



SAFEROADS HOLDINGS LIMITED

ABN 81 116 668 538

SHARE ENTITLEMENT OFFER DOCUMENT

For a pro-rata non-renounceable entitlement issue of 1 (one) New Shares for every 6 (six) Existing Shares held by those Shareholders registered at the Record Date at an issue price of \$0.07 per Share to raise up to \$437,054 together with a Shortfall Facility for Eligible Shareholders to take up entitlements not taken up by other Eligible Shareholders.

This Offer closes at 5:00pm (Sydney (AEDT) time) on Thursday, 25th January 2024. Valid acceptances must be received before that time.

SHARE ENTITLEMENT OFFER DOCUMENT

1. Important Notice

It is important that you carefully read this Offer Document in its entirety before deciding to invest further in the Company and, in particular, that you consider the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

This Offer Document is not a prospectus. It does not contain all the information that an investor would find in a prospectus, or which may be required in order to make an informed investment decision regarding, or in respect of the Entitlement and liabilities attaching to, the New Shares.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer that is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied upon as having been authorised by the Company in connection with the Entitlement Offer. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under the Entitlement Offer, except as required by law and then, only to the extent so required.

In making representations in this Offer Document, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Restrictions on Distribution of this Offer Document

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Entitlement Offer is not extended to, and no New Shares will be issued to, Shareholders having registered addresses outside Australia and New Zealand, unless a formal offer has been made to those Shareholders, in accordance with the legislation and regulations within such jurisdiction.

Defined terms and abbreviations

Terms and abbreviations used in this Offer Document are defined in the Glossary (see section 8).

Application for New Shares

If you wish to apply for New Shares, you must refer to the personalised Entitlement and Acceptance form and make payment via BPAY by the closing date. If you have not received a personalized Entitlement and Acceptance Form you may access your form on the Automic Investor Portal at <https://investor.automic.com.au/#/home> or by calling Automic on 1300 288 664 or +61 2 9698 5414 between 8.30am and 7.00 pm (AEDT) Monday to Friday.

Privacy Statement

By filling out the Entitlement and Acceptance Form, you are providing personal information to the Company and the Share Registry, which collect that information for the purpose of processing your Entitlement and Acceptance Form, and, if your application is successful, to administer your shareholding in the Company, including facilitating dividend payments and corporate communications and carrying out appropriate administration. By submitting an Entitlement and Acceptance Form, you agree that the Company may collect, hold and use the personal information you provide for the purposes set out in this Privacy Statement, and may disclose it for those purposes to the Company's related bodies corporate, agents and service providers (including printers and mailing houses for the purposes of printing and distributing statements and professional advisers such as legal and accounting firms and auditors), bidders for your securities in the context of takeovers, authorised securities brokers and to the ASX, the Australian Taxation Office and other regulatory authorities. You also agree that the Company and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer.

The Corporations Act requires the Company to include information about its Shareholders (including name, address, and details of the securities held) in its public register of Shareholders. The information contained in the Company's public registers must remain there even if that person ceases to be a Shareholder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports, and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. The collection and handling of Shareholder personal information is also governed by certain rules such as the ASTC Settlement Rules.

If you do not provide the personal information requested on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application for New Shares.

The personal information of Eligible Shareholders is not likely to be disclosed to overseas recipients.

The Company's privacy policy, which is available at www.saferoads.com.au, provides further details. The Company's privacy policy also provides further information about:

- *How you may access and correct the personal information the Company holds about you; and*
- *How you may complain about a breach of privacy and how the Company deals with privacy complaints.*

2. Timetable and Important Dates*

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
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

* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases. Please submit your application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of the issue of the New Shares. Neither the Entitlement Offer nor the Shortfall Offer requires the approval of Shareholders.

** Shares in the Company commence trading without the right to participate in the Entitlement Offer.

3. Letter from Board of Directors

Dear Shareholder,

The Board is pleased to offer Shareholders the opportunity to participate in the Company's one (1) for six (6) pro-rata non-renounceable entitlement issue to raise up to \$437,054 (before expenses) (**Entitlement Offer**).

The purpose of this Entitlement Offer is to provide additional working capital to assist with financing the business and to assist with the retention of the Company's banker's support. As outlined at the recent 2023 Annual General Meeting, the expensing of the \$325,000 WorkSafe provision in 2023 resulted in a breach of a bank covenant and this rights issue will substantially assist us in managing our banking relationship going forward.

