL LIABILITIES	28,613	28,613
NET ASSETS	(7,586)	(4,884)
EQUITY		
Contributed equity	62,481	65,183
Accumulated losses	(70,067)	(70,067)
TOTAL EQUITY	(7,586)	(4,884)

5.4 Dilution and effect of Offer on control of the Company

Assuming no existing Options are exercised prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Offer is approximately 559,408,983. This equates to approximately 33.33% of all the issued Shares in the Company immediately following completion of the Offer (assuming that no existing or New Options are exercised prior to that date).

Shareholders should note that if they do not participate in the Entitlement Offer, their shareholdings are likely to be diluted at the conclusion of the Offer (assuming the Offer is fully subscribed), as compared to their holdings and number of Shares on issue as at the date of the Prospectus.

The proportional interests of Shareholders who are not Eligible Shareholders will be diluted because those Shareholders are not entitled to participate in the Offer.

Examples of how the dilution may impact Shareholders is set out in the table below. The dilutionary effect shown illustrates 2 alternative scenarios depending on whether the Entitlement Offer is 50% subscribed or fully subscribed by Eligible Shareholders.

Holder	As at Record Date		If Entitlement Offer is 50% subscribed	If Entitlement Offer is fully subscribed
	Shares	%	%	%
Shareholder 1	100,000,000	8.94%	7.15%	5.96%
Shareholder 2	50,000,000	4.47%	3.58%	2.98%
Shareholder 3	10,000,000	0.89%	0.72%	0.60%
Shareholder 4	5,000,000	0.45%	0.36%	0.30%
Shareholder 5	1,000,000	0.09%	0.07%	0.06%

Notes:

1. The dilutionary effect shown in the table assumes that the example Shareholders do not participate in the Entitlement Offer.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that the Entitlement Offer is fully subscribed.
3. The dilutionary effect shown in the table assumes that no existing convertible securities are converted into Shares prior to the completion of the Offer.

No Offer Securities will be issued to Shareholders under this Prospectus, including via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Offer Securities will be issued via the Shortfall Offer to any Directors or other related parties of the Company unless prior Shareholder approval is received. Accordingly, the Offer will have no impact on the control of the Company.

For more information on the effect of the Offer on the capital structure of the Company, please refer to section 5.2 of this Prospectus.

5.5 Details of substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Adia Venture Limited ¹	145,932,778	13.04%
Youmin (Peter) Wu ²	113,650,528	10.16%

Shareholder	Shares	%
Robert Minney ²	70,406,704	6.29%
Total	329,990,010	29.49%

**Notes:*

1. *Based on the ASIC Form 603 lodged on 21 October 2024.*
2. *Based on the number of Shares held by substantial shareholders as disclosed in the Company's Annual Report announced to market on 30 September 2024 and the total number of Shares on issue as at the date of this Prospectus.*

In the event all Entitlements are accepted and assuming no Shares are issued in connection with the conversion of any convertible securities on issue, there will be no change to the substantial holders on completion of the Entitlement Offer.

6. Rights and liabilities attaching to Offer Securities

6.1 Terms of New Options

The New Options to be issued under this Prospectus entitle the holder to subscribe for Shares on the following terms and conditions.

(a) **Entitlement**

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, 1 ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company.

(b) **Exercise of Option**

- (i) The Options are exercisable at any time from the issue date.
- (ii) The Options expire on the date being 24 months from their date of issue.
- (iii) The exercise price per Option is \$0.01 (1 cent) (**Exercise Price**).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option prior to their expiry date together with the Exercise Price in full for each Share to be issued upon exercise of each Option to the Share Registry (**Exercise Notice**). Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) In order for an Exercise Notice to be valid, the Company must receive in cleared funds before the expiry date, payment of an amount of money equal to the Exercise Price for the number of Options to which the Exercise Notice relates by way of bank cheque or by other means of payment approved by the Company. If the amount of money paid is less than the Exercise Price for the number of Options to which the Exercise Notice relates, the Company may in its discretion elect to treat the Exercise Notice as an Exercise Notice for such lower amount of Options.
- (vi) Remittances must be made payable to 'Traffic Technologies Limited'.
- (vii) All Options will lapse on the earlier of the:
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.
- (ix) The terms and the rights and obligations of the Option holders are governed by the laws of Victoria, Australia. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

(c) **Issue of Shares**

Upon receipt of a valid Exercise Notice (accompanied by the applicable Exercise Price monies), the Company must issue the number of Shares equal to the number of Options the subject of valid Exercise Notices as soon as reasonably practicable, and in any event within 5 business days from the date of exercise.

