



**TRAFFIC TECHNOLOGIES LTD  
AND CONTROLLED ENTITIES  
ABN 21 080 415 407**

**HALF-YEAR FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024  
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A**

***This half-year financial report is to be read in conjunction with the  
financial report for the year ended 30 June 2024***

**TRAFFIC TECHNOLOGIES LTD**  
**("TTI")**  
**(ABN 21 080 415 407)**

**Appendix 4D**

**Half-year financial report**  
**Period ended 31 December 2024**  
**(Comparative period: period ended 31 December 2023)**

***Results for announcement to the market***

1. Results				
		%		A\$'000
Revenues from ordinary activities	Down	53%	to	9,928
Earnings before interest and tax	Down	136%	to	(5,416)
Profit/(loss) after tax attributable to member	Down	301%	to	(6,666)
Net profit/(loss) from ordinary activities after tax attributable to member	Down	301%	to	(6,666)
For commentary on the results for the period and review of operations, refer to Directors' Report.				
2. Dividends	Amount per security		Franked amount per security	
Interim dividend	Nil		Nil	
Previous corresponding period: Interim dividend	Nil		Nil	
Record date for determining entitlements to the dividend	N/A			

**3. Net tangible assets per security**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(1.5) ¢	(0.6) ¢

#### 4. Details of entities over which control has been gained or lost during the period:

##### Control gained over entities

Name of entities	N/A	
Date(s) of gain of control	N/A	
Contribution to consolidated profit/(loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired	N/A	

##### Control lost over entities

Name of entities	N/A
Date(s) of loss of control	N/A

#### 5. Details of individual and total dividends or distributions and dividend or distribution payments

No interim dividend has been declared in respect of the half-year ended 31 December 2024 (2023: Nil). Total dividend Nil (2023: Nil).

#### 6. Details of any dividend or distribution reinvestment plans in operation

The Company has adopted a Dividend Reinvestment Plan (DRP) to provide shareholders with the opportunity to reinvest their dividends in ordinary shares in the Company free of brokerage, commissions and other transaction costs. The DRP is governed by the DRP rules. Subject to the DRP rules, participation is open to shareholders with registered addresses in Australia and New Zealand. Participation can be full or partial and can be varied or cancelled at any time. If a shareholder elects to participate in the DRP, the dividend otherwise payable on the shareholder's ordinary shares participating in the DRP will be reinvested in ordinary shares in the Company. These shares will either be issued to the shareholder or acquired on-market and transferred to the shareholder. Shares may be allocated at a discount to the market price of the shares. The Directors will determine a discount of up to 10% for each dividend declared.

#### 7. Details of associates and joint venture entities

Name of associate / joint venture	% Securities held
N/A	N/A

#### 8. Financial reporting framework

The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached), which has been prepared in accordance with Australian Accounting Standards which are equivalent to International Financial Reporting Standards (IFRS).

#### 9. Independent review of the financial report

The half-year financial report has been independently reviewed and is not subject to a qualified independent review conclusion.



**TRAFFIC TECHNOLOGIES LTD  
AND CONTROLLED ENTITIES  
ABN 21 080 415 407**

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2024**

*This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2024.*

**TRAFFIC TECHNOLOGIES LTD**  
**FINANCIAL REPORT FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2024**

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# **Traffic Technologies Ltd**

## **Financial Report for the half-year ended 31 December 2024**

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### **CORPORATE INFORMATION**

This financial report covers Traffic Technologies Ltd (ABN 21 080 415 407) (the Company) and its subsidiaries (the Group) for the half-year ended 31 December 2024. The Group's functional and presentation currency is AUD (\$). A description of the Group's operations and principal activities is included in the Operating and Financial Review section within the Directors' Report.

#### **Directors**

Mr. Cary Stynes LLB (Melb.) MAICD (Non-Executive Chairman)  
Mr. Con Liosatos MAICD (Managing Director)  
Mr. Luke Donnellan (Non-Executive Director)

#### **Company Secretary**

Mr. Peter Crafter

#### **Chief Financial Officer**

Mr. Joerg Poetzinger

#### **Registered Office & Principal Place of Business**

Traffic Technologies Ltd  
320 Darebin Road  
Fairfield VIC 3078

#### **Share Register**

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnson Street  
Abbotsford VIC 3067  
Tel: 1300 850 505

Traffic Technologies Ltd shares are listed on the Australian Securities Exchange ("TTF").