The Company is in the process of rationalizing the breadth of the business, and we are intending to focus operations around our work zone product range, for sale and rent. We have prepared an information memorandum to attract offers for permanent/ non-work zone product lines (including guide posts, fixed bollards, fixed solar lighting and traffic calming products). We are expecting a response in the first quarter of 2024, and will assess the acceptability of any offers in due course.

Directors of the Company will be taking up at least entitlements with a value of \$131,001. There is a facility for Shareholders, including the directors, to apply for additional shares not taken up by other Shareholders.

All Shareholders registered as at 7.00 pm (AEDT) on Thursday 28 December 2023, and who have a registered address in Australia or New Zealand will be entitled to participate in the Entitlement Offer. The price payable on application for each New Share is \$ 0.07.

This Offer Document contains detailed information about the Offer, the financial and operating performance of the Company and the key risks associated with an investment in the Company's Shares. You should read this document carefully before making an investment decision.

The Company has produced a modest underlying Profit before Tax for the past four financial years. Our ASX market update on 18 December 2023 provided shareholders with a clear understanding of our current trading position and further information on the WorkSafe matter and our plans for rationalizing the business to significantly focus on developing and further expanding the Road Safety Rental business.

A summary of company performance for the past four financial years is below:

	2023	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000
Main Product Sales	9,667	7,496	8,833	8,805
On-grid Lighting Sales	-	-	822*	3,966*
Total Product Sales	9,667	7,496	9,655	12,771
Rental and Service Income	4,981	4,854	3,595	3,726
Other Income	233	116	(5)	33
Total Income	14,881	12,466	13,245*	16,530*
EBITDA	**2,155	1,910	2,054	1,963
Depreciation Amortization	1,713	1,565	1,212	1,083
Interest	305	281	260	290
Profit before Tax	128	64	581	590

** Excludes WorkSafe provision

* On-grid lighting business sold November 2020

Observations on above financial summary:

In November 2020 the Company sold its on-grid lighting product lines for a total consideration of \$1.06m and invested the proceeds into rental fleet expansion that assisted the increase in rental income for 2022. The 2022 year was, however, significantly adversely impacted by the economic effect of COVID lockdowns.

The Company has a successful history of developing innovative road safety products for sale or rent, and has a significant portfolio of patented and approved road safety products.

Saferoads has a distribution agreement for some of our temporary barrier products, with an established American road safety industry participant. This allows for effective distribution to the significant USA market of our patented and widely approved composite steel and concrete unanchored road safety barrier, the HV2, and hostile vehicle mitigation barrier, the OmniStop Portable Bollard System.

The latest product innovation is our patented and approved Rubber T-Lok Barrier, which is manufactured with the inclusion of a substantial volume of recycled tyre rubber. Initial sales of this product have been made for the major Victorian North East Link project.

The risks of an investment in the Company are set out in Section 7 of this Offer Document, and you should pay particular attention to that Section of the Offer Document.

The Closing Date for acceptance of the Entitlement Offer is 5.00 pm (AEDT) on Thursday 25th January, 2024.

We ask you to carefully consider this Offer Document and, if you are satisfied with our plans, to consider fully supporting the Offer by taking up all your entitlements.

For all enquiries regarding the Offer, your holding of Shares, change of address or other registry matters, please contact the Company's Share Registry on 1300 288 664 or +61 2 9698 5414 between 8:30am and 7:00pm (AEDT).

Yours faithfully,

David Ashmore
Chairman

4. Details of the Entitlement Offer and Shortfall Offer

Before making a decision to invest in or subscribe for New Shares, Eligible Shareholders should read this Offer Document in full, with particular regard to the risk factors set out in Section 7, and their own investment parameters, and, as necessary, seek independent professional advice from appropriate advisors.

4.1 Entitlement Offer

The Company offers for subscription a pro-rata non-renounceable entitlement issue to Eligible Shareholders of one (1) New Shares for every six (6) Existing Shares held on the Record Date at an issue price of \$0.07 per New Share.

Fractional Entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company, the maximum number of New Shares to be issued pursuant to the Entitlement Offer is 6,243,630. The Entitlement Offer will raise up to \$437,054. The purpose of the Entitlement Offer and the use of funds raised are set out in section 6 of this Offer Document.

