

# EROAD (NZX: ERD ASX: ERD) Financial Results

For The 12 Months Ended 31 March 2022 (FY22)

**26 May 2022**

Safer and more sustainable roads

## **IMPORTANT INFORMATION**

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, uncertainties and assumptions.

There is no assurance that results contemplated in any projections or forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about EROAD.

While reasonable care has been taken in compiling this presentation, none of EROAD nor its subsidiaries, directors, employees, agents or advisers (to the maximum extent permitted by law) gives any warranty or representation (express or implied) as to the accuracy, completeness or reliability of the information contained in it nor takes any responsibility for it. The information in this presentation has not been and will not be independently verified or audited.

## **CORETEX**

The Coretex merger completed on 30 November 2021. All financials include 4 months of Coretex

## **NON-GAAP MEASURES**

EROAD has used non-GAAP measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources. Non-GAAP measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by EROAD in accordance with NZ IFRS.

The non-GAAP measures are not subject to audit or review. Definitions can be found in the Glossary on page 43 of this presentation.



# AGENDA

- 4** Highlights
- 8** Operational Update
- 17** FY22 Financial Results
- 27** Growth Opportunity and Outlook



# FY22 HIGHLIGHTS

**Graham Stuart**  
Chairman



# WE ARE **EROAD**

---

**OUR PURPOSE IS  
SAFER AND MORE  
SUSTAINABLE ROADS**

---

**WE PROVIDE  
REGULATORY  
AND SPECIALIZED  
TELEMATICS SOLUTIONS**

---

**OVER 200,000  
CONNECTED VEHICLES**

across professional transport, refrigeration,  
construction and waste & recycling

and over 8,000 customers in New Zealand,  
North America and Australia

---

**STABLE ASSET  
RETENTION RATE OF  
OVER 90%**

---

**GROWING ANNUALISED  
MONTHLY RECURRING  
REVENUE**

---

**INCREASING MOMENTUM  
OF GROWTH, TARGETING  
STRONG GROWTH OF AT  
LEAST \$250M REVENUE  
BY FY25**

reflecting the quality of our service and  
product offering

by winning new customers and growing  
existing customers accounts increasing  
their ARPU

---

**A TALENTED AND  
CAPABLE TEAM**

---

**INVESTED IN CAPABILITY,  
INVENTORY AND R&D IN  
FY22 TO PREPARE FOR  
GROWTH**

---

**WELL POSITIONED  
TO EMERGE AS A  
MAJOR PLAYER IN  
INTERNATIONAL  
TELEMATICS**

driving the company forward

---

**FINANICAL RESULT  
REFLECTS INVESTMENT  
IN CAPABILITES FOR  
FUTURE GROWTH**

**\$114.9m**

**REPORTED REVENUE**

FY21: \$91.6m  
reflecting the merger of Coretex and  
organic growth across all markets

**\$21.0m**

**REPORTED EBITDA**

FY21: \$30.4m  
reflecting one-off transaction and integration  
costs of \$7.6m and increased operating  
expenditure as EROAD invested in capability  
to build momentum of growth

**Over  
200,000**

**CONTRACTED UNITS**

FY22: 208,697 FY21: 126, 203  
reflecting both inorganic and organic  
growth

---

**SIGNIFICANT PERIOD OF  
TRANSITION DESPITE  
CHALLENGING MACRO-  
ECONOMIC CONDITIONS**

**\$134.6m**

**AMRR**

FY21: \$88.4m  
reflecting growth in recurring revenues  
from the Coretex acquisition, along with  
new units

**\$55.57**

**MONTHLY SAAS ARPU**

FY21: \$58.30  
reflecting improvement in selling additional  
products, offset by a \$1.64 negative FX impact  
and Coretex's historical revenue model of  
selling hardware upfront

**93.4%**

**EROAD STAND ALONE ASSET  
RETENTION RATE**

FY21: 94.9%  
Coretex 4 month asset retention rate  
was 98.4%

---

**WELL POSITIONED  
TO BUILD GREATER  
GROWTH MOMENTUM  
OVER FY23 AND  
BEYOND**

**\$31.7M**

**SPENT ON R&D**

FY21: \$21.3m  
focused on improving product market  
fit and increasing capabilities around  
enterprise customers

**CORETEX  
MERGER**

improving product market fit, enterprise  
capabilities and increased scale in North  
America

**CEO  
APPOINTMENT  
PROCESS**

well underway with appointment  
expected soon

# TOGETHER WITH OUR CUSTOMERS AND PARTNERS, WE WILL CREATE SAFER, MORE SUSTAINABLE ROADS

## INAUGURAL SUSTAINABILITY REPORT

To be published in June

## SUSTAINABILITY POLICY LAUNCHED

Working towards our customers, employees and suppliers all operate sustainability

## CORETEX PRODUCTS REDUCE FOOD, CONSTRUCTION AND INDUSTRIAL WASTAGE

Adding to the range of products we offer that have a positive impact on the environment

## PROGRAMME OF WORK COMPLETE



Base year EROAD measurement complete ahead of TCFD reporting. FY23 report will include Coretex

## HEAVY VEHICLE DECARBONISATION TOOL

Utilises EROAD data to generate actionable insights

COMING  
SOON

## SUPPORTING GOVERNMENTS CARBON NEUTRAL EFFORTS

As a member of the Ministry of Business Innovation & Employment's Fleet Audit Panel and International Road Federation's the ITS for Climate Impact Mitigation taskforce

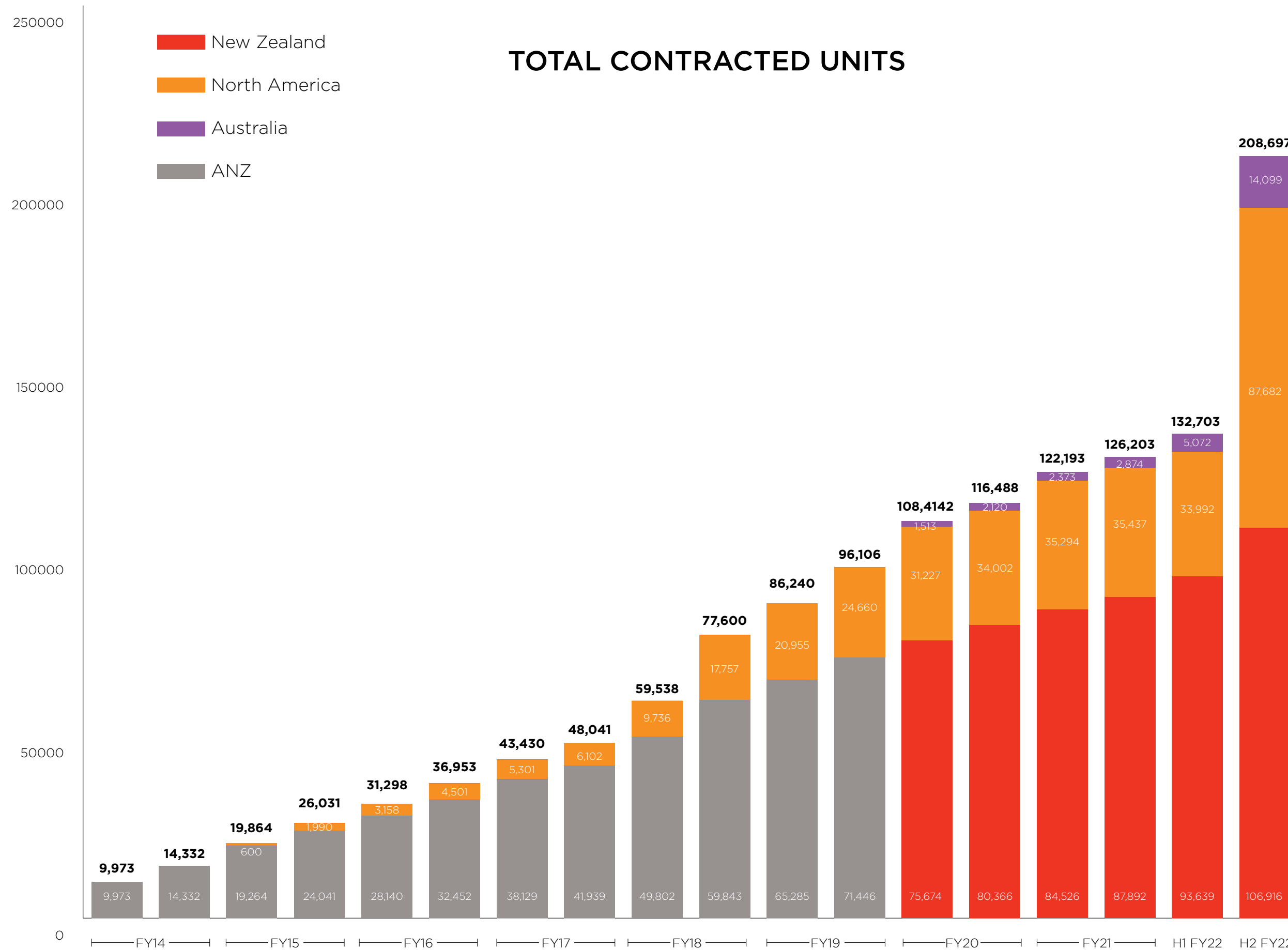
# OPERATIONAL UPDATE

**Mark Heine**

Acting Chief Executive Officer



# GROWN TO OVER 200,000 CONNECTED VEHICLES



- Acquisition of Coretex added 66,157 units on 30 November 2022 (North America: 50,628; Australia: 7,892 and New Zealand: 7,637)
- Organic growth across markets of 16,655 units:
  - Continued strong organic growth of 11,387 units in New Zealand reflecting growth across new and existing customers
  - Organic growth of only 1,617 contracted units in North America reflecting fleet reduction from small-to-medium size customers and loss of an enterprise customer. Q4 FY22 benefited from good sales of the Coretex products.
  - Organic growth in Australia of 3,333 reflecting the roll-out of Enterprise customer Ventia which added some 2,723 units.
  - Since launch of Clarity Solo in late October added 318 units across all markets

# RECURRING SAAS REVENUE MODEL

## EROAD GENERATES SAAS REVENUE THROUGH:

- sale and rental of hardware
- the licensing of its software on a monthly subscription basis
- the installation of hardware devices

EROAD has a SaaS based revenue model (91% of FY22 revenue)

In FY22, EROAD generated monthly SaaS ARPU of \$NZ55.57, an asset retention rate of 93.4% and ended the year with more than 208,000 connected units across the 3 markets and 4 verticals

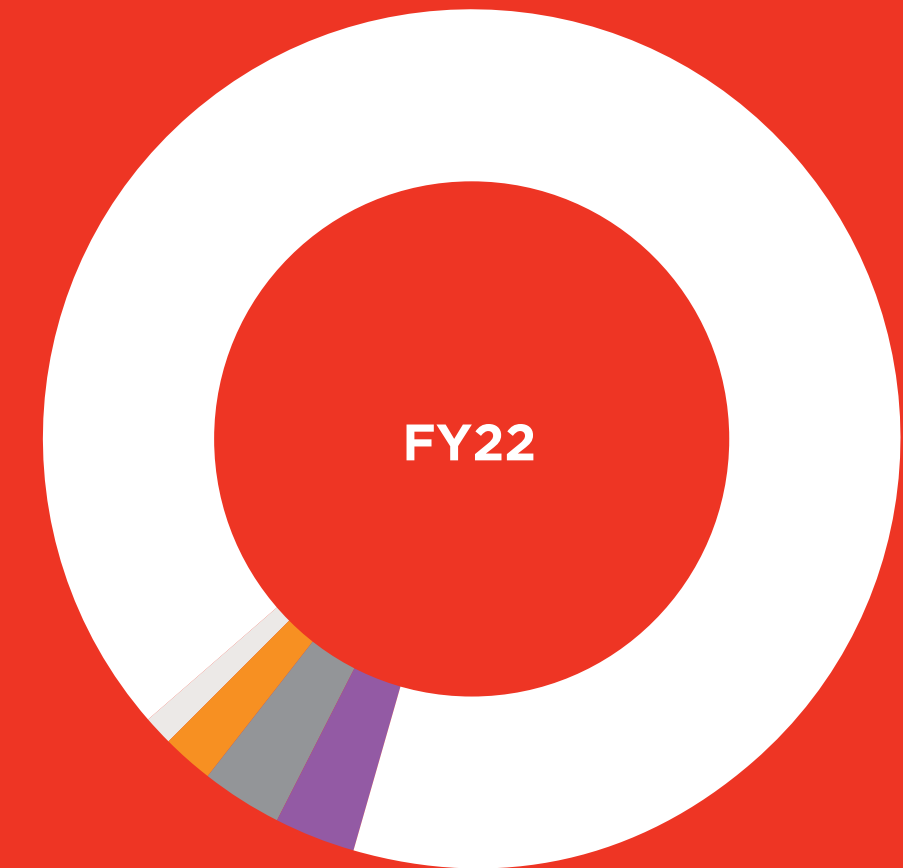
EROAD typically bundles the hardware/software together under a user contract with a typical length of 36 months

EROAD invested 28% of revenue in R&D in FY22 to enhance its product offering, grow ARPU and maintain customer retention and win Enterprise and small to medium customers

Some customers purchase hardware upfront and only consume software services on a rolling month basis

**Given EROAD's transformed operating model contracted units isn't an effective measure of performance. EROAD will align with other technology companies and move to half year operating reporting**

## EROAD DRIVEN BY RECURRING SAAS REVENUE



SaaS Revenue  
**91%**

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.

Transaction Fee Revenue  
**3%**

Transaction fee revenue relates to the collection of Road User Charges (RUC) fees and weight-mile tax in North America.