#### **Lawyers**

Gadens  
Level 13, Collins Arch  
447 Collins Street  
Melbourne VIC 3000

#### **Bankers**

Westpac Banking Corporation  
Level 6  
150 Collins Street  
Melbourne VIC 3000

#### **Auditors**

Hall Chadwick Melbourne  
Level 14  
440 Collins Street  
Melbourne VIC 3000

# **Traffic Technologies Ltd**

## **Half-year Financial Report**

### **Directors' Report for the half-year ended 31 December 2024**

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The directors of Traffic Technologies Ltd (the Company) present their financial report for the half-year ended 31 December 2024 in order to comply with the provisions of the Corporations Act 2001.

#### **DIRECTORS**

The names of the Company's directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr. Cary Stynes LLB (Melb.) MAICD (Non-Executive Chairman)  
Mr. Con Liosatos MAICD (Managing Director)  
Mr. Luke Donnellan (Non-Executive Director)  
Mr. Youmin (Peter) Wu (Non-Executive Director) (retired 26 September 2024)

#### **ROUNDING**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the Class Order applies.

#### **OPERATING AND FINANCIAL REVIEW**

##### **Operations**

Traffic Technologies is Australia's premier traffic solutions company. Established in 2004 and listed on ASX in 2005, the Company's head office is in Fairfield, Victoria with offices across all states of Australia and an office in England. The Group specialises in "Smart City" control systems, LED road and streetlights along with the design, manufacture and installation of traffic signals, urban traffic controllers, pedestrian countdown timers, electronic road signs, emergency telephones and road lighting products. The Group also supplies a wide range of directional and regulatory traffic signs and traffic control products to road traffic authorities, municipal councils and construction companies.

The Group's proprietary "Traffic SmartCity Technology" (TST) platform, developed for the road industry, councils and power authorities, enables the integration of assets such as streetlights and other traffic management equipment to a central control/management system via remote "Internet of Things" (IoT) sensors. Customers, mainly government authorities inclusive of road authorities, councils and power companies, can monitor and analyse equipment in real time in order to make informed decisions on their road networks. The Group's subsidiaries, Aldridge Traffic Systems and Quick Turn Circuits (QTC) and L&M have been major participants in the "Intelligent Transport Systems" market in Australia and Victoria for 45, 30 and 40 years, respectively.

De Neeffe is a key manufacturer and supplier to the road infrastructure market across Australia, with customers including state road authorities, local councils and construction companies. The Company's signage products are distributed from the Company's depots around Australia with manufacturing facilities in Victoria and Western Australia.

# Traffic Technologies Ltd

## Half-year Financial Report

### Directors' Report for the half-year ended 31 December 2024

#### Financial Overview

The table below summarises the Group's financial performance for the half-year ended 31 December:

	2024	2023
	\$'m	\$'m
Sales revenue	9.9	21.2
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	(4.3)	(1.0)
Depreciation and Amortisation Expense	(1.1)	(1.3)
Earnings before Interest and Tax (EBIT)	(5.4)	(2.3)
Finance Costs	(1.3)	(1.0)
Net Loss After Tax (NPAT)	(6.7)	(3.3)

Revenue for the half year ended 31 December 2024 was \$9.928m and continued to be adversely affected by capital constraints within the Company's working capital facilities. Demand for the Company's products and services however remains strong with significant ongoing investment by Federal and State governments in road infrastructure projects across Australia. The Company's order book remains significant with forward orders of over \$6.8m and several long-term customer term contracts extending up to 5 years with a value of over \$25m.

The Company recently announced that it had been awarded a contract to supply "Smart City IoT" ready LED streetlights to Sydney City Council. The contract is for an initial period of five years, extendable for further periods, up to a maximum contract term of nine years. The contract is estimated to be worth up to \$3.0m over the initial term of 5 years and up to \$5m if the option to extend is exercised.