The Entitlement Offer is non-renounceable, which means that Entitlements are unable to be traded. Eligible Shareholders should either take up their Entitlement in whole or in part, otherwise their Entitlement will lapse and other Eligible Shareholders may subscribe to those shares (Refer 4.2 below).

The Entitlement Offer is not conditional and there is no minimum subscription.

Directors will collectively participate in their pro-rata entitlements to the value of \$131,001.

4.2 Applying for more than your entitlement

In addition to being able to apply for your entitlement of New Shares as described above, Eligible Shareholders who subscribe for their full entitlement will also have the opportunity to apply for New Shares that are not subscribed for under the Entitlement Offer (**Shortfall Shares**).

The Application Form will allow you to apply for Shortfall Shares in addition to your entitlement (**Shortfall Facility**). The directors will subscribe for Shortfall Shares up to the value of \$50,000.

Shortfall Shares applied for by directors will not be allocated to the directors if the volume of applications for Shortfall Shares exceeds the available Shortfall Shares.

The Company has discretion under the Shortfall Facility to issue all, none, or part of any Shortfall Shares you may apply for. If your application for Shortfall Shares is accepted by the Company, those Shortfall Shares will be issued at the same time as New Shares applied for under your entitlement.

Subscription money for any New Shares and any Shortfall Shares you apply for but which are not issued (e.g., if the Offer is withdrawn or if the application payment is in excess) to you will be refunded without interest. As the Company will only issue up to the aggregate number of New Shares that are offered under the Offer (i.e. 6,243,630 New Shares), it may be necessary to scale back applications for Shortfall Shares if the total number of New Shares applied for (including Shortfall Shares) exceeds that number.

4.3 Overseas shareholders

The Entitlement Offer does not, and is not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand, unless a formal offer has been made to those Shareholders, in accordance with the legislation and regulations within such jurisdiction.

Shareholders resident in New Zealand should consult their professional advisors as to whether any governmental or other consent is required, or whether other formalities need to be observed, to enable them to exercise their Entitlements under the Entitlement Offer.

4.4 Director's participation in the Offer

Directors of the Company intend to participate in their prorata entitlements to the collective value of \$131,001 and will apply for Shortfall shares to the value of \$50,000.

4.5 Director's shareholding

The total number of Shares currently held by Directors is 15,569,241 that represents 41.56% of the current shares on issue. The total number of Shares that may be owned by the Directors following completion of the Entitlement Offer will be 17,449,690 and that will represent 39.92% of the voting power in the Company on the basis that all New Shares are issued.

If all Eligible Shareholders other than the Directors do not support this Entitlements Offer, the voting power in the Company of the Directors will increase to 45.33%.

4.6 Quotation of New Shares by ASX

Application for official quotation by ASX of the New Shares will be made within 7 days after the date of this Offer Document. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

4.7 Allotment of New Shares

New Shares issued pursuant to the Entitlement Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the New Shares on the basis of a Shareholder's Entitlement and Acceptance Form.

Pending the allotment and issue of the New Shares, or the payment of any refunds, all application money will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

4.8 Entitlement and liabilities attaching to New Shares

All New Shares issued pursuant to the Entitlement Offer will, from the time they are issued, be fully paid and rank pari passu with all the Company's Existing Shares.

Full details of the Entitlement and liabilities attaching to New Shares are set out in the Company's Constitution, a copy of which is available for inspection on the Company's website and at the Company's registered office during normal business hours.

4.9 Taxation implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of applying for New Shares under the Entitlement Offer, as it is not possible to provide a comprehensive summary of the possible taxation consequences for individual Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences of investing in the Entitlement Offer. Shareholders should consult their own professional tax adviser in connection with the taxation implications of acquiring New Shares under the Entitlement Offer.

4.10 Withdrawal of Entitlement Offer

The Company reserves the right not to proceed with the Entitlement Offer at any time before the issue of New Shares to Eligible Shareholders. If the Entitlement Offer does not proceed, the Company will return all application money, without interest, as soon as practicable after giving notice of its withdrawal.

4.11 Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from ASX or its website www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit review or report. These reports are released to ASX and published on the ASX website.

4.12 Enquiries

Shareholders with queries in relation to the Entitlement Offer may contact the Share Registry on 1300 288 664 or +61 2 9698 5414 between 8:30am and 7:00pm (AEDT) Monday to Friday.