Other Revenue  
**3%**

Hardware Revenue  
**2%**

Grant Revenue  
**1%**

# GROWTH THROUGH ACCOUNT EXPANSION

GROWTH THROUGH ADDING NEW CUSTOMERS, EXPANDING UNITS WITHIN CURRENT CUSTOMER FLEETS AND SELLING ADD-ON PRODUCTS AND SERVICES

## EROAD CLARITY DASHCAM



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

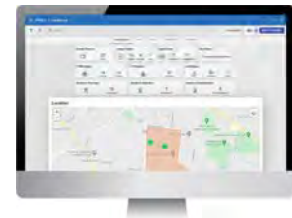


**5,540**

ADDED  
FY22: 6,594 FY21: 1,054



## PHILLIPS CONNECT



Advanced trailer and asset monitoring.

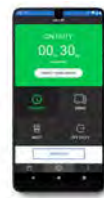


**1,554**

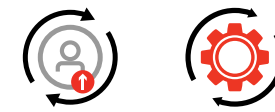
SOLUTIONS SOLD  
since entered partnership in June 2021



## EROAD DAY LOGBOOK



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

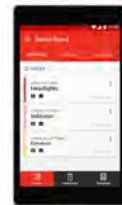


**2,139**

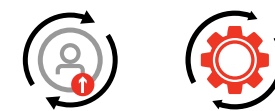
DRIVERS SUBSCRIPTIONS ADDED  
FY22: 8,546 FY21: 6,407



## EROAD INSPECT

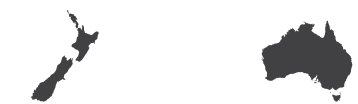


Makes vehicle inspections easy, capturing defects with mobile device, and providing transparent and traceable inspection information.



**2,819**

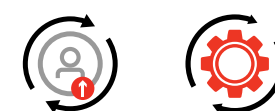
DRIVERS SUBSCRIPTIONS ADDED  
FY22: 13,309 FY21: 10,490



## EROAD WHERE AND MINI TAGS



The EROAD Where tag is a tracking solution for larger assets which move around such as trailers, construction machinery and trade equipment. They have a 5-year battery life and are durable so they can be attached to assets that are often subjected to tough environments.



**3,790**

ADDITIONAL TAGS SOLD  
FY22: 10,240 FY21: 6,450

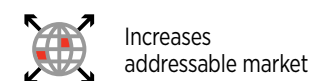


The EROAD Where Mini tag is ideal for tracking smaller, high value assets such as expensive power tools, important items such as key rings and other assets. They are more discreet, come with a replaceable 2-year battery, and fit onto assets of all sizes.



**1,010**

MINI TAGS SOLD  
Since launch date in October 21



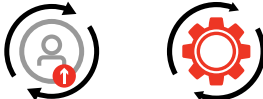
# GROWTH THROUGH ACCOUNT EXPANSION

GROWTH THROUGH ADDING NEW CUSTOMERS, EXPANDING UNITS WITHIN CURRENT CUSTOMER FLEETS AND SELLING ADD-ON PRODUCTS AND SERVICES

## EROAD ANALYST - ENTERPRISE DATA CONNECTOR



EROAD Analyst Enterprise Data Connector makes it easy for customers to connect their data systems using pre-built tools and technologies to pull EROAD data into their business warehouse environment for data integration, data science, BI, and security and governance.



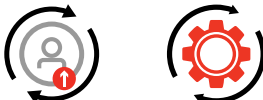
**6**  
ENTERPRISE ACCOUNTS



## EROAD ANALYST



Pre-built and configured Power BI integration. Enables customers to pull EROAD data into Power BI quickly and easily, to create customised dashboards, reports and derive meaningful insights from their fleet data.



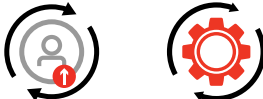
**1,494**  
SUBSCRIPTIONS  
over 13 customers



## CORETEX COREVISION



Entry-level dual dashcam.



LAUNCHED IN AUSTRALIA  
LAUNCHING IN NORTH AMERICA  
DURING FY23



## CORETEX CORETEMP



CoreTemp uses core product temperatures to drive outcomes like early temperature warnings and alerts, compartment mismatch detection and automatic route detection to keep food safety compliance scores high and customers and consumers happy.



KEY ADD-ON PRODUCT OFFERING  
FOR OUR REFRIGERATED TRANSPORT  
CUSTOMERS

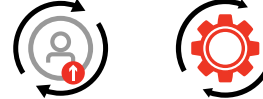


## CORETEX IOT SENSORS

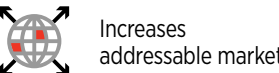


Drum roll  
Door roll  
  
Waste  
RFID tag

Our sensors support a range of vertical use cases such as door and drum roll and RFID tags targeted at waste.



**2,987**  
ADDED  
since 30 November



# HIGH RETENTION AND SIGNIFICANT NUMBER OF RENEWALS DESPITE

**93.4%**

**EROAD STAND ALONE ASSET RETENTION RATE**

Coretex's 4 month Asset Retention Rate was 98.4%

**1,131**

**CUSTOMERS RENEWED THEIR PLAN**

(31,597 contracted units)\*

reflecting high renewals from New Zealand Enterprise customers and North America 3G upgrade programme

**\$190.2m**

**FUTURE CONTRACTED INCOME**

up from \$149.1m at H1 FY22 reflecting high level of renewals and a proportion of Coretex's customers who have purchased hardware upfront

**979**

**CUSTOMERS UPGRADED THEIR PLAN**

(9,720 contracted units)\*\*

**961**

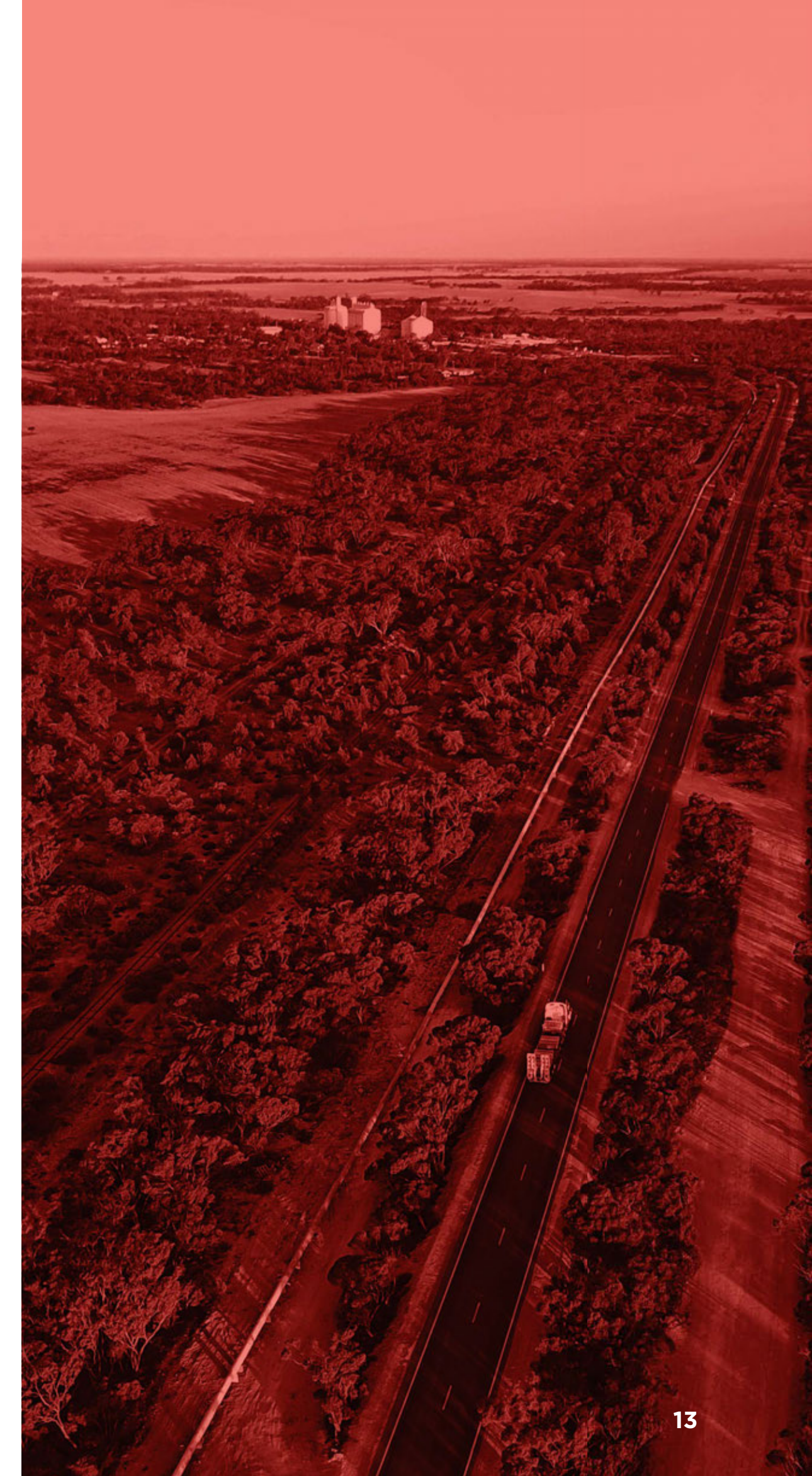
**CUSTOMERS ADDED ADDITIONAL PRODUCTS AND SERVICES TO THEIR PLAN**

(39,649 contracted units)\*\*\*

\*Defined as a customer who re-signed a new contract, contracted unit numbers as at end of old contract

\*\*Upgraded their hardware, or upgraded type of plan (connected, advance, safedriver, starter and premium)

\*\*\*Existing EROAD customers that added a dashcam, Logbook, Inspect, EROAD Analyst, Geofence Triggered Alerts and Pre-Trip Comms or BookIt to their plan



# NEW ZEALAND



106,916

UNITS  
(FY21: 87,892)

\$45.2m

EBITDA  
(FY21: 38.8m)

608

CUSTOMERS RENEWED THEIR PLAN  
(22,961 UNITS)

97.3%

EROAD ASSET RETENTION RATE  
(FY21: 95.9%)

97.3%

CORETEX 4 MONTH ASSET  
RETENTION RATE

606

CUSTOMERS ADDED PRODUCTS AND  
SERVICES TO THEIR PLAN  
(34,089 SUBSCRIPTIONS)

\$56.45

NZ MONTHLY SAAS ARPU  
(FY21: \$56.18)

**NEW ZEALAND HAD AN EXCEPTIONAL YEAR REACHING OVER 100,000 CONNECTED VEHICLES WITH GROWTH IN NEW AND EXISTING CUSTOMERS**

## CONTINUED EXECUTION OF STRATEGY

- Despite COVID-19 lock-down restrictions and some supply chain issues contracted units increased by 19,024 reflecting:
  - the acquisition of Coretex which added 7,637 units at 30 November 2021
  - organic growth of 11,387 units reflecting growth in both existing (c70%) and new customers (c30%)
- New customers included Venita (1,398 units) and other Construction & Civil Engineering, Freight & Road Transport and Agriculture/Forestry customers
- 58 Clarity Solo cameras sold since end of October, in addition to 1,597 Clarity Dashams (not included in unit numbers)
- 608 customers renewed their plan (22,961 units). Major year of renewals with a number of enterprise customers re-signing during the year
  - New Zealand's largest Enterprise customer, Downer EDI Limited renewed their contract for 5,500 units through to December 2025
- 606 customers added products and services to their plan (34,089 subscriptions)
- Sold 4,915 Logbook and 10,254 Inspect subscriptions throughout the year in New Zealand

## CORETEX INTEGRATION

- Focus on aligning Coretex customer service model with EROAD's

## GROWTH OPPORTUNITY

- Continue to expect unit growth similar levels to pre FY21 (added 9,000+ connect vehicles pa) with focus on increased sales of Clarity Dashcam
- Provide ESG solutions to customers to help them decarbonise and convert to EV fleets
- Five pilots currently underway (c2,700 units)

# NORTH AMERICA



87,682

UNITS  
(FY21: 35,437)

\$9.4m

EBITDA\*\*  
(FY21: \$10.0m)

507

CUSTOMERS RENEWED THEIR PLAN  
(8,364 UNITS)

84.2%

EROAD ASSET RETENTION RATE  
(FY21: 92.8%)

98.3%

CORETEX 4 MONTH ASSET  
RETENTION RATE

207

CUSTOMERS ADDED PRODUCTS AND  
SERVICES TO THEIR PLAN  
(3,815 SUBSCRIPTIONS)

US  
\$39.02\*

MONTHLY SAAS ARPU\*  
(FY21: US\$42.95)  
reflecting the high proportion of trailers and  
purchase of hardware upfront with  
Coretex's customer base

## REGAINED GROWTH MOMENTUM FOLLOWING THE CORETEX MERGER COMPLETION WHICH IMPROVED PRODUCT MARKET FIT AND ENTERPRISE CAPABILITIES

### CONTINUED EXECUTION OF STRATEGY

- Contracted units increased by 52,245 reflecting:
  - the merger with Coretex which added 50,628 units at 30 November 2021
  - Good sales of Coretex products to new and existing customers in Q4
  - EROAD net sales were below expectations throughout FY22 reflecting churn that resulted from the 3G upgrade programme renewals due to challenging macro-economic conditions impacted small-to-medium customers
  - Loss of 1,751 units (as previously disclosed) of an enterprise customer who has aligned its technology with that of its acquirer
  - 211 Clarity Solo cameras sold since end of October, in addition to 3,826 Clarity Dashams (not included in unit numbers)
- 3G to 4G hardware upgrade programme is nearing completion, with 94% of EROAD legacy customers and 88% of Coretex legacy customers now on 4G hardware
- Now providing proven tailored solutions in four verticals (Professional trucking including less than a truckload (LTL), Refrigerated transport, Construction and Waste & Recycling)
- 1,554 Philips connect solutions sold into market over FY22

