



# EROAD LIMITED **OFFER DOCUMENT**

1 for 2.06 Accelerated Renounceable  
Entitlement Offer of New Shares

7 SEPTEMBER 2023

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

This Offer Document is an important document. You should read the entire document before deciding what action to take with respect to your Entitlement. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional adviser. This Offer Document may not be distributed outside New Zealand or Australia, except to certain institutional and professional investors in such other countries and to the extent contemplated in this Offer Document.



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## IMPORTANT NOTICE

### GENERAL INFORMATION

The Entitlement Offer is made under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (FMCA) and pursuant to the provisions of section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Instrument 20-0854).

This Offer Document is not a product disclosure statement or other disclosure document for the purposes of the FMCA, the Corporations Act, or any other law, has not been lodged with the Financial Markets Authority or ASIC, and does not contain all of the information that an investor would find in a product disclosure statement or other disclosure document, or which may be required in order to make an informed investment decision about the Entitlement Offer or EROAD.

### ADDITIONAL INFORMATION AVAILABLE UNDER EROAD'S CONTINUOUS DISCLOSURE OBLIGATIONS

EROAD is subject to continuous disclosure obligations under the NZX Listing Rules. You can find market releases by EROAD at [www.nzx.com](http://www.nzx.com) and [www.asx.com.au](http://www.asx.com.au) under the code "ERD".

EROAD may, during the period of the Entitlement Offer, make additional releases to the NZX and ASX. To the maximum extent permitted by law, no release by EROAD to the NZX or ASX will permit an applicant to withdraw any previously submitted application without EROAD's prior consent.

### OFFERING RESTRICTIONS

This Offer Document does 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 Offer Document may not be sent or given to any person who is not an Eligible Shareholder in circumstances in which the Entitlement Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of New Zealand or Australia except to Eligible Institutional Shareholders or as EROAD may otherwise determine in compliance with applicable laws.

Neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United

States. Accordingly, the Entitlements may not be issued to, or taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons 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. The Entitlements and the New Shares to be offered and sold pursuant to this Offer Document may only be offered and sold outside the United States in "offshore transactions" as defined and in reliance on Regulation S under the US Securities Act.

Further details on the offering restrictions that apply are set out in the Details of the Offer section of this Offer Document.

If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions could contravene applicable securities law. EROAD disclaims all liability to such persons.

### CHANGES TO THE ENTITLEMENT OFFER

Subject to the NZX Listing Rules, the ASX Listing Rules and applicable laws, EROAD reserves the right to alter the dates set out in this Offer Document.

Additionally, EROAD reserves the right to withdraw all or any part of the Entitlement Offer (either generally or in particular cases) and the issue of New Shares at any time before the Allotment Date at its absolute discretion.

### NO GUARANTEE

No guarantee is provided by any person in relation to the New Shares to be issued pursuant to the Entitlement Offer. Likewise, no warranty is provided with regard to the future performance of EROAD or any return on any investments made pursuant to this Offer Document.

The market price for the Shares may change between the date the Entitlement Offer opens, the date you apply for New Shares under the Entitlement Offer, and the date on which the New Shares are allotted to you. Accordingly, the price paid for Shares under the Entitlement Offer may be higher or lower than the price at which Shares are trading on the NZX Main Board or the ASX at the time New Shares are issued under the Entitlement Offer. The market price of New Shares following allotment may be higher or lower than the Issue Price.

### FUTURE PERFORMANCE

This Offer Document includes certain "forward-looking statements". These forward-looking statements are not historical facts but rather are based on EROAD's current

expectations, estimates, beliefs, assumptions and projections about EROAD, the industry in which EROAD operates, the outcome and effects of the Equity Raise and use of proceeds. These forward-looking statements include statements about EROAD's expectations about the performance of EROAD's business, statements about the future performance of EROAD, and statements about the use of proceeds from the Equity Raise. Forward-looking statements can generally be identified by the use of forward-looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of EROAD, its directors and management, are difficult to predict and may involve significant elements of subjective judgment and assumptions as to future events which may not be correct and could cause actual results to differ materially from those expressed in the forward-looking statements. EROAD cautions Shareholders and prospective Shareholders not to place undue reliance on these forward-looking statements, which reflect EROAD's views only as of the date of this Offer Document. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. The forward-looking statements made in this Offer Document relate only to events as of the date on which the statements are made. EROAD will not release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Offer Document except as required by law or by any appropriate regulatory authority.

### **DECISION TO PARTICIPATE IN THE ENTITLEMENT OFFER**

The information in this Offer Document does not constitute a recommendation to acquire or invest in New Shares nor does it amount to financial product advice. This Offer Document has been prepared without taking into account the particular needs or circumstances of any investor, including an investor's investment objectives, financial and/or tax position.

### **DISCLAIMER**

The Joint Lead Managers and Underwriters have not been responsible for the preparation of, and to the maximum extent permitted by law accept no liability in connection with, this Offer Document.

### **PRIVACY**

Any personal information provided by Eligible Shareholders via the online application will be held by EROAD or the Registrar at the addresses set out in the Directory.

EROAD and/or the Registrar may store your personal information in electronic format, including in online storage or on a server or servers which may be located in New Zealand or overseas. The information will be used for the purposes of administering your investment in EROAD.

This information will only be disclosed to third parties with your consent or if otherwise required or permitted by law. Under the New Zealand Privacy Act 2020, you have the right to access and correct any personal information held about you.

### **ENQUIRIES**

Enquiries about the Entitlement Offer can be directed to an NZX Primary Market Participant, your broker, or your solicitor, accountant or other professional adviser.

If you have any questions about how to apply online, please contact the Registrar, whose contact details are set out in the Directory.

### **DEFINED TERMS**

Capitalised terms used in this Offer Document have the specific meaning given to them in the Glossary of this Offer Document.



