



20th December 2023

ASX ANNOUNCEMENT

Non-renounceable Entitlement Issue

Saferoads Holdings Limited (**ASX: SRH**) are pleased to notify shareholders of a non-renounceable entitlement issue to eligible shareholders, on the basis of one (1) new fully paid shares for every six (6) existing shares held, at an issue price of \$0.07 per share to raise up to \$437,054 together with a Shortfall Facility for existing shareholders to take up entitlements not taken up by other shareholders. Should all entitlements be taken up, 43,705,413 shares will be on issue.

The Entitlement Issue will be available to registered shareholders as at 7.00pm (AEDT) on Thursday 28th December, 2023. Shares issued pursuant to the Entitlement Issue will rank equally with all shares on issue.

In accordance with the ASX Listing Rules, Saferoads considered the number of shareholders with registered addresses outside of Australia and New Zealand, together with the size of their shareholding. Taking this into consideration, as well as the costs associated with complying with the regulatory authorities outside of Australia and New Zealand, the Company believes that it is unreasonable to extend the Entitlement Offer to shareholders outside of Australia and New Zealand.

The purpose of this Entitlement Offer is to provide working capital.
The proposed timeline for the Entitlement Issue is set out below:

Announcement of Entitlement Offer and ASX Appendix 3B, section 708AA(2)(f) notice with ASX and Offer Document lodged with ASX	Wednesday 20 December 2023
Notice sent to Eligible Shareholders	Thursday 21 December 2023
Shares quoted on an "ex-Entitlement" basis**	Wednesday 27 December 2023
Record date for determining entitlements of Eligible Shareholders under the Entitlement Offer	Thursday 28 December 2023
Entitlement Offer letter and Entitlement and Acceptance Forms dispatched to Shareholders	Wednesday 3 January 2024

Saferoads Holdings Limited

ASX: SRH

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Opening date	Wednesday 3 January 2024
Closing date for acceptances under the Entitlement Offer	Thursday 25 January 2024
Expected commencement of trading on a deferred settlement basis of New Shares on ASX	Monday 29 January 2024
ASX notified of under subscriptions	Friday 2 February 2024
New shares are issued, Shareholder holding statements dispatched and deferred settlement trading ends	Monday 5 February 2024
Normal trading of new shares commences	Tuesday 6 February 2024

The timetable is indicative only and may be subject to change.

The Entitlement Issue is being made without a disclosure document in accordance with an exception granted in section 708AA of the Corporations Act 2001. Saferoads will send the Share Entitlement Offer Document to shareholders on Wednesday, 3rd of January 2024, as set out in the timetable.

Excluded Information

Saferoads advises that, as at the date of this notice there is no information:

- (a) That has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) That investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - i. The assets and liabilities, financial position and performance, profit and loss and prospects of the Company; or
 - ii. The rights and liabilities attaching to the shares.



Cleansing Notice Under Sections 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Saferoads Holdings Limited (ACN 116 668 5382) (**Saferoads**) under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

Saferoads announced on 3 December 2023 a pro-rata non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary Saferoads share (**New Share**) for every 6 Saferoads shares, at an issue price of \$0.07 to raise up to \$437,054 before costs. The Entitlement Offer will be made to shareholders with a registered address in Australia or New Zealand who hold shares at 7.00pm (Melbourne time) on 28th December 2023.

In addition, eligible shareholders may also apply for New Shares which comprise the shortfall to the Entitlement Offer, at the same issue price of \$0.07.

A Share Entitlement Offer Document will be dispatched to eligible shareholders on 3rd of January 2024.

Saferoads confirms that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, Saferoads Limited has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to Saferoads; and
 - (2) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no 'excluded information' of the type referred to in section 708AA(8) or section 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Act; and
- (e) the potential effect that the Entitlement Offer will have on the control of Saferoads and the consequences of that effect, will depend on a number of factors, including the extent to which eligible shareholders take up their entitlements. Given the structure of the Entitlement Offer as a pro-rata issue and the current level of substantial holdings (based on substantial holding notices that have been lodged on or prior to the date of this notice), the potential that the issue of the New Shares will have on the control of the Company is as follows:
 - (1) if all Saferoads' existing shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) take up their entitlements to New Shares under the Entitlement Offer, there will be no material effect on the control of Saferoads as Eligible Shareholders would continue to hold the same percentage interest in Saferoads. Shareholders who are ineligible to



participate in the Entitlement Offer in accordance with ASX Listing Rule 7.7.1 will have their percentage holding in Saferoads' shares diluted as a consequence of the issue of New Shares; and

- (2) to the extent that any Eligible Shareholder fails to take up their entitlement under the Entitlement Offer, that Eligible Shareholder's percentage holding in the Saferoads' shares would be diluted by the issue of the New Shares relative to those who did take up their full entitlement;
- (3) the directors of Saferoads currently control 41.56% of the voting power in Saferoads. If the directors collectively take up their aggregate entitlements under the Entitlement Offer in full and other Eligible Shareholders do not take up their entitlements, the directors' voting power in Saferoads would increase to 45.33%.
- (4) Darren Hotchkin, who is the Managing Director of Saferoads, currently controls 26.07% of the voting power in Saferoads. If Darren Hotchkin applies for 2,084,799 New Shares and under the Entitlement Offer (which is his intention) and the Eligible Shareholders other than the directors do not take up their entitlements, his voting power in Saferoads would increase to 29.34%;
- (5) no person is expected to acquire voting power in Saferoads of 20% or more as a consequence of the Entitlement Offer;
- (6) accordingly, the Entitlement Offer is not expected to have a material effect or consequence on the control of Saferoads.

Further Information

The Company anticipates that a maximum of 6,243,630 new shares will be issued following the Entitlement Issue at an issue price of \$0.07 per share.

Upon completion of the Entitlement Issue, assuming the issue is fully subscribed. The issued capital of Saferoads will be 43,705,413 full paid ordinary shares. There is no other class of shares or options on issue.

Trading of the new shares is expected to commence on 6 February 2024.

An Appendix 3B applying for quotation of the new shares will be lodged with ASX today, along with a copy of the Share Entitlement Offer Document.



Saferoads encourages all shareholders to carefully assess the accompanying Offer Document and to consider fully supporting the offer by taking up all of your entitlements.

Yours sincerely,

David Ashmore
Saferoads Chairman

This announcement has been authorised for release by the Board.

Enquiries/Additional Information:

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ABOUT SAFEROADS

Saferoads is an ASX listed company specialising in providing innovative safety solutions. Headquartered in Pakenham, Victoria with representation across Australia, New Zealand and the USA, the company provides state government departments, local councils, road construction companies and equipment hire companies with a broad range of products and services designed to direct, protect, inform and illuminate for the public's safety.