### CORETEX INTEGRATION

- EROAD and Coretex sales and marketing teams now integrated and aligned facing into the market as one organisation
- Sales activities for the Coretex 360 platform and Corehub hardware solutions underway in North America as EROAD's next generation product platform

### GROWTH OPPORTUNITY

- Quality of Coretex's North American enterprise sales pipeline better than anticipated at the time of the merger
- 8 Enterprise customer pipeline opportunities at the pilot stage relating to potential opportunities (c26,000 units)

\*In NZ\$ North America ARPU fell from NZ\$65.03 in FY21 to NZ\$56.38 in FY22  
\*\* Includes one-off COVID-19 grant revenue of \$1.6m

# AUSTRALIA



14,099

UNITS  
(FY21: 2,874)

\$0.1m

EBITDA  
(FY21: \$(0.9)M)

16

CUSTOMERS RENEWED THEIR PLAN  
(272 UNITS)

88.4%

EROAD ASSET RETENTION RATE  
(FY21: 93.7%)

99.4%

CORETEX 4 MONTH ASSET  
RETENTION RATE

148

CUSTOMERS ADDED PRODUCTS AND  
SERVICES TO THEIR PLAN  
(1,745 subscriptions)

AU  
\$36.69

MONTHLY SAAS ARPU\*  
(FY21: AU\$33.16)

**AUSTRALIA DELIVERED ITS FIRST YEAR OF POSITIVE EBITDA AND STRONG GROWTH IN ARPU REFLECTING THE SUCCESSFUL ROLL OUT OF VENTIA AU AND CONTINUED GROWTH IN SMALL-TO-MEDIUM CUSTOMERS**

## CONTINUED EXECUTION OF STRATEGY

- Contracted units increased by 11,225 reflecting:
  - the merger with Coretex which added 7,892 units at 30 November 2021
  - largest Australian Enterprise customer Ventia AU was successfully rolled out (2,723 AU units)
  - organic growth of small-to-medium customers in Australia adding 610 units in very challenging macro-economic conditions (COVID, flooding and supply chain issues)
  - 49 Clarity Solo cameras sold since end of October, in addition to 117 Clarity Dashams (not included in unit numbers)
- Electronic Work Diary in approval progress

## CORETEX INTEGRATION

- Ensuring support frameworks across all enterprise customers
- Rolling out EROAD customer service model to Coretex customers

## GROWTH OPPORTUNITY

- Australia remains a substantial growth opportunity in medium term
- Focus on Clarity Solo cameras and EROAD Where tags sales in H1 FY23, with further growth momentum indicated following the launch of the fully integrated Coretex and EROAD platform towards the end of 2022
- 5 ongoing Enterprise customer pilots (c2,000 units and c. 10,000 microtags)

\*In NZ\$ Australian ARPU increased from NZ\$35.50 in FY21 to NZ\$38.99 in FY22



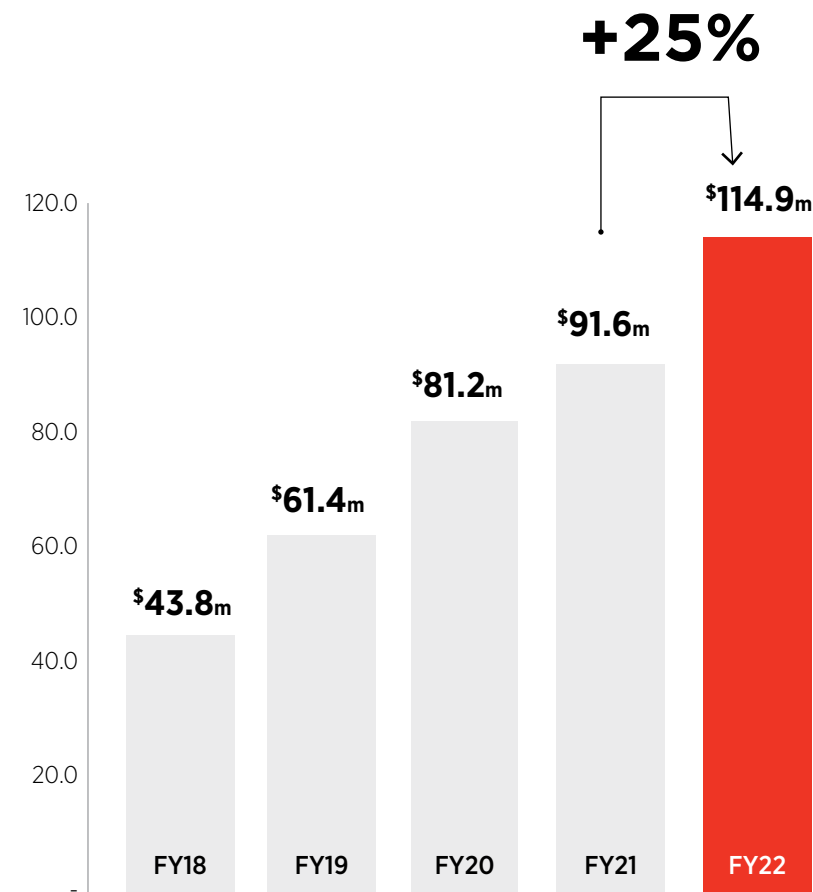


# FY22 FINANCIAL RESULTS

**Margaret Delany**  
Acting Chief Financial Officer

# FINANCIAL PERFORMANCE REFLECTS INVESTMENT IN CAPABILITIES FOR FUTURE GROWTH

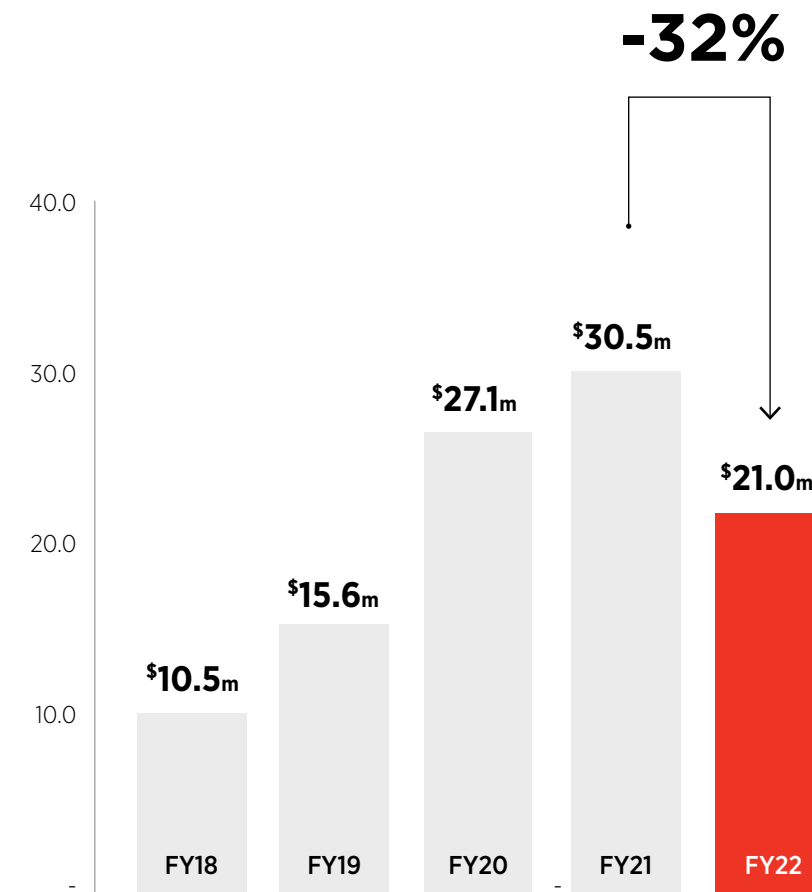
## REVENUE



**Reported Revenue** up \$23m from FY21 reflecting organic growth and 4 month contribution from Coretex

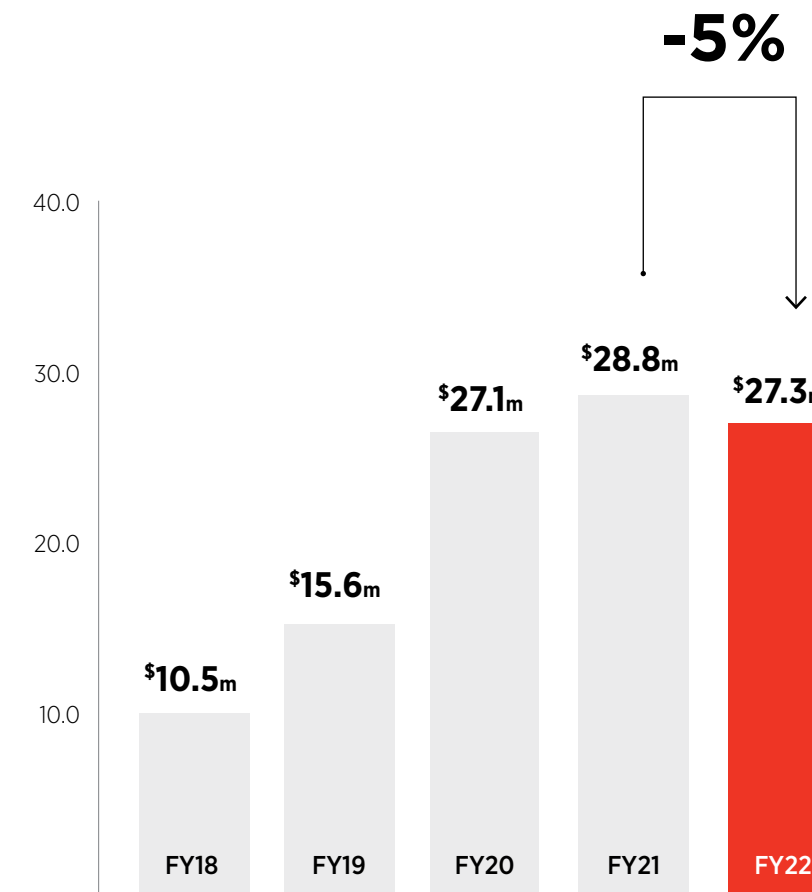
## EBITDA

### REPORTED



**Reported EBITDA margin** of 18%

### NORMALISED\*

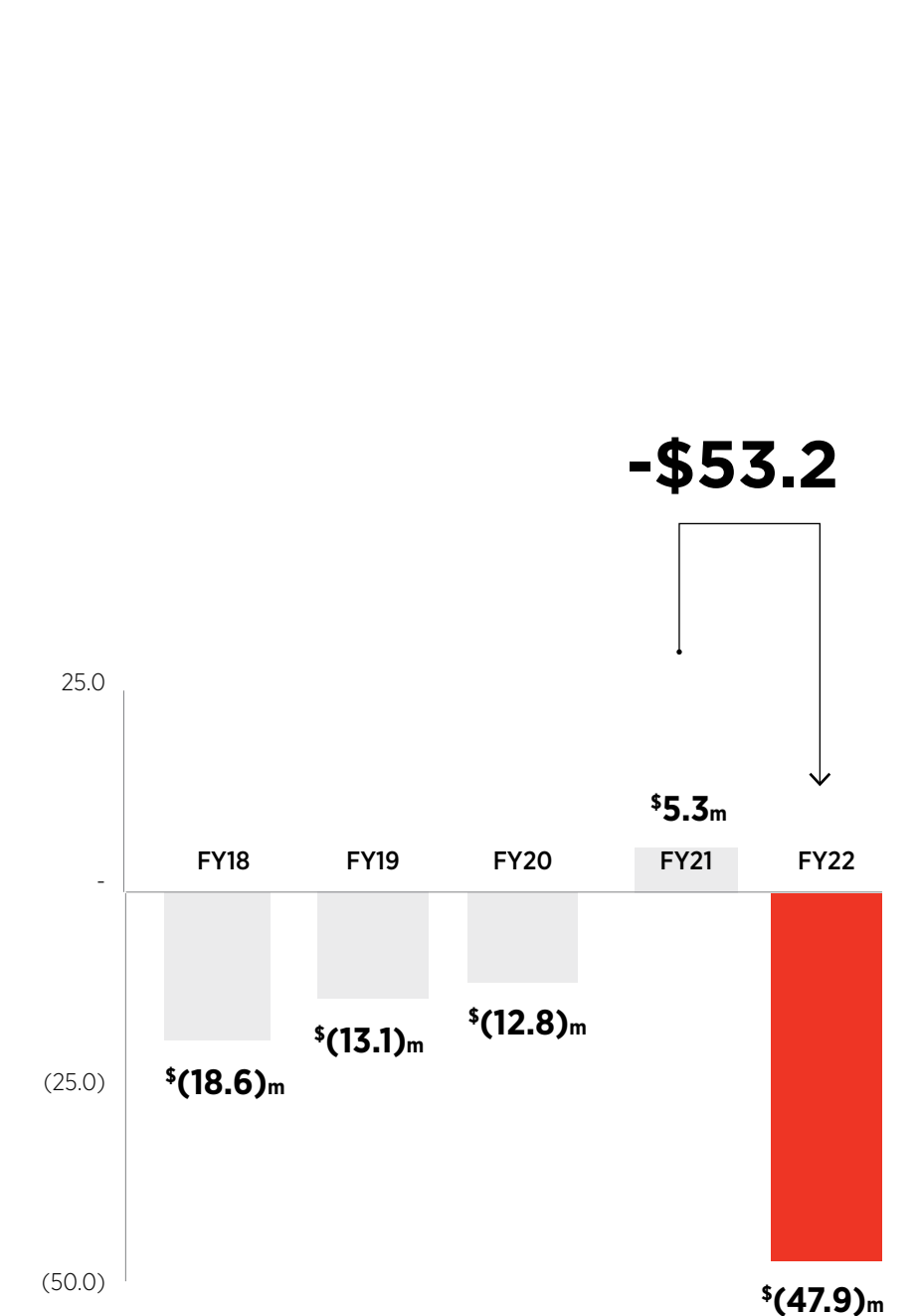


**Normalised EBITDA** Normalised for one-off (\$1.6m) COVID-19 grant in H1 FY21 and (\$7.6m) transaction and integration costs in FY22. Also normalised for \$1.3m revenue in FY22