(d) **Constitution**

Each Option holder who exercises Options consents to becoming a member of the Company, and agrees to be bound by the Constitution of the Company upon the issue of the new Shares.

(e) **Quotation**

If the Shares of the Company are quoted on the ASX:

- (i) subject to meeting the requirements of the ASX Listing Rules for quotation of a new class of securities, the Company will apply to the ASX for, and will use its best endeavours to obtain official quotation on the ASX of all Options; and
- (ii) the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the ASX Listing Rules) of issue.

The Company gives no assurance that such quotation of Options or any Shares issued on the exercise of any Options will be granted.

(f) **Dividends and voting**

- (i) The Options do not provide the Option holder any entitlement to dividends or other distributions.
- (ii) The Options do not entitle the Option holder to receive notice of, attend or vote at, any meeting of the Company's Shareholders.

(g) **Restrictions on transfer**

Until such time as the Options are quoted on the ASX (if at all), the Options are not capable of being transferred, sold, mortgaged, charged, hedged or made subject to any margin lending arrangement or otherwise disposed of or dealt with or encumbered in any way, and the Options will lapse immediately if any such thing purports to occur.

(h) **Participation in securities issues**

Subject to paragraph (i) below, the Option holder is not entitled to participate in new issues of securities without exercising the Options.

(i) **Participation in a reorganisation of capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the ASX Listing Rules applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.

- (ii) In any reorganisation referred to in paragraph (i)(i) above, Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(j) **Application of ASX Listing Rules**

While the Company is admitted to the official list of ASX, the Options and any Shares issued on exercise of the Options are subject always to the provisions of the Constitution of the Company and the ASX Listing Rules and to the extent of any inconsistency between these terms and conditions, the Constitution of the Company and the ASX Listing Rules, the ASX Listing Rules will prevail.

6.2 **Rights attaching to Shares**

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

(a) **Voting at a general meeting**

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

(b) **Meetings of members**

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required

to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

(c) **Dividends**

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and the timing and method of payment.

(d) **Transfer of Shares**

Subject to the Constitution and to any restrictions attached to a Shareholder's Share, Shares may be transferred in accordance with the ASX Settlement Operating Rules, Corporations Act and ASX Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

(e) **Issue of further Shares**

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

(f) **Winding up**

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

(g) **Non-marketable parcels**

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. An unmarketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of less than \$500.

(h) **Variation of class rights**

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under that section, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of Shares may be varied:

- (i) with the consent in writing of the holders of 75% of the issued shares included in that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

(i) **Shareholder liability**

As the Shares offered under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) **Ranking of Shares**

As at the date of this Prospectus, all Shares on issue in the Company are of the same class and rank equally in all respects. Furthermore, the Shares offered under this Prospectus are fully paid ordinary shares and will therefore rank equally in all respect with the existing fully paid ordinary Shares in the Company.

7. Risk factors

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to acquire Shares or acquire and exercise New Options offered under this Prospectus.

The Offer Securities are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for the Offer Securities.

The principal risk factors include, but are not limited to, the following.

7.1 Company-specific risk

(a) Sufficiency of funding

The Directors consider that along with the funds available under the Company's existing financing facilities, on receipt of funds from the Offer, the Company will have sufficient working capital to carry out its objectives. However, financial resources are limited and there is a risk that the Company may not achieve profitability.

Prior to again achieving profitability, the Company is reliant on the continued availability of its financing facilities in order to conduct its operations. The Company ensures compliance with its facility agreements and negotiates extensions to its financing facilities when required.

