EROAD

(NZX: ERD ASX: ERD)

FINANCIAL RESULTS

FOR THE 12 MONTHS ENDED 31 MARCH 2021 (FY21)

28 MAY 2021

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The non-GAAP measures are not subject to audit or review. Definitions can be found in the Glossary on page 39 of this presentation.

Agenda

Continue to grow despite challenging macro-economic conditions

↑13%
IN REVENUE

reflecting continued growth in units in all regions

(FY21: $91.6m • FY20: $81.2m)

↑$3.6m
EBITDA

which includes a non-recurring items ($0.4m) and COVID-19 debtor provision ($1.5m)

(FY21: $30.7m• FY20: $27.1m)

↑$6.7m
OPERATING EXPENDITURE

reflecting accelerated R&D and spend-to-save initiatives

(FY21: $60.9m • FY20: 54.2m)

$1.9m
PROFIT BEFORE TAX

reflecting growth in EBITDA and increased depreciation and amortisation

(FY20: $1.4m)

$21.3m
SPENT ON R&D

representing 23% of revenue

(FY20: $15.6m)

$88.4m
AMRR

reflecting unit sales , partly offset by FX impacts

(H1 FY21: $84.8m FY20: $84.0m)

Accelerating Growth Strategies

↑8%

CONTRACTED UNITS

in FY21 despite challenging marco-economic conditions

(FY21: 126,203 FY20: 116,488)

94.9%

ASSET RETENTION RATE

reflecting quality of service and product offering

(FY20: 95.2%)

$58.30

MONTHLY SAAS AVERAGE REVENUE PER UNIT (ARPU)

with customers subscribing to additional SaaS services and FX impacts

(FY20: $58.38)

VENTIA

SIGNED

largest Australian enterprise customer

$53m[1]

CAPITAL RAISE

to accelerate growth strategies

1,054

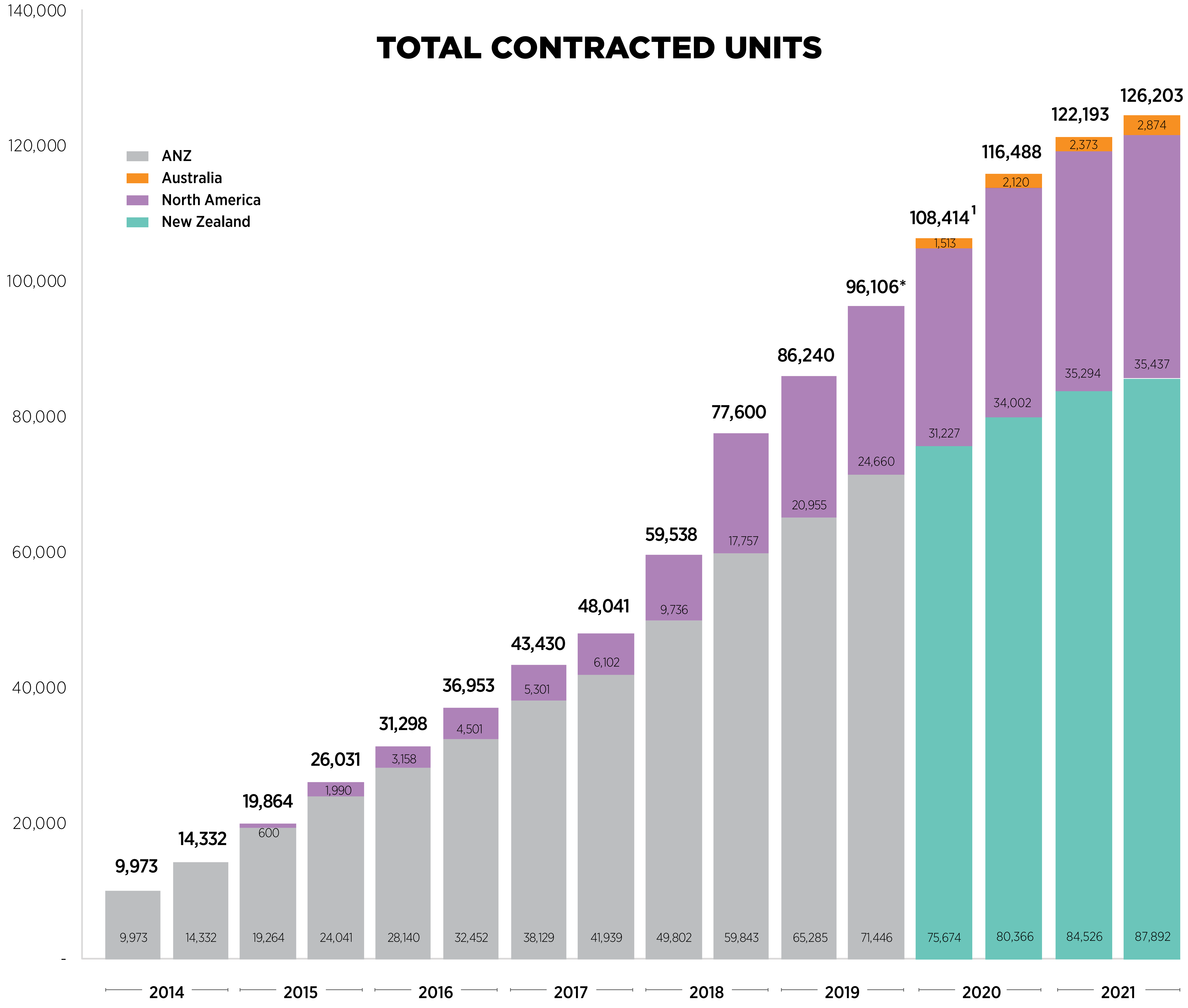
EROAD CLARITY DASHCAMS

sold in March

[1]$51m raised (net of $2m transaction costs) via capital raise

OPERATIONAL UPDATE

Steven Newman
Chief Executive Officer

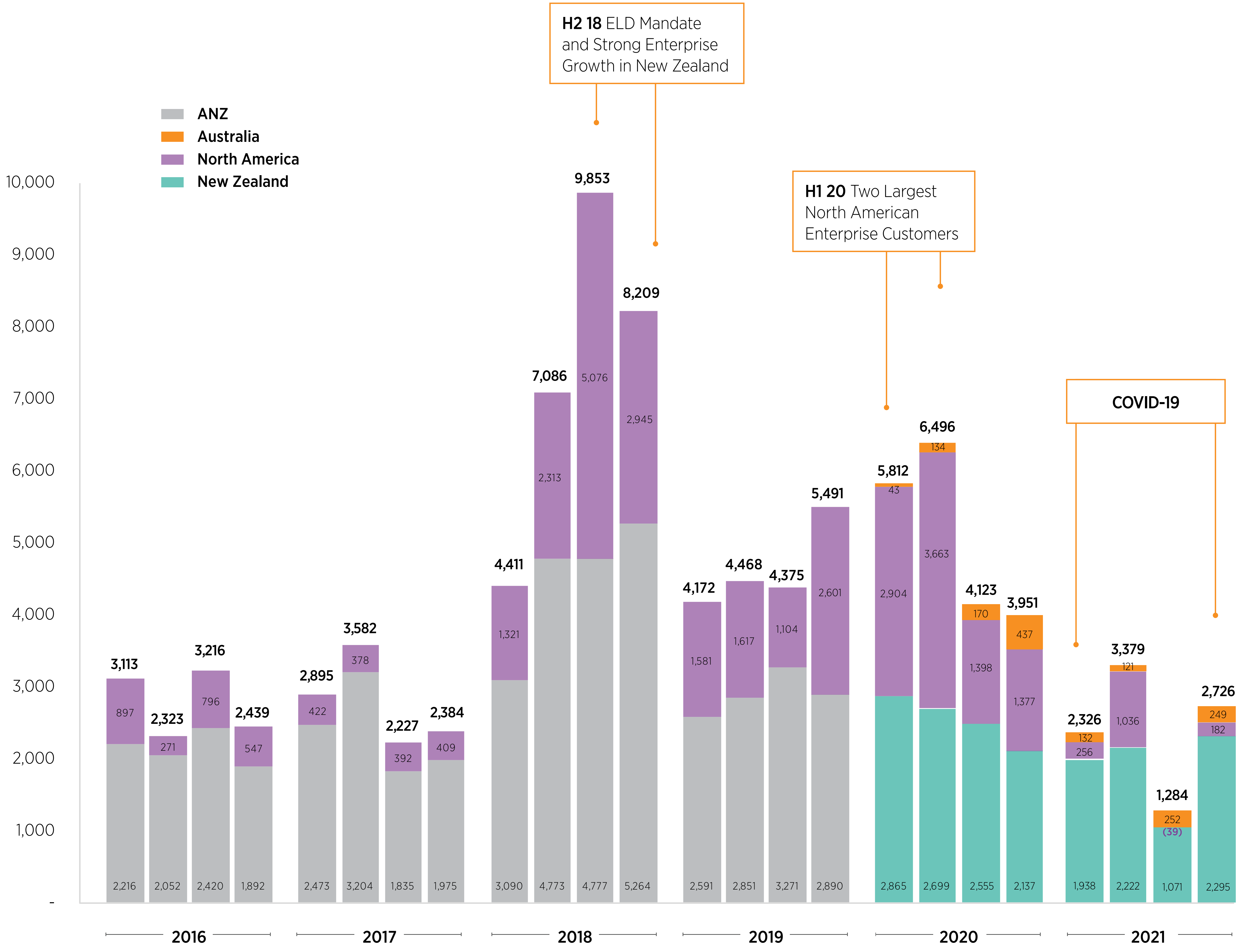


[1] North America units for FY19 are restated for data cleansing adjustments identified as part of the new business systems implementation

8% Growth since FY20, despite COVID-19

- Contracted units continued to grow across all regions
- However, slower growth rates across all markets, reflecting longer sales lead times

CONTRACTED UNITS ADDED DURING THE QUARTER



Growth continued to be impacted by COVID-19

- Growth in New Zealand relatively robust during COVID-19, however slightly lower than pre-COVID due to economic uncertainty
- Toll New Zealand won (1,000 units) during Q2 and deployment halfway complete by year end
- Growth in North America significantly impacted by COVID-19, wildfires, civil unrest and politics
- Growth in Australia significantly impacted by COVID-19 in H1, returning to pre COVID-19 levels in H2
- Largest Australian Enterprise customer Ventia won (2,500 units in Australia and 1,500 units in New Zealand) to be deployed throughout FY22

Growth through Retention and Account Upgrades despite uncertainty for our customers

94.9%

ASSET RETENTION RATE

640

CUSTOMERS RENEWED THEIR EROAD PLAN

(13,821 contracted units)

Growth through account expansion

Increases addressable market

Improved ARPU

Retention Tool

EROAD CLARITY DASHCAM

Dual facing dashcam. Integration of dashcam while Ehubo data and other key driver and vehicle statistics supports advanced driver coaching and accident exoneration in MyEROAD Replay

1,054

SOLD IN MARCH
(**86** WHICH WERE NEW EROAD CUSTOMERS)

EROAD GO

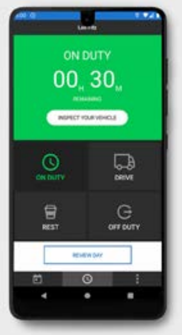
A workflow application that connects with the transport management system

OPENS UP ADDRESSABLE MARKET

LONG SALES LEAD-IN TIMES

EROAD DAY LOGBOOK

Simplifies fatigue management by enabling drivers to capture work and rest hours via a smart phone or tablet

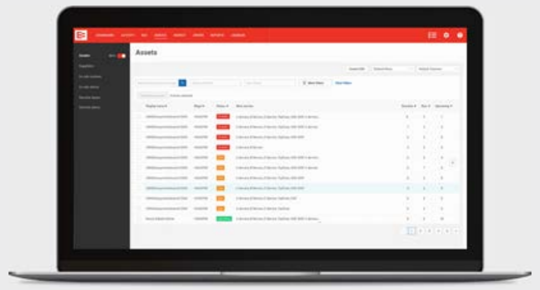


6,407

DRIVERS SUBSCRIPTIONS
(**515** WHICH ARE STANDALONE)

MyEROAD FLEET MAINTENANCE

Simplifies vehicle maintenance with automated service schedule based on time lapsed, distance travelled or engine hours, plus a full service history archive



5,647

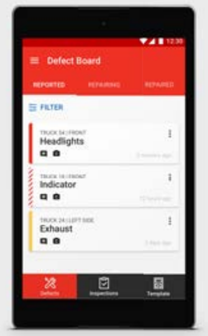
IN-CAB SERVICE ALERTS

5,818

PRE-TRIP COMMS

EROAD INSPECT

Makes vehicle inspections easy, capturing defects with your mobile device, and providing transparent and traceable inspection information



10,490

DRIVERS SUBSCRIPTIONS

OVER 306

CUSTOMERS

EROAD WHERE

Affordable Asset Tracking

5,060

SOLD TO

OVER 164

CUSTOMERS

New Zealand remains a significant growth opportunity

↑9%

GROWTH IN UNITS

(FY21: 87,892 FY20: 80,366)

95.8%

ASSET RETENTION RATE

(FY20: 96.1%)

$56.18

NZ MONTHLY SAAS ARPU

(FY20: $55.78)

$38.8m

EBITDA

(FY20: $34.9m)

CONTINUED EXECUTION OF STRATEGY

- Renewed 7,507 contracted units. 2,896 of these were Ehubo1, of which 39% upgraded to Ehubo2
- Increased contracted units by 7,526, of which 31% were new customers across a range of industries
- Won Toll New Zealand who are adding 1,000 units across their heavy vehicle, light vehicle and trailer fleet (over 500 installed by the end of FY21)
- EROAD now collects 49% of Heavy Transport RUC and 80% of Heavy Transport eRUC
- Launched 'EROAD Day Logbook' in Q1 FY21. Strong take-up with 6,407 subscriptions sold (515 which were standalone sales)
- Continued progress in broadening range of customers' assets traced with 5,060 EROAD Where tags sold