**Normalised EBITDA margin** of 24%

## FREE CASH FLOWS

### EXCLUDING MERGER



**Free Cash Flow (excluding merger)** down \$53.2m reflecting investing in capability, inventory and R&D preparing for future growth

\* FY21 restated due to IFRIC guidance on implementation costs of third party cloud software

# EBITDA DOWN REFLECTING INVESTMENT IN CAPABILITIES FOR FUTURE GROWTH

(\$m)	<b>FY22</b>	<b>Restated FY21</b>	<b>Movement FY22 vs FY21</b>	<b>H2 FY22</b>	<b>H1 FY22</b>	<b>Movement H2 FY22 vs H1 FY22</b>
New Zealand	45.2	38.8	6.4	23.2	22.0	1.2
Australia	0.1	(0.9)	1.0	0.7	(0.6)	1.3
North America	9.4	10.0	(0.6)	6.5	2.9	3.6
Corporate & Development	(33.9)	(17.8)	(16.1)	(22.0)	(11.9)	(10.1)
Elimination of inter-segment EBITDA	<b>0.2</b>	<b>0.3</b>	<b>(0.1)</b>	-	0.2	
<b>EBITDA</b>	<b>21.0</b>	<b>30.4</b>	<b>(9.4)</b>	<b>8.4</b>	<b>12.6</b>	<b>(0.2)</b>
<b>EBITDA Margin</b>	<b>18%</b>	<b>33%</b>		<b>13%</b>	<b>26%</b>	<b>(4.2)</b>
<b>Normalised EBITDA*</b>	<b>27.3</b>	<b>28.8</b>	<b>(1.8)</b>	<b>12.7</b>	<b>14.6</b>	
<b>Normalised EBITDA Margin*</b>	<b>24%</b>	<b>32%</b>		<b>19%</b>	<b>30%</b>	<b>(1.9)</b>

## NEW ZEALAND

Continued strong growth into existing customer fleets, along with attracting new customers and continued high asset retention has resulted in a 16% increase in EBITDA to \$45.2m.

## NORTH AMERICA

North America EBITDA fell \$0.6m reflecting the one-off COVID-19 grant received in FY21, impacts of the global supply chain and investing in sales and marketing to prepare for future growth.

## AUSTRALIA

FY22 is the first year Australia has had a positive EBITDA following the acquisition of Coretex, roll-out of Ventia and steady growth in small-to-medium customers.

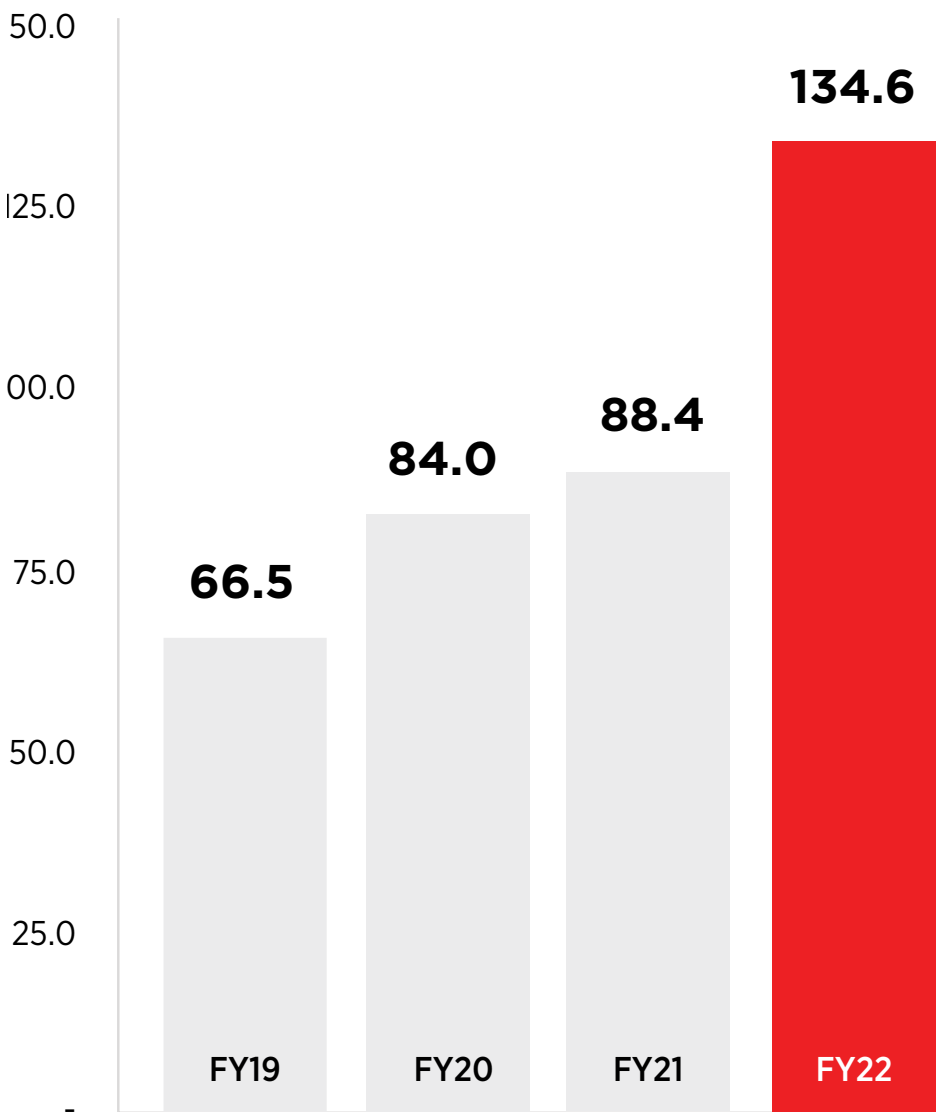
## CORPORATE

Corporate EBITDA loss grew \$16.1m which included integration and transaction costs (\$7.6m) and 4 months of Coretex costs (\$2.9m). Our R&D and global supply chain teams grew to address pressure points. Border closures impacted labour markets, creating inflationary pressure and increased annual leave costs were incurred (with less leave taken during NZ lock downs).

\*Normalised for due diligence costs (\$3.6m), Integration costs (\$4.0m) and acquisition accounting revenue (\$1.3m)

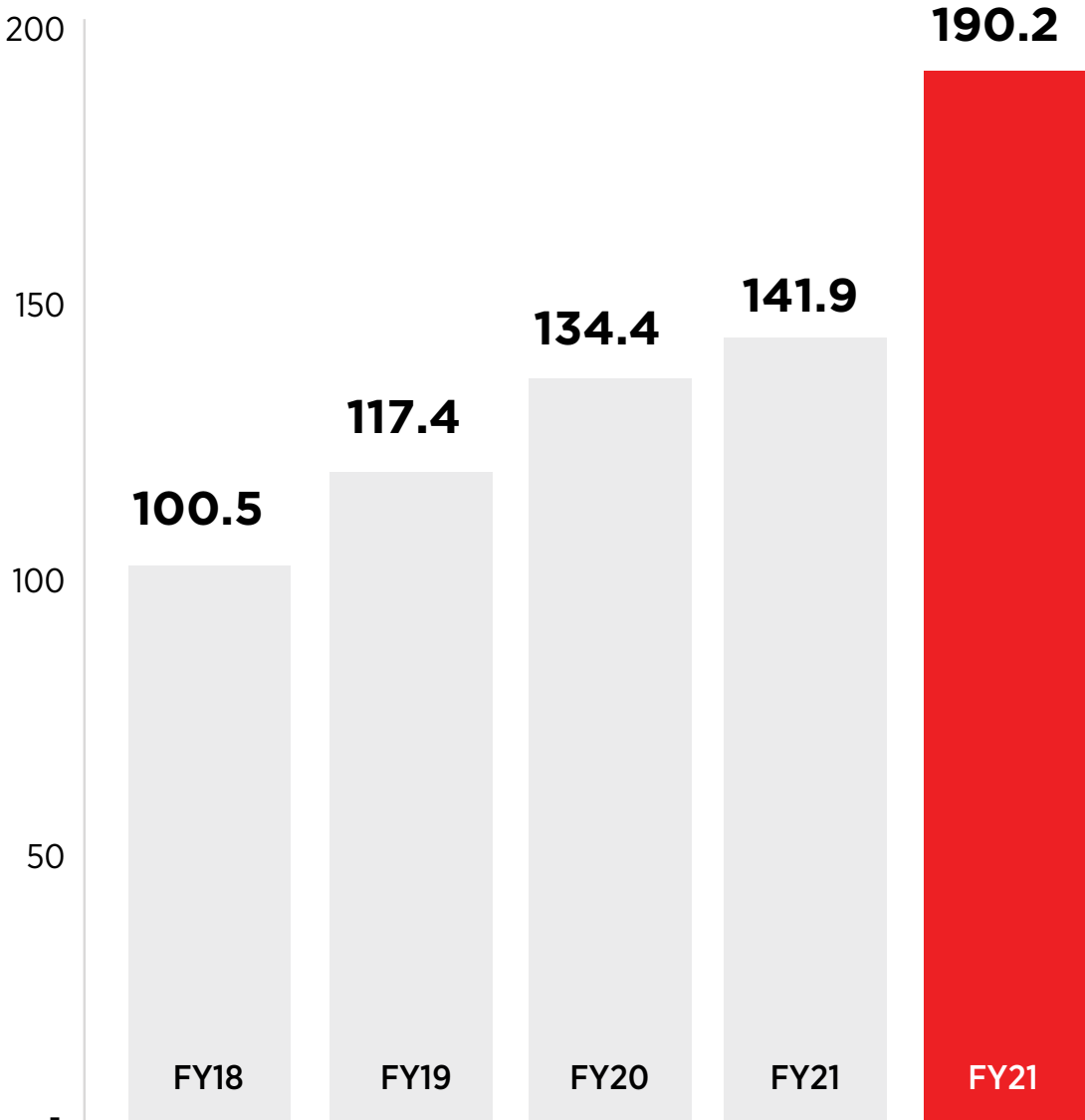
# MONITORING PERFORMANCE LEADING GROWTH INDICATORS

### ANNUALISED MONTHLY RECURRING REVENUE (\$m)



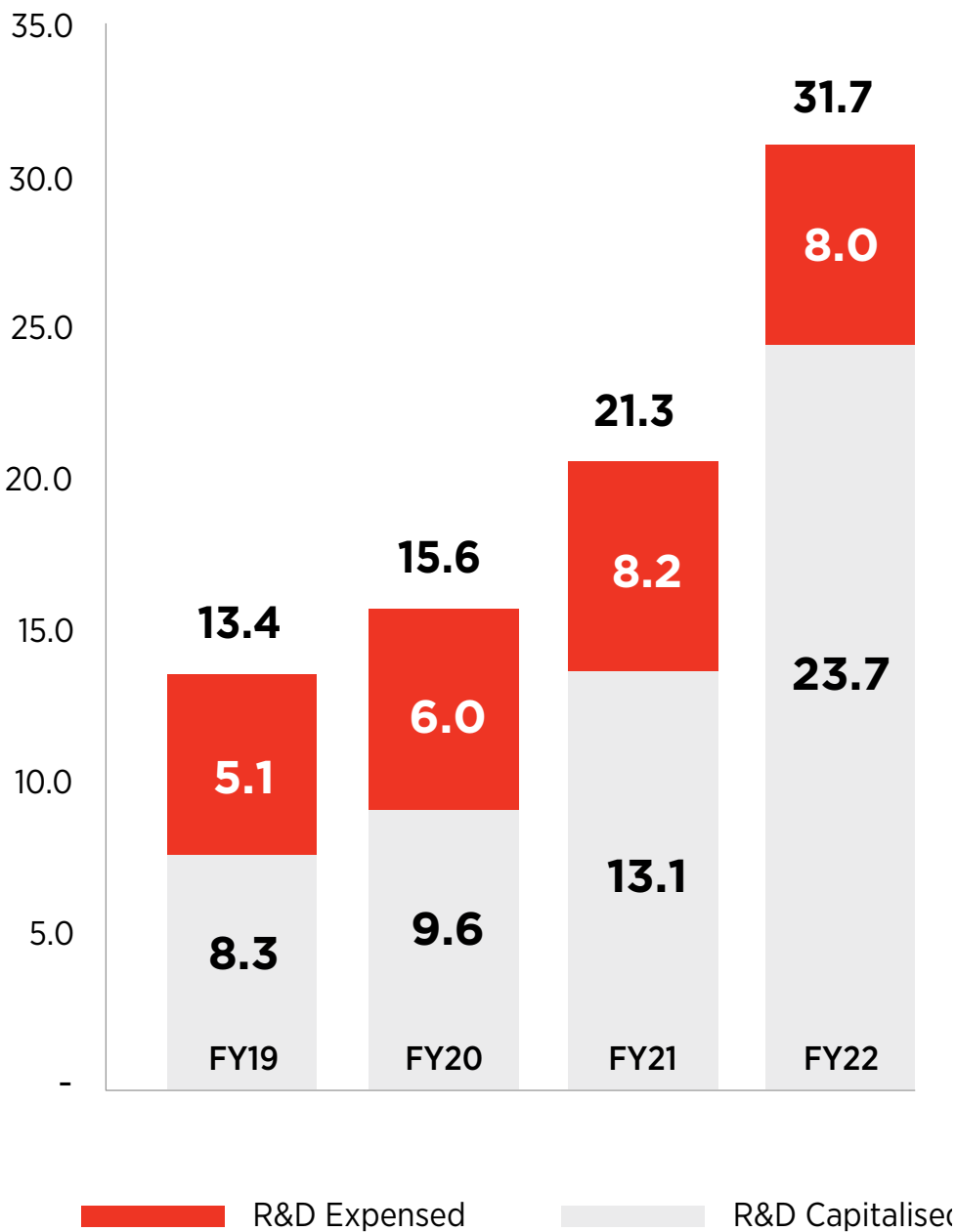
**AMRR** increase reflects growth in recurring revenues from the Coretex acquisition, along with new units, supported by a positive FX impact of \$0.2m in FY22.