5. Action Required by Shareholders

5.1 How to accept the Entitlement Offer

Applications for New Shares can only be made using BPAY or EFT. Cheques, Bank Drafts or Money orders will not be accepted. The share registry does not require Shareholders to return the attached Entitlement and Acceptance Form as quoting your unique payment reference number noted on that form is sufficient to communicate your intentions to the share registry.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your Entitlement in full, make payment via BPAY or EFT as per the instructions for BPAY or EFT as set out in the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement, make payment via BPAY or EFT as per the instructions for BPAY or EFT set out in the Entitlement and Acceptance Form; or
- (c) if you wish to apply for your full Entitlement and for Shortfall Shares, make payment via BPAY or EFT as per the instructions for BPAY or EFT set out in the Entitlement and Acceptance Form; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

For BPAY or EFT remittances you must follow the instructions for BPAY or EFT as set out in the Entitlement and Acceptance Form.

Please note that payment via BPAY or EFT must be made by no later than 4.00 pm (AEDT) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY or EFT by the date and time mentioned above.

5.2. Entitlement and Short Fall payments are binding

A completed and lodged Entitlement and Acceptance Form does not need to be sent to the share registry to record your intentions. The BPay or EFT payment of application moneys for the number of New Shares and any Short Fall shares applied for, cannot be withdrawn and receipt of that payment by the share registry constitutes a binding application for the number of New Shares applied for on the terms set out in this Offer Document.

The Company's decision as to whether to accept or reject a New Share application or how to construe, amend or complete it is final.

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6. Purpose and the Effect of the Entitlement Offer

6.1 Purpose of the Offer

The purpose of the Entitlement Offer is to raise \$437,054. These proceeds are planned to be used as follows:

Proceeds of the Entitlement Offer and Shortfall Offer	\$437,054
Additional Working Capital	\$422,054
Expenses of the Entitlement Offer (estimated)	\$ 15,000
Total	\$437,054

*All amounts are approximate

6.2 Effect on Capital Structure and Control

A comparative table of changes in the capital structure of the Company as a consequence of the Entitlement Offer is set out below:

Shares on issue at date of Entitlement Offer	37,461,783
Maximum number of New Shares to be issued pursuant to the Entitlement Offer	6,243,630
Total Shares on issue after completion of the Entitlement	43,705,413

* Assuming all New Shares are fully taken up by Shareholders.

As at the date of this Offer Document, there are no options to acquire Shares on issue.

6.3 Effect on Capital Structure and Control

If all Shareholders fully take up their Entitlements to New Shares, or entitlements to New Shares not taken up by some Shareholders (Shortfall Shares) are fully subscribed by others, then 6,243,630 New Shares will be issued by Saferoads.

If any Eligible Shareholder does not take up or fully take up their Entitlements to New Shares, then the proportional shareholding interest in Saferoads of that shareholder will be diluted by between 6.44% and 16.79% depending on the final number of New Shares issued.

The Directors currently control 41.56% of the voting power in the Company. If the Directors collectively take up their aggregate entitlements under the Entitlement Offer including their intention to apply for Shortfall Shares in full and no other Eligible Shareholder takes up their entitlements, the Directors' voting power in the Company would increase to 45.33%.

Darren Hotchkin, who is the Managing Director of Saferoads, currently controls 26.07% of the voting power in the Company. Darren will apply for 1,627,656 New Shares as his full prorate entitlement and applies for 357,143 New Shares (\$25,000) under the Shortfall Shares Entitlement Offer. If no eligible Shareholders other than the Directors take up their entitlement to new shares his voting power in the Company would increase to 29.34%.

None of the abovementioned circumstances is expected to have any material effect on the control of Saferoads.

7. Risk Factors

The New Shares offered under this Entitlement Offer are considered a speculative investment, and involve investors being exposed to risk. The Directors strongly recommend potential Applicants consult their professional advisers before deciding whether to apply for New Shares pursuant to the Entitlement Offer.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors.

The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price or value of the New Shares.

The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware. Other factors, whilst not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the New Shares. New Shares offered under the Entitlement Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the New Shares.

Unless otherwise indicated by the context, the references to the Company in this section include the Company's subsidiaries.

7.1 Risks specific to the Company and its industry

There are a number of risks specific to the Company and its industry. Risks attributable to the Company are its ability to:

- continue to manage the performance of the business, including increasing sales, maintaining margins and operating cash flows and continuing to control overheads;
- secure further profitable sales contracts for its existing and emerging products; and
- continue to meet the minimum debt repayment plan set by the Company's financier.