GROWTH OPPORTUNITY

- In New Zealand, expect growth similar levels to prior FY21 (added 9,000+ connected vehicles p.a)

North America increasing the addressable market

↑4%
GROWTH IN UNITS

(FY21: 35,437 FY20: 34,002)

92.8%
ASSET RETENTION RATE

(FY20: 95.2%)

US$42.95
MONTHLY SAAS ARPU[2]

(FY20: US$41.94)

$10.0m
EBITDA

(FY20: $7.5m)

[2] In NZ$ ARPU fell from NZ$65.73 to NZ$65.03 reflecting FX impacts

CHALLENGING MACRO-ECONOMIC ENVIRONMENT

- Difficult operating conditions throughout FY21 with by COVID-19 operating restrictions, wild-fires, civil unrest and politics
- Economy is opening up again, bolstered by the increase in government support and rollout of vaccination programme
- Increase in aged debtors leading to increased doubtful debtor provisioning

CONTINUED EXECUTION OF STRATEGY

- Added 1,435 contracted units primarily in H1
- Seeing high demand and take up of Clarity Dashcams – 1,020 sold in March only
- In pilots for ~1,500 units and a range of Pilots for Clarity Dashcam for existing and new customers

GROWTH OPPORTUNITY

- Targeting ~2.62 million vehicles.
- Launch of our ‘EROAD Go’ and ‘EROAD Clarity Dashcam’ will increase addressable market

Building the brand in Australia

745

UNITS ADDED IN FY21

(FY21: 2,874 FY20: 2,120)

$(0.9)m

EBITDA

(FY20: $(1.3)m)

AU$33.16

MONTHLY SAAS ARPU[3]

(FY20: AU$35.86)

VENTIA

LARGEST ENTEPRISE CUSTOMER SIGNED

CONTINUED EXECUTION OF STRATEGY

- COVID-19 restrictions impacted H1 growth, adding only 253 units
- Growth returned to pre COVID-19 levels in H2, adding 501 new units to small-to-medium size fleets
- Won Ventia, our largest enterprise customer, which will add 2,500 AU units and 1,500 NZ units over FY22
- Expanded the AU team to support growth. Key roles include General Manager, Australia, National Sales Manager, Australia and Marketing Director

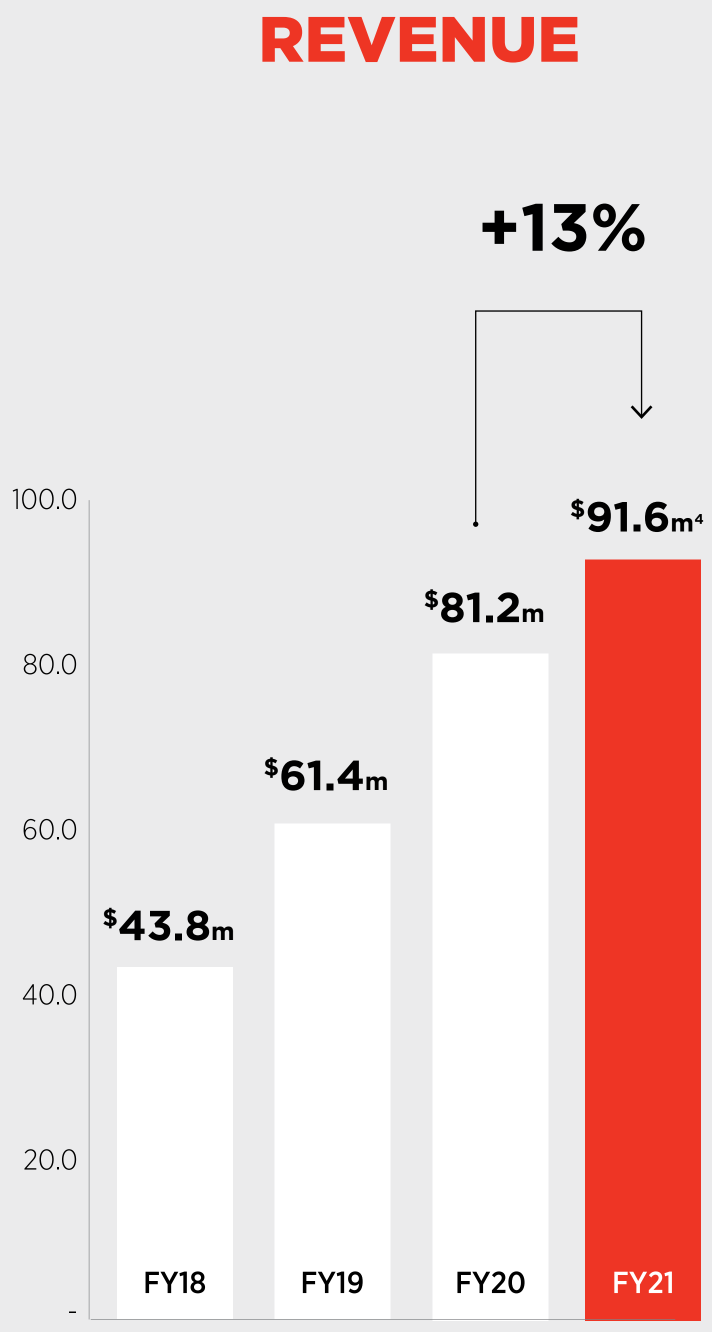
GROWTH OPPORTUNITY

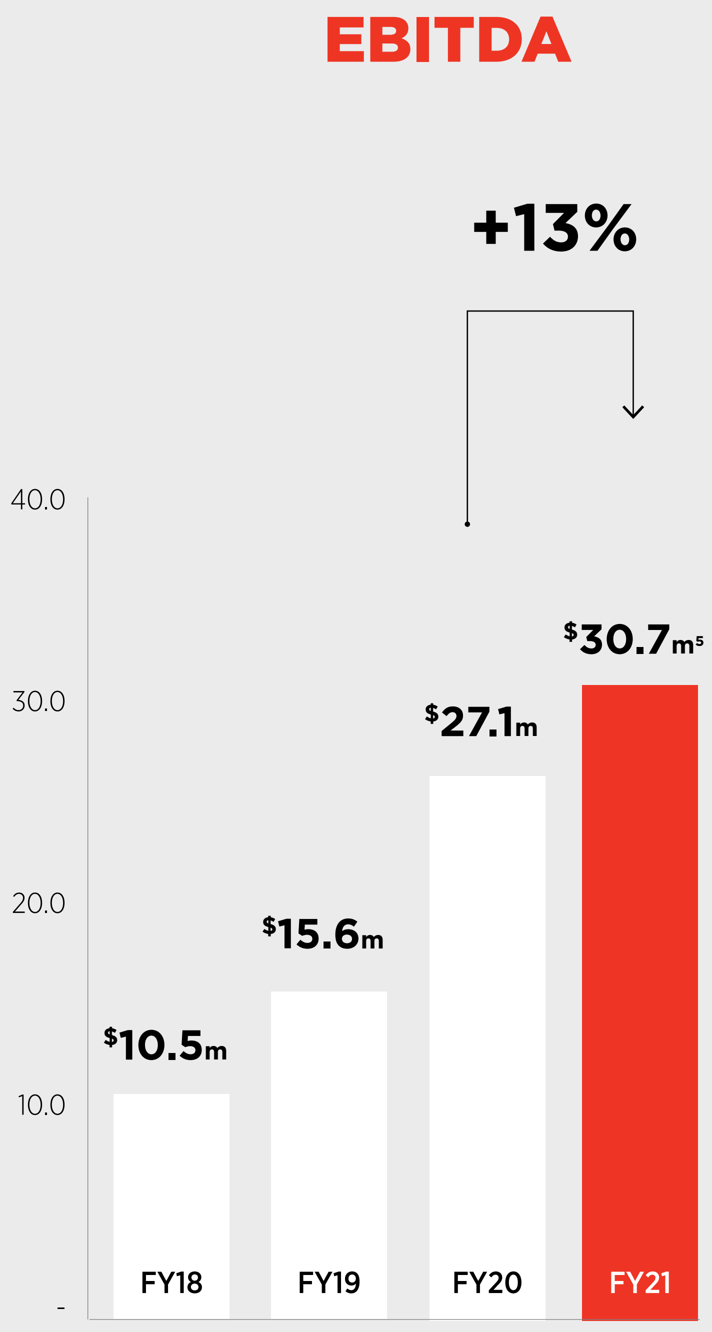
- Expect a significant proportion of our ~300 Trans-Tasman fleets to convert their Australia side of the fleet
- Short-medium term enterprise pipeline of some 15-20k connected vehicles

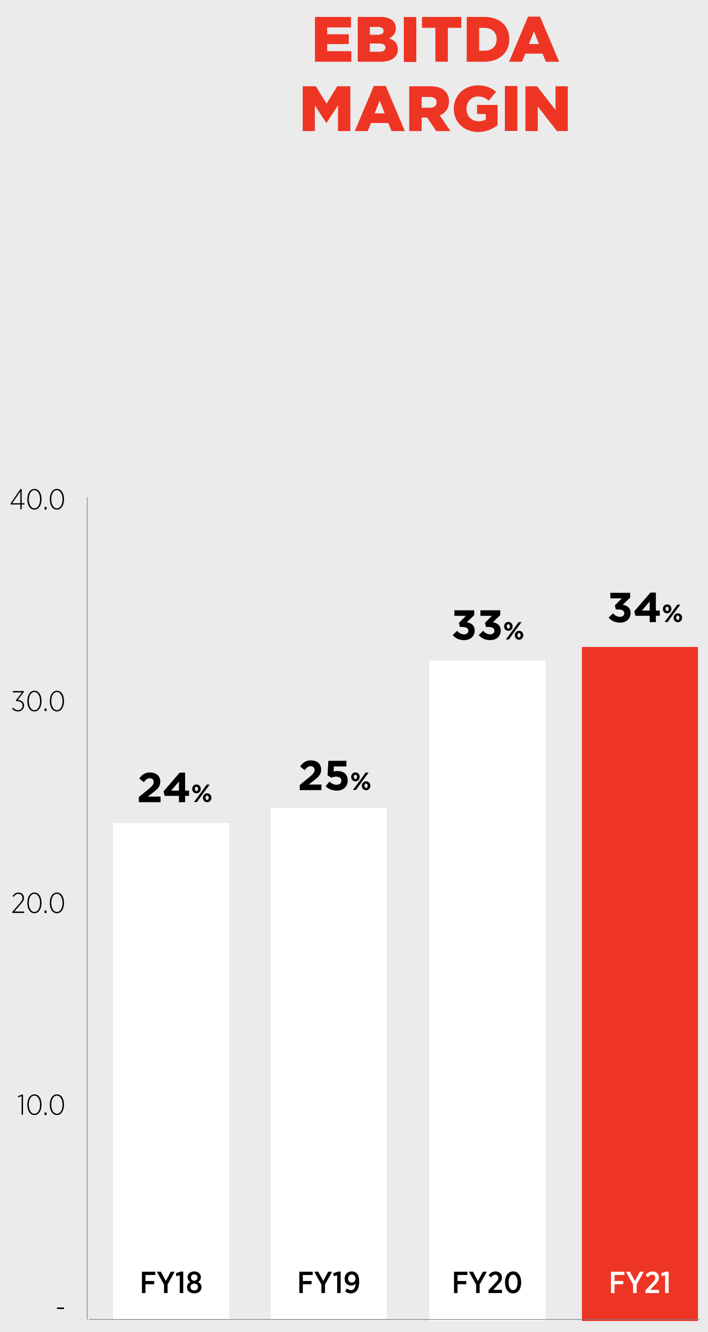
[3] In NZ$ ARPU fell from NZ$37.28 to NZ$35.50 reflecting a high proportion of trailer solutions sold in AU