### FUTURE CONTRACTED INCOME (\$m)



**FCI** increased with acquisition of Coretex and a considerable number of large enterprise renewals in NZ along with the continuing 3G to 4G roll-out in North America.

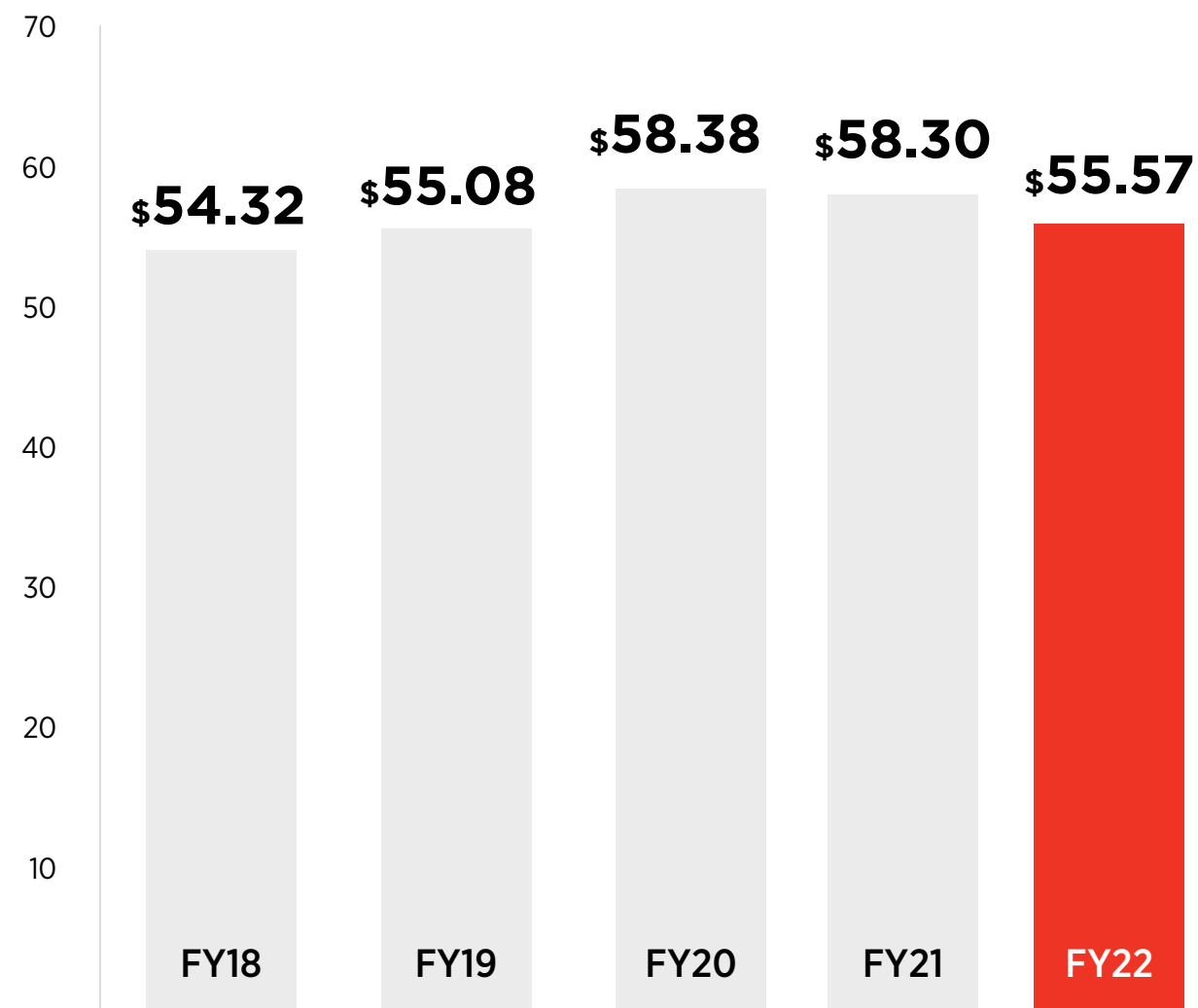
### RESEARCH AND DEVELOPMENT



**Total R&D** spend of \$31.7m, of which \$1.4m was spent on integration. For FY23 Total R&D is expected to increase to around \$38m.

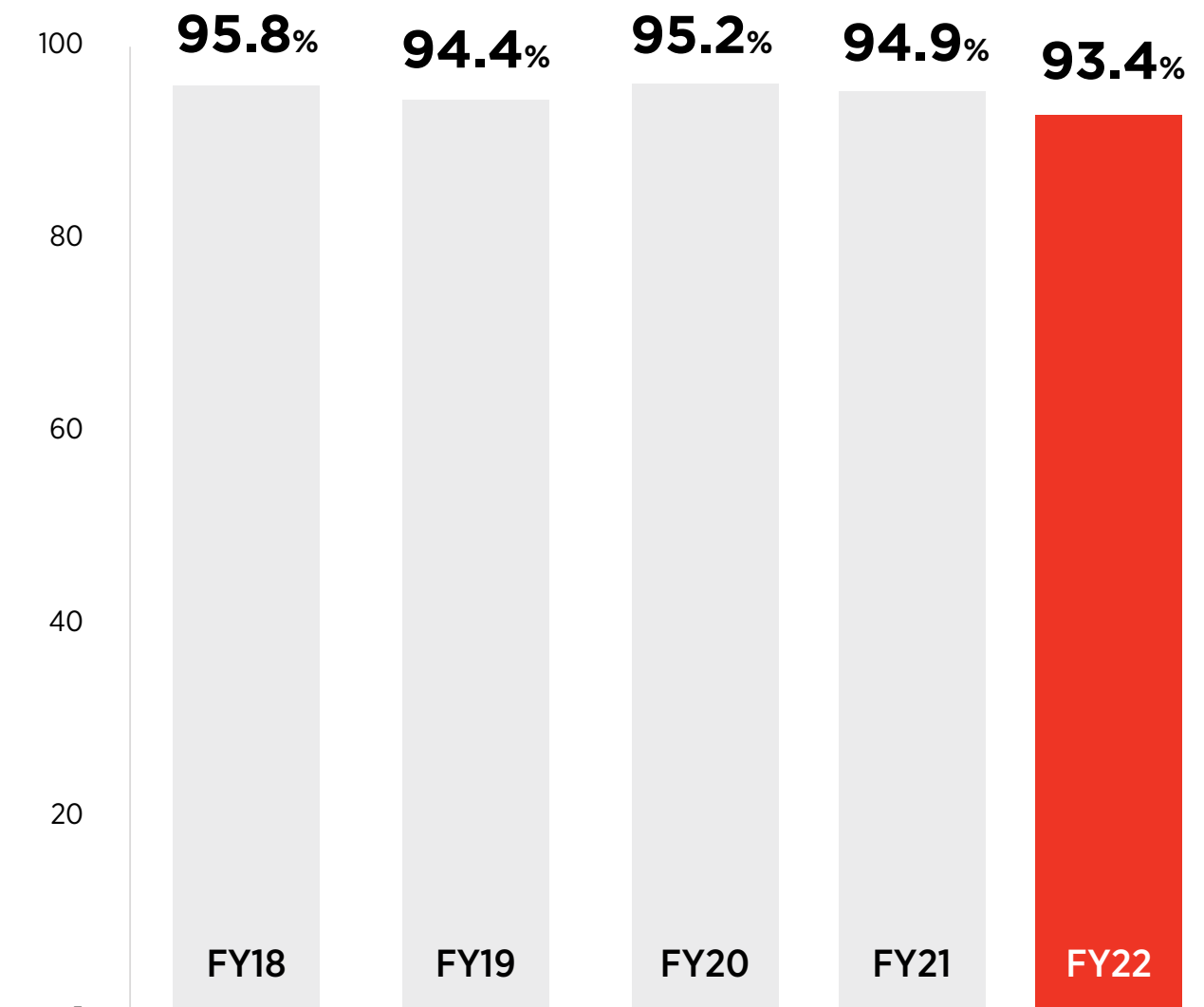
# MONITORING PERFORMANCE **ENTERPRISE VALUE FROM EXISTING CUSTOMER BASE**

## ARPU



**Monthly SaaS ARPU** down from FY21 reflecting improvement in selling additional products, offset by Coretex's lower ARPU (due to historical revenue model of selling hardware upfront) and a \$1.64 negative FX impact.

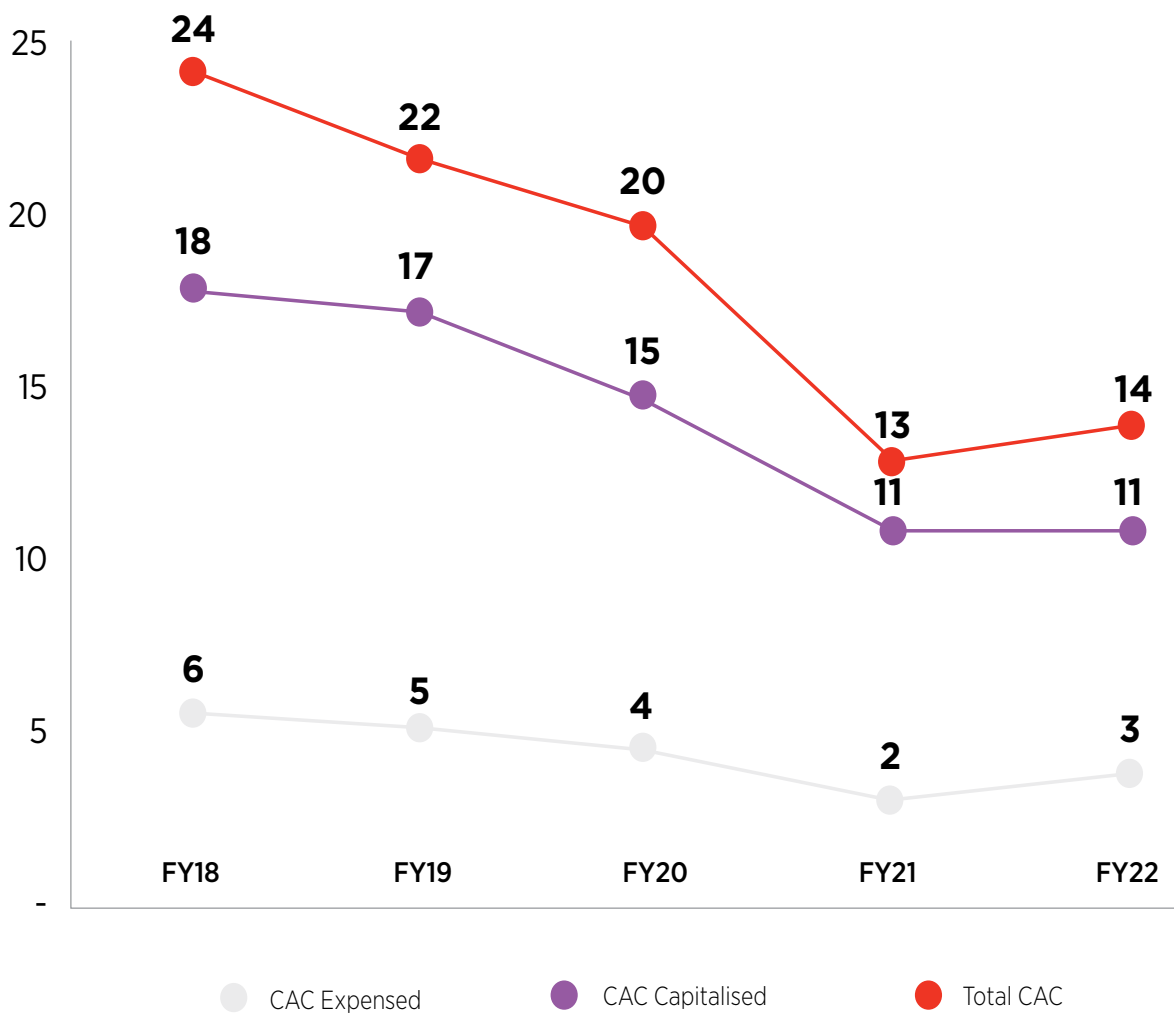
## EROAD STAND ALONE ASSET RETENTION RATE



**EROAD's Asset Retention Rate** has remained relatively stable over time. Significant renewal programmes, in particular North America with the 3G upgrade programme saw significant fleet reduction due to lagging COVID-19 impacts. Coretex's 4 month Asset Retention Rate was 98.4%.