## LETTER FROM THE CHAIR

### Recapitalising our Roadmap for Growth

Dear EROAD shareholder,

The Directors of EROAD are pleased to offer you the opportunity to participate in an accelerated renounceable entitlement offer to raise approximately NZ\$38.4 million of new equity ("**Entitlement Offer**") at an issue price of NZ\$0.70 (or the A\$ Price). In conjunction with the Entitlement Offer, EROAD will be conducting an institutional placement to raise approximately NZ\$11.6 million ("**Institutional Placement**") and, together with the Entitlement Offer, 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.

As discussed at our Annual Shareholders Meeting, we are currently implementing our strategic plan which is focused on "Turning Around the Core" and "Growing North America". Turning Around the Core is progressing well, with the additional NZ\$10 million of cost-out, targeted in FY24, on track to be achieved.

EROAD's entry into the North American market, which gained momentum in the past 2 years through the Coretex acquisition, provides exposure to a large market with attractive growth prospects supported by long-term industry tailwinds, including an increased emphasis on sustainability and electrification, increasing regulatory and compliance requirements, strong fleet consolidation opportunities and workflow digitization.

I am pleased to reiterate our outlook for FY24, including:

- Revenue of NZ\$175m to NZ\$180m, reflecting continued growth across all three geographies;
- EBIT of up to NZ\$5m, normalised for 3G replacement program; and
- R&D spend of NZ\$30m.

Hitting these milestones will put EROAD firmly on track to becoming Free Cash Flow neutral during FY25, and Free Cash Flow positive during FY26.

Furthermore, I am pleased to announce that EROAD has secured commitments from lenders for a new 3-year financing facility with an additional lender included in the syndicate. The facility replaces the debt due to mature in FY25, providing additional funding flexibility and duration.

#### HOW YOU CAN PARTICIPATE IN THE ENTITLEMENT OFFER

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 the announcement of the Equity Raise.

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 1 New Share for every 2.06 EROAD 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.

The Issue Price 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 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 institutional component of the Entitlement Offer will be accelerated and close today (Thursday, 7 September 2023).

You can choose to take up your entitlement in whole, in part or not at all. Under the Entitlement Offer, there will be no trading of Entitlements. Instead, New Shares not taken up, or attributable to Ineligible Shareholders, will be offered to Institutional Investors through two Bookbuilds run by the Lead Managers, Goldman Sachs and Canaccord. See Part 5 of this Offer Document for further information on the Bookbuilds and how any Premium achieved in those Bookbuilds will be shared.

The Equity Raise is fully underwritten by Goldman Sachs New Zealand Limited and Canaccord Genuity (Australia) Limited.

## **CONCLUSION**

This Offer Document contains important information about the Entitlement Offer. I encourage you to read it carefully and take the time to consider the Entitlement Offer and seek financial, investment, or other professional advice from a qualified professional adviser. Additional information can be found in the investor presentation which we have released to the NZX and ASX.

Eligible Retail Shareholders can apply to take up their Entitlements under the Entitlement Offer by completing an online application at [www.shareoffer.co.nz/EROAD](http://www.shareoffer.co.nz/EROAD) by 7.00pm (NZST) / 5.00pm (AEST) on Thursday, 21 September 2023. Instructions on how to make payment can be found at [www.shareoffer.co.nz/EROAD](http://www.shareoffer.co.nz/EROAD).

The Board and Management remain excited about the future for EROAD.

We are pleased to confirm that all Directors of EROAD who currently hold EROAD Shares 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 investor support for the execution of EROAD's strategy in New Zealand, Australia and North America.

Yours sincerely,



**Susan Paterson**  
**Chair**

## EQUITY RAISE AT A GLANCE

<b>Issuer</b>	EROAD Limited
<b>Entitlement Offer</b>	<p><b><i>Institutional Offer and Retail Offer</i></b></p> <p>A pro rata renounceable entitlement offer of 1 New Share for every 2.06 Existing Shares held by an Eligible Shareholder at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, with fractional entitlements being rounded down to the nearest share.</p> <p>If you are an Eligible Shareholder and you do not take up all of your Entitlement, your current shareholding will be diluted as a result of the issue of New Shares.</p> <p><b><i>Institutional Bookbuild and Retail Bookbuild</i></b></p> <p>Entitlements cannot be traded on the NZX Main Board, the ASX or otherwise privately transferred.</p> <p>New Shares not taken up by Eligible Shareholders, or attributable to Ineligible Shareholders, will be offered for sale through Bookbuilds run by the Joint Lead Managers.</p> <p>There will be a Bookbuild for the Institutional Offer (the <b><i>Institutional Bookbuild</i></b>) and a separate Bookbuild for the Retail Offer (the <b><i>Retail Bookbuild</i></b>).</p> <p>Any Premium realised for New Shares in the Bookbuilds will be paid (net of any applicable withholding tax) to Ineligible Shareholders and Eligible Shareholders who do not take up all of their Entitlements, in proportion to their holdings of the Entitlements offered under the Bookbuilds (Ineligible Shareholders will be deemed to hold the Entitlement they would have received if they were an Eligible Shareholder for the purpose of calculating the amount of any such Premium payable to them).</p> <p>There is no guarantee that there will be any Premium realised for the New Shares offered for sale in the Bookbuilds, and the Premium realised (if any) in the Institutional Bookbuild may be different from the Premium realised (if any) in the Retail Bookbuild.</p>
<b>Institutional Placement</b>	<p>In conjunction with the Entitlement Offer, EROAD will conduct an Institutional Placement to raise approximately NZ\$11.6 million. The New Shares issued under the Institutional Placement will be issued at the Issue Price.</p> <p>New Shares issued to participants in the Institutional Placement will not be eligible to participate in the Entitlement Offer.</p>