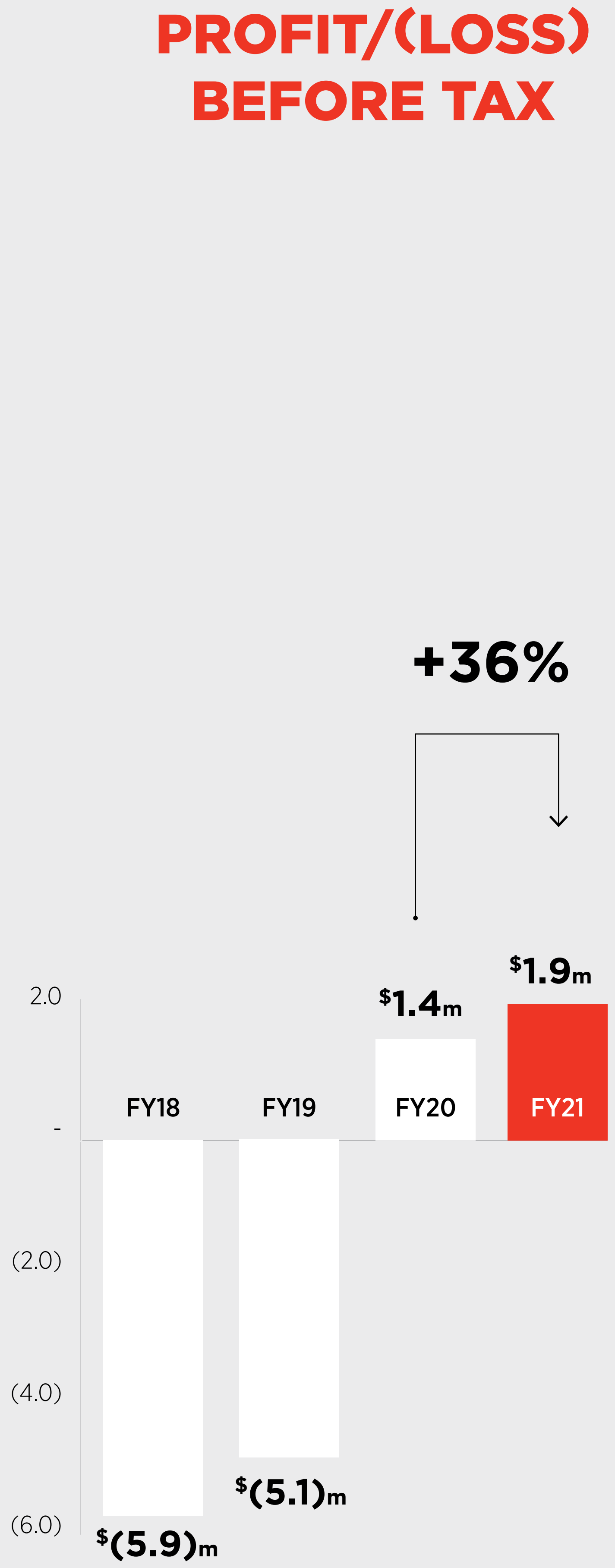
FY21 FINANCIAL RESULTS

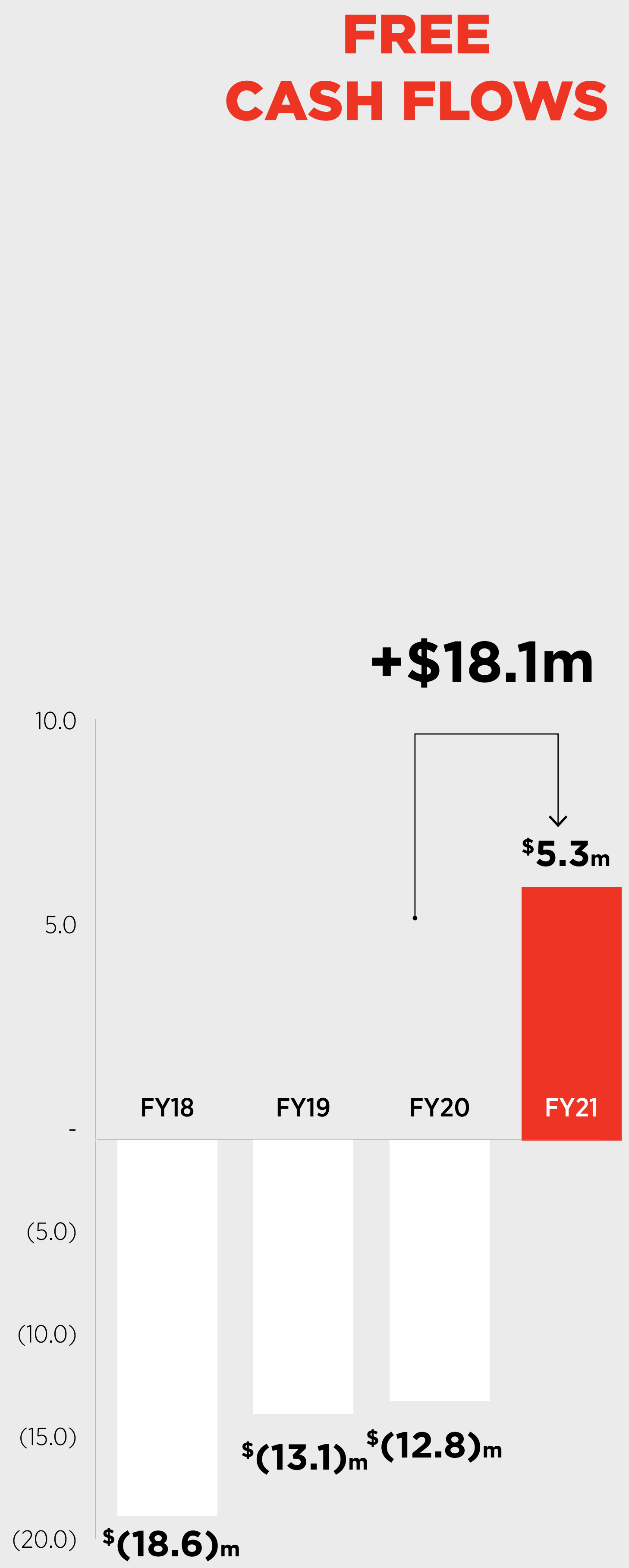
Alex Ball
Chief Financial Officer











EROAD delivers growth in challenging macro-economic conditions

[4,5] Includes one-off non-recurring items as outlined in detail on slide 16

Statement of Income (NZ$m)

YEAR ENDED	FY21	FY20	Movement FY21 vs FY20	H2 FY21	H1 FY21	Movement H1 FY21 vs H2 FY21
Revenue	91.6	81.2	10.4	45.8	45.8	-
Expenses	(60.9)	(54.1)	(6.8)	(30.4)	(30.5)	0.1
Earnings before interest, taxation, depreciation and amortisation	**30.7**	**27.1**	**3.6**	**15.4**	**15.3**	**0.1**
Depreciation of Property, Plant & Equipment	(9.6)	(8.6)	(1.0)	(5.0)	(4.6)	(0.4)
Amortisation of Intangible Assets	(9.9)	(7.5)	(2.4)	(5.1)	(4.8)	(0.3)
Amortisation of Contract and Customer Acquisition Assets	(6.8)	(6.5)	(0.3)	(3.3)	(3.5)	0.2
Earnings before interest and taxation	**4.4**	**4.5**	**(0.1)**	**2.0**	**2.4**	**(0.4)**
Net Financing Costs	**(2.5)**	**(3.1)**	**0.6**	**(1.3)**	**(1.2)**	**0.1**
Profit/(loss) before tax	**1.9**	**1.4**	**0.5**	**0.7**	**1.2**	**(0.5)**
Income tax (expense) benefit	0.1	(0.4)	0.5	0.3	(0.2)	0.5
Profit/(loss) after tax for the year attributable to the shareholders	2.0	1.0	1.0	1.0	1.0	-
Other comprehensive income	(0.5)	(1.3)	0.8	0.2	(0.7)	0.9
Total comprehensive income/(loss) for the year	**1.5**	**(0.3)**	**1.8**	**1.2**	**0.3**	**0.9**

- Revenue increased 13% on FY20 to $91.6m, reflecting growth in contracted units and ARPU. Revenue in H1 FY21 also benefited from the forgiveness of a COVID-19 government support loan in North America of $USD1.0m (NZD revenue increase of $1.5m)
- Operating expenditure increased 12% by $6.8 million in line with revenue reflecting accelerated R&D operating expenditure and ongoing spend on company-wide initiatives to deliver further longer-term improvements in operating leverage
- Operating expenditure also included a non-recurring increase in the doubtful debt provision of $1.5 m, relating to the impact of COVID-19, and a one-off adjustment for superannuation costs in North America of $1.1m
- Profit before tax was $1.9m (FY20: $1.4m). The increase in EBITDA was offset by the increase in depreciation and amortisation charge of $3.7m, reflecting our growing customer base (and related assets), the increase in our R&D programme and significant investment in new generation and business systems during FY21

EBITDA up despite accelerating growth strategies

($m)	FY21	FY20	Movement FY21 vs FY20	H2 FY21	H1 FY21	Movement H1 FY21 vs H2 FY21
New Zealand	38.8	34.9	3.9	20.3	18.5	1.8
Australia	(0.9)	(1.3)	0.4	(0.5)	(0.4)	(0.1)
North America	10.0	7.5	2.5	4.1	5.9	1.8
Corporate & Development	(17.5)	(14.0)	(3.5)	(8.6)	(8.9)	(0.3)
Elimination of inter-segment EBITDA	**0.3**	**0.0**	**0.3**	**0.3**	**-**	**0.3**
EBITDA	**30.7**	**27.1**	**3.6**	**15.4**	**15.3**	**0.5**
EBITDA Margin	**34%**	**33%**	**8%**	**34%**	**33%**	**-**

NEW ZEALAND

Continued growth into existing customer fleets, attracting new customers and continued high asset retention resulted in a 11% increase in EBITDA $38.8m.

NORTH AMERICA

North American EBITDA result of $10.0m is 33% ahead of the same time last year as a result of ongoing market growth and recognition of the government loan forgiveness as grant income ($1.5m) offset to an extent by a one-off adjustment for superannuation costs ($1.1m) and an increased doubtful debt provision ($0.3m). Excluding these items, EBITDA for the second half of the year grew 54% on H1 FY21 and 32% on FY20

AUSTRALIA

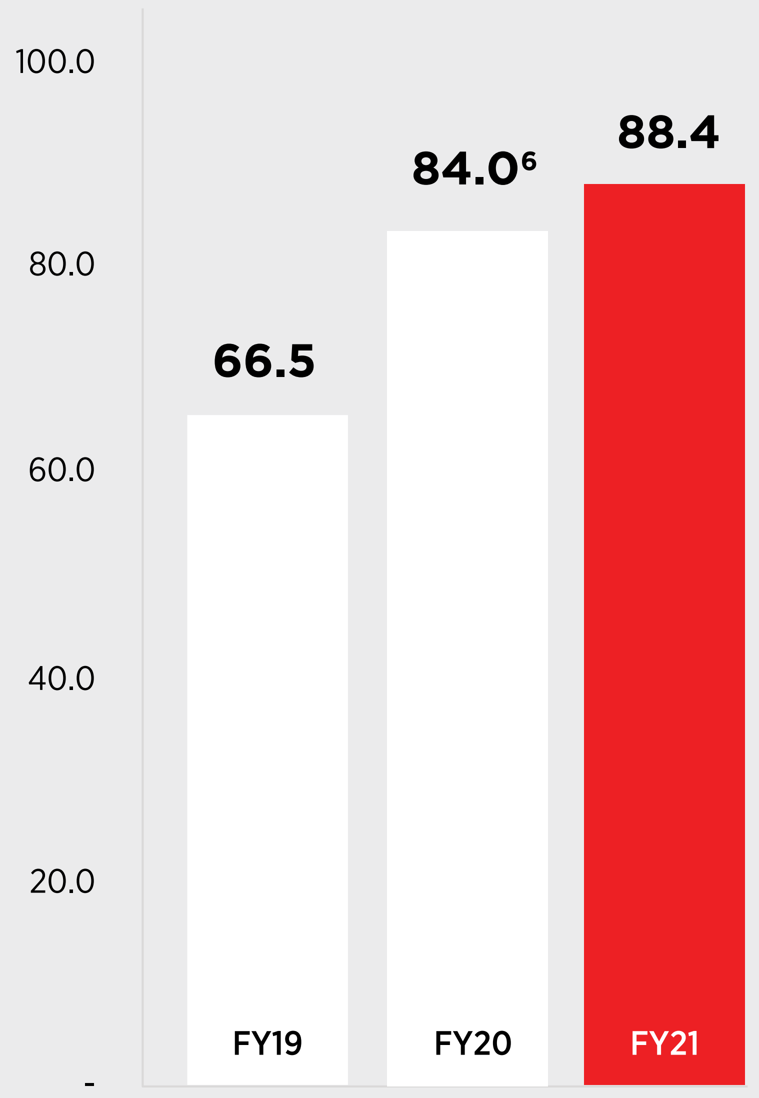
Continuing revenue growth (up 100% from FY20) and reduced spending as a result of COVID-19 (for example less marketing investment) has produced the improved EBITDA result of $(0.9)m.

CORPORATE

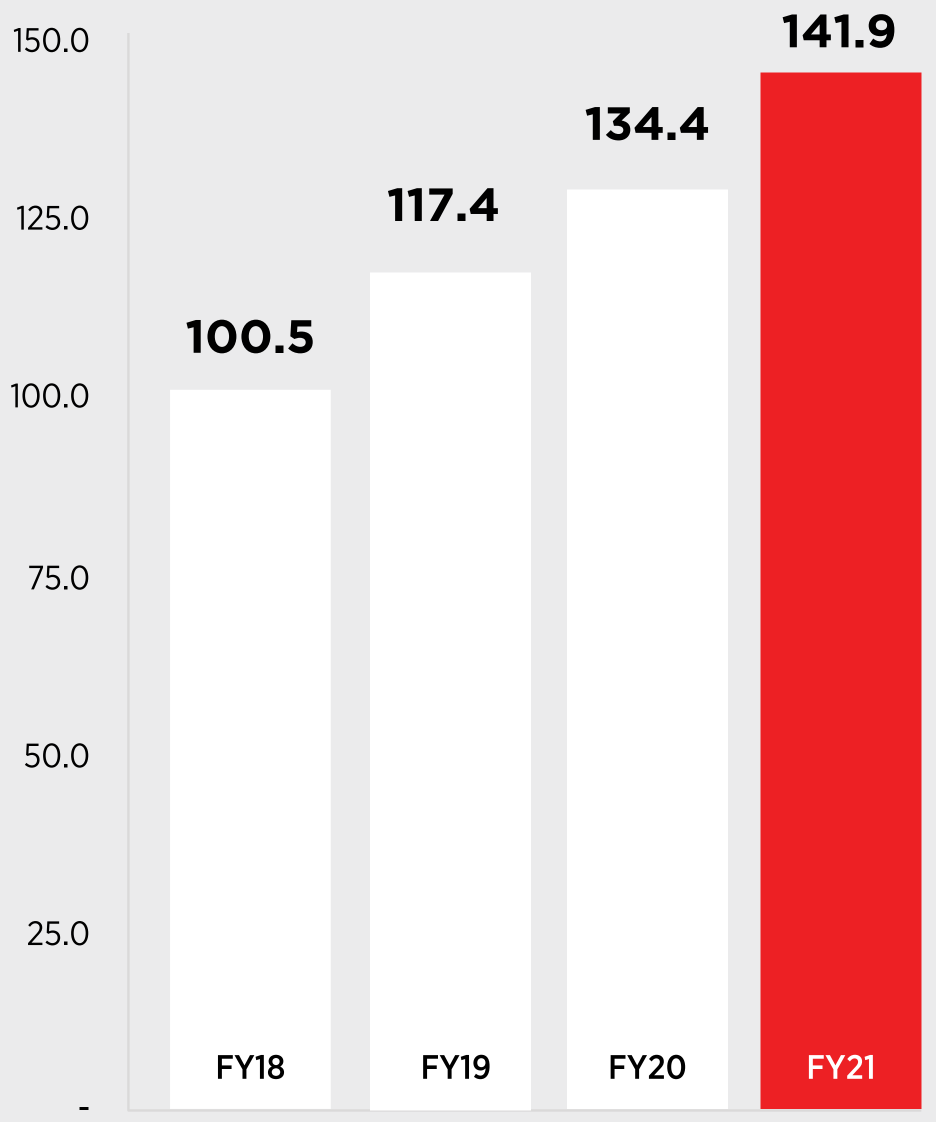
The Corporate segment's EBITDA was $(17.5)m from $(14.0)m in FY20 reflecting the combination of continuing accelerated investment in R&D and growing in the business.