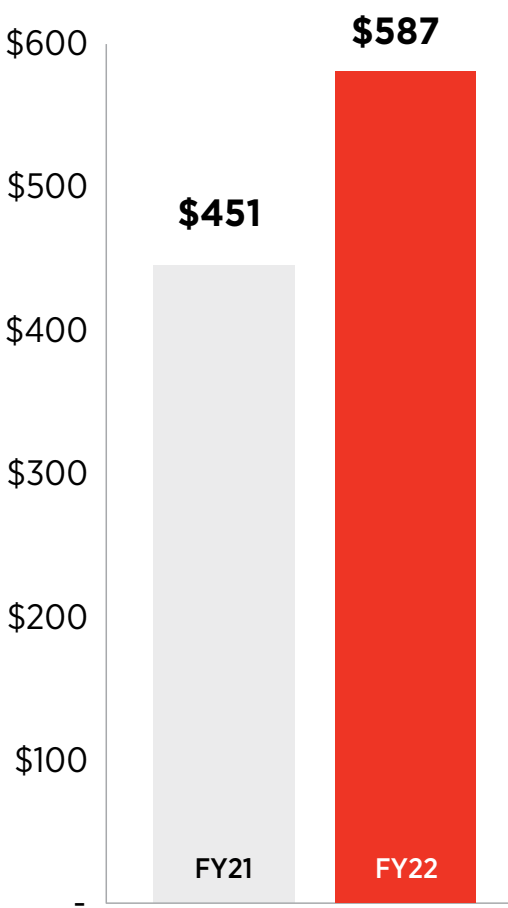
# MONITORING PERFORMANCE PROFITABILITY

**COST TO ACQUIRE CUSTOMERS AS % OF REVENUE**



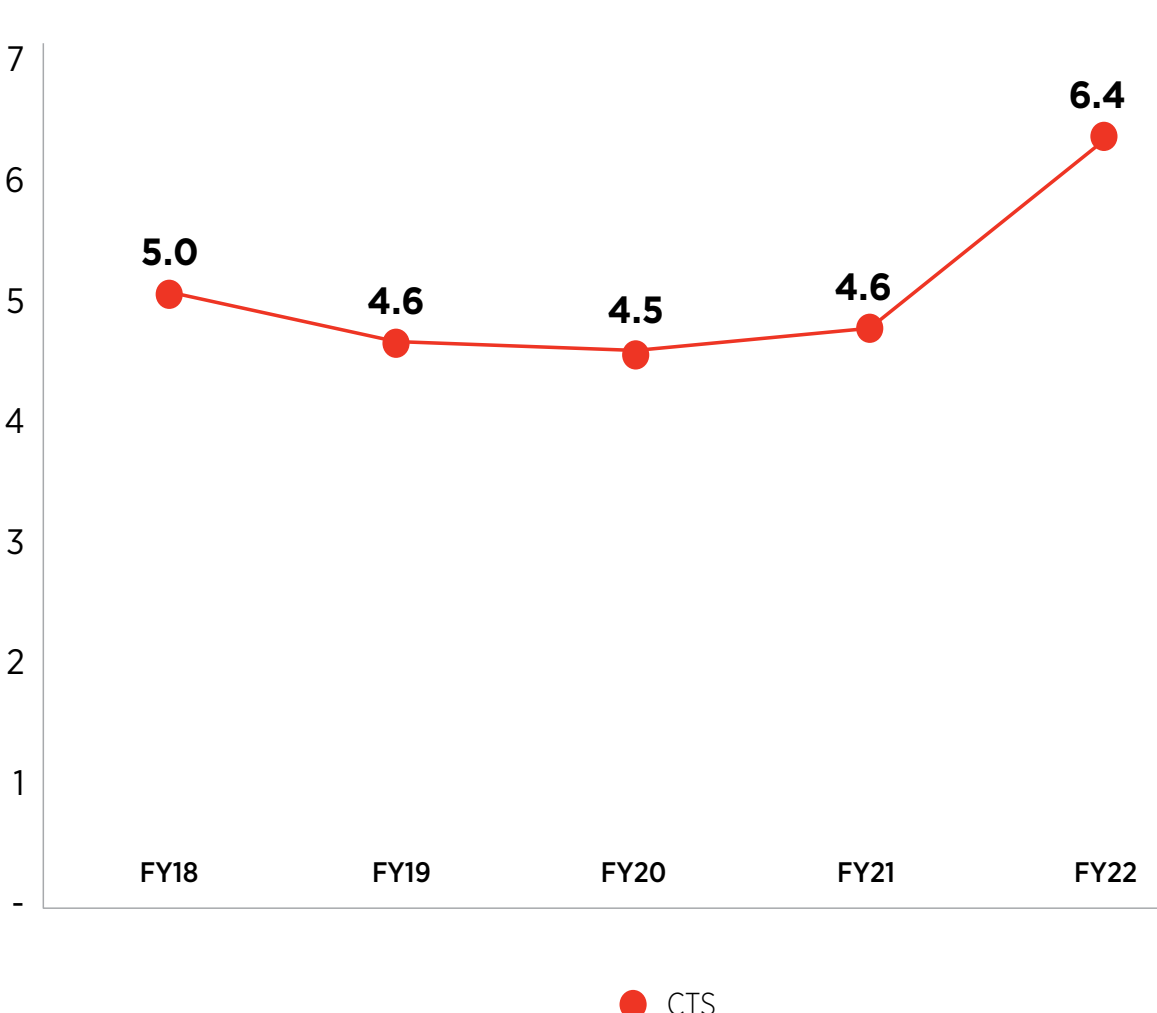
**CAC** would be expected to trend downwards over time as revenue grows, reductions will be partly offset by investment in development markets ahead of revenues.

**COST TO ACQUIRE PER UNIT\***



**Cost to Acquire** has increased due marketing spend returning to pre-COVID levels and staff investment.

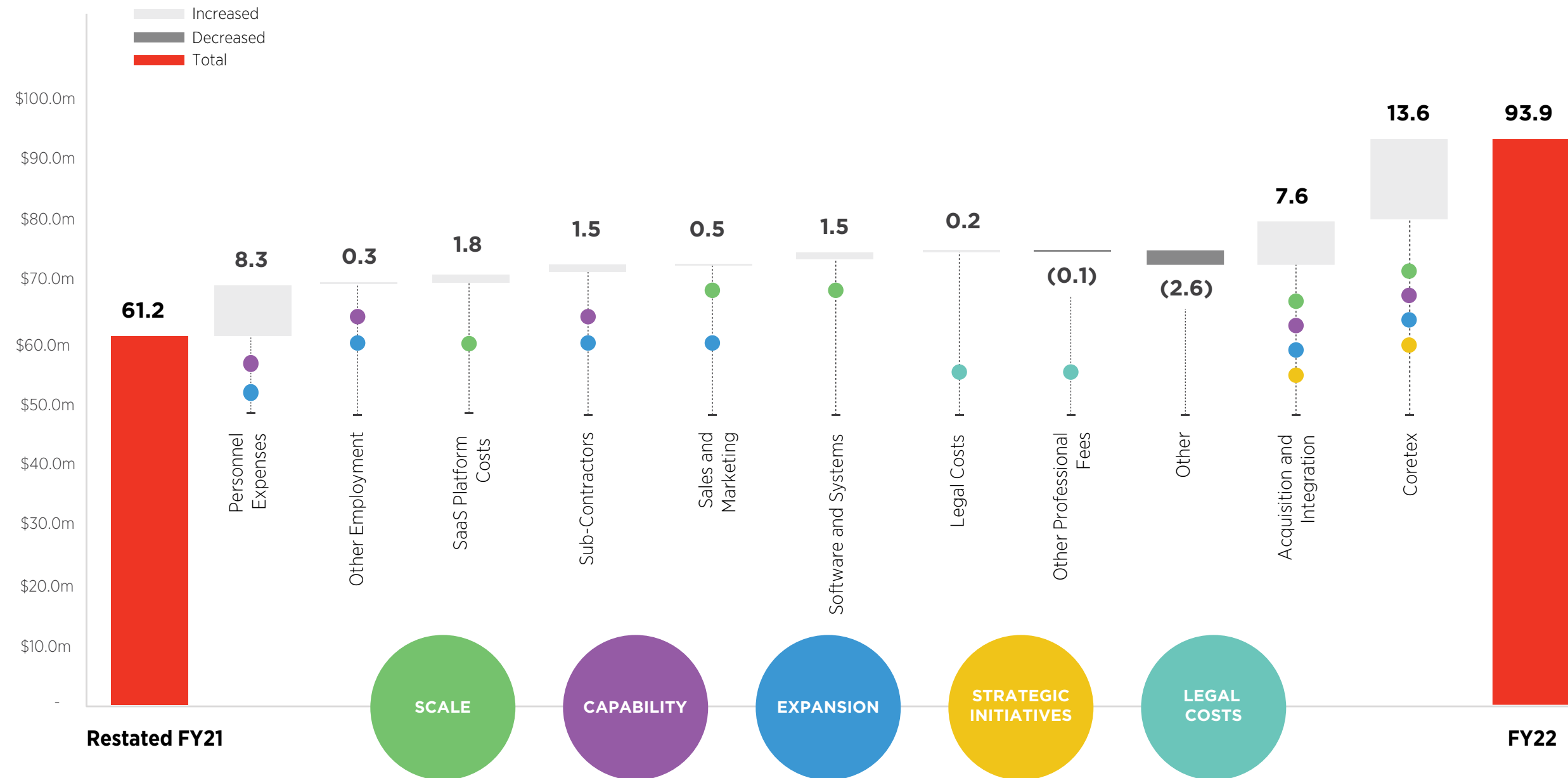
**COST TO SERVICE AND SUPPORT AS % OF REVENUE**



**CTS** has increased reflecting Coretex costs and ongoing billing improvements and automated customer support. CTS has increased reflecting Coretex costs and staff costs in relation to ongoing billing improvements and automated customer support.

\* The cost to acquire per unit methodology has changed and is now based on gross unit growth (FY21 restated).

# OPERATING EXPENSES

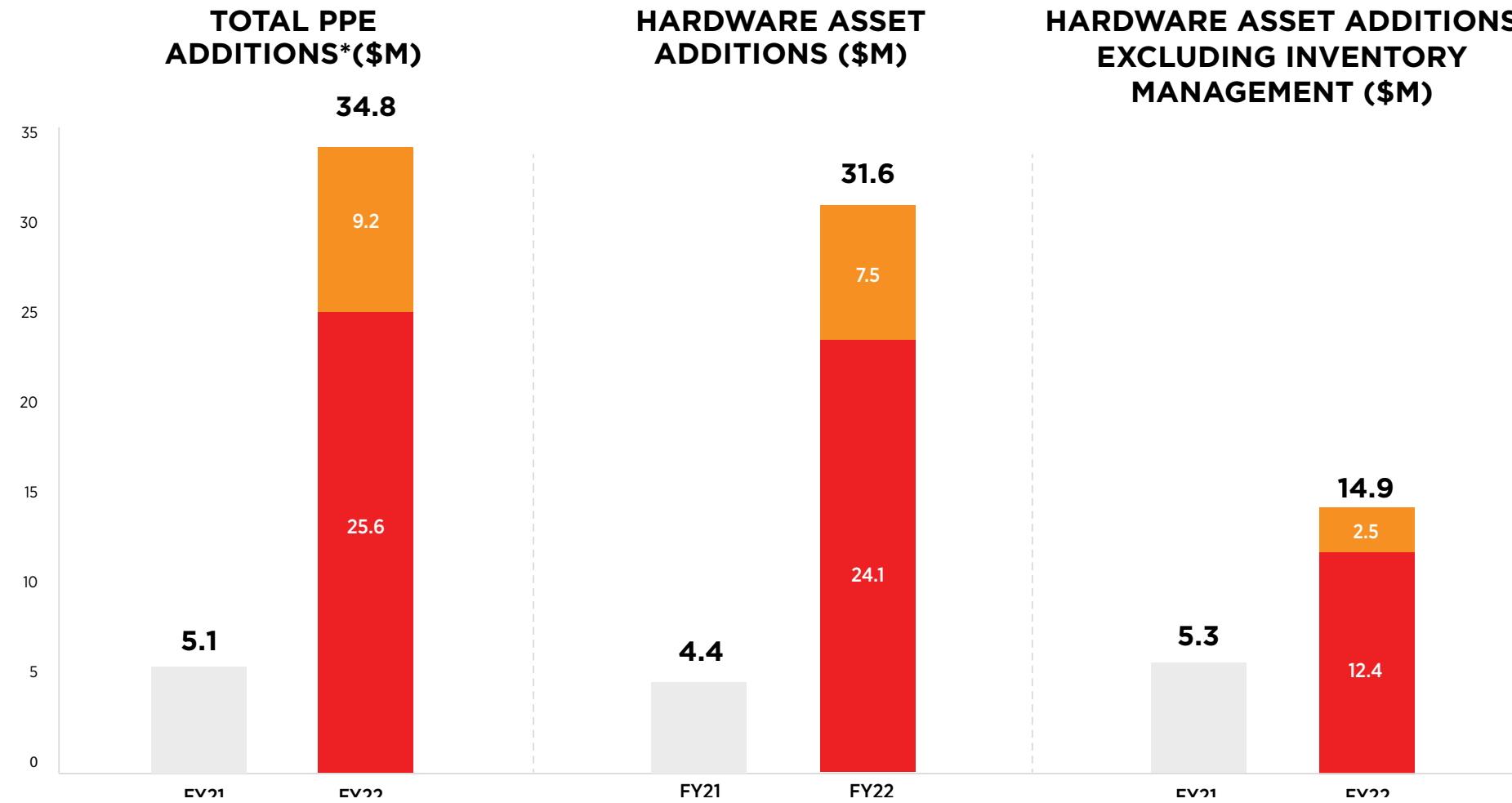


## OPEX COSTS HAVE GROWN \$32.7M:

- \$13.6m is Coretex costs for the four-month period and \$7.6m related to acquisition and integration expenses
- Personnel costs have increased \$8.3m due to remuneration growth, staff to support ongoing customer growth (primarily in NZ) and increasing capacity in our engineering and supply chain teams during FY22
- SaaS platform cost increase is driven by the growth in our unit base and ancillary products such as dashcams
- Sub-contractors grew reflecting back filling roles, turnover and improvements to billing and customer support, outsourced R&D
- Started to build marketing activity in North America as EROAD merged with Coretex
- Software and systems increased \$1.5m reflecting \$0.8m related to cloud accounting and negotiations for a software contract across EROAD and Coretex being attributed to EROAD
- Other dropped \$2.6m largely reflecting the provisioning for bad debts in FY21 given the expected COVID impacts

