



EROAD

Market Release

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7 September 2023

EROAD announces NZ\$50 million Equity Raise

Transportation technology services company EROAD Limited ("EROAD") announces that it is seeking to raise approximately NZ\$50 million of new capital. The structure of the equity raise is an institutional placement to raise approximately NZ\$11.6 million ("Institutional Placement") and a 1 for 2.06 pro rata accelerated renounceable entitlement offer to raise approximately NZ\$38.4 million ("Entitlement Offer" and, together with the Institutional Placement, the "Equity Raise"). The Equity Raise involves the offering of new ordinary shares in EROAD ("New Shares") and is fully underwritten.

During 2022, EROAD commenced a comprehensive strategic review of the business which included significant cost out initiatives, rationalisation of its product suite and a more focused and disciplined strategy for executing its growth plan.

Since then, EROAD has made considerable progress on its strategy including in FY23 achieving NZ\$10m in annualised cost out with a further NZ\$10m annualised cost out targeted for FY24, strong customer renewals and new wins, as well as further progressing the integration of its strategic acquisition, Coretex.

The capital raised from the Equity Raise will strengthen EROAD's balance sheet, giving it greater flexibility to continue its strategy of sustainable, profitable growth maximising long term shareholder value. The net proceeds from the Equity Raise will be used to repay debt, providing funding headroom to allow EROAD to further underpin its growth strategy, especially in the key North American market.

Entitlement Offer overview

The Entitlement Offer provides an opportunity for Eligible Shareholders to increase the number of Shares they hold in EROAD and to take advantage of the discount at which the New Shares will be issued under the Entitlement Offer, relative to the trading price prior to announcement of the Equity Raise.

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 1 New Share for every 2.06 existing shares ("Existing Shares") held as at 7:00pm (NZST) / 5:00pm (AEST) on Friday, 8 September 2023 at an issue price of NZ\$0.70 (or the A\$ Price) per New Share ("Issue Price") ("Entitlement").

The A\$ Price will be the Australian dollar equivalent of NZ\$0.70 determined using the NZ\$:A\$ exchange rate published by the Reserve Bank of New Zealand on its website as at 3:00pm (NZST) on Friday, 8 September 2023. The A\$ Price will be announced by EROAD on Monday, 11 September 2023.

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The Issue Price of NZ\$0.70 per New Share reflects a 49.6% discount to NZ\$1.39, being the last close price on the NZX as at Wednesday, 6 September 2023 and a 37.7% discount to the theoretical ex-rights price ("TERP")¹ of NZ\$1.12.

Eligible Retail Shareholders will have until 7.00pm (NZST) / 5.00pm (AEST) on Thursday, 21 September 2023 to subscribe for New Shares.

The Entitlement Offer comprises an accelerated institutional entitlement offer, an institutional bookbuild, a retail entitlement offer and a retail bookbuild. A summary of these different components of the Entitlement Offer is set out in the Appendix to this announcement.

Institutional Placement overview

The Institutional Placement will comprise the offer of 16,571,429 New Shares to selected Institutional Investors and other invited participants at the discretion of EROAD to raise approximately NZ\$11.6 million. The Institutional Placement will be conducted today (Thursday, 7 September 2023).

EROAD's Chair, Susan Paterson, commented: "EROAD is well advanced on a number of strategic initiatives and the funds raised under the Equity Raise will give us greater flexibility to execute our growth plan, principally in North America. We are pleased to confirm that all Directors of EROAD who are eligible intend to take up their full entitlements under the Entitlement Offer, with those and other Directors intending to participate in the Institutional Placement, reflecting strong support for EROAD's strategy going forward."

The offer of New Shares by EROAD under the Entitlement Offer is made on the terms and conditions set out in the Offer Document dated and provided to the NZX and ASX today. Capitalised terms have the meaning set out in that Offer Document. Additional information can be found in the Investor Presentation provided to the NZX and ASX today. Please read the Offer Document and Investor Presentation carefully before deciding what to do. A letter informing shareholders of their Entitlements and the process to apply for New Shares on the offer website (www.shareoffer.co.nz/eroad) will be sent to eligible shareholders on Tuesday, 12 September 2023.

A table of key dates for the Retail Offer is included in the Appendix to this announcement.

Ends

Authorised for release to the NZX and ASX by EROAD's Board of Directors.

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¹ The TERP is the theoretical price at which EROAD shares should trade immediately after the ex-date of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. The TERP is calculated by reference to EROAD's closing price of NZ\$1.39 on 6 September 2023 and includes the New Shares to be issued via the Institutional Placement.

About EROAD

EROAD Limited's (ASX: ERD; NZX: ERD) ("EROAD") purpose is to create safer and more sustainable roads. EROAD develops and markets technology solutions to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with operating a fleet of vehicles and inventory of assets. EROAD has a proven SaaS business model and is experiencing continuing growth in installed units and revenue. EROAD has operations in New Zealand, North America and Australia, with customers ranging in size from small fleets through to large enterprise customers.

For more information visit <https://www.eroadglobal.com/global/investors>

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Appendix: Summary of the Entitlement Offer

The Entitlement Offer will consist of:

- an accelerated institutional entitlement offer to Eligible Institutional Shareholders which will be conducted on Thursday, 7 September 2023 ("Institutional Offer"), followed by the Institutional Bookbuild; and
- a retail entitlement offer to Eligible Retail Shareholders which will open at 10:00am (NZST) / 8:00am (AEST) on Tuesday, 12 September 2023 and will close at 7:00pm (NZST) / 5:00pm (AEST) on Thursday, 21 September 2023 ("Retail Offer"), followed by the Retail Bookbuild.

Each New Share will rank equally with the Existing Shares on issue.

Institutional Offer

EROAD is offering Eligible Institutional Shareholders the opportunity to participate in the Institutional Offer which will be conducted on Thursday, 7 September 2023. Eligible Institutional Shareholders may take up all, part or none of their Entitlements. Entitlements cannot be traded or sold on the NZX or ASX.

New Shares not taken up by Eligible Institutional Shareholders, or attributable to Ineligible Institutional Shareholders, may be offered for sale through an Institutional Bookbuild to be conducted on Friday, 8 September 2023.

Any Premium achieved (where the Clearing Price exceeds the Issue Price) from the sale of New Shares through the Institutional Bookbuild will be paid (net of any applicable withholding tax and expenses) on a pro-rata basis to those Eligible Institutional Shareholders who do not take up their Entitlements in full and Ineligible Institutional Shareholders. There is no guarantee that any Premium will be achieved through the Institutional Bookbuild, and any Premium achieved in the Institutional Bookbuild may be different from any Premium achieved in the Retail Bookbuild.

EROAD shares have been placed in a trading halt while the Institutional Offer and Institutional Bookbuild are undertaken.

Retail Offer

EROAD is offering Eligible Retail Shareholders with an address recorded in EROAD's share register that is in New Zealand or Australia at 7:00pm (NZST) / 5:00pm (AEST) on the Record Date the opportunity to participate in the Retail Offer. The Retail Offer will open at 10:00am (NZST) / 8:00am (AEST) on Tuesday, 12 September 2023 and close at 7:00pm (NZST) / 5:00pm (AEST) on Thursday, 21 September 2023. Eligible Retail Shareholders will have the opportunity to participate at the same Issue Price and offer ratio as the Institutional Offer. Eligible Retail Shareholders can choose to take up their Entitlement in whole, in part or not at all. Entitlements cannot be traded or sold on the NZX or ASX.

New Shares not taken up by Eligible Retail Shareholders, or attributable to Ineligible Retail Shareholders, will be offered for sale through a Retail Bookbuild to be conducted on Tuesday, 26 September 2023.

Any Premium achieved (where the Clearing Price exceeds the Issue Price) from the sale of New Shares through the Retail Bookbuild will be paid (net of any applicable withholding tax and expenses) on a pro-

rata basis to those Eligible Retail Shareholders who do not take up their Entitlements in full and Ineligible Retail Shareholders. There is no guarantee that any Premium will be achieved through the Retail Bookbuild, and any Premium achieved in the Retail Bookbuild may be different from any Premium achieved in the Institutional Bookbuild.

Any Premium achieved through the Institutional Bookbuild or the Retail Bookbuild will be paid (net of any applicable withholding tax) in either New Zealand dollars or, for those Shareholders with a nominated bank account in Australian dollars or who have a registered address in Australia and do not have a New Zealand bank account, at the prevailing A\$:NZ\$ exchange rate, to their nominated bank account as noted in EROAD's share register. That exchange rate may be different to the exchange rate used to set the A\$ Price.

Key dates

To be read in conjunction with the Offer Document.

Record date – Institutional and Retail Offer	7:00pm (NZST) or 5:00pm (AEST), Friday, 8 September 2023
Institutional Placement, Institutional Offer and Institutional Bookbuild	
Trading halt commences on the NZX Main Board and the ASX	Pre-market open, Thursday, 7 September 2023
Institutional Offer and Institutional Placement conducted	Thursday, 7 September 2023
Institutional Bookbuild conducted	Friday, 8 September 2023
Announce results of Institutional Offer, Institutional Bookbuild and Institutional Placement and A\$ Price	Pre-market open, Monday, 11 September 2023
Trading halt lifted on the NZX Main Board and ASX	
Settlement of Institutional Offer, Institutional Bookbuild and Institutional Placement on ASX	Friday, 15 September 2023
Settlement of Institutional Offer, Institutional Bookbuild and Institutional Placement on the NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board and ASX	Monday, 18 September 2023

Retail Entitlement Offer and Retail Bookbuild	
Retail Offer opens	10:00am (NZST) or 8:00am (AEST), Tuesday, 12 September 2023
Retail Offer closes	7:00pm (NZST) or 5:00pm (AEST) (last day for online applications), Thursday, 21 September 2023
Trading halt commences on the NZX Main Board and ASX	Pre-market open, Tuesday, 26 September 2023
Retail Bookbuild conducted	Tuesday, 26 September 2023
Announce results of Retail Offer and Retail Bookbuild Trading recommences on NZX Main Board and ASX	Pre-market open, Wednesday, 27 September 2023
Settlement of Retail Offer and Retail Bookbuild on ASX	Friday, 29 September 2023
Settlement of Retail Offer and Retail Bookbuild on the NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board	Monday, 2 October 2023
Commencement of trading of allotted New Shares on the ASX	Tuesday, 3 October 2023

Note: The above timetable is indicative only and subject to change without notice. All dates and times are New Zealand time (unless stated otherwise).

The Institutional Placement and the Entitlement Offer do not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. This announcement may not be forwarded to any other person (or otherwise reproduced in any manner) in the United States or in any jurisdiction outside of New Zealand and Australia. In particular, this announcement may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The offer and sale of the securities referred to in this announcement have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. Any forwarding or other distribution of this announcement in any jurisdiction outside New Zealand or Australia could result in a violation of relevant securities laws.

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