Monitoring Performance LEADING GROWTH INDICATORS

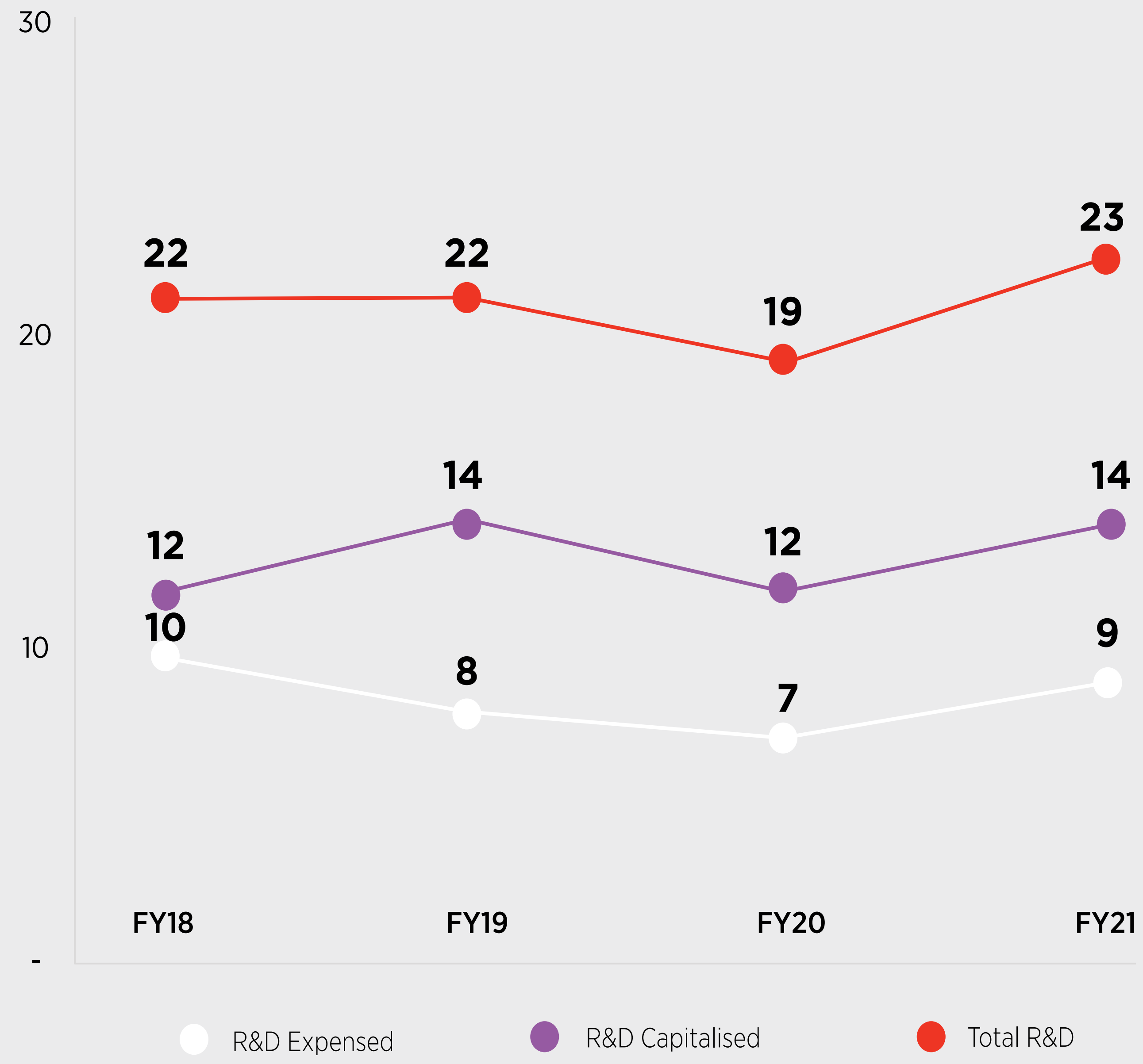
ANNUALISED MONTHLY RECURRING REVENUE ($m)



FUTURE CONTRACTED INCOME ($m)



RESEARCH AND DEVELOPMENT AS % OF REVENUE



AMRR increase reflects growth in recurring revenues from new units and SaaS ARPU, partly offset by an FX impact of $4.5m in FY21.

FCI increased with new incremental contracted units added and renewals, partially offset by recognition of revenues for new and existing contracts.

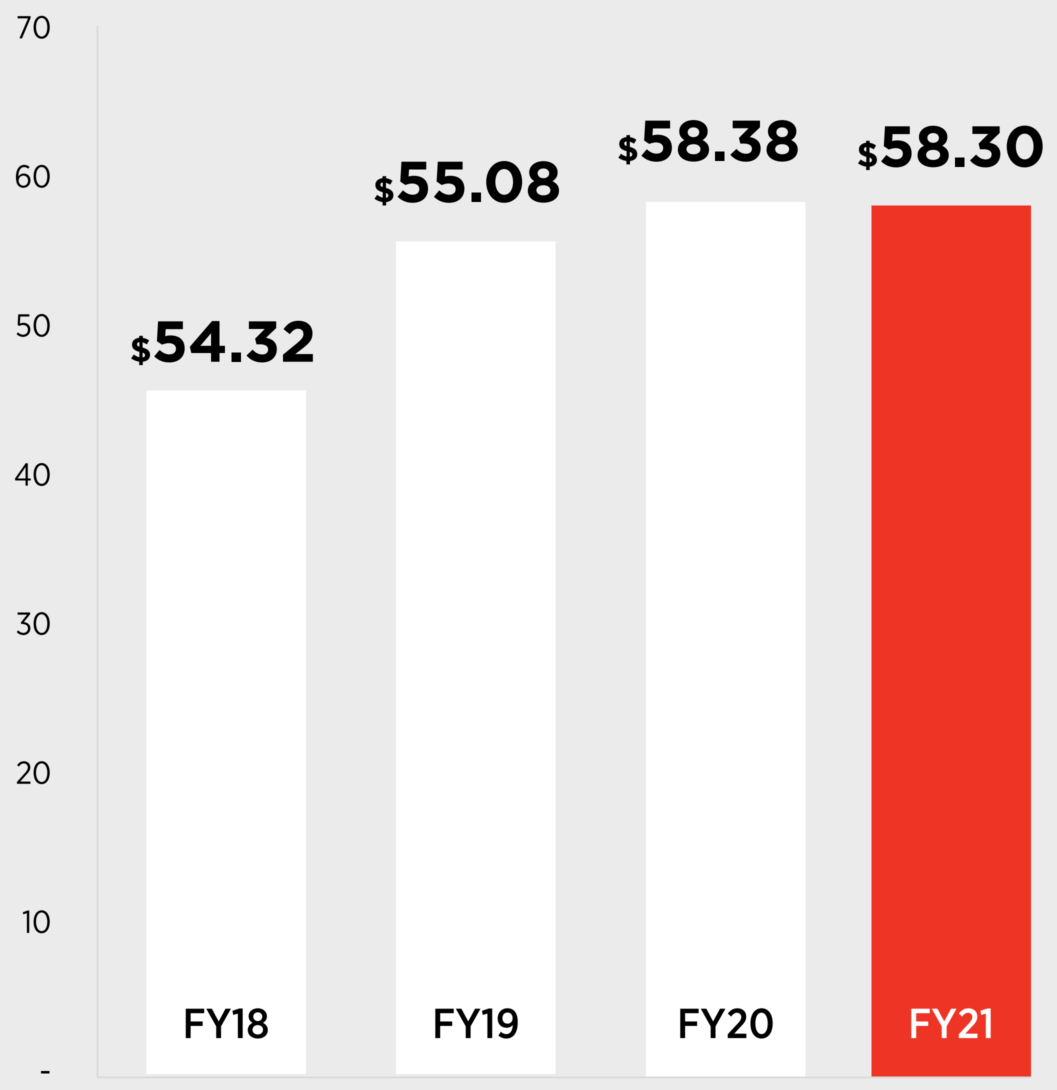
Exchange rate negative impact for FY21 was $9.3m

R&D as % of Revenue As previously signaled, expect to spend 24-27% as investment for growth accelerates over FY22.

[6]Restated by $2m from $86m due to SaaS revenue washup of $0.17 included in full in March which related in part to earlier periods.

Monitoring Performance ENTERPRISE VALUE FROM EXISTING CUSTOMER BASE

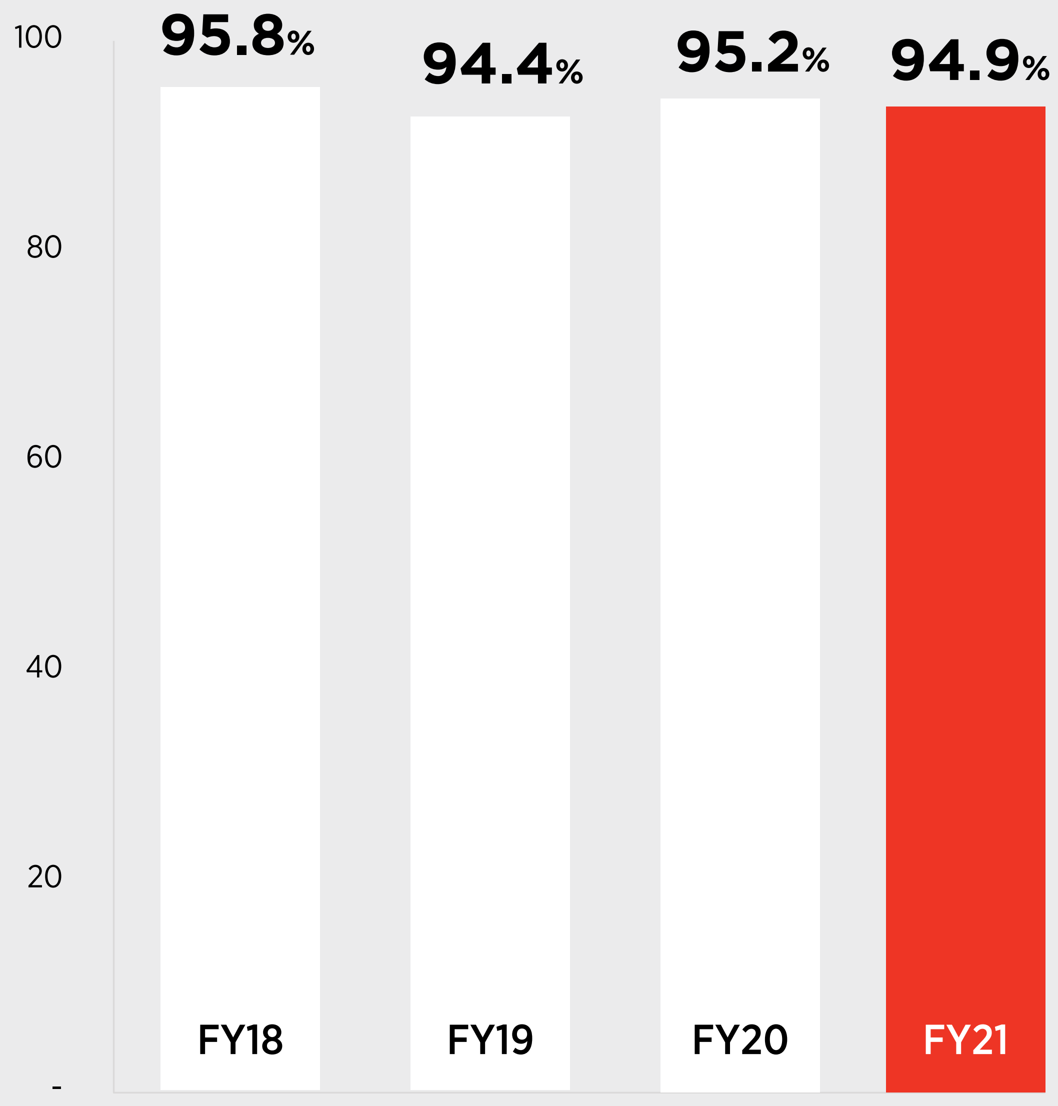
ARPU



Monthly SaaS ARPU has remained stable over past 12 months.