The Company may be required to raise additional funds from time to time to finance the development and commercialisation of its products and other longer-term objectives. The ability to raise additional funding is subject to factors beyond the control of the Company and its Directors. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, or at all.

(b) Material uncertainty relating to going concern

The Company and its group companies incurred a loss for the financial year ending on 30 June 2024 of \$15.3 million (2023: \$7.9 million) net cash outflow of \$0.7 million (2023: net cash inflow of \$0.2 million). Net current liability as at 30 June 2024 was \$22.5 million (2023: net current liability of \$25.3 million).

The ability of the Company and its subsidiaries to continue as a going concern is reliant on the Group continuing to raise additional capital from equity financing, drawdown of convertible note funding or by other means (such as the sale of assets) and managing cashflow in line with available funds.

The Directors believe there are reasonable grounds to believe that the Company and its subsidiaries will be able to continue as a going concern, as they believe the Company will be able to raise further funding as required (including pursuant to this Offer) and/or by rationalising its existing funding arrangements that will provide availability of sufficient funds for at least 12 months, as reasonably demonstrated by the Company's ability to raise additional funding and refinance its existing finance facilities as required over the last 12 months and manage its expenditure and cashflow.

Should the Company not be able to raise further funding as required, there remains a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and whether it will be able to pay its debts as and when they fall due, and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

(c) **Litigation risk**

In the ordinary course of business, the Company may be involved in litigation disputes from time to time. In addition to the disputes to which the Company is a party as summarised in section 8.14, the Company remains exposed to possible disputes brought by third parties including but not limited to customers, suppliers, competitors, business partners, employees and government bodies, which may result in litigation. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact on the Company's operations, financial performance and financial position. Defence and settlement costs can be significant, even in respect of claims that have no merit, and can divert the time and attention of management away from the business. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Company's business and prospects.

(d) **Supply chain risk**

Any supply chain disruptions and freight forwarding delays, including disruptions to the worldwide supply chain for electronic and hardware equipment could materially affect the Company's financial performance and position. The Company actively manages this risk with its suppliers through prepayments and other initiatives given the Company's strong pipeline of new customer contracts.

(e) **Government expenditure levels**

Given the Company's products are predominantly deployed on road infrastructure, any changes or delays in government expenditure on road infrastructure in the jurisdictions in which the Company's customers are located are likely to have a material impact on the Company. The Company maintains regular contact with state road authorities to ensure that the Company can manage the resources required for major projects as far ahead as possible or allow for the deferral of major projects in times of economic slowdown.

(f) **Taxation**

The Company is up to date with lodgements of its regulatory business activity statements and currently has several payment arrangements with the Australian Taxation Office for various key subsidiaries for outstanding taxation obligations. Some of these arrangements have been agreed and payments have been made in accordance with those agreed arrangements and others are being negotiated.

The Company cannot guarantee that it will be able to enter into payment arrangements in respect of those outstanding subsidiaries on terms acceptable to the Company or the Australian Taxation Office or at all. A failure to reach an agreed arrangement in respect of the Company or any of its subsidiaries could have a materially adverse effect on the financial position of the Company. All of the Company's assessed taxation liabilities have been fully provided for in the Company's accounts.

(g) **Inflation risk**

As the Company's products rely on various raw materials, any inflationary pressures affecting the cost of raw materials and componentry may have an adverse impact

on the Company. To mitigate this risk, the Company continuously monitors its cost base and implements cost savings and operating efficiencies where possible.

(h) **Foreign exchange risk**

The Company's financial position may be negatively affected by exchange rate fluctuations. A decrease in the Australian dollar exchange rate can affect import prices, and will therefore impact the Company in respect of its acquisition of components that are denominated in US dollars and other foreign currencies. Conversely, an increase in the Australian dollar exchange rate can affect export opportunities as the Company sells its products to a number of countries around the world, which are denominated in foreign currencies.

(i) **Competition and obsolescence risk**

While the Company works closely with road traffic authorities and incurs significant research and development expenditure to ensure that its products are state-of-the-art and competitive, there is a risk that new technology will be developed that will supersede the Company's technology.