<b>Issue Price</b>	NZ\$0.70 (or the A\$ Price) per New Share.
<b>Existing Shares currently on issue</b>	113,139,546 Existing Shares.
<b>Maximum number of New Shares being offered under the Equity Raise</b>	54,922,109 New Shares under the Entitlement Offer and 16,571,429 New Shares under the Institutional Placement, being 71,493,538 New Shares in total under the Equity Raise (subject to rounding).
<b>Equity Raise size</b>	The approximate amount to be raised is NZ\$38.4 million under the Entitlement Offer and NZ\$11.6 million under the Institutional Placement, being NZ\$50 million in total.
<b>New Shares</b>	The same class as, and ranking equally with, Existing Shares.
<b>Eligible Retail Shareholders</b>	<p>You are an Eligible Retail Shareholder if, as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, you are recorded in EROAD's share register as a Shareholder and:</p> <p>(a) your address is shown in EROAD's share register as being in New Zealand or Australia; or</p> <p>(b) EROAD considers, in its discretion, you may be treated as an Eligible Retail Shareholder,</p> <p>and you are not in the United States and not acting for the account or benefit of a person in the United States and not an Institutional Shareholder.</p>
<b>How to apply</b>	<p><b><i>Eligible Retail Shareholders</i></b></p> <p>Applications must be made online at <a href="http://www.shareoffer.co.nz/EROAD">www.shareoffer.co.nz/EROAD</a> by 7.00pm (NZST) or 5.00pm (AEST) on Thursday, 21 September 2023.</p> <p><b><i>Eligible Institutional Shareholders</i></b></p> <p>The Joint Lead Managers will contact Eligible Institutional Shareholders and advise them of the terms and conditions of participation in the Entitlement Offer and the application process.</p>
<b>Underwriting</b>	The Equity Raise is fully underwritten by the Underwriters.

## IMPORTANT DATES

### INSTITUTIONAL OFFER, INSTITUTIONAL PLACEMENT AND INSTITUTIONAL BOOKBUILD

This timetable is relevant to participants in the Institutional Offer, Institutional Placement and Institutional Bookbuild. Eligible Retail Shareholders should refer to the important dates for the Retail Offer and Retail Bookbuild set out in the “Retail Offer and Retail Bookbuild” table on the following page.

Key Event	Date
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
Record Date 7.00pm (NZST) or 5.00pm (AEST)	Friday, 8 September 2023
Announce results of Institutional Offer, Institutional Bookbuild and Institutional Placement (pre-market open)	Monday, 11 September 2023
Announce A\$ Price (pre-market open)	
Trading halt lifted on the NZX Main Board and ASX (pre-market open)	
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 OFFER AND RETAIL BOOKBUILD

The timetable immediately below is relevant to participants in the Retail Offer and Retail Bookbuild. Eligible Institutional Shareholders should refer to the important dates for the Institutional Offer, Institutional Placement and Institutional Bookbuild set out in the “Institutional Offer, Institutional Placement and Institutional Bookbuild” table above.

Key Event	Date
Record Date 7.00pm (NZST) or 5.00pm (AEST)	Friday, 8 September 2023
Announce A\$ Price (pre-market open)	Monday, 11 September 2023
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) Retail Bookbuild conducted	Tuesday, 26 September 2023
Announce results of Retail Offer and Retail Bookbuild (pre-market open) 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 ASX	Tuesday, 3 October 2023
Despatch of holding statements for New Shares issued under the Retail Offer and the Retail Bookbuild	Tuesday, 3 October 2023

Applicants must apply via the online application process and are encouraged to do so as soon as possible. No cooling-off rights apply to applications submitted under the Entitlement Offer and once an application has been submitted it cannot be withdrawn without EROAD’s consent.

The dates set out in the tables above (and any references to them in this Offer Document) are subject to change and are indicative only. All times and dates refer to NZ time (unless otherwise specified). EROAD reserves the right to amend the timetables (including by extending the closing dates for the Entitlement Offer or accepting late applications, either generally or in particular cases) subject to the NZX Listing Rules, ASX Listing Rules and applicable law. Any extension of the closing dates for the Entitlement Offer will have a consequential effect on the relevant Allotment Date.

## ACTIONS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

### IF YOU ARE AN ELIGIBLE RETAIL SHAREHOLDER

If you are an Eligible Retail Shareholder, you may take the following actions:

- take up all of your Entitlement;
- take up part of your Entitlement; or
- do nothing.

If you only take up part of your Entitlement or do nothing, New Shares attributable to any Entitlement not taken up will be offered for sale in the Retail Bookbuild. Any Premium realised for those New Shares in the Retail Bookbuild will be paid (net of any applicable withholding tax) on a pro rata basis to those Eligible Retail Shareholders who do not take up all of their Entitlement or who are Ineligible Retail Shareholders.

### TO TAKE UP ALL OR PART OF YOUR ENTITLEMENT

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement, you need to apply online at [www.shareoffer.co.nz/EROAD](http://www.shareoffer.co.nz/EROAD) before 7.00pm (NZST) or 5.00pm (AEST) on Thursday, 21 September 2023. You will be required to enter your CSN/Holder number which you hold your Shares under and your Entitlement number which will be sent to you.

Payment for your New Shares must be by way of direct credit. More detail on payment options is included in the online acceptance form.

Cheques will not be accepted.

The Entitlement Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in EROAD reduced by the Entitlement Offer. However, Eligible Shareholders who do not take up all of their Entitlement will have their percentage shareholding in EROAD diluted by the issue of New Shares under the Entitlement Offer.

Depending on the extent to which Eligible Shareholders who are invited to do so participate in the Institutional Placement, Eligible Shareholders may have their current shareholding diluted as a result of the issue of New Shares under the Institutional Placement.

### DO NOTHING

If you do not take up all of your Entitlement, New Shares attributable to the remaining balance of your Entitlement will be sold through the Retail Bookbuild on Tuesday, 26 September 2023. You will not be able to subscribe for New Shares in respect of the portion of your Entitlement not taken up and your holding will be diluted by the issue of New Shares under the Entitlement Offer.