- Plan and hardware upgrades and addition of EROAD Where
- Stronger USD vs NZD reduced ARPU growth ($0.65) from FY20

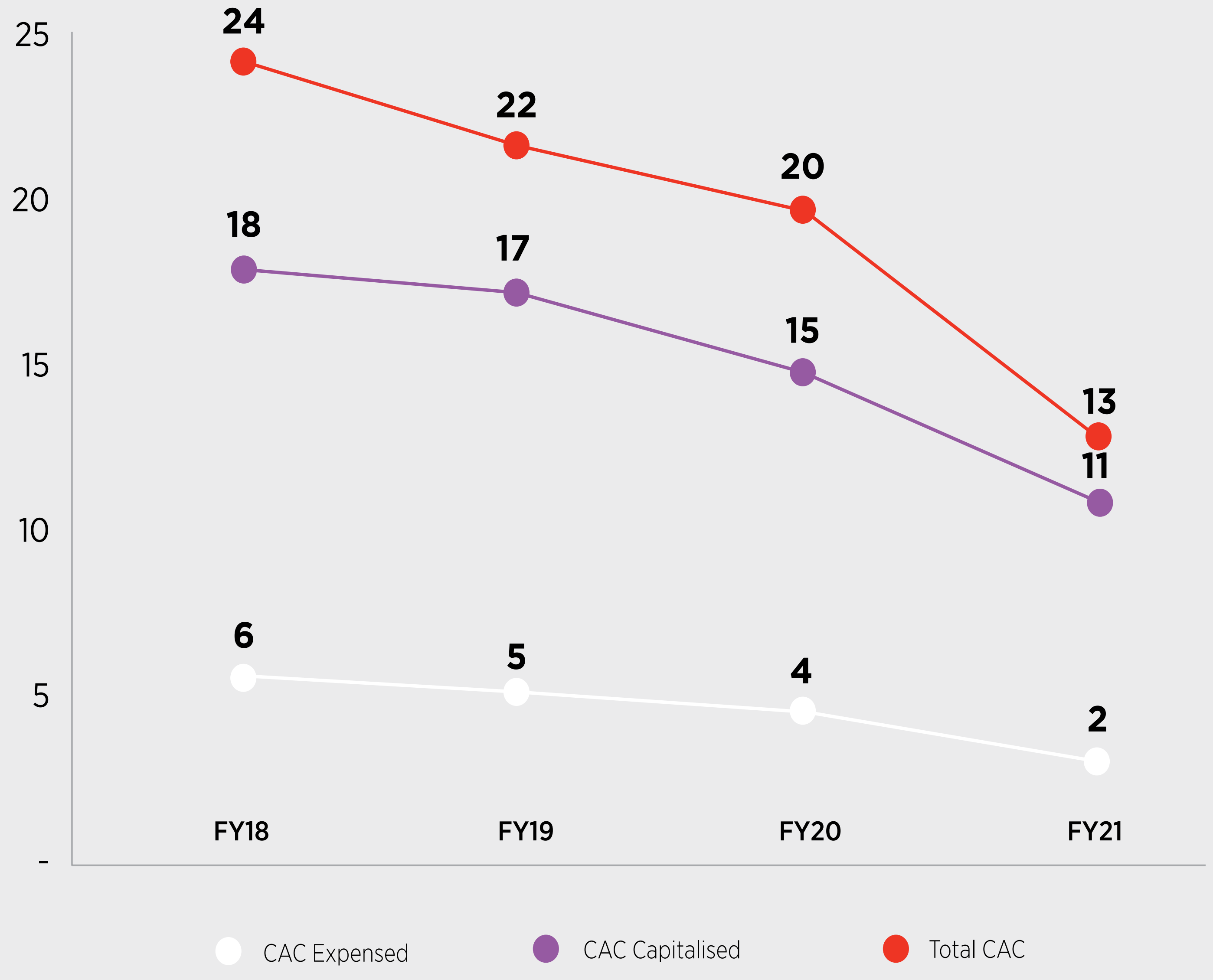
ASSET RETENTION RATE



Asset Retention Rate has remained stable and continues to be a focus through renewal programmes in key markets.

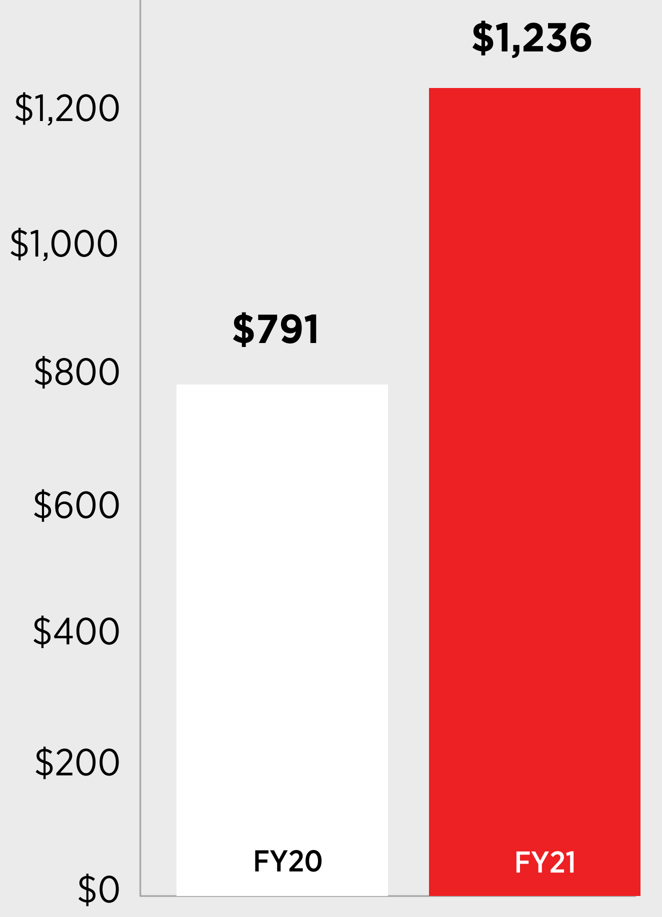
Monitoring Performance PROFITABILITY

COST TO ACQUIRE CUSTOMERS AS % OF REVENUE



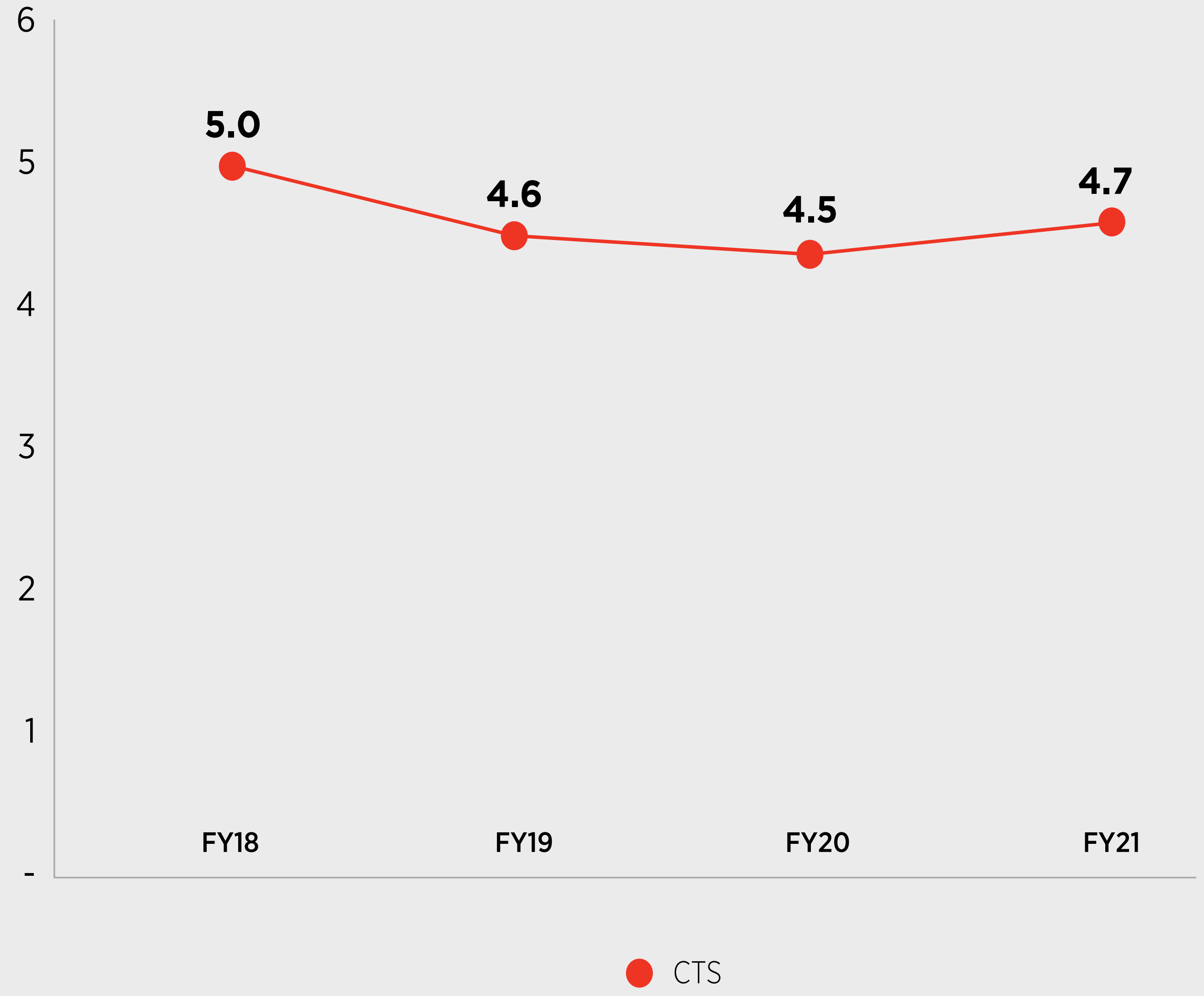
CAC as a % of revenue would be expected to trend downwards over time as revenue grows, reductions will be partly offset by investment in CAC ahead of revenues in Australia.

COST TO ACQUIRE PER UNIT



The cost to acquire per unit has increased year on year reflecting the lower number of units added.

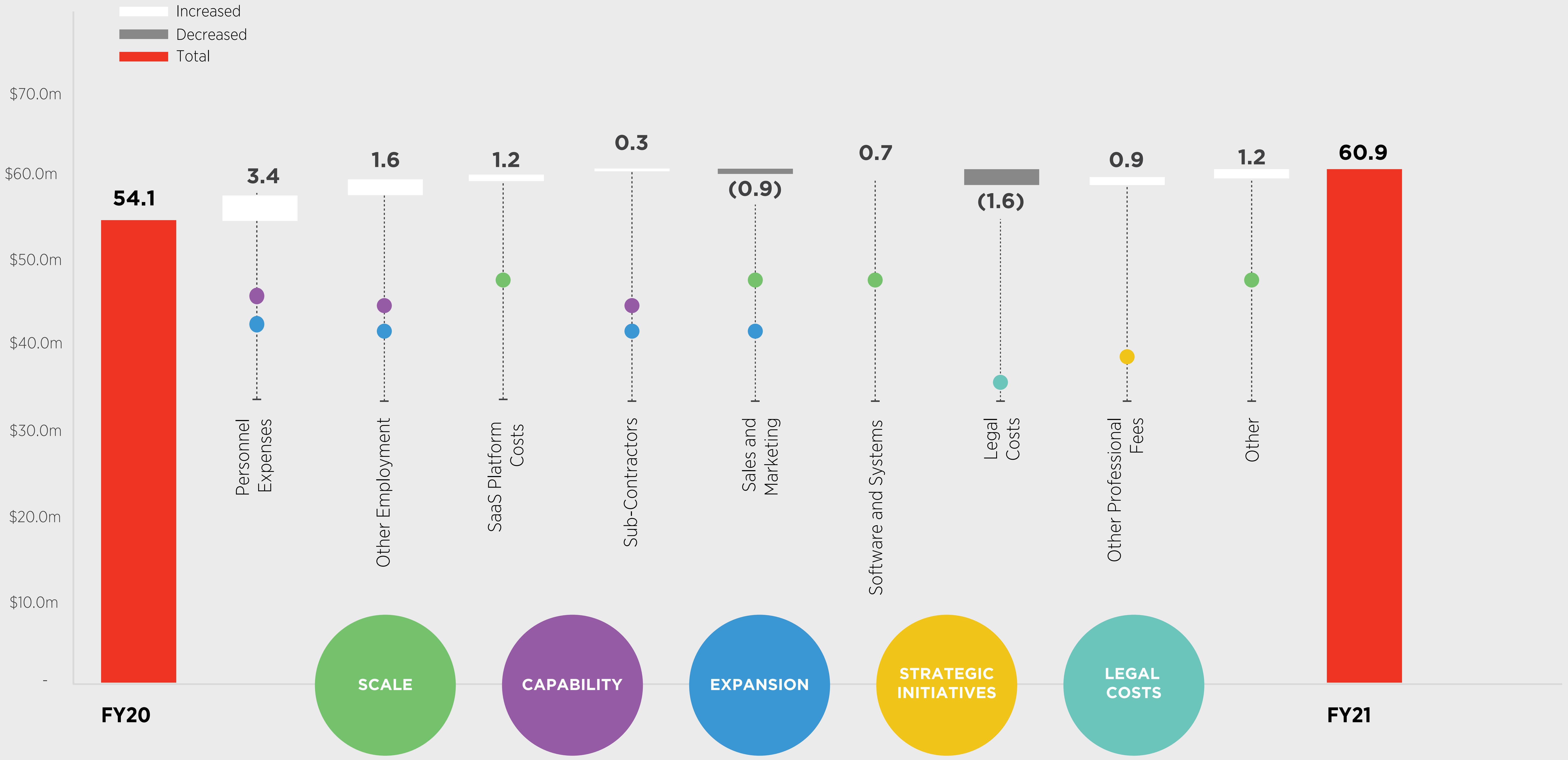
COST TO SERVICE AND SUPPORT AS % OF REVENUE