From an industry perspective, the Company operates predominantly in the road safety sector, and is therefore dependent on continued government (Federal, State and Local) spend on road infrastructure to be able to service demand from its customers. Various public sector statements on government budget expenditure allocations indicate that road infrastructure is expected to receive funds for new road projects and maintenance and upgrade programs into the foreseeable future.

With a growing population and the pressures of expanding urbanisation of Australia's major cities, it is anticipated that demand for road infrastructure improvements will remain and the challenge for the Company is to ensure its products and services are of

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the forefront of these opportunities with regards quality, innovation, fit for purpose and pricing, ahead of its competitors.

WorkSafe Legal Risks

The directors are dealing with WorkSafe to negotiate a settlement on the charges laid against the company following a fatal workplace accident in 2021. The directors included a provision for a fine in the financial statements in 2023 that was based on an average of the actual fines imposed for similar recent workplace incidents where there was a plea of guilty. There is a risk that the fine imposed by the courts may be higher than the directors estimates.

Taxation

The Company's profitability and dividends may be affected by changes in Australian government taxation laws and policies. The company has carried forward accumulated income tax losses, carried forward capital losses and accumulated franking credits that may be at risk of utilization because of such unlikely but possible changes.

Government Policy

The Company operates its business in a climate that is subject to various forms of government policy and regulation. Road infrastructure spending can be affected by changes in government policy and regulation that are beyond the control of the Company.

7.2 General risks

Market Conditions

The price of shares quoted for trading by ASX is impacted by various international and domestic factors. As the Company is listed on ASX, its share price is subject to numerous influences which may affect both the share market generally or the Company's share price in particular.

The factors which may create share price fluctuations include inflation, economic conditions, commodity prices, interest rates, exchange rates and investor sentiment generally.

Economic and external market forces

Factors including, but not limited to, political movements, stock market trends, changing commodity prices, exchange rates, interest rates, inflation levels, industrial disruption, terrorism or other hostilities, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Company's operating costs, profit margins and share price. These factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact on the Company from time to time.

Other legal risks

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and therefore on the financial performance of the Company and the price or value of the Shares.

8. Glossary

In this Offer Document:

AEDT means Australian Eastern Daylight Saving Time.

Applicant means a Shareholder who applies for Shares pursuant to the Entitlement Offer.

ASIC means Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the Listing Rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Entitlement Offer, being 5:00pm (AEDT) on 25th January 2024 (unless extended).

Company means Saferoads Holdings Limited, ABN 81 116 668 538.

Constitution means the Company's constitution as at the date of this Offer Document.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company as at the date of this Offer Document.

Dollar or "\$" means Australian dollars.

Eligible Shareholders means all Shareholders at 7:00pm AEDT on the Record Date whose registered addresses are in Australia or New Zealand.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Offer Document.

Entitlement Offer means the offer by the Company of non-renounceable Entitlement to be issued New Shares pursuant to the terms set out in this Offer Document.

Existing Shares means the Shares on issue at the Record Date.

New Shares means the Shares to be issued by the Company pursuant to the Entitlement Offer and the Shortfall Offer.

Offer means the Entitlement Offer and the Shortfall Facility.

Official List means the official list of ASX.

Quotation and Official Quotation means official quotation on ASX.

Record Date means 7.00 pm (AEDT) on Thursday 28th December, 2023.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares in the Company as recorded by the Share Registry.

Share Registry means Automic Registries (ACN 152 260 814)

Shortfall Facility means the offer of Shortfall Shares in accordance with this Offer Document.

Shortfall or Shortfall Shares means those New Shares under the Entitlement Offer not applied for by Eligible Shareholders under their Entitlement by the Closing Date.

Enquiries/Additional Information:

David Ashmore, Chairman

Ph: 0418 155 500

Email: david.ashmore@saferoads.com.au

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.