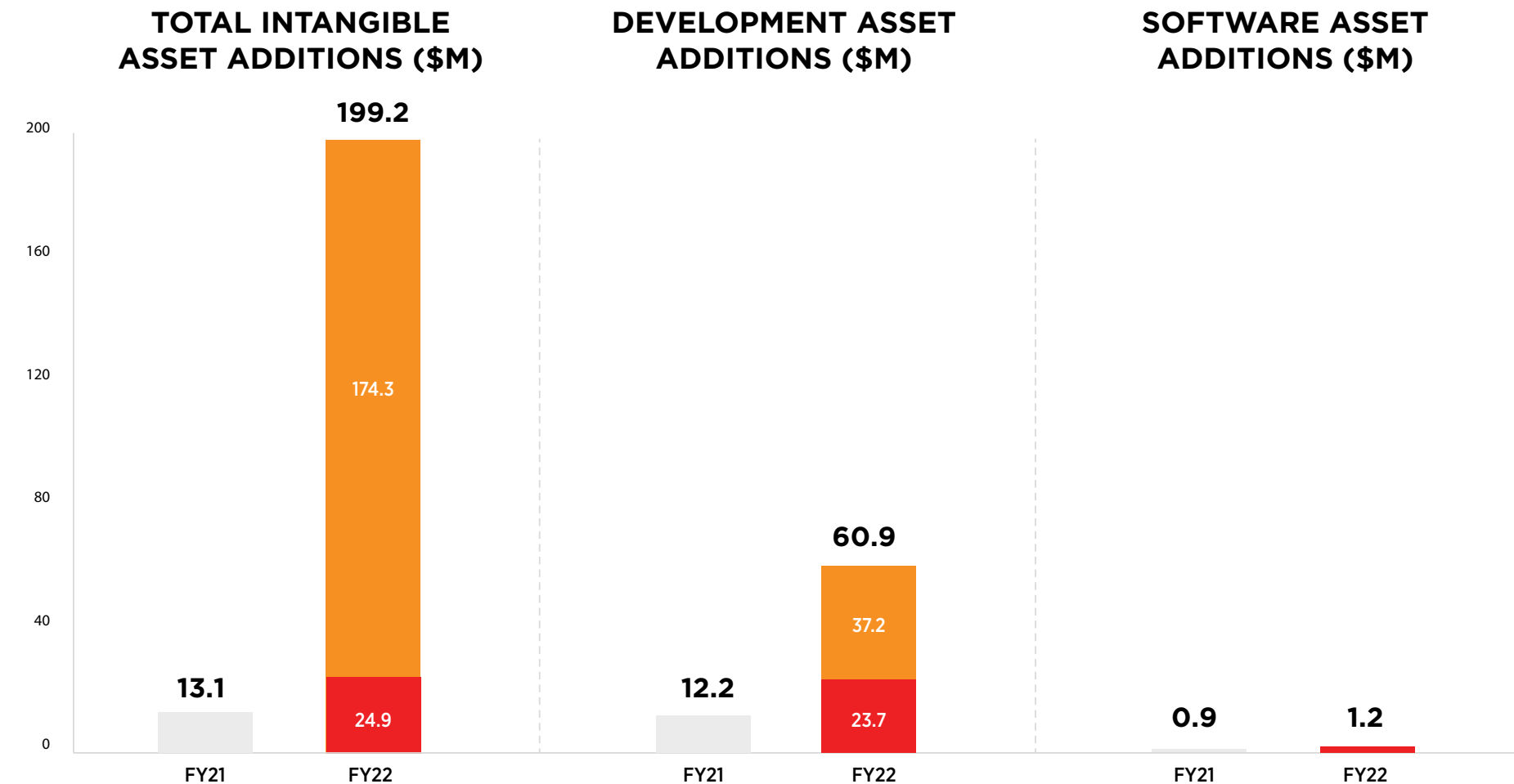
# ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

- Additions
- Acquisition



# ADDITIONS TO INTANGIBLE ASSETS

- Additions
- Acquisition



## PROPERTY PLANT & EQUIPMENT

PPE increased to \$34.8m reflecting:

- PPE (including inventory) of \$9.2m relating to Coretex
- investment in inventory to respond to global supply chain pressures and pipeline demands of \$11.7m

## INTANGIBLE ASSETS

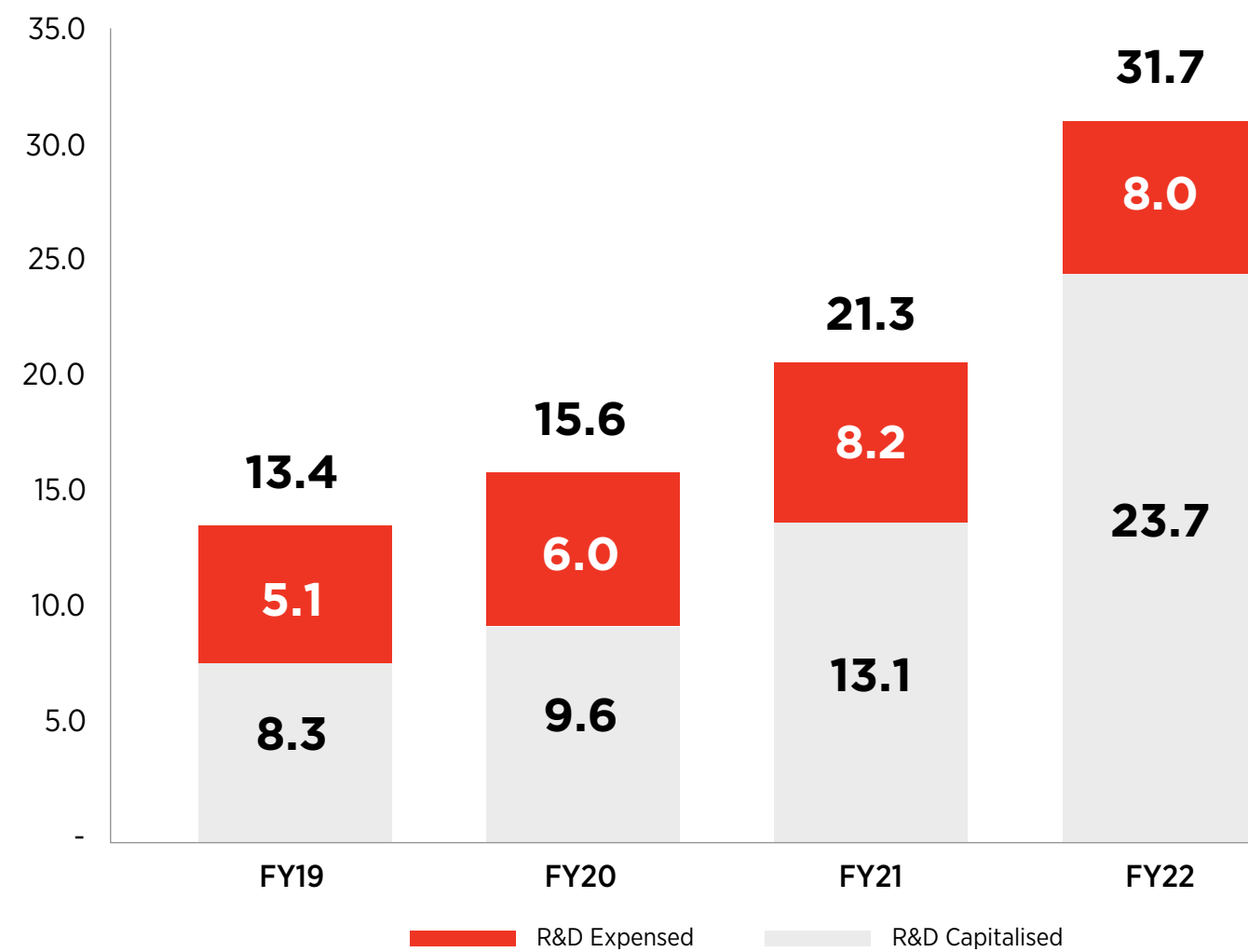
- Intangible additions primarily reflects the acquisition of Coretex (\$174.3m) related to development, brand, customer contracts and goodwill
- Of the \$31.7m spent on R&D in FY22, \$23.7m has been capitalized as more development assets. The \$10.6m increase reflects more use of outsourced support, the growth in the size of the development team and integration work following the Coretex acquisition