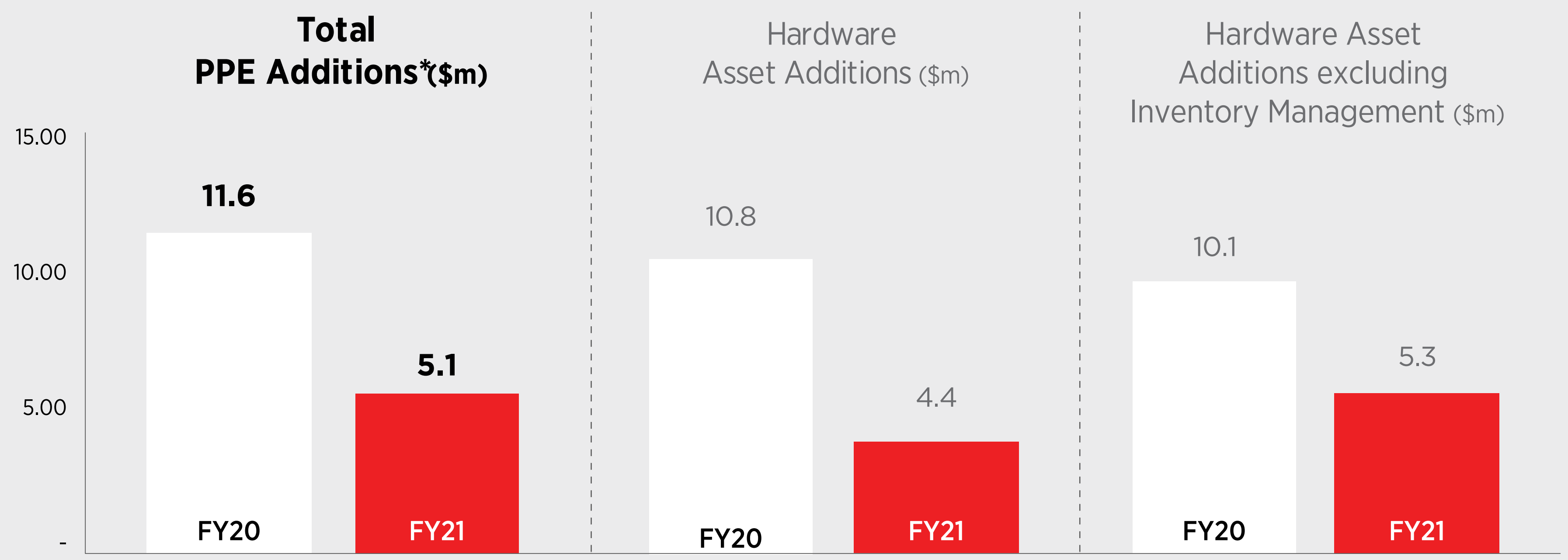
CTS has remained within 4-5% of revenue range.

CTS will improve over time as scale and leverage increases.

Operating Expenses

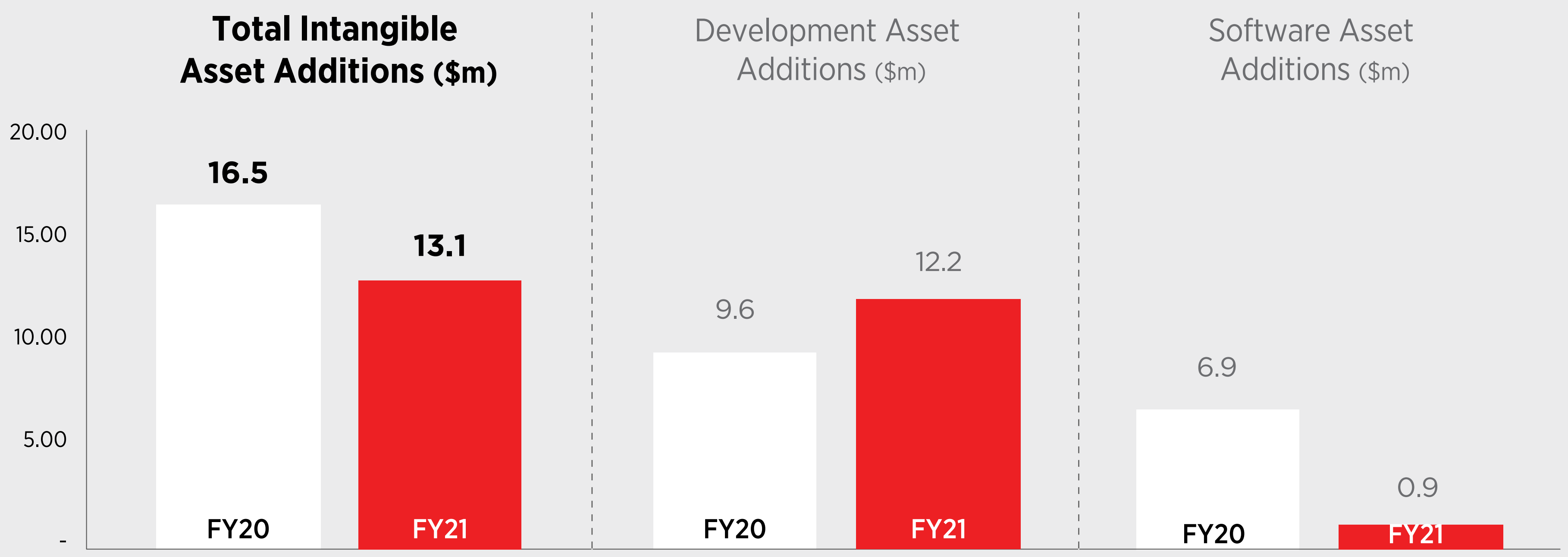


ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT



*Excluding Additions to Right of Use Assets

ADDITIONS TO INTANGIBLE ASSETS



PROPERTY PLANT & EQUIPMENT

- PPE spend is $6.5m lower than FY20 due to a combination of lower new unit volumes and tight inventory management
- The decrease in inventory also reflects a lift in our provision for obsolescence in preparation for the network changes in North America during FY21

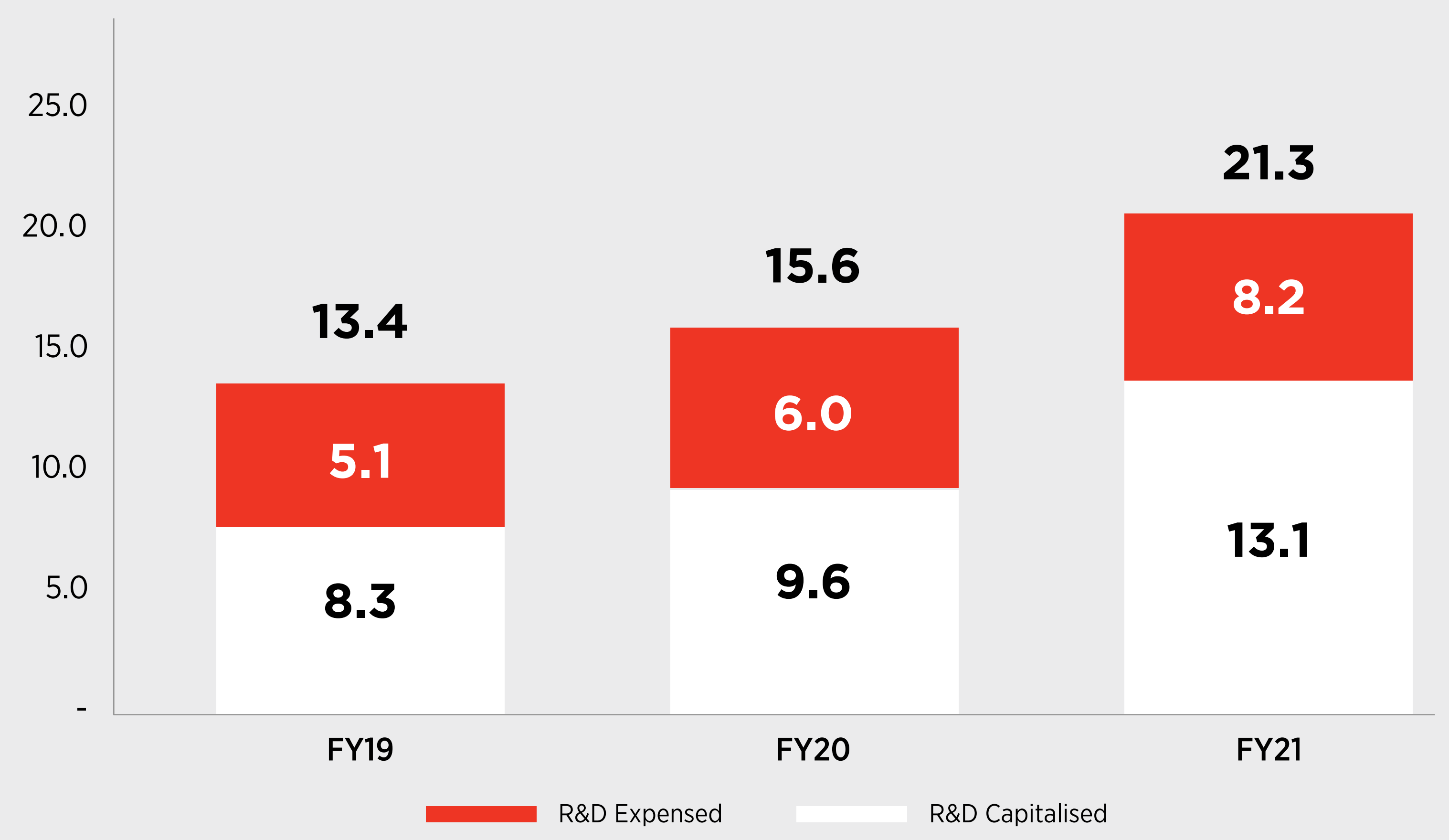
INTANGIBLE ASSETS

- Total R&D spend of $21.3m has increased $5.7m in line with guidance and is 23% of revenue, $13.1m of which was capitalised as development and software assets
- The overall decrease of $3.4m when compared to the prior year is a result of reduced spend on software. During FY20, EROAD undertook a substantial investment in our new generation business systems