You will receive the Premium (if any) in respect of those Unexercised Retail Entitlements. There is no guarantee that any Premium will be achieved, and any Premium achieved in the Retail Bookbuild may be different from any Premium achieved in the Institutional Bookbuild. The ability to sell New Shares attributable to Unexercised Retail Entitlements in the Retail Bookbuild and the ability to obtain any Premium will be dependent upon various factors, including market conditions. Further, the price received for the New Shares attributable to Unexercised Retail Entitlements under the Retail Bookbuild may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Joint Lead Managers will, if accepted, result in all New Shares offered in the Retail Bookbuild being sold.

It is expected that the Premium (if any) will be paid to you (net of any applicable withholding tax) on or about Monday, 9 October 2023 and will be paid to your nominated bank account as noted in EROAD's share register.

### IF YOU ARE AN INSTITUTIONAL SHAREHOLDER

The Joint Lead Managers will contact Institutional Shareholders to inform them of the terms and conditions of participation in the Institutional Offer and seek confirmation of their Entitlements under the Entitlement Offer.

The Joint Lead Managers will determine the Shareholders who will be treated as Institutional Shareholders for the purpose of determining the Shareholders to whom an offer of Entitlements and New Shares will be made under the Institutional Offer. In exercising their discretion, the Joint Lead Managers may have regard to a number of matters, including legal and regulatory requirements and logistical and registry constraints. EROAD and the Joint Lead Managers will agree on which Shareholders will be treated as Ineligible Institutional Shareholders.

### **WHAT OPTIONS DO INELIGIBLE SHAREHOLDERS HAVE?**

Ineligible Shareholders are unable to participate in the Entitlement Offer and cannot take up their Entitlements. New Shares attributable to the Entitlements that Ineligible Retail Shareholders would have received if they were Eligible Retail Shareholders will be sold in the Retail Bookbuild and Ineligible Retail Shareholders will receive the Premium (if any) in respect of the New Shares attributable to the Entitlements they would have received if they were Eligible Retail Shareholders. There is no guarantee that there will be any Premium achieved in the Retail Bookbuild, and any Premium achieved in the Retail Bookbuild may differ from any Premium achieved in the Institutional Bookbuild.

New Shares attributable to the Entitlements that Ineligible Institutional Shareholders would have received if they were Eligible Institutional Shareholders will be sold in the Institutional Bookbuild and Ineligible Institutional Shareholders will receive the Premium (if any) in respect of the New Shares attributable to the Entitlements they would have received if they were Eligible Institutional Shareholders. There is no guarantee that there will be any Premium achieved in the Institutional Bookbuild, and any Premium achieved in the Institutional Bookbuild may differ from any Premium achieved in the Retail Bookbuild.

## DETAILS OF THE EQUITY RAISE

### THE ENTITLEMENT OFFER

The Entitlement Offer is an offer of New Shares to Eligible Shareholders under a pro rata accelerated renounceable entitlement offer. Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 2.06 Existing Shares held at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date. The New Shares will be the same class as, and will rank equally with, Existing Shares which are quoted on the NZX Main Board and ASX. It is a term of the Entitlement Offer that EROAD will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

If you are an Eligible Shareholder, you may take up all or some of your Entitlement or do nothing with all or some of your Entitlement. If you are an Eligible Shareholder and you do not take up all of your Entitlement, your current shareholding will be diluted as a result of the issue of New Shares.

In conjunction with the Entitlement Offer, EROAD will be conducting the Institutional Placement whereby, in addition to the Entitlement Offer, 16,571,429 New Shares will be offered to eligible Institutional Investors (which may include Eligible Institutional Shareholders) to raise approximately NZ\$11.6 million (before costs). The price per New Share issued under the Institutional Placement will be issued at the Issue Price. New Shares issued to participants in the Institutional Placement will not be eligible to participate in the Entitlement Offer.

In aggregate, EROAD expects to raise a total of approximately NZ\$50 million through the Equity Raise (before costs), issuing an anticipated 71,493,538 New Shares (subject to rounding). Both the Entitlement Offer and the Institutional Placement are fully underwritten by the Underwriters.

By receiving this Offer Document, you represent and warrant that:

- You are an Eligible Shareholder;
- You understand that (i) neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and (ii) the Entitlements and the New Shares may not be offered or sold, directly or indirectly, to 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; and

- You have not sent, and will not send, this Offer Document to any person in the United States or elsewhere outside Australia and New Zealand except nominees and custodians may send this Offer Document to beneficial shareholders outside the United States who are Institutional Investors.

### ISSUE PRICE

The Issue Price is NZ\$0.70 (or the A\$ Price) per New Share.

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 at 3.00pm (NZST) on Friday, 8 September 2023. The A\$ Price will be announced by EROAD on Monday, 11 September 2023.

The Issue Price must be paid in full on application. Payment of the Issue Price for the Retail Offer must be made in accordance with the online application process.

Any New Shares allotted to you will be allotted on the same branch register as your Existing Shares are held on the Record Date.

EROAD may accept late applications and application monies, either generally or in particular cases, but it has no obligation to do so. EROAD may accept or reject (at its discretion) any online application which it considers is not completed correctly, and may correct any errors or omissions in the online application.

An application may not be withdrawn without EROAD's prior consent once submitted.

Application monies received will be held in a trust account with the Registrar until the corresponding New Shares are allotted or the application monies are refunded. Interest earned on the application monies will be for the benefit, and remain the property, of EROAD and will be retained by EROAD whether or not the issue of New Shares takes place. Any refunds of application monies (without interest) will be made within 10 Business Days of allotment (or the date that the decision not to accept an application is made, as the case may be).

### WITHDRAWAL

Subject to EROAD's compliance with all applicable laws, EROAD reserves the right to withdraw the Entitlement Offer at any time at its absolute discretion. If any application is not accepted, all applicable application monies will be refunded, without interest, to the relevant Shareholder.

## **PURPOSE OF THE EQUITY RAISE**

EROAD intends that the proceeds raised from the Equity Raise will be used to provide funding flexibility, strengthen the balance sheet and allow EROAD to accelerate its North America growth strategy and continue its objective of maximising long term shareholder value.

