

Rekor Systems to Acquire Southern Traffic Services (STS)

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Acquisition will expand Rekor's geographic footprint by adding more than 60,000 lanes of additional coverage over hundreds of thousands of square miles throughout the United States. Rekor Systems, Inc. (NASDAQ:REKR) ("Rekor" or the "Company"), a global AI technology company with a mission to provide data-driven insights that build safer, smarter and more efficient cities around the world through intelligent infrastructure, today announced that it has entered into a Letter of Intent ("LOI") to acquire Southern Traffic Services ("STS"). STS is a recognized leader in traffic engineering and advanced traffic data collection technologies across public and private agencies. Under the terms of the LOI, Rekor will acquire STS for a total purchase price of up to \$14.5 million, including earnouts, the amount of which will be based on the achievement of certain performance metrics.

The acquisition will be funded through a combination of cash, stock, and seller notes. The closing of the transaction is subject to customary conditions and is expected to occur within the next 90 days. The acquisition will be accretive to Rekor's earnings immediately upon closing.

Founded in 1988, STS pioneered data services contracts with departments of transportation throughout the United States. In addition to traffic data collection, STS provides traffic engineering expertise that includes design, planning, and traffic study services to government and private agencies across the United States with a strong footprint in the Southeast. STS has over 100 dedicated professionals and manages more than 30,000 traffic data collection sites across various states. The acquisition will expand Rekor's coverage area by more than 60,000 lanes of traffic that cover hundreds of thousands of square miles across the United States. For fiscal year 2022, the Company expects STS to generate \$15 million of revenue, of which approximately 50% is recurring, and EBITDA of \$3 million.

Link to original press release:

<https://www.rekor.ai/post/rekor-systems-to-acquire-southern-traffic-services-sts>