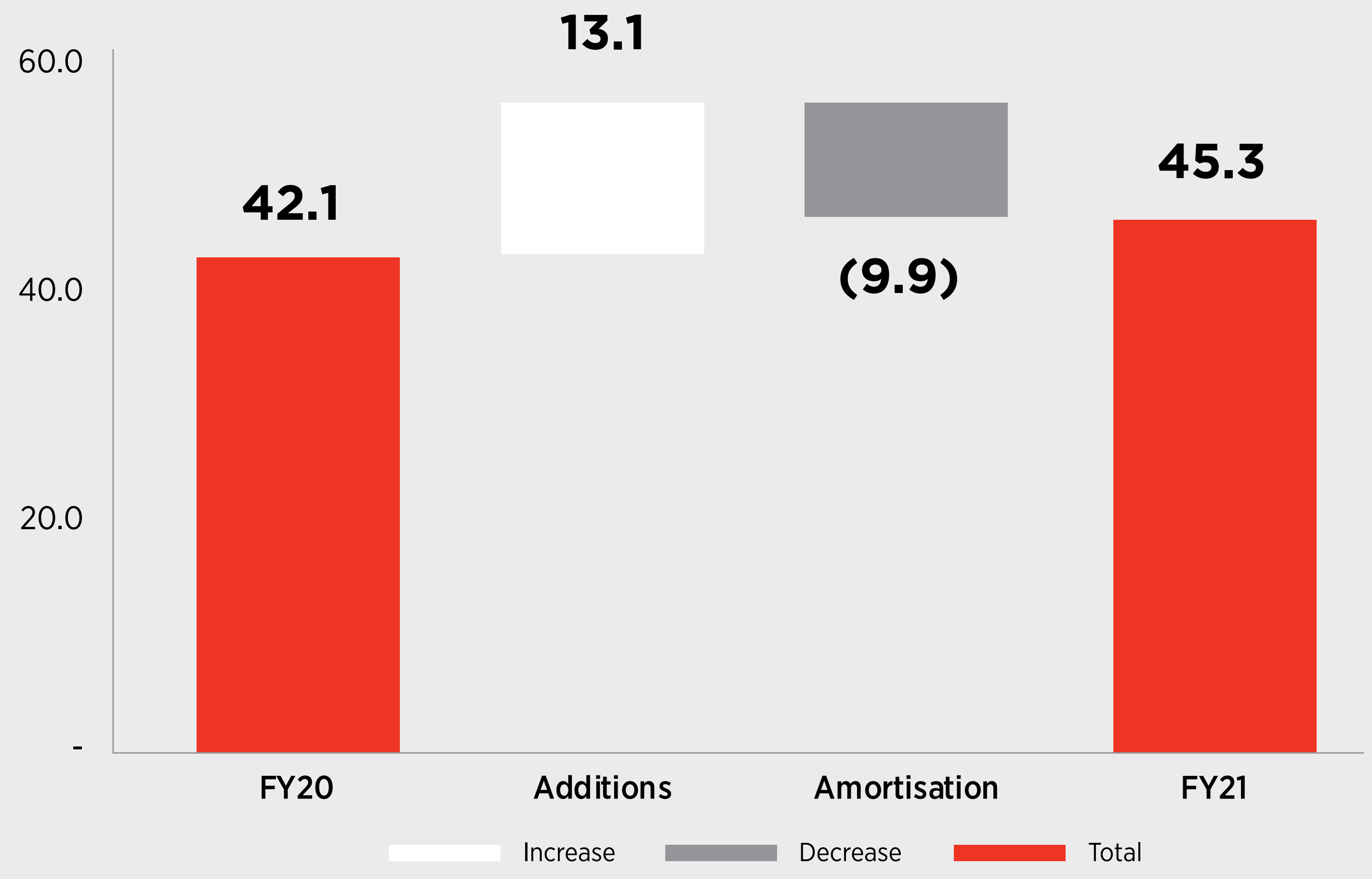
Increased investment in R&D

TO SUPPORT NEW PRODUCT DELIVERY IN FY23 AND FY24

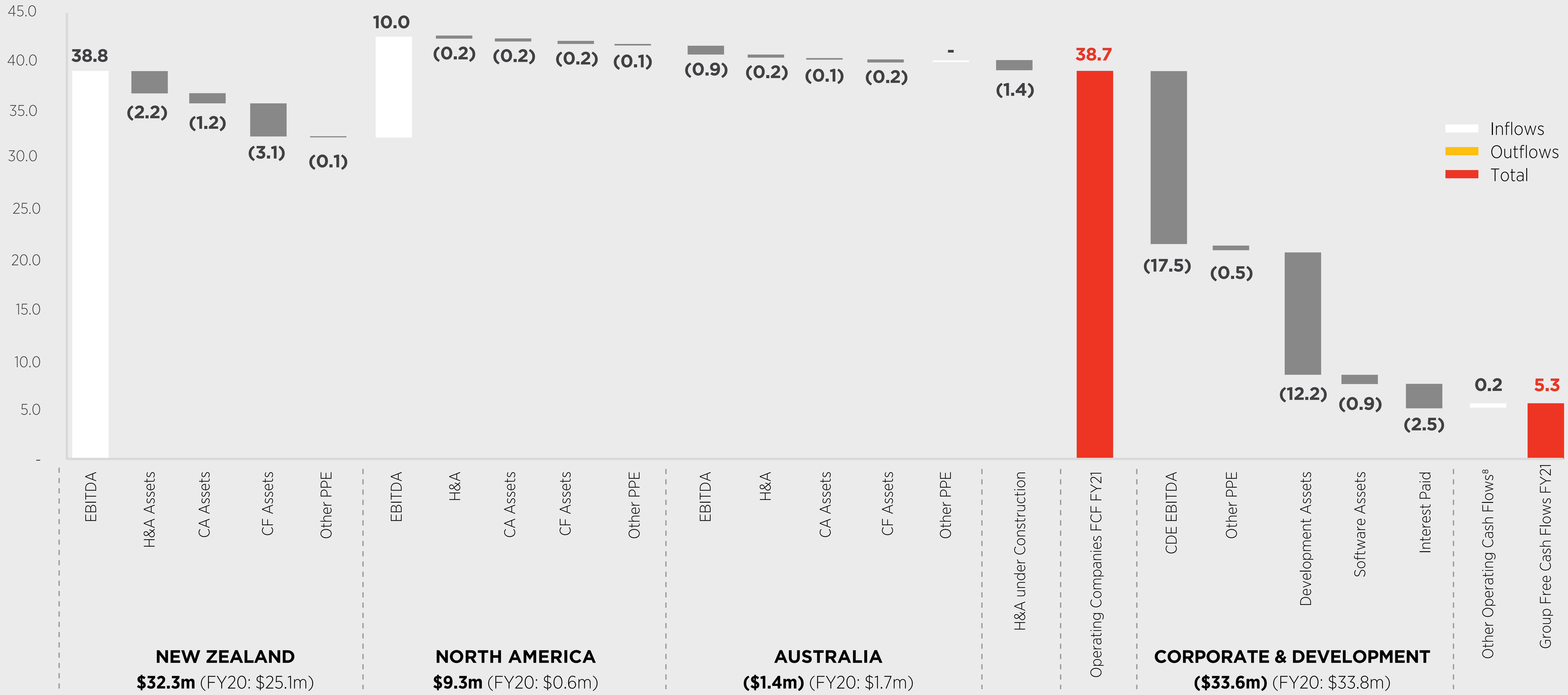
RESEARCH AND DEVELOPMENT ($m)



MOVEMENT IN INTANGIBLES ($m)



Free Cash Flow Analysis by Segment[7]



H&A Assets - Hardware & Accessory Assets • **CA Assets** - Customer Acquisition Assets • **CF Assets** - Contract Fulfilment Assets • **CDE EBITDA** - Corporate, Development and Elimination EBITDA • **H&A under Construction** - Hardware & Accessories under Construction

[7] Group Free Cash Flows (FCF) for the purpose of this analysis refers to Operating Cash Flows Less Investing Cash Flows.

[8] This FCF by market analysis provides an indicative view of FCF. Note that this does not represent actual FCF by market: Hardware & Accessories under Construction (inventories held) are presented in total and Other Operating Cash Flows (non-cash and working capital movements) are presented in total and not allocated to specific seg ments. These amounts relate to all operating segments.

Cash flow statement (NZ$m)

Year ended	FY21	FY20	Movement FY21 vs FY20	H2 FY21	H1 FY21	Movement H1 FY21 vs H2 FY21
Cash flows from operating activities						
Other operating cash flows	30.6	25.8	4.8	15.3	15.3	-
Interest paid	(2.5)	(2.7)	0.2	(1.5)	(1.0)	(0.5)
Net cash inflow from operating activities	**28.1**	**23.1**	**5.0**	**13.8**	**14.3**	**(0.5)**
Cash flows from investing activities						
Property, Plant and Equipment (including hardware assets)	(4.7)	(11.6)	6.9	(3.0)	(1.7)	(1.3)
Intangible Assets	(13.1)	(16.5)	3.4	(7.4)	(5.7)	(1.7)
Contract Fulfillment and Customer Acquisition Assets	(5.0)	(7.8)	2.8	(2.7)	(2.3)	(0.4)
Net cash outflow from investing activities	**(22.8)**	**(35.9)**	**13.1**	**(13.1)**	**(9.7)**	**(3.4)**
Cash flows from financing activities						
Bank loans	(0.8)	1.2	(2.0)	(2.6)	1.8	(4.4)
Issue of Equity	52.9	-	52.9	10.9	42.0	(31.1)
Cost of raising capital	(2.1)	-	(2.1)	(0.1)	(2.0)	1.9
Other financings cash flows	(1.6)	(1.1)	(0.5)	(0.8)	(0.8)	-
Net cash inflow/(outflow) from financing activities	**48.4**	**0.1**	**48.3**	**7.4**	**41.0**	**(33.6)**
Net increase/(decrease) in cash held	53.7	(12.7)	66.4	8.1	45.6	(37.5)
Cash at beginning of the financial period	3.4	16.1	(12.7)	-	3.4	(3.4)
Closing cash and cash equivalents	**57.1**	**3.4**	**53.7**	**8.1**	**49.0**	**(40.9)**

- Operating cash flows benefit from a higher revenue $92m versus $81m and hence increased customer receipts
- Investing cash out flows fell from $35.9m to $22.8m reflecting the investment in business systems and processes in H1 FY20 and the lower spend on hardware units due to lower growth in H2 FY21
- Financing cash flows grew as result of $42m raised via placement and a further $11m was raised via share purchase plan

Balance sheet (NZ$m)

AS AT PERIOD END	FY21	FY20	Movement
Cash	57.1	3.4	53.7
Restricted Bank Account	10.5	14.0	(3.5)
Costs to Acquire and Contract Fulfilment Costs	5.5	5.9	(0.4)
Other	8.2	10.7	(2.5)
Total Current Assets	**81.3**	**34.0**	**47.3**
Property, Plant and Equipment	34.7	37.4	(2.7)
Intangible Assets	45.3	42.1	3.2
Costs to Acquire and Contract Fulfilment Costs	3.4	4.8	(1.4)
Other	7.3	7.5	(0.2)
Total Non-Current Assets	**90.7**	**91.8**	**(1.1)**
TOTAL ASSETS	**172.0**	**125.8**	**46.2**
Payables to Transport Agencies	10.5	13.9	(3.4)
Contract Liabilities	6.6	8.2	(1.6)
Borrowings	35.0	35.8	0.8
Other Liabilities	15.3	16.6	(1.3)
Total Liabilities	**67.4**	**74.5**	**(7.1)**
NET ASSETS	**104.6**	**51.3**	**53.3**

- Cash has increased by $53.7m as a result of the capital raise during September and the free cash positive result for FY21 of $5.3m
- PPE has reduced as depreciation of hardware assets has exceeded the value of new hardware assets capitalised from growth in the period
- The decrease in other assets within current assets category is as a result of the combination of increase in our doubtful debt provision by an additional ($1.5m) in FY21 reflecting uncertainty due to the current economic conditions and also provision of ($1m) for inventory.
- Contract Fulfilment and Customer Acquisition Assets decreased by $0.4m due to subdued growth during the 12 months as a result of COVID-19 lockdowns
- Intangibles increase relates to the ongoing capitalisation of R&D development.
- Borrowings from long term bank loans have reduced due to scheduled repayments in September and March

GROWTH OPPORTUNITY AND OUTLOOK

Steven Newman
Chief Executive Officer

The Global Telematics industry poised for significant growth

THE GLOBAL TELEMATICS INDUSTRY IS ESTIMATED TO GROW TO US$750B BY 2030[9]

Digital Transformation of the Transportation industry

- Transportation and logistics companies face significant change and increasingly require telematics solutions that give actionable insights and predictive analytics to manage their operations, vehicles, assets, and drivers in a safe, compliant and efficient manner.
- As the cost to track reduces, companies want to track and manage all their mobile and remote assets, beyond trucks, trailers and cars.
- Customers' need their telematics solutions to be deeply integrated with other back office systems such, logistic management, HR, ERPs and finance systems in order to share data in order to better understand and operate their businesses.

Acceleration towards road pricing

- Declining transportation fuel taxes due to increasing fuel efficient and adoption of electric vehicles together with increased road congestion will see an acceleration towards road use based charging.
- New Zealand continues to look at both congestion pricing and road usage charging options for all road vehicles as the current fuel taxes arrangements for petrol vehicles is forecasted to become inadequate and even less fair.
- North America is pressing on with both State-level RUC-like reforms and multi-state pilots
- Australia is exploring State-level distance charges for electric vehicles and national-level RUC for heavy vehicles.

Health & Safety focus continues to increase

- The use of Video telematics improves Health and Safety outcomes in one of the most dangerous workplaces, the cab of the vehicle (truck or car). Harsh braking and cornering recorded videos allow drivers to be coached and additional training put in place.
- In North America, many insurers required video telematics in all vehicles in order for operators to get acceptable premiums.
- Further regulatory change is expected over next 5 years with Electronic Logbooks in NZ and AU to improve driver fatigue management.

Regulatory Telematics

- Government supported/mandated regulatory telematics solutions (for road funding, Health & Safety on the road, Driver Fatigue and Vehicle maintenance) are forecasted to be a significant growth driver forcing telematics adoption over the next five plus years.

Post COVID-19 Trends

- Need to significantly improve supply visibility and transparency.
- Increased pressure to go digital and contactless, removing paper, human contact and manual processes.
- Governments and corporate transportation customers are demanding:
- The transportation industry reduces its emission footprint and adopt cleaner technologies such as non ICE (internal Combustion Engine) powered vehicles.
- Improved ESG reporting against a sustainability improvement plan.

[9] Source McKinsey & Company (2018). Relates to global telematics plus the monetary value of the global ecosystem developing around monetizing vehicle data—including consumer vehicles.