## **THE INSTITUTIONAL PLACEMENT**

### *Overview of the Institutional Placement*

In conjunction with the Entitlement Offer, EROAD will be conducting the Institutional Placement whereby, in addition to the Entitlement Offer, 16,571,429 New Shares will be offered to selected Institutional Investors (which may include Eligible Institutional Shareholders) and other invited participants at the discretion of the Company to raise approximately NZ\$11.6 million (before costs). The price per New Share issued under the Institutional Placement will be the Issue Price. New Shares issued to participants in the Institutional Placement will not be eligible to participate in the Retail Offer.

## **THE INSTITUTIONAL OFFER**

### *Overview of the Institutional Offer*

EROAD is offering Eligible Institutional Shareholders the opportunity to subscribe for 1 New Share for every 2.06 Existing Shares held as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, at an Issue Price of NZ\$0.70 (or the A\$ Price) per New Share. This ratio and the Issue Price are the same as for the Retail Offer. Eligible Institutional Shareholders may take up all, part or none of their Entitlements.

Entitlements will not be quoted and cannot be traded on the NZX Main Board or ASX or privately transferred. Ineligible Institutional Shareholders and Eligible Institutional Shareholders who have not taken up their full Entitlement may receive some value in respect of their Unexercised Institutional Entitlements if a Premium is achieved under the Institutional Bookbuild. There is no guarantee that any Premium will be achieved, and any Premium achieved in the Institutional Bookbuild may be different from any Premium achieved in the Retail Bookbuild.

### *Eligibility under the Institutional Offer*

The Institutional Offer is only open to Eligible Institutional Shareholders. EROAD and the Joint Lead Managers will determine (in their sole discretion) the Shareholders who will be treated as Eligible Institutional Shareholders for the purpose of determining the Shareholders to whom an offer of New Shares will be made under the Institutional Offer. In exercising their discretion, the Joint Lead Managers may have regard to a number of matters, including legal and regulatory requirements and logistical and registry constraints. EROAD and the Joint Lead Managers will agree on which Shareholders will be treated as Ineligible Institutional Shareholders.

If you sell any Shares (and that sale settles) prior to 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

EROAD reserves the right to reject any application for New Shares under the Institutional Offer that it considers comes from a person who is not an Eligible Institutional Shareholder.

### *Acceptance of Entitlement under the Institutional Offer*

The Joint Lead Managers will seek to contact Eligible Institutional Shareholders to inform them of the terms and conditions of participation in the Institutional Offer and seek confirmation of their Entitlements under the Institutional Offer. Applications for New Shares by Eligible Institutional Shareholders can only be made in accordance with the process conducted by the Joint Lead Managers.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Institutional Shareholder is entitled under its Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number. Applications in excess of an Eligible Institutional Shareholder's Entitlement will not be accepted.

### *The Institutional Bookbuild*

New Shares that are attributable to Unexercised Institutional Entitlements will be offered under the Institutional Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Institutional Offer).

## DETAILS OF THE EQUITY RAISE CONTINUED

The Institutional Bookbuild is expected to take place on Friday, 8 September 2023. The Clearing Price under the Institutional Bookbuild will be equal to or above the Issue Price.

The proceeds from each New Share issued under the Institutional Bookbuild (if any) will be paid as follows:

- EROAD will receive the Issue Price for all New Shares issued under the Institutional Bookbuild; and
- any Premium achieved in the Institutional Bookbuild will be paid to:
  - a) each Eligible Institutional Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only); and
  - b) each Ineligible Institutional Shareholder (who will be deemed to hold the Entitlement they would have received if they were an Eligible Institutional Shareholder for the purpose of calculating the amount of any such Premium payable to them),

in proportion to their holdings of Unexercised Institutional Entitlements.

Allocations of New Shares under the Institutional Bookbuild will be determined by EROAD and the Joint Lead Managers.

### ***Settlement of the Institutional Offer and the Institutional Bookbuild***

Settlement of the Institutional Offer and the Institutional Bookbuild will occur on the Institutional Settlement Date in accordance with arrangements advised by the Joint Lead Managers. Each investor remains responsible for ensuring its own compliance with the Takeovers Code and other applicable law.

NZ RegCo has granted EROAD a waiver from Listing Rule 4.19.1 in respect of the Entitlement Offer and Institutional Placement, to the extent that it would require allotment of New Shares to Volaris to occur within 10 Business Days from the close of the Institutional Offer and the Institutional Placement. This is subject to the condition that to the extent allotment of New Shares to Volaris cannot occur on the Institutional Settlement Date without Volaris breaching the Takeovers Code, the allotment of New Shares to Volaris occurs on the Retail Settlement Date. In addition to disclosure of this waiver in this Offer Document, it is also a condition that this waiver

is disclosed in EROAD's annual report for the 2024 financial year. The purpose of the waiver is to allow Volaris to take up its Entitlements in full or participate in the Institutional Placement, should it wish to do so, without breaching the Takeovers Code at the earlier Institutional Settlement Date where such breach would be cured on the Retail Settlement Date.

### **THE RETAIL OFFER**

#### ***Overview of the Retail Offer***

EROAD is offering Eligible Retail Shareholders the opportunity to subscribe for 1 New Share for every 2.06 Existing Shares held as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, at an Issue Price of NZ\$0.70 (or the A\$ Price) per New Share. This ratio and the Issue Price are the same as for the Institutional Offer. Eligible Retail Shareholders may take up all, part or none of their Entitlements.

The Retail Offer opens on Tuesday, 12 September 2023 and closes at 7.00pm (NZST) or 5.00pm (AEST) on Thursday, 21 September 2023 (subject to EROAD's right to modify these dates or times).

Entitlements will not be quoted and cannot be traded on the NZX Main Board or ASX or privately transferred. Ineligible Retail Shareholders and Eligible Retail Shareholders who have not taken up their full Entitlement may receive some value in respect of their Unexercised Retail Entitlements if a Premium is achieved under the Retail Bookbuild. There is no guarantee that any Premium will be achieved, and any Premium achieved in the Retail Bookbuild may be different from any Premium achieved in the Institutional Bookbuild.

