



EROAD

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EROAD to raise capital of NZ\$50 million, in conjunction with its ASX listing

17 September 2020

Transportation technology business EROAD Limited (NZX/ASX: ERD) (EROAD) today announces it has been admitted onto the Australian Stock Exchange (ASX) on the evening of 16 September and is seeking to raise NZ\$50 million through a NZ\$42 million fully underwritten placement of shares ("Placement") and a NZ\$8 million share purchase plan ("SPP").

"EROAD has significant growth and revenue opportunities as penetration of telematics continues globally. With the ASX listing, now is the opportune time to raise capital which will increase liquidity, broaden our investor base and allow EROAD to accelerate its growth strategies as it heads towards 250,000 connected vehicles" says EROAD Chairman Graham Stuart.

ASX approval of EROAD's Listing Application

As previously announced on 21 August 2020, EROAD has applied for an ASX Foreign Exempt Listing to facilitate greater access to capital and provide alignment with the company's business operations and investor base. The ASX has now approved EROAD's application to list and admitted EROAD to the ASX on the evening of 16 September 2020. EROAD will be quoted on the ASX under the ticker code 'ERD' from 18 September 2020. EROAD's intention is to remain a New Zealand domiciled-business, committed to its New Zealand investor base, and listed on the NZX.

Capital Raise

EROAD is seeking to raise NZ\$50million new capital to accelerate the execution of EROAD's growth strategies. The capital raise comprises a NZ\$42 million fully underwritten Placement and a NZ\$8 million SPP (EROAD can at its discretion accept oversubscriptions).

The placement is being conducted at an offer price of NZ\$3.90 per share (AU\$3.59 per share), representing a 10.3% discount to the last close price on the NZX on 14 September 2020 of NZ\$4.35; and 9.0% discount to the ten-day volume weighted average price on the NZX of NZ\$4.29.

It is intended that the SPP will open on 23 September 2020 and close on 2 October 2020 at 5pm NZDT to shareholders with a registered address in New Zealand and Australia. The price for the SPP will be the lower of the price paid by investors in the placement or a 2.5% discount to the five day volume weighted average price of EROAD shares traded on the NZX during the five trading days up to, and including, the SPP's closing date.

The proceeds from the capital raise will be used to accelerate execution of EROAD's growth strategies by investing in EROAD's platform via product development and sales and marketing. The



proceeds will also be used to improve balance sheet flexibility and support future growth initiatives, notwithstanding any impacts and general uncertainty of COVID-19.

NMC Trustees Limited as trustee of the NMC Investment Trust (“NMC Trustees”), EROAD’s largest shareholder, is intending to offer up to approximately 1.4 million of its shares (representing up to 10% of NMC Trustees’ shareholding) for sale concurrent with the placement. Steven Newman, the Chief Executive of EROAD, has an indirect interest in the shares held by NMC Trustees. Steven remains fully committed to EROAD and NMC Trustees is expected to remain EROAD’s largest shareholder post sell-down.

Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited acted as joint lead managers and underwriters to the placement.

For more information on the capital raising please refer to the investor presentation released today on the NZX.

Timetable

Placement

Event	Date
Placement bookbuild	Thursday, 17 September 2020
Announcement of results of Placement and trading halt lifted on NZX	Friday, 18 September 2020
ASX settlement	Wednesday, 23 September 2020
NZX settlement	Thursday, 24 September 2020
Allotment and commencement of trading of new shares on NZX and ASX	Thursday, 24 September 2020

SPP

Event	Date
Record Date	Wednesday, 16 September 2020 (5.00pm, NZ time)
Expected despatch of SPP offer document and application form	Wednesday, 23 September 2020
SPP opens	Wednesday, 23 September 2020
SPP closes	Friday, 2 October 2020 (5.00pm, NZ time)
Announcement of results of SPP	Tuesday, 6 October 2020
Allotment and commence of trading of new shares on NZX	Friday, 9 October 2020
Commencement of trading of new shares on ASX	Monday, 12 October 2020



FY21 outlook and H1 FY21 Results Guidance

EROAD remains confident of continued growth in contracted units and Monthly SaaS Average Revenue Per Unit (ARPU) in FY21, albeit at lower levels than delivered in FY20. Contracted unit growth is expected across New Zealand, North America and Australia, despite longer sales lead-times due to COVID-19. FY21 EBITDA is expected to be impacted by COVID-19 debtor collectability as well as continued investment in future growth and improvements in operating leverage.

Given the proximity of the capital raise to the period end, EROAD has provided H1 FY21 market guidance. For H1 FY21, EROAD is anticipating Revenue of between \$43.5m - \$44.5m, EBITDA between \$12.0m - \$14.2m and between 120-122k contracted units. For more information about H1 FY21 guidance please refer the investor presentation released today on the NZX and ASX.

Additional information

Additional information regarding the equity raising is contained in the presentation which accompanies this announcement. The presentation contains important information including key risks and foreign selling restrictions with respect to the capital raising.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

ENDS

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

For Investor and media enquires please contact:

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Conference call details

EROAD will host a conference call to discuss the offer at 10.00am NZST on Thursday 17 September 2020. Participants can register for the conference at:

<https://s1.c-conf.com/diamondpass/10010035-JUE8se.html>

Please note that registered participants will receive their dial in number upon registration.

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Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws. Shares under the SPP will not be offered or sold to persons resident in the United States.