Trends within our markets

NEW ZEALAND

- Health & Safety remain drivers of telematics adoption
- Many enterprise businesses are requiring their sub-contractors to use their technology solutions to manage Health & Safety obligations
- Video telematics is seen as an important added service to improve health and safety outcomes

NORTH AMERICA

- Almost 100% adoption of telematics in interstate vehicles over 10,000 pounds, following the Federal 2017 –19 ELD mandate
- Expect many Small to Medium Businesses to upgrade to more than an ELD only solution when their 36-month contracts are renewed
- Expect a significant number of vehicles to upgrade hardware, following AT&T 3G network shut down in Feb 2022
- Many insurers requiring video telematics by transportation operators to get acceptable premiums
- 2020-2021 multi-state mileage-based user fee truck pilot to begin October 2021

AUSTRALIA

- Chain of Responsibility obligations were expanded in Oct 2018. Expect further significant regulatory change over next 5 years with Electronic Work Diary (EWD), National ERUC pilot and from the review of the Heavy Vehicle National Law
- Video telematics is seen as an important added service to improve health and safety outcomes
- Increasingly, Enterprise businesses operating across Australia and New Zealand see it as one market, requiring one solution

EROAD today

NEW ZEALAND

87,892
CONTRACTED UNITS

45% [10]
ENTERPRISE CUSTOMERS

32%	CONSTRUCTION & CIVIL ENGINEERING
16%	FREIGHT & ROAD TRANSPORT
10%	AGRICULTURE/ FORESTRY
42%	OTHER

NORTH AMERICA

35,437
CONTRACTED UNITS

30% [10]
ENTERPRISE CUSTOMERS

47%	FREIGHT & ROAD TRANSPORT
24%	CONSTRUCTION & CIVIL ENGINEERING
8%	SERVICES & TRADE
21%	OTHER

AUSTRALIA

2,874
CONTRACTED UNITS

32% [10]
ENTERPRISE CUSTOMERS

44%	SERVICES & TRADE
16%	FREIGHT & ROAD TRANSPORT
15%	CONSTRUCTION & CIVIL ENGINEERING
25%	OTHER

[10] Enterprise customers is defined as fleet sizes of over 500 for North America and over 150 for New Zealand and Australia

Strategic priorities across our markets

STILL SIGNIFICANT GROWTH OPPORTUNITIES IN NEW ZEALAND

- Grow connected units to 100,000 over the next 18 months
- Extend product offering in Civil Engineering, Government fleets, Health & Safety, Electric vehicles, carbon footprint reduction initiatives and ESG reporting
- Increase APRU by selling additional SaaS and mobile services to existing customers
- Extend the range of telematics solutions beyond trucks and commercial light vehicles into off road vehicles and small assets
- Leverage EROAD's customer ecosystem to create new value

FOCUSED ON INCREASING THE ADDRESSABLE MARKET IN NORTH AMERICA

- Grow connected units to 50,000 over the next 18 months
- Extend product offering in the freight, road transportation fleets and the areas of health & safety
- Extend the range of telematics solutions beyond trucks into trailers and associated light duty vehicles and large assets
- Pursue Enterprise opportunities
- Grow monthly run rate business in small to medium sized fleets
- Support National Road User Charging pilot for heavy vehicles

BUILDING BRAND IN AUSTRALIA

- Grow number of connected units to 10,000 over the next 18 months
- Extend product offering in the Civil Engineering, Government fleets, areas of driver fatigue, health & safety and vehicle service & maintenance
- Establish AU based leadership team to support Enterprise and market development activities
- Pursue Enterprise opportunities
- Grow monthly run rate business in small to medium sized fleets
- Increase EROAD's Brand awareness using targeted digital marketing
- Support National Road User Charging pilots and transport regulatory development using telematics technology

CONTINUED R&D AND STRATEGIC PARTNERSHIPS TO EXTEND PLATFORM AND FILL ANY PRODUCT GAPS

ENHANCED SALES AND MARKETING DELIVERY

CONSIDER STRATEGIC INORGANIC GROWTH OPPORTUNITIES

Focused on Platform Expansion

- Extending the platform to focus on winning medium and enterprise customers in North America and Australia
- Increasing scalability of the platform to enable EROAD to target larger Enterprise fleets
- Developing Integration & Data Analytics capability to provide customers innovative solutions enabling greater insights, benchmarking and targeted action
- Increased, focused and effective sales and marketing is critical to maximise the return on investment from investing in these products and capability

Strategic Inorganic Growth Opportunities

- Our growth will not be solely organic
- Inorganic opportunities will increasingly present themselves in a consolidating industry
- Focused on transactions that provide customer base and product capabilities to differentiate EROAD further

SIZE OF CUSTOMER BASE

1
Likely to be a direct competitor. This should be a profitable business so that the acquisition can be partially funded by debt and maximise value accretion.

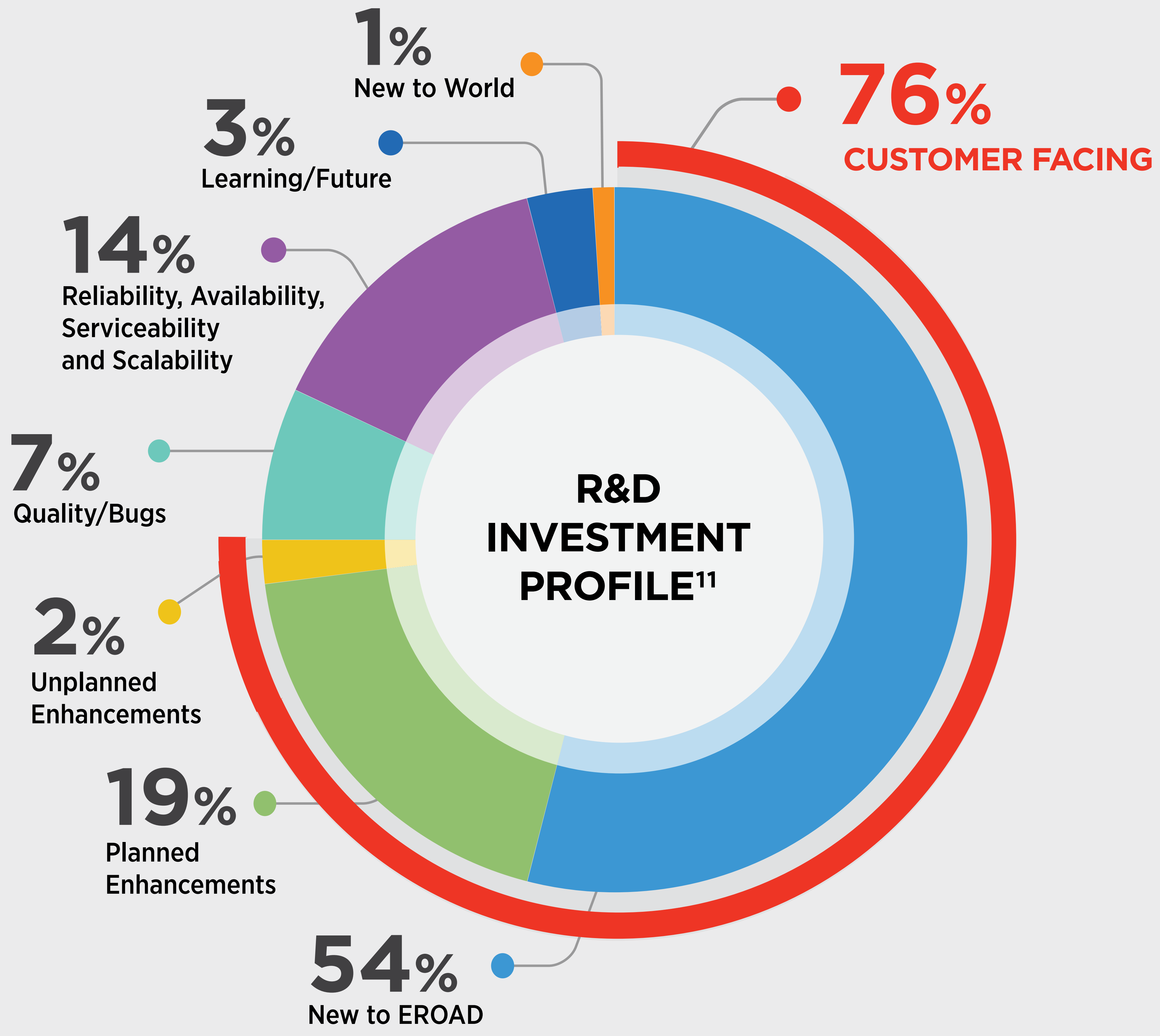
2
It is expected most acquisitions will be a mixture of customer bases and capabilities for leverage. May be either a direct competitor or a complimentary tech platform with a proven subscriber base.

NO VALUE TO EROAD

3
Likely to be a complimentary technology platform which does not yet have a significant subscriber base. Possibly early-stage. These acquisitions may not be value accretive on day one, and there may be additional R&D investment required before the growth potential can be fully realised.

STRATEGIC VALUE OF PRODUCT & PEOPLE

KEY VALUE DRIVERS	1	2	3
A clear customer retention plan	Y	Y	N
Cost synergies	Y	N	N
Revenue synergies of complimentary tech	N	Y	Y
Strategic leverage of joint offering or in-market team	N	Y	Y



[11]For the twelve months ended 31 March 2021. Analysis excludes internal system development and individual customisation.

R&D Investment

- R&D is critical in developing new products and services to retain customers, open up the addressable market, grow connected vehicles and grow average SaaS monthly revenue per unit
- Target ~60% of R&D spend on customer facing elements
- Executed five key launches in H1 FY21 as a result of previous R&D investment
- In recent years spent 18-22% of revenue on R&D. Spent 23% in FY21. For FY22 and FY23 expect to spend 24-27% as continue to accelerate investment for growth
- Focused on product development that opens up the addressable market for enterprise customers

FY22 outlook

- Reiterate the FY22 guidance provided November 2020
- Anticipate that the percentage revenue growth in FY22 will strengthen from that delivered in FY21, but not be at the level experienced in FY20
- In New Zealand, expect to add a similar number of units to that seen prior to FY21 (~9,000 p.a). Ehubo sales will be complemented with Clarity Dashcam sales
- In North America, expect increased unit growth in FY22, supported by Clarity Dashcam sales, as economy returns to pre-COVID conditions
- In Australia, growth during the next 2 years will come predominantly from an Enterprise pipeline of 15-20,000 vehicles
- As EROAD continues to accelerate new product delivery for future growth in FY23 and FY24, we anticipate spending 24-27% of revenue on R&D during FY22
- However, EROAD also anticipate that EBITDA margin will be maintained for FY22 but will improve at the end of FY22.

QUESTIONS & ANSWERS

Reconciliation of Profit to movement in cash

YEAR ENDED	FY21	FY20
Profit/(Loss) after tax for the year attributable to the shareholders	**2.0**	**1.0**
Add/(less) non-cash items		
Tax asset recognised	(0.1)	(0.0)
Depreciation and amortisation	26.3	22.5
Other non-cash expenses/(income)	(1.1)	(1.0)
Add/(less) movements in other working capital items:		
Decrease/(increase) in trade and other receivables	2.4	(0.2)
Increase/(decrease) in current tax receivables	0.0	0.0
Increase/(decrease) in contract liabilities	(1.6)	(1.8)
Increase /(decrease) in trade payables, interest payable and accruals	0.2	2.6
Net Cash from operating activities	**28.1**	**23.1**

ARPU reconciliation of local currency to NZ$

	NZ$		Local$	
	FY21	FY20	FY21	FY20
New Zealand ARPU	NZ$56.18	NZ$55.78	NZ$56.18	NZ$55.78
North America ARPU	NZ$65.03	NZ$65.73	US$42.95	US$41.94
Australian ARPU	NZ$35.50	NZ$37.28	AU$33.16	AU$35.86

Glossary

- **ANNUALISED MONTHLY RECURRING REVENUE (AMRR)** is a non-GAAP measure representing monthly Recurring Revenue for the last month of the period, multiplied by 12. It provides a 12 month forward view of revenue, assuming unit numbers, pricing and foreign exchange remain unchanged during the year.
- **ASSET RETENTION RATE** The number of Total Contracted Units at the beginning of the 12 month period and retained as Total Contracted Units at the end of the 12 month period, as a percentage of Total Contracted Units at the beginning of the 12 month period.
- **COSTS TO ACQUIRE CUSTOMERS (CAC)** is a non-GAAP measure of costs to acquire customers. Total CAC represents all sales & marketing related costs. CAC capitalised includes incremental sales commissions for new sales, upgrades and renewals which are capitalised and amortised over the life of the contract. All other CAC related costs are expensed when incurred and included within CAC expensed.
- **COSTS TO SERVICE & SUPPORT (CTS)** Is a non-GAAP measure of costs to support and service customers. Total CTS represents all customer success and product support costs. These costs are included in Administrative and other Operating Expenses reported in Note 4 Expenses of the FY21 Financial Statements.
- **EBITDA** is a non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA). Refer Consolidated Statement of Comprehensive Income in Financial Statements.
- **EBITDA MARGIN** is a non-GAAP measure representing EBITDA divided by Revenue.
- **EHUBO, EHUBO2 and EHUBO 2.2** EROAD's first and second generation electronic distance recorder which replaces mechanical hubo-dometers. Ehubo is a trade mark registered in New Zealand, Australia and the United States.
- **ELECTRONIC LOGGING DEVICE (ELD)** An electronic solution that synchronises with a vehicle engine to automatically record driving time and hours of service records.
- **ENTERPRISE** means a fleet of more than 500 vehicles in North America and more than 150 vehicles in Australia or New Zealand.
- **FREE CASH FLOW** is a non-GAAP measure representing operating cash flow and investing cash flow reported in the Statement of Cash Flows.
- **FUTURE CONTRACTED INCOME (FCI)** A non-GAAP measure which represents contracted Software as a Service (SaaS) income to be recognised as revenue in future periods. Refer Revenue Note 3 of the FY21 Financial Statements.
- **FY** Financial year ended 31 March.
- **H1** For the six months ended 30 September
- **H2** For the six months ended 31 March
- **INTERNATIONAL FUEL TAX AGREEMENTS (IFTA)** A cooperative agreement between all states (excluding Alaska and Hawaii) of the United States, and the Canadian provinces, designed to make it simpler for inter-jurisdictional carriers to report and pay fuel excise taxes, requiring only one fuel license to operate across multiple jurisdictions.
- **MONTHLY SAAS AVERAGE REVENUE PER UNIT (ARPU)** is a non-GAAP measure that is calculated by dividing the total SaaS revenue for the year reported in Note 3 of the FY21 Financial Statements, by the TCU balance at the end of each month during the year.
- **ROAD USER CHARGES (RUC)** In New Zealand, RUC is applicable to Heavy Vehicles and all vehicles powered by a fuel not taxed at source. The charges are paid into a fund called the National Land Transport Fund, which is controlled by NZTA, and go towards the cost of repairing the roads.
- **SAAS** Software as a Service, a method of software delivery in which software is accessed online via a subscription rather than bought and installed on individual computers.
- **SAAS REVENUE** Software as a service (SaaS) revenue represents revenue earned from customer contracts for the sale or rental of hardware, installation services and provision of software services.
- **TOTAL CONTRACTED UNITS** represents total units subject to a customer contract and includes both Units on Depot and Units pending instalment.
- **UNIT** A unit is either an EROAD Ehubo, Tubo or Etrack wired device.
- **WEIGHT-MILE TAX (WMT)** A mileage-based tax imposed on Heavy Vehicles according to a combination of the number of axles and/ or combined weight.

EROAD

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