Whilst revenue has continued to be adversely affected by capital constraints, the Company has been addressing the issue with several initiatives. The Company recently completed a partial refinancing of its debt facilities, with a convertible note agreement for USD \$3m, a share placement and manufacturing service agreement with the Season Group, a Hong Kong-based electronic manufacturing services provider. The Company has also recently been provided with an additional trade finance facility and \$3.1m loan facility by Season Group.

During Q2 the Company undertook an entitlement offer under which eligible shareholders were entitled to subscribe for 1 share for every 2 shares held, with 1 free attaching option for every 1 share issued under the entitlement offer. The entitlement offer closed on 13 December 2024, raising \$175k. In addition, under the terms of the entitlement offer, the Company will be seeking to place the balance of the shortfall amount of \$2.6 million to wholesale investors who are eligible to participate under the shortfall offer. The shortfall offer closing date is 13 March 2025.

The Company's cost saving program continues, involving the relocation and re-organisation of the Company's manufacturing operations in New South Wales which is expected to lead to further cost savings. The Company's cost saving program has already resulted in annualised cost savings in FY24 of \$2.2m with further annualised savings of up to \$6.0m expected to be achieved by December 2025.

Net liabilities were \$13.3m as at 31 December 2024 compared to net liabilities of \$7.6m at 30 June 2024, reflecting the net loss for the period. Receivables and inventory were lower at 31 December 2024, reflecting lower trading in the period. Net debt increased by 37%, excluding liabilities associated with capitalised property leases, and was \$11.4m at 31 December 2024, compared to \$8.3m at 30 June 2024.

Net operating cash outflow was \$3.4m for the period. Receipts from customers for the period were \$11.3m. The Company's cash flow continues to be significantly impacted by the need to pay overseas suppliers in advance to secure priority in componentry and deliveries to ensure the Company can meet its customer delivery requirements. Net investing cash outflow was \$0.5m for the period, including investment to further expand and develop the Company's Smart City software and product portfolio which is expected to deliver improved results for the Company in FY25 and beyond with net financing cash inflow was \$3.8m for the period.



**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Directors' Report for the half-year ended 31 December 2024**

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**Business Strategies and Prospects**

The Company has transitioned from being purely a manufacturer and supplier of traffic management products to an integrated supplier of products, services and software applications to the road industry and government.

The Company continues to invest in research and development with a major emphasis being the deployment and implementation of our "Smart City" platform, "TST". The system continues to gain traction across several states with local councils and large-scale infrastructure projects. Through data analytics, customers can make informed decisions in real time making roads safer, greener, and adaptable to the needs of communities. This has led to an increase in recurring annuity revenue in new and existing contracts where the focus has moved to a SaaS model with annual subscription and service fees.

The Company continues to experience significant growth in its "Smart City"- ready lighting products, across Australia, with future revenues and earnings underpinned by a material level of long-term customer contracts and orders from state and local government agencies and power companies.

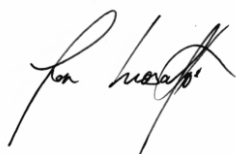
The expansion into the lucrative Intelligent Transport sector has given the Company the ability to supply sophisticated "Smart City" ready electronic systems across Australia which has assisted the Company's signage business which provides access to councils, road authorities and contractors of all states and territories including its "Smart City" platform. The additional capability within the Company to undertake installation and maintenance work has opened new channels to market for our IoT devices and traffic management products.

**Outlook**

The Company is extremely well positioned to benefit in the years ahead from increased investment by governments on road infrastructure programs. The Company's cost reduction program and new more efficient products being developed will assist with that improvement. The Company's expansion of its business into "Smart Cities", IoT and software are generating annuity income streams from SaaS subscription and service fees. A reduction in the Company's finance costs remains a continued focus, as does achieving further operating efficiencies including achieving savings from the further consolidation of its manufacturing operations. We expect an improved trading performance in the year ahead from these strategic initiatives, the Company's strong order book and the level of long term customer contracts.