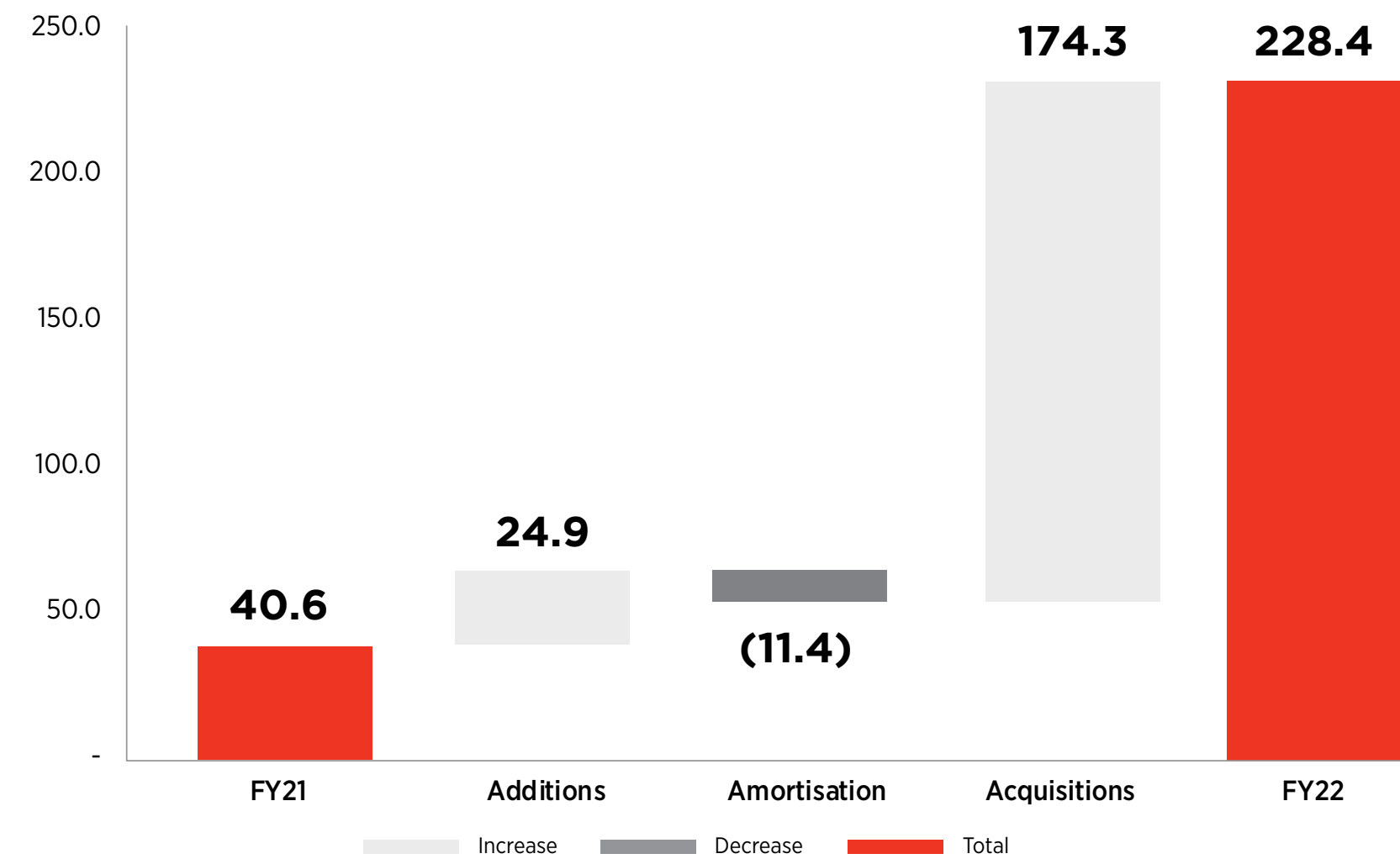
# INCREASED INVESTMENT IN R&D

TO SUPPORT NEW PRODUCT DELIVERY IN FY23 AND FY24

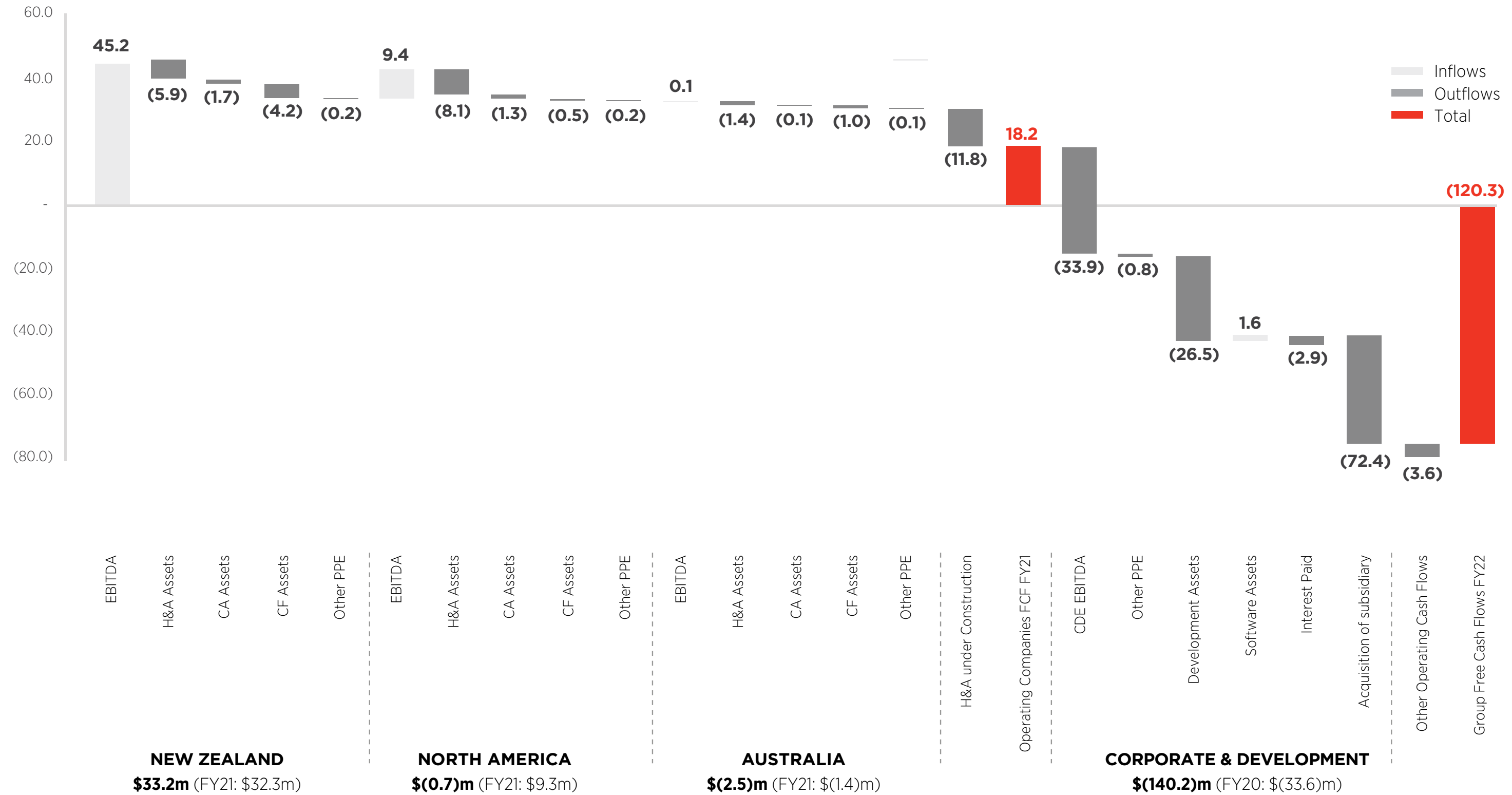
## RESEARCH AND DEVELOPMENT (\$m)



## MOVEMENT IN INTANGIBLES (\$m)



# FREE CASH FLOWS



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

# GROWTH OPPORTUNITY AND OUTLOOK

**Graham Stuart**  
Chairman

**Mark Heine**  
Acting CEO



# BROADER AND IMPROVED PRODUCT OFFERING TO ENTERPRISE CUSTOMERS AND CUSTOMERS FROM DIFFERENT INDUSTRIES

## Hardware Solutions

EROAD



Ehubo



Clarity Solo Dashcam

CORETEX



TMU1500



CoreHub Next Generation

## Add on Products and Services

EROAD



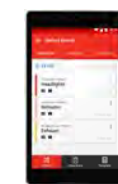
Clarity Dashcam



Philips Connect



Logbook



Inspect



EROAD Where



Minitags

CORETEX



IOT sensors and tag



Coretemp



Corevision camera



MyEROAD / 360 Hub

**All Vehicles. All Assets. One Platform**

Hardware enabling delivery of SaaS subscriptions to solve customers problems

## Solving Customers Problems



Productivity



Regulatory Compliance



Road Safety



Food Safety



Proof of Service



Certification of quality

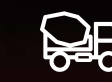
## Industries



Professional Transport



Refrigerated Transport



Construction & Civils



Waste & Recycling

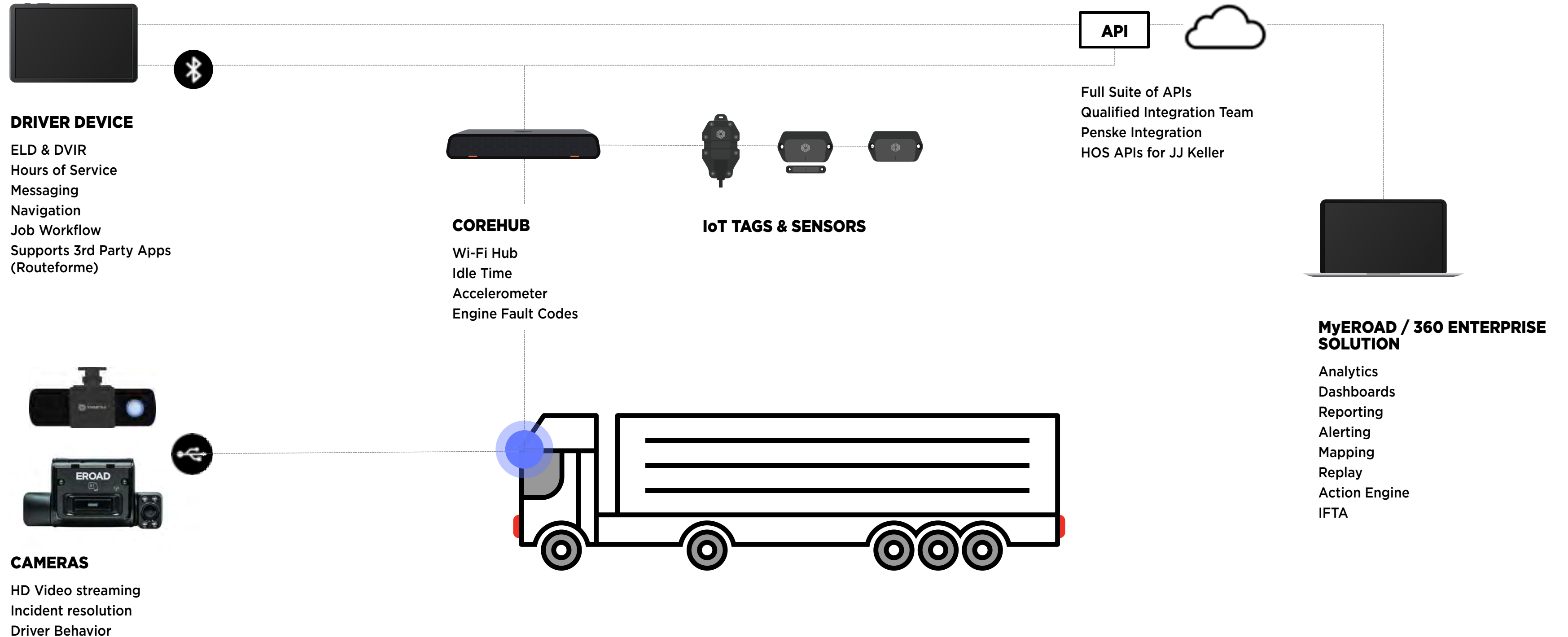
\* EROAD's Ehubo1, Coretex's V301, TMU750 and Gen-x are all included in unit numbers however come to the end of supply during FY23

# OUR NEXT GENERATION OFFERING

**ALL VEHICLES. ALL ASSETS. ONE PLATFORM**

**A complete, connected network that works with customers' systems**

Hardware and software alike, design of products focused on ease of use, safety, flexibility and quality - to deliver accurate insights for customers



# BROADER AND IMPROVED SERVICE OFFERING TO ENTERPRISE CUSTOMERS AND CUSTOMERS FROM DIFFERENT INDUSTRIES

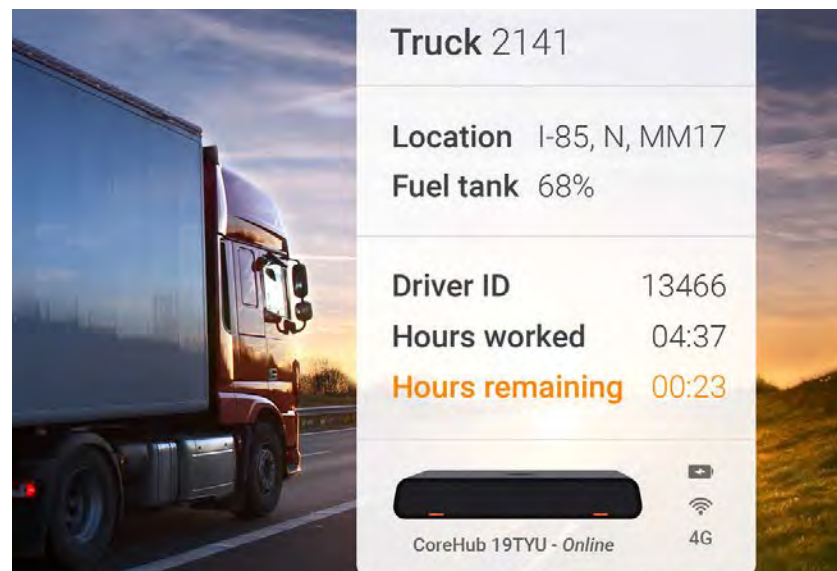
\* Provides additional ARPU over and above normal subscriptions  
 \* Helps customers with their sustainability efforts

	PROFESSIONAL TRANSPORT			REFRIGERATED TRANSPORT			CONSTRUCTION			WASTE		
<b>Road safety</b>	ELD Fatigue Management Driver Behaviour* Video Telematics* Inspect App* CaRa Alerts* Re-Torque Alerts* Service alerts* Pre-trip comms*											
<b>Regulatory Compliance</b>	<b>NZ</b> Electronic RUC Driver Logbook*			<b>AU</b> EWD Certification underway* FBT and FTC*			<b>USA</b> ELD* WMT Report RUA/IFTA Report Fuel tax Report CA ELD Certification underway					
<b>Productivity</b>	Real-time Location & Geofencing* Geofence Alerts Tracking & Tracing Engine and Fuel Report* Analysis Dashboards* Job Management* Satellite Communications* Analyst and Data Connector* EROAD Share APIs and Integrations* Two-way Messaging BookIt App* ECM Diagnostics*											
	Asset Tracking* Trailer Tractor Linking Trailer Tracking & Monitoring									Route Optimisation + Scheduling* Work Orders Push-to-cab*		
<b>Food safety</b>				Real time Alerts Core Temperature Monitoring* Core Temp*								
<b>Proof of Service</b>										Trace, Track & Service verification		
<b>Quality Assurance</b>				Core Temp*			Concrete Assurance Reduce Time-to-pour Proof of Service			Missed Stop Identification Exception Recording Residential & Commercial Waste App		

# THE NEXT GENERATION SOLUTION MEETS THE NEEDS OF PROFESSIONAL TRANSPORT, REFRIGERATED TRANSPORT, CONSTRUCTION AND WASTE INDUSTRIES

## IN CAB PROFESSIONAL TRANSPORT

CoreHub can easily connect and integrate with AI Cameras, combining with driver data and behaviour to give an indepth look into the drivers performance. CoreHub also meets ELD certification and has a rule set engine built in, ensuring drivers' safety and compliance.



**NORTH AMERICAN ADDRESSABLE MARKET\***

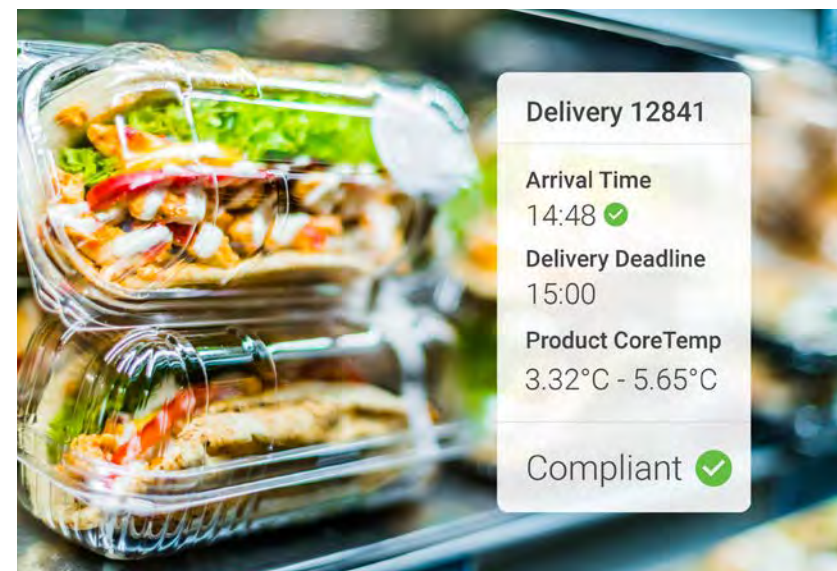
**3,050,000 units**

**NORTH AMERICAN SERVICEABLE MARKET\*\***

**760,000 units**

## REFRIGERATED TRANSPORT

Combine door, temperature and humidity sensors with geofences and custom alerting to create a comprehensive view of reefer units, ensuring compliance and safety across all loads.



**NORTH AMERICAN TOTAL ADDRESSABLE MARKET\***