Saferoads Holdings Limited | ABN 81 116 668 538

All Registry Communication to:



GPO Box 5193, Sydney NSW 2001
 1300 288 664 (within Australia)
 +61 2 9698 5414 (international)
 corporate.actions@automicgroup.com.au
 www.automicgroup.com.au

[EntityRegistrationDetailsLine1Envelope]
 [EntityRegistrationDetailsLine2Envelope]
 [EntityRegistrationDetailsLine3Envelope]
 [EntityRegistrationDetailsLine4Envelope]
 [EntityRegistrationDetailsLine5Envelope]
 [EntityRegistrationDetailsLine6Envelope]

Holder Number:
[HolderNumberMasked]

Shares held as at the Record Date at
 7.00pm (AEDT) on 28 December 2023
[CumBalance]

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSSES 5.00PM (AEDT) 25 JANUARY 2024 (WHICH MAY CHANGE WITHOUT NOTICE)

On 20 December 2023, Saferoads Holdings Limited (the **Company**) announced pro-rata non-renounceable entitlement offer of 1 New Share for every 7 Shares held by Shareholders registered at the Record Date at an issue price of \$0.07 per New Share (**Issue Price**) to raise approximately \$5 million, before costs, through the issue of the New Shares (**Entitlement Offer**).

The Offer Document dated 20 December 2023 contains information about the Entitlement Offer and you should carefully read the Offer Document before applying for New Shares. This Entitlement and Acceptance Form should be read in conjunction with the Offer Document. If you do not understand the information provided in the Offer Document or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance Form, capitalised terms have the same meaning as defined in the Offer Document.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

	Payment Amount A\$ (\$0.07 per New Share)	Number of New Shares Applied
Full Entitlement	[EntPayable]	[Entitlement]
Partial Entitlement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

2 APPLICATION FOR ADDITIONAL SHORTFALL SHARES

As an Eligible Participant, you are invited to apply for Additional Shares, provided you have taken up your full Entitlement.


	Payment Amount A\$ (\$0.07 per Additional Share)	Number of Additional Shares Applied
Shortfall Shares	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

No fractional shares will be issued. If the amount received divided by the Issue Price is a fraction of a Share, the Shares allotted will be rounded up.

3 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this form.

Total Payment A\$	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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Option A – BPAY®	Option B – Electronic Funds Transfer (EFT)
 <p>Bill Code: TBC Ref No: [BPayCRN]</p> <p>Contact your financial institution to make your payment from your cheque or savings account.</p> <p>Note: <u>You do not need to return this form if you have made payment via BPAY® or EFT.</u> Your BPAY® reference number or unique reference number will process your payment for your application for New Shares (including any Additional Shares) electronically.</p>	<p>The unique reference number which has been assigned to your Application is: [HolderId]-XXXX-SRH</p> <p>Funds are to be deposited in AUD currency directly to following bank account:</p> <p>Account name: Automic Pty Ltd Account BSB: 036-051 Account number: XXXXXX Swift Code: WPACAU2S</p> <p>IMPORTANT: You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares subsequently not issued.</p>

4 ELECT TO BE AN E-SHAREHOLDER

You have received this form by post as you have NOT provided your email address or elected to receive all communications electronically.

- By choosing this option you will:
- Support the company you hold an ownership in by helping reduce the thousands of dollars spent on printing and postage costs each year;
 - Receive your investor communications faster and in a more secure way; and
 - Help the environment through the need for less paper

SIMPLY SCAN THE QR CODE TO VISIT
[HTTPS://INVESTOR.AUTOMIC.COM.AU](https://investor.automic.com.au) AND
UPDATE YOUR COMMUNICATION PREFERENCE



INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to all Shareholders who are registered as holders of fully paid ordinary Shares in the capital of the Company on the Record Date with a registered address in Australia or New Zealand (**Eligible Participants**).

ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Entitlement and Acceptance Form.

2 Applying for Additional Shares

If you accept your full entitlement and wish to apply for Additional Shares in excess of your entitlement:

- make payment by BPAY® or EFT of the total payment amount for your full entitlement AND your participation in the Oversubscription Facility by following the instructions on this Entitlement and Acceptance Form.

Your application for Additional Shares may not be successful under the Oversubscription Facility (wholly or partially). The decision in relation to the number of Additional Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

3 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (AEDT) on 25 January 2023.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3 of this Entitlement and Acceptance Form. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Entitlement and Acceptance Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer (EFT). Multiple acceptances must be paid separately. Please use your unique reference on this Entitlement and Acceptance Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut-off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (Sydney Time) and/or on a day that is not a business day (payment must be made to be processed overnight). **You do not need to return this Entitlement and Acceptance Form if you have made payment via BPAY® or EFT.** Your reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid.

4 Elect to be an e-shareholder - receive communications by email

As a valued shareholder in Saferoad Holdings Limited, the Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Entitlement Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 7:00pm (AEDT).