Although new technologies have significant development and commercialisation times, the Company cannot guarantee that its technology will not be superseded by a competitor. The Company's potential competitors may include companies with substantially greater resources and access to more markets. Therefore, competitors may succeed in developing products that are more effective or otherwise commercially superior to the Company's products.

(j) **Cyber security risk**

The Company seeks to ensure that it has appropriate security measures and risk management systems in place as part of its risk management strategy in the light of recent well-publicised breaches and increased risk in this area. Measures have included enhanced security over the Company's systems, stronger authentication controls and additional training for all computer users.

However, those security measures are subject to various risks (including computer viruses, electronic theft, physical damage, third party provider failures or similar disruptions). The failure of the Company to preserve cyber security could breach law and cause significant operational, financial and reputational damage.

(k) **Key personnel risk**

The successful operation of the Company in part relies on its ability to retain its existing key management personnel who have intimate knowledge of the business and its products. The loss of any key members of management or the inability to attract additional skilled individuals to key management roles, may adversely affect the Company's capacity to develop and implement its business strategies.

(l) **Exercise Price**

If the New Options are exercised, there is no guarantee that Shares issued on exercise of those New Options will trade above the exercise price paid for those Shares.

7.2 General risks

(a) **Economic**

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future

revenues and prices of its securities may be affected by these factors, which are beyond the Company's control.

(b) **Changes in legislation and government regulation**

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(c) **Global credit investment market**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(d) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of the Company's securities.

(e) **Combination of risk**

A combination of risks, including any of the risks outlined in this Section 7 could affect the performance valuation, financial performance and prospects of the Company.

(f) **Unforeseen expenditure risk**

Expenditure may need to be incurred by the Company that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional material expenditure requirements other than those announced on the ASX, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(g) **Market conditions**

Equities market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Equities market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology

stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(h) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Offer Securities.

Therefore, the Offer Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Offer Securities.

8. Additional information

8.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

The Board has adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's securities and the consequences of non-compliance.

8.2 Legal framework of Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (**ED**) securities and the securities are in a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus (or Options over the same).

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of the information that would be included in a Prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

As at the date of this Prospectus, ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares and New Options under this Prospectus.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Shares and New Options; and

- (b) would reasonably expect to find in this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX during normal working hours.

In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, an office of ASIC or the registered office of the Company during normal office hours.

8.3 ASIC Instruments

The Offer is made pursuant to *ASIC Corporations (Exposure Period) Instrument 2016/74* which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing New Options in the seven-day period after the date of lodgement of the Prospectus with ASIC.

This Prospectus has also been issued to facilitate secondary trading of any Shares issued upon exercise of the New Options. Issuing the New Options under this Prospectus will enable persons to on-sell the Share issued on exercise of the New Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Exposure) Instrument 2016/80*.

8.4 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending 30 June 2024; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the annual financial report of the Company for the period ending 30 June 2024 and before the issue of this Prospectus:

Date	Description of announcement
11 November 2024	Prospectus
11 November 2024	Traffic Technologies launches Entitlement Offer
30 October 2024	Quarterly Activities/Appendix 4C Cash Flow Report
30 October 2024	Change of Auditor
25 October 2024	Notice of Annual General Meeting/Proxy Form
21 October 2024	Becoming a substantial holder
16 October 2024	Notification regarding unquoted securities - TTI
16 October 2024	Notice under Section 708A Corporations Act
15 October 2024	Application for quotation of securities - TTI
9 October 2024	Results of Meeting

Date	Description of announcement
9 October 2024	Investor Presentation
9 October 2024	Chair's Address to Shareholders
30 September 2024	FY24 Results Presentation
30 September 2024	Appendix 4G
30 September 2024	Corporate Governance Statement

The announcements are also available through the Company's website at <https://tti.irmau.com/>.

8.5 Design and distribution obligations

The product design and distributions obligations under the Corporations Act are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric product. The design and distributions obligations require product issuers to make publicly available a target market determination that explains the target market for certain securities, any distribution conditions and any information related to reviewing and monitoring conduct in relation to the target market determination.

The Company has prepared a TMD in respect of the New Options which is available on the Company's website at <https://tti.irmau.com/>.

8.6 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX. The New Options offered under this Prospectus are not currently trading on ASX.

The highest, lowest and last market closing prices of the Shares on the ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	Share price	Date
Highest	\$0.005	5, 6, 8, 15, 27, 28, 30 August 2024 11, 16, 17 September 2024 28, 29, 30 October 2024
Lowest	\$0.003	1 October 2024
Last	\$0.004	4 November 2024

8.7 Substantial Shareholders

Based on publicly available information, as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Adia Venture Limited ¹	145,932,778	13.04%

Shareholder	Shares	%
Youmin (Peter) Wu ²	113,650,528	10.16%
Robert Minney ²	70,406,704	6.29%
Total	329,990,010	29.49%

*Notes:

1. Based on the ASIC Form 603 lodged on 21 October 2024.
2. Based on the number of Shares held by substantial shareholders as disclosed in the Company's Annual Report announced to market on 30 September 2024 and the total number of Shares on issue as at the date of this Prospectus.

8.8 Interests of Directors

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Share Entitlement	New Option Entitlement	\$
Mr Cary Stynes (Non-Executive Chairman)	Nil	Nil	Nil	Nil
Mr Con Liosatos (Managing Director)	47,328,765	23,664,383	23,664,383	\$118,321.92
Mr Luke Donnellan (Non-Executive Director)	Nil	Nil	Nil	Nil

The Board recommends all Shareholders take up their Entitlements.

Con Liosatos has indicated that he will participate in this Entitlement Offer. If Con Liosatos takes up his Entitlements to the full extent, the Directors' interest in the Shares and Options of the Company is anticipated to be as follows:

Shares

Director	Current	Entitlement Offer	Total
Mr Cary Stynes (Non-Executive Chairman)	Nil	Nil	Nil
Mr Con Liosatos (Managing Director)	47,328,765	23,664,383	70,993,148
Mr Luke Donnellan (Non-Executive Director)	Nil	Nil	Nil

Options

Director	Current	Entitlement Offer	Total
Mr Cary Stynes (Non-Executive Chairman)	Nil	Nil	Nil
Mr Con Liosatos (Managing Director)	Nil	23,664,383	23,664,383
Mr Luke Donnellan (Non-Executive Director)	Nil	Nil	Nil

Other than as disclosed to market by the Company, set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

8.9 Remuneration of Directors

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Please refer to the Remuneration Report, which is contained on pages 11 to 13 of the Company's Annual Report for the financial year ending 30 June 2024, for full details of the remuneration of the Company's executive and non-executive directors.

The Annual Report for the financial year ending 30 June 2024 was lodged with ASX on 30 September 2024 and is available on the Company's ASX announcements page at website at <https://tti.irmau.com/>.

A hard copy of the Annual Report is also available free of charge before the Closing Date by contacting the Company at its registered address using the details in Section 10 of this Prospectus.

8.10 Interests of advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offer or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the date of this Prospectus, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

8.11 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus.

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section 8.11;

- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section 8.11; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Share Registry in the form and context in which it is named. Computershare Investor Services Pty Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry. Computershare Investor Services Pty Limited takes no responsibility for any part of this Prospectus, other than a reference to its name.

8.12 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$95,306 (excluding GST) and are expected to be applied towards the items set out in the table below.

Cost	Amount
ASIC fees	\$3,206
ASX fees	\$12,100
Legal fees	\$40,000
Share Registry fees, printing and distribution	\$40,000
Total	\$95,306

8.13 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.14 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company other than the following:

- (a) a dispute regarding the lease for the Company's former Eltham (Vic) premises, whereby the Company's former landlord has commenced proceedings against the Company in relation settlement of the lease. The Company has lodged a defence to the proceedings and the litigation is at a very preliminary stage. The Company believes it has a comprehensive defence and set off to the landlord's claim due to wide ranging deficiencies at the premises and in any event if the matter cannot be resolved commercially it is unlikely to be determined in a Court until late 2025 or early 2026;
- (b) a dispute with a material supplier, with whom the Company has now entered into a negotiated payment arrangement whereby the agreed settlement amount will be paid by the Company in instalments over an extended period; and

- (c) various non-material disputes which are customary in the industry in which the Company operates, relating to the supply of equipment and materials that are deficient. The Company expects these non-material disputes to be resolved on an agreed commercial basis.

8.15 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not received these documents, please contact the Company and the Company will send you, for free during the Offer period, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.16 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

8.17 Governing law

This Prospectus, the Offer and the contracts formed on acceptance of applications under the Offer are governed by the laws applicable in Victoria, Australia. Each applicant for Shares and New Options submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

8.18 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 11 November 2024

Cary P Stynes

**Mr Cary Stynes
Non-Executive Chairman
Traffic Technologies Ltd**

9. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

AEDT means Australian Eastern Daylight Savings Time.

Applicant means a Shareholder who applies for Securities pursuant to the Entitlement Offer or a Shareholder or other party who applies for Shortfall pursuant to the Shortfall Offer.

Application means an application for Offer Securities under the Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means the amount payable by an Applicant for the Shares the subject of an Application Form, as set out in this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except public holidays and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 3 (unless extended).

Company means Traffic Technologies Limited ACN 080 415 407.

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Eligible Shareholders means a Shareholder, as at the Record Date, who:

- (a) is recorded in the Company's register of members as having a registered address in Australia, New Zealand, Hong Kong or the United Kingdom.
- (b) as far as the Company is aware, is not located in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) is not otherwise ineligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the pro-rata non-renounceable entitlement offer the subject of this Prospectus and where the context requires, includes the Shortfall Facility.

Exercise Price means the exercise price of an Option.

Ineligible Shareholder means a Shareholder who, as at the Record Date, is not an Eligible Shareholder.

Offer Securities means the Shares and New Options offered pursuant to the Offer.

Offer means the Entitlement Offer or the Shortfall Offer (or either of them, as the case requires).

Official Quotation means official quotation on the ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Original Prospectus means the Company's prospectus dated, and lodged with ASIC before this Prospectus on, 11 November 2024.

New Option means the free attaching Options, offered to participants in the Offer for nil consideration on the basis of an entitlement to 1 New Option for every 2 Shares issued under the Offer, and such New Option otherwise being on the terms outlined in Section 6.1 of this Prospectus.

Prospectus means this document (including the electronic form of this Prospectus) and any supplement to, or replacement of, this document.

Record Date means the relevant time and date specified in Section 3 of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall means the Shares and New Options under the Entitlement Offer not accepted by Eligible Shareholders under their Entitlement or the Shortfall Facility before the Closing Date.

Shortfall Application Form means the Application Form relevant to subscribers under the Shortfall Offer.

Shortfall Facility has the meaning given to that term in Section 1.

Shortfall Offer means the offer of the Shortfall under this Prospectus, as set out in Section 4.9.

Shortfall Offer Closing Date means the date being 3 months from the Closing Date.

Shortfall Participants means those persons to whom the Directors decide to offer the Shortfall.

Shortfall Shares means those Shares issued pursuant to the Shortfall Offer.

Timetable means the timetable of key dates for the Offer set out in Section 3 of this Prospectus.

US Person has the meaning given to that term under the US Securities Act.

US Securities Act means the *US Securities Act of 1933*, as amended.

US means the United States of America.

10. Corporate directory

Directors

Mr Cary Stynes (Non-Executive Chairman)
Mr Con Liosatos (Managing Director)
Mr Luke Donnellan (Non-Executive Director)

Registered Office

320 Darebin Road
Fairfield VIC 3078
T: +61 3 9430 0222

Company Secretary

Mr Peter Crafter

Share Registry

Computershare Investor Services Pty
Limited
Yarra Falls, 452 Johnston Street,
Abbottsford VIC 3067
T: +61 3 9415 4000

ASX Code

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