The consolidated entity is in the process of restructuring its working capital facilities to better align them with the current operational requirements of the business and is in discussions with various providers of debt and equity finance regarding its various funding facilities.

Signed in accordance with a resolution of the Directors made pursuant to s.306 (3) of the Corporations Act 2001.



Con Liosatos  
Managing Director

Melbourne, 27 February 2025

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income for**  
**the half-year ended 31 December 2024**

	<b>Note</b>	<b>Half-Year to 31 Dec 2024 \$'000</b>	<b>Half-Year to 31 Dec 2023 \$'000</b>
Revenue	3	9,928	21,183
Other income	3	42	66
Changes in inventories of finished goods and work in progress		(1,367)	(1,846)
Raw materials and consumables used		(4,481)	(10,412)
Employee benefits expense		(6,859)	(7,819)
Occupancy costs		(648)	(828)
Advertising and marketing expense		(3)	(20)
Impairment loss on financial assets		-	-
Other expenses		(954)	(1,361)
Depreciation and amortisation expenses		(1,074)	(1,259)
<b>Earnings before interest and tax (EBIT)</b>		<b>(5,416)</b>	<b>(2,296)</b>
Finance costs		(1,250)	(1,024)
<b>Loss for the period before income tax expense</b>		<b>(6,666)</b>	<b>(3,320)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(6,666)</b>	<b>(3,320)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(6,666)</b>	<b>(3,320)</b>
<b>Loss per share</b>		<b>Cents</b>	<b>Cents</b>
- Basic earnings per share	4	(0.64)	(0.44)
- Diluted earnings per share	4	(0.43)	(0.44)

*The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.*

**Traffic Technologies Ltd**  
**Half-year financial report**  
**Consolidated Statement of Financial Position as at 31 December 2024**

	Note	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		341	455
Trade and other receivables	5	3,992	4,058
Inventories	6	7,804	9,171
<b>Total Current Assets</b>		<b>12,137</b>	<b>13,684</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		4,755	3,423
Intangible assets	7	3,848	3,920
<b>Total Non-Current Assets</b>		<b>8,603</b>	<b>7,343</b>
<b>TOTAL ASSETS</b>		<b>20,740</b>	<b>21,027</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	15,495	14,491
Interest-bearing liabilities	9	7,537	5,281
Provisions		2,492	2,740
<b>Total Current Liabilities</b>		<b>25,524</b>	<b>22,512</b>
<b>Non-Current Liabilities</b>			
Interest-bearing liabilities	9	8,254	5,899
Provisions		217	202
<b>Total Non-Current Liabilities</b>		<b>8,471</b>	<b>6,101</b>
<b>TOTAL LIABILITIES</b>		<b>33,995</b>	<b>28,613</b>
<b>NET ASSETS</b>		<b>(13,255)</b>	<b>(7,586)</b>
<b>EQUITY</b>			
Contributed equity	10	63,478	62,481
Accumulated losses		(76,733)	(70,067)
<b>TOTAL EQUITY</b>		<b>(13,255)</b>	<b>(7,586)</b>

*The Statement of Financial Position should be read in conjunction with the notes to the financial statements.*

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Consolidated Statement of Changes in Equity for the half-year ended 31 December 2024**

	Ordinary Shares \$'000	Accumulated Losses \$'000	Total \$'000
<b>At 1 July 2023</b>	61,252	(54,792)	6,460
Loss for the period	-	(3,320)	(3,320)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(3,320)	(3,320)
<b>At 31 December 2023</b>	61,252	(58,112)	3,140
<b>At 1 July 2024</b>	62,481	(70,067)	(7,586)
Loss for the period	-	(6,666)	(6,666)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(6,666)	(6,666)
Placement	905	-	905
Entitlement offer	175	-	175
Share issue costs	(83)	-	(83)
<b>At 31 December 2024</b>	63,478	(76,733)	(13,255)

*The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.*

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Consolidated Statement of Cash Flows for the half-year ended 31 December**  
**2024**

	<b>Half-Year to 31 Dec 2024 \$'000</b>	<b>Half-Year to 31 Dec 2023 \$'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	11,302	27,213
Payments to suppliers and employees	(14,112)	(22,717)
Interest received	4	4
Interest paid	(591)	(930)
Net cash from operating activities	(3,397)	3,570
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of plant and equipment	15	40
Purchase of property, plant and equipment	-	(114)
Purchase of intangible assets	(494)	(732)
Net cash from investing activities	(479)	(806)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of shares	1,080	-
Capital raising costs	(83)	-
Proceeds from issue of convertible debt securities	4,452	-
Proceeds from borrowings	2,066	-
Repayment of borrowings	(3,480)	(2,382)
Repayment of finance leases	(273)	(533)
Net cash from financing activities	3,762	(2,915)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(114)</b>	<b>(151)</b>
Cash and cash equivalents at beginning of the period	455	1,182
<b>Cash and cash equivalents at end of the period</b>	<b>341</b>	<b>1,031</b>

*The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.*

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Notes to the Consolidated Financial Statements for the half-year ended**  
**31 December 2024**

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## **1. CORPORATE INFORMATION**

The financial report of Traffic Technologies Ltd (the Company) and its subsidiaries (the Group) for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of the directors on 27 February 2025. Traffic Technologies Ltd is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Operating and Financial Review section within the Directors' Report.

The amounts contained in the notes to the financial statements have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 2016/191. The Company is an entity to which the Class Order applies.

The financial report is presented in Australian dollars (AUD). For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

## **2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

### **a) Basis of preparation**

This general purpose condensed financial report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. This half-year financial report does not include all the notes of the type usually included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full year financial report. It also does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is recommended that the half-year financial report be considered together with the annual report for the year ended 30 June 2024 and any public announcements made by Traffic Technologies Ltd during the half-year ended 31 December 2024 and prior to 27 February 2025, in accordance with the continuous disclosure obligations of the *ASX Listing Rules*. The same accounting policies used for the annual report for the year ended 30 June 2024 have been used for this half-year financial report.

### **b) Going concern**

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

The consolidated entity incurred a loss for the half year of \$6.7m, and as at 31 December 2024, current liabilities exceed current assets. The consolidated entity continues to be reliant on external funding to ensure it can pay its debts as and when they fall due. Although the Directors are confident that necessary equity and debt funding facilities will remain in place for the foreseeable future, this represents a material uncertainty that may cast doubt regarding going concern.

In assessing the appropriateness of the going concern concept the following factors have been taken into consideration by the Directors:

- The consolidated entity has a significant order book and a large number of long-term customer contracts including the recent award of a contract to supply LED streetlights to the City of Sydney.
- The consolidated entity is in the process of restructuring its working capital facilities to better align them with the current operational requirements of the business and is in discussions with various providers of debt and equity finance regarding restructuring its various funding facilities.

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Notes to the Consolidated Financial Statements for the half-year ended**  
**31 December 2024**

- The consolidated entity completed a partial refinancing of its debt in October 2024 and an entitlement offer in December 2024 raising \$175k with the ability to place the shortfall of \$2.6m open until 13 March 2025. Additional debt finance has since been provided to the consolidated entity by Season Group since 31 December 2024.
- The consolidated entity has entered into a significant manufacturing agreement with Season Group and is in the process of outsourcing part of its production overseas.
- The consolidated entity is in discussions with various parties regarding the potential divestment of certain parts of its business to streamline its operations and enable the redirection of capital to the core parts of its business operations.
- The consolidated entity is continuing its cost reduction program to reduce its cost base, with further annualised cost savings of \$2m achieved in the first half of FY25.
- The consolidated entity has consistently demonstrated an ability to raise additional capital when required, with significant additional debt and equity having been raised over the past 20 years, including in the past 12 months.

**c) New standards adopted by the Group**

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**3. REVENUE**

	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>
<b>Revenue</b>		
Sale of goods – recognised at point in time	8,237	19,207
Sale of services – recognised over period of time	1,532	1,976
Other revenue	159	-
Revenue from contracts with customers	<u>9,928</u>	<u>21,183</u>
<b>Other income</b>		
Net gain on disposal of fixed assets	9	35
Other income	<u>33</u>	<u>31</u>
Total	<u>42</u>	<u>66</u>

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Notes to the Consolidated Financial Statements for the half-year ended**  
**31 December 2024**

**4. EARNINGS PER SHARE**

Earnings used in calculating earnings per share	<b>Consolidated 2024 \$'000</b>	Consolidated 2023 \$'000
For basic and diluted earnings per share:		
Net loss attributable to ordinary equity holders of the parent	(6,666)	(3,320)
Weighted average number of shares		
	<b>Consolidated 2024 Thousands</b>	Consolidated 2023 Thousands
Weighted average number of ordinary shares used in calculating basic earnings per share	1,035,249	757,670
Weighted average number of ordinary shares adjusted for the effect of dilution	1,564,110	757,670
<b><i>Loss per share</i></b>	<b>Cents</b>	<b>Cents</b>
- Basic earnings per share	(0.64)	(0.44)
- Diluted earnings per share	(0.43)	(0.44)



**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Notes to the Consolidated Financial Statements for the half-year ended**  
**31 December 2024**

**5. TRADE AND OTHER RECEIVABLES**

	<b>Consolidated 31 Dec 2024 \$'000</b>	<b>Consolidated 30 Jun 2024 \$'000</b>
Trade receivables	2,764	3,028
Allowance for expected credit loss	(172)	(186)
	<u>2,592</u>	<u>2,842</u>
Prepaid stock	702	412
Prepayments	200	243
Other receivables	498	561
Total	<u>3,992</u>	<u>4,058</u>

**6. INVENTORIES**

	<b>Consolidated 31 Dec 2024 \$'000</b>	<b>Consolidated 30 Jun 2024 \$'000</b>
Raw materials	2,769	3,062
Work in progress and sub-assemblies	1,889	2,470
Finished goods	3,146	3,639
Total	<u>7,804</u>	<u>9,171</u>

**7. INTANGIBLE ASSETS**

	<b>Development Costs \$'000</b>	<b>Other Intangible Assets \$'000</b>	<b>Total \$'000</b>
At 30 June 2024			
Cost	16,285	3,268	19,553
Accumulated amortisation	(12,442)	(3,191)	(15,633)
Carrying amounts at 30 June 2024	<u>3,843</u>	<u>77</u>	<u>3,920</u>
At 31 December 2024			
Cost	16,718	3,330	20,048
Accumulated amortisation	(12,921)	(3,279)	(16,200)
Carrying amounts at 31 December 2024	<u>3,797</u>	<u>51</u>	<u>3,848</u>

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Notes to the Consolidated Financial Statements for the half-year ended**  
**31 December 2024**

**8. TRADE AND OTHER PAYABLES**

	<b>Consolidated 31 Dec 2024 \$'000</b>	<b>Consolidated 30 Jun 2024 \$'000</b>
Trade creditors	6,437	8,704
Sundry creditors and accruals	9,058	5,787
Total	15,495	14,491

**9. INTEREST-BEARING LOANS AND BORROWINGS**

	<b>Consolidated 31 Dec 2024 \$'000</b>	<b>Consolidated 30 Jun 2024 \$'000</b>
<b>Current borrowings</b>		
Debtor finance (Early Pay)	1,502	4,021
Term loan (First Samuel)	2,500	-
Unsecured loans	2,448	700
Equipment lease liabilities	150	172
Property lease liabilities	937	388
Total	7,537	5,281
<b>Non-current borrowings</b>		
Trade finance facility (Early Pay)	-	961
Term loan (First Samuel)	-	2,000
Convertible note (Season Group)	4,452	-
Unsecured loans	462	700
Equipment lease liabilities	311	375
Property lease liabilities	3,149	2,039
Capitalised borrowing costs	(120)	(176)
Total	8,254	5,899

**Traffic Technologies Ltd**  
**Half-year Financial Report**  
**Notes to the Consolidated Financial Statements for the half-year ended**  
**31 December 2024**

**10. CONTRIBUTED EQUITY**

	Number of Shares (‘000)	\$’000
<b>Ordinary shares</b>		
At 1 July 2024	972,885	62,481
Placement	145,933	905
Entitlement offer	34,915	175
Share issue costs	-	(83)
At 31 December 2024	1,153,733	63,478

In addition, under the terms of the entitlement offer, 34,915,287 unlisted options with an exercise price of 1 cent per share and a 24-month term were issued on 20 December 2024.

**11. EVENTS AFTER BALANCE DATE**

An additional trade finance facility was provided by Season Group on 31 January 2025. In addition, Season Group provided the Company with an additional loan facility of AUD \$3.1m in February 2025 with interest to be charged at 12%. These funds are for the acquisition of additional equipment and materials from suppliers to meet existing and expected new contracts and for working capital.

**12. COMMITMENTS AND CONTINGENCIES**

The Company is involved in a number of commercial disputes with suppliers relating to certain goods and services supplied to the Company. The Company has engaged its lawyers to deal with these matters in the ordinary course of its business. Notwithstanding the lack of merits of various of these claims, the full value of suppliers’ claims have been provided for in the accounts of the Company.

**13. RELATED PARTY TRANSACTIONS**

Transactions with Shareholders

First Samuel Limited (one of the Company’s lenders – see note 9) holds 47,753,517 ordinary shares in the Company.

Season Group (through its associate Adia Venture Limited) (one of the Company’s lenders – see note 9) holds 145,932,778 ordinary shares in the Company.

Transactions with Directors or Director-related entities

Managing Director Mr. Liosatos has provided unsecured loans of \$801,722 to the Company; the loans are unsecured and carry an interest rate of 13%.

An entity associated with former director Mr. Wu has provided unsecured loans of \$808,566 to the Company; the loans carry an interest rate of 12%. The Company rents a property in Fairfield, Victoria from an entity associated with Mr. Wu on arm’s length commercial terms. Charges associated with this property in the period ended 31 December 2024 were \$49,930 (including GST).

#### **14. SEGMENT INFORMATION**

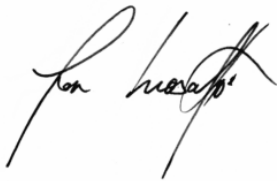
The Group has only one business segment: Traffic Products. The Group's chief operating decision maker (the Managing Director) reviews financial information on a consolidated basis and makes strategic decisions based on this consolidated information.

**DIRECTORS' DECLARATION**

The directors of the Company state:

- a) the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes, of the Group are in accordance with the Corporations Act 2001, and:
  - (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
  - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Con Liosatos  
Managing Director

Melbourne, 27 February 2025

**TRAFFIC TECHNOLOGIES LIMITED**  
**ABN 21 080 415 407**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE SHAREHOLDERS OF TRAFFIC TECHNOLOGIES LIMITED**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the accompanying half-year financial report of Traffic Technologies Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Traffic Technologies Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report.

We are independent of the Group in accordance with the auditor independence requirement of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be the same terms if given to the Directors as at the time of this Auditor's Review Report.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 in the half-year financial report, which indicates that the Group incurred a loss of \$6.7m and negative operating cash flows of \$3.4m during the half-year ended 31 December 2024. The company also has a net liabilities position of \$13.25m as of 31 December 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Responsibilities of the Directors for the Half-Year Financial Report

The Directors of the Group are responsible for:

- a) the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*
- b) such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended as at that date; and complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Hall Chadwick Melbourne Audit**  
**Chartered Accountants**  
**Level 14, 440 Collins Street**  
**MELBOURNE VIC 3000**



**Director: Anh (Steven) Nguyen**

**Date: 27 February 2025**

**TRAFFIC TECHNOLOGIES LIMITED**  
**ABN 21 080 415 407**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF TRAFFIC TECHNOLOGIES LIMITED**

As lead auditor for the review of Traffic Technologies Limited and controlled entities for the half-year ended 31 December 2024, I declare that, the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



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**Anh (Steven) Nguyen**  
**Director**

Date: 27 February 2025  
Hall Chadwick Melbourne  
Level 14 440 Collins Street  
Melbourne VIC 3000