#### ***Eligibility under the Retail Offer***

The Retail Offer is only open to Eligible Retail Shareholders.

The Retail Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder (including any Institutional Shareholder or an Ineligible Retail Shareholder). Any person allocated New Shares under the Institutional Offer, Institutional Bookbuild or Institutional Placement does not have any entitlement to participate in the Retail Offer in respect of those New Shares.

EROAD reserves the right to reject any application for New Shares under the Retail Offer that it considers comes from a person who is not an Eligible Retail Shareholder.



***Acceptance of Entitlement under the Retail Offer***

Applications for New Shares by Eligible Retail Shareholders can only be made via an online application at [www.shareoffer.co.nz/EROAD](http://www.shareoffer.co.nz/EROAD).

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Retail Shareholder is entitled under its Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

Eligible Retail Shareholders are not obliged to subscribe for any or all of the New Shares to which they are entitled under the Retail Offer. They may take up some or all of their Entitlement or allow some or all of their Entitlement to lapse.

Any person outside New Zealand or Australia who takes up an Entitlement in the Retail Offer (and therefore applies for New Shares) through a New Zealand or Australian resident nominee, and their nominee, will be deemed to have represented and warranted to EROAD that the Entitlement Offer can be lawfully made to their nominee pursuant to this Offer Document. None of EROAD, the Joint Lead Managers, the Underwriters, the Registrar or any of their respective directors, officers, employees, agents, or advisers accept any liability or responsibility to determine whether a person is eligible to participate in the Entitlement Offer.

***The Retail Bookbuild***

New Shares that are attributable to Unexercised Retail Entitlements will be offered under the Retail Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they take up their full Entitlements under the Institutional Offer).

The Retail Bookbuild is expected to take place on Tuesday, 26 September 2023. The Clearing Price under the Retail Bookbuild will be equal to or above the Issue Price.

The proceeds from each New Share issued under the Retail Bookbuild (if any) will be paid as follows:

- EROAD will receive the Issue Price for all New Shares issued under the Retail Bookbuild; and
- any Premium achieved in the Retail Bookbuild will be paid to:
  - a) each Eligible Retail Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only); and

- b) each Ineligible Retail Shareholder (who will be deemed to hold the Entitlement they would have received if they were an Eligible Retail Shareholder for the purpose of calculating the amount of any such Premium payable to them),

in proportion to their holdings of Unexercised Retail Entitlements.

Allocations and any necessary scaling of New Shares under the Retail Bookbuild will be determined by EROAD and the Joint Lead Managers.

Institutional Investors may participate in the Retail Bookbuild by contacting the Joint Lead Managers who will provide details as to the process to be undertaken in relation to the Retail Bookbuild.

***Payment of Premium***

Any Premium 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 from the exchange rate used to set the A\$ Price. No interest will be paid in respect of any Premium payable.

**NOMINEES**

If you hold Existing Shares as nominee for more than one person, then you may (depending on the nature of each such person) be an Eligible Institutional Shareholder, Ineligible Institutional Shareholder, Eligible Retail Shareholder or Ineligible Retail Shareholder with regard to the Entitlement of each such person.

***Notice to nominees and custodians***

The Retail Offer is being made to all Eligible Retail Shareholders. Nominees and custodians with registered addresses in the eligible jurisdictions, irrespective of whether they participated under the Institutional Offer, may also be able to participate in the Retail Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will receive a letter from EROAD. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Offer is not available to, and

## DETAILS OF THE EQUITY RAISE CONTINUED

they must not purport to accept the Retail Offer in respect of:

- beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- Eligible Institutional Shareholders who received an offer to participate in the Institutional Offer (whether they accepted their Entitlement or not);
- Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Offer; or
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Offer to, any person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to exercise Entitlements under the Retail Offer.

EROAD is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares or Entitlements. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary will need to assess whether indirect participation by the beneficiary in the Retail Offer is compatible with applicable foreign laws, including that any beneficial owner of Shares outside Australia and New Zealand is an Institutional Investor (excluding the United States).

### OVERSEAS SHAREHOLDERS

The Entitlement Offer is only open to Eligible Shareholders and persons that EROAD is satisfied can otherwise participate in the Entitlement Offer in compliance with all applicable laws. EROAD has determined that it is unreasonable to extend the Retail Offer to Ineligible Retail Shareholders and the Institutional Offer to Ineligible Institutional Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside New Zealand or Australia.

This Offer Document is only being sent by EROAD to Eligible Shareholders. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by law. Any failure to comply with such restrictions may

contravene applicable securities law. EROAD disclaims all liability to such persons.

Nominees and custodians may not distribute any part of this Offer Document, and may not permit any beneficial shareholder to participate in the Entitlement Offer who is located, in the United States or any other country outside New Zealand or Australia except to Institutional Investors as contemplated below.

#### *Australia*

This Offer Document, the Institutional Placement, Institutional Offer and Bookbuilds are only made available in Australia to persons to whom an offer of securities can be made without disclosure under Part 6D.2 of the Corporations Act including in accordance with applicable exemptions in sections 708(8) (sophisticated investors) and 708(11) (professional investors) of the Corporations Act. The Retail Offer is also being made to Australian resident Shareholders without a prospectus in accordance with section 708AA of the Corporations Act (as modified by ASIC Instrument 2016/84 and ASIC Instrument 20-0854). This Offer Document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been and will not be lodged with ASIC. Accordingly, this Offer Document may not contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus, product disclosure statement or other disclosure document. Neither ASIC nor ASX takes any responsibility for the contents of this Offer Document.

#### *Germany*

This Offer Document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this Offer Document may not be made available, nor may the Entitlements or the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and New Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

***Hong Kong***

WARNING: This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Offer Document may not be distributed, and the Entitlements and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

***Singapore***

This Offer Document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Offer Document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this Offer Document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire such securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

***United Kingdom***

Neither this Offer Document nor any other document relating to the offer 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 Entitlements or the New Shares.

