



# EROAD

## Market Release

*Not for release to US wire services or distribution in the United States*

11 September 2023

### EROAD completes Institutional Placement, Institutional Offer and Institutional Bookbuild

EROAD Limited ("**EROAD**" NZX/ASX: ERD) is pleased to advise that it has successfully completed the fully underwritten institutional entitlement offer ("**Institutional Offer**") component of its underwritten accelerated pro rata entitlement offer of 1 New Share for every 2.06 Existing Shares to eligible institutional and retail shareholders ("**Entitlement Offer**") and the institutional placement ("**Institutional Placement**", together with the Entitlement Offer, the "**Equity Raise**") of new fully paid ordinary shares in EROAD ("**New Shares**") as announced on Thursday 7 September 2023. EROAD expects to raise approximately NZ\$50 million under the Equity Raise.

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.

#### Institutional Placement

The Institutional Placement was strongly supported by a number of existing and new Institutional Investors across New Zealand, Australia and offshore raising \$11.6 million at the issue price of NZ\$0.70 per New Share.

#### Institutional Offer and Institutional Bookbuild

The Institutional Offer raised gross proceeds of approximately NZ\$17.6 million with approximately NZ\$4.3 million of entitlements taken up by eligible institutional shareholders. Approximately NZ\$13.3 million of entitlements were not taken up under the Institutional Offer, which included our two largest shareholders who elected not to participate. However, it was pleasing to see several new and returning investors participating. Entitlements not taken up under the Institutional Offer contributed into the institutional shortfall bookbuild that was conducted on Friday, 8 September ("**Institutional Bookbuild**").

The Institutional Bookbuild was well supported, with all New Shares attributable to unexercised institutional entitlements allocated, and a clearing price of NZ\$0.70 per share achieved.

The clearing price of the Institutional Bookbuild was the same as the Issue Price of the Entitlement Offer. Eligible institutional shareholders who elected not to take up their entitlements and whose New Shares were sold in the Institutional Bookbuild will not receive any consideration for the entitlements not taken up by them.

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## Announcement of A\$ Price

The Australian dollar issue price (“**A\$ Price**”) has been set at A\$0.65. The A\$ Price was determined using the NZ\$:A\$ exchange rate published by the Reserve Bank of New Zealand on its website at 3.00pm (NZST) / 1.00pm (AEST) on Friday, 8 September 2023.

## Retail Offer

Eligible retail shareholders will be invited to participate in the retail entitlement offer component of the Entitlement Offer (“**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. Applicants must apply via the online application process and are encouraged to do so as soon as possible.

New Shares attributable to entitlements not taken up under the Retail Offer, and those which would otherwise have been offered to ineligible retail shareholders, will be offered for subscription through a retail shortfall bookbuild (“**Retail Bookbuild**”) to be held on Tuesday, 26 September 2023.

Any premium achieved above the Issue Price from the sale of New Shares in the Retail Bookbuild will be paid (less applicable taxes) 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.

## Further information and shareholder enquiries

Shareholders who have any questions about the Equity Raise are encouraged to read the Offer Document and consult their broker, solicitor, accountant, financial adviser or other professional adviser.

## ENDS

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

### Investor enquires please contact:

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## 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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