These securities may not be offered or sold in the United Kingdom by means of this Offer 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 Offer Document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Offer 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 Entitlements or the New Shares 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 Offer 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

## DETAILS OF THE EQUITY RAISE CONTINUED

companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this Offer Document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Offer Document.

### UNDERWRITING AGREEMENT

EROAD has requested the Underwriters to underwrite the Equity Raise and the Underwriters have agreed to do so. This means that the Underwriters will subscribe at the Issue Price for any New Shares that are not subscribed for by Institutional Investors under the Institutional Placement or by Eligible Shareholders under the Entitlement Offer in accordance with the terms of the Underwriting Agreement.

The Underwriting Agreement contains customary indemnities, termination rights and other obligations in favour of the Underwriters. The Underwriters will be paid an agreed fee for their services in connection with underwriting the Equity Raise.

### TERMS AND RANKING OF NEW SHARES

New Shares will rank equally with, and have the same voting rights, dividend rights and other entitlements as, Existing Shares. Entitlements will not be quoted. It is a term of the Entitlement Offer that EROAD will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

As provided in EROAD’s formal dividend policy, which is available at [www.eroadglobal.com/global/investors/](http://www.eroadglobal.com/global/investors/), there is no current intention to pay dividends as the directors expect that surplus funds will be retained in order to capitalise on immediate and future market growth opportunities.

### QUOTATION AND TRADING

#### NZX

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market under the FMCA. However, NZX accepts no responsibility for any statement in this Offer Document. It is expected that trading on the NZX Main Board of the New Shares issued under:

- the Institutional Placement, Institutional Offer and Institutional Bookbuild will commence on Monday, 18 September 2023; and
- the Retail Offer and Retail Bookbuild will commence on Monday, 2 October 2023.

#### ASX

An application has or will be made to ASX for quotation of the New Shares issued under the Equity Raise and EROAD expects that the New Shares will be quoted upon completion of allotment procedures. It is expected that trading on ASX of the New Shares issued under:

- the Institutional Placement, Institutional Offer and Institutional Bookbuild will commence on Monday, 18 September 2023; and
- the Retail Offer and Retail Bookbuild will commence on Tuesday, 3 October 2023.

ASX accepts no responsibility for any statement in this Offer Document. The fact that ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of EROAD.

Holding statements for New Shares allotted under the Entitlement Offer will be despatched as soon as practicable after allotment. Applicants under the Entitlement Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registrar, whose contact details are set out in the Directory. Applicants selling New Shares prior to receiving a holding statement do so at their own risk. No person accepts any liability or responsibility should any person attempt to sell or otherwise deal with New Shares before the holding statement showing the number of New Shares allotted to an applicant is received by the applicant for those New Shares.

## GLOSSARY

Term	Definition
<b>A\$</b>	Australian dollars, being the lawful currency of Australia.
<b>A\$ Price</b>	The Australian dollar equivalent of the Issue Price (as expressed in New Zealand dollars), calculated in accordance with the terms of this Offer Document.
<b>AEST</b>	Australian Eastern Standard Time.
<b>Allotment Date</b>	In respect of the: <ol style="list-style-type: none"> <li>a) Institutional Offer and Institutional Bookbuild, Monday, 18 September 2023; and</li> <li>b) Retail Offer and Retail Bookbuild, Monday, 2 October 2023.</li> </ol>
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited or the market it operates (as the context requires).
<b>ASX Listing Rules</b>	The official listing rules of ASX.
<b>Bookbuild</b>	The Institutional Bookbuild or the Retail Bookbuild.
<b>Business Day</b>	Has the meaning giving to that term in the NZX Listing Rules.
<b>Corporations Act</b>	The Australian Corporations Act 2001 (Cth).
<b>Clearing Price</b>	The price determined: <ol style="list-style-type: none"> <li>a) in respect of the Institutional Bookbuild, through the Institutional Bookbuild process; and</li> <li>b) in respect of the Retail Bookbuild, through the Retail Bookbuild process, which may be equal to or above the Issue Price.</li> </ol>
<b>Eligible Institutional Shareholder</b>	A person who: <ol style="list-style-type: none"> <li>a) as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, was recorded in EROAD's share register as being a Shareholder; and</li> <li>b) is an Institutional Investor (or the nominee of an Institutional Investor) and is invited to participate in the Institutional Offer,</li> </ol> and who is not in the United States and not acting for the account or benefit of a person in the United States.

## GLOSSARY CONTINUED

<b>Eligible Retail Shareholder</b>	<p>A person who, as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, was recorded in EROAD's share register as being a Shareholder and:</p> <ul style="list-style-type: none"> <li>a) whose address is shown in EROAD's share register as being in New Zealand or Australia; or</li> <li>b) who EROAD considers, in its discretion, may be treated as an Eligible Retail Shareholder,</li> </ul> <p>and who is not in the United States and not acting for the account or benefit of a person in the United States and is not an Institutional Shareholder.</p>
<b>Eligible Shareholder</b>	An Eligible Retail Shareholder or an Eligible Institutional Shareholder.
<b>Entitlement</b>	A right to subscribe for 1 New Share for every 2.06 Existing Shares held at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date at the Issue Price, issued pursuant to the Entitlement Offer.
<b>Entitlement Offer</b>	The accelerated renounceable entitlement offer of New Shares detailed in this Offer Document, comprising the Institutional Offer, the Institutional Bookbuild, the Retail Offer and the Retail Bookbuild.
<b>Equity Raise</b>	The Institutional Placement together with the Entitlement Offer.
<b>Existing Share</b>	A Share on issue on the Record Date.
<b>EROAD</b>	EROAD Limited (company number 1036814).
<b>FMCA</b>	The Financial Markets Conduct Act 2013.
<b>Ineligible Institutional Shareholder</b>	A person who, as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, was recorded in EROAD's share register as being a Shareholder who is not an Institutional Investor but, if the Shareholder's address was shown in EROAD's share register as being in New Zealand, Australia, Hong Kong, Singapore, the United Kingdom or Germany, would in the opinion of EROAD be an Institutional Investor.
<b>Ineligible Retail Shareholder</b>	A Shareholder who is not an Institutional Shareholder or an Eligible Retail Shareholder.
<b>Ineligible Shareholder</b>	Shareholders other than Eligible Shareholders.
<b>Institutional Bookbuild</b>	The Bookbuild process conducted by the Joint Lead Managers under which New Shares attributable to Unexercised Institutional Entitlements are offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Institutional Offer and brokers/NZX firms acting on behalf of retail clients).

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**Institutional Investor**

A person who is:

- a) in New Zealand and who is a “wholesale investor” as defined in the FMCA;
- b) in Australia, who the Company considers is a person to whom an offer of Shares may lawfully be made without a formal disclosure document under Part 6D.2 of the Corporations Act (as modified by any applicable regulatory instrument), including in accordance with applicable exemptions in sections 708(8) (sophisticated investors) or 708(11) (professional investors) of the Corporations Act;
- c) in Hong Kong, that is a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- d) in Singapore, that is an “institutional investor” or an “accredited investor” as defined in the Securities and Futures Act 2001 of Singapore;
- e) in the United Kingdom, who is a (i) “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;
- f) in Germany, who is a “qualified investor” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);
- g) in the United States, who the Company and the Underwriters reasonably consider to be:
  - (i) a “qualified institutional buyer” within the meaning of Rule 144A under the US Securities Act; or
  - (ii) dealers or other professional fiduciaries incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons for which they have and are exercising investment discretion, within the meaning of Rule 902(k)(2)(i) under the US Securities Act, in reliance on Regulation S under the US Securities Act; or
- h) outside of the above jurisdictions, and who is an institutional or professional investor to whom the Company, based upon advice from counsel, is satisfied offers and sales of the Shares may lawfully be made without any lodgement, registration or approval with or by a governmental authority (other than one with which the Company, at its absolute discretion, is willing to comply).

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**Institutional Offer**

The offer of New Shares to Eligible Institutional Shareholders.

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## GLOSSARY CONTINUED

<b>Institutional Placement</b>	The offer of 16,571,429 New Shares at the Issue Price (subject to rounding) to eligible Institutional Investors (which may include Institutional Shareholders and brokers/NZX Firms acting on behalf of retail clients) and other invited participants at the discretion of the Company.
<b>Institutional Settlement Date</b>	The date of settlement of New Shares under the Institutional Offer, expected to be Monday, 18 September 2023 on NZX.
<b>Institutional Shareholder</b>	Eligible Institutional Shareholders and Ineligible Institutional Shareholders.
<b>Issue Price</b>	NZ\$0.70 (or the A\$ Price) per New Share.
<b>Joint Lead Managers</b>	Goldman Sachs New Zealand Limited and Canaccord Genuity (Australia) Limited.
<b>New Share</b>	A Share in EROAD offered under the Entitlement Offer or the Institutional Placement of the same class as, and ranking equally in all respects with, EROAD's quoted Shares at the Allotment Date.
<b>NZDT</b>	New Zealand Daylight Time.
<b>NZST</b>	New Zealand Standard Time.
<b>NZX</b>	NZX Limited.
<b>NZX Main Board</b>	The main board equity security market operated by NZX.
<b>NZX Listing Rules</b>	The listing rules of NZX in relation to the NZX Main Board in force from time to time, read subject to any applicable rulings or waivers.
<b>NZX Primary Market Participant</b>	Any company, firm, organisation, or corporation designated or approved as a primary market participant from time to time by NZX.
<b>Offer Document</b>	This document.
<b>Premium</b>	The amount per New Share, if any, by which the Clearing Price in the Retail Bookbuild or the Institutional Bookbuild (as applicable) exceeds the Issue Price.
<b>Record Date</b>	Friday, 8 September 2023
<b>Registrar</b>	Computershare Investor Services Limited.



<b>Retail Bookbuild</b>	The Bookbuild process conducted by the Joint Lead Managers under which New Shares attributable to Unexercised Retail Entitlements are offered to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Institutional Offer and brokers/NZX Firms acting on behalf of retail clients).
<b>Retail Offer</b>	The offer of New Shares to Eligible Retail Shareholders.
<b>Share</b>	A fully paid ordinary share in EROAD.
<b>Shareholder</b>	A registered holder of Shares.
<b>Takeovers Code</b>	The Takeovers Code set out in the schedule to the Takeovers Regulations 2000.
<b>Underwriters</b>	Goldman Sachs New Zealand Limited and Canaccord Genuity (Australia) Limited.
<b>Unexercised Institutional Entitlements</b>	Entitlements that are not taken up by Eligible Institutional Shareholders under the Institutional Offer together with the Entitlements that Ineligible Institutional Shareholders would have received if they were Eligible Institutional Shareholders.
<b>Unexercised Retail Entitlements</b>	Entitlements that are not taken up by Eligible Retail Shareholders under the Retail Offer together with the Entitlements that Ineligible Retail Shareholders would have received if they were Eligible Retail Shareholders.
<b>US Securities Act</b>	The US Securities Act of 1933, as amended.
<b>Volaris</b>	Brilliant APAC Pty Ltd, part of the Volaris group and a wholly owned subsidiary of Constellation Software Inc.

**NOTE:**

- All references to time are to New Zealand time unless stated or defined otherwise.
- All references to currency are to New Zealand dollars unless stated or defined otherwise.
- All references to legislation are references to New Zealand legislation unless stated or defined otherwise.
- This Offer Document, the Entitlement Offer and any contract resulting from it are governed by the laws of New Zealand, and each applicant submits to the exclusive jurisdiction of the courts of New Zealand.

# DIRECTORY

## ISSUER

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If you have any queries about your Entitlement, or how to apply online, please contact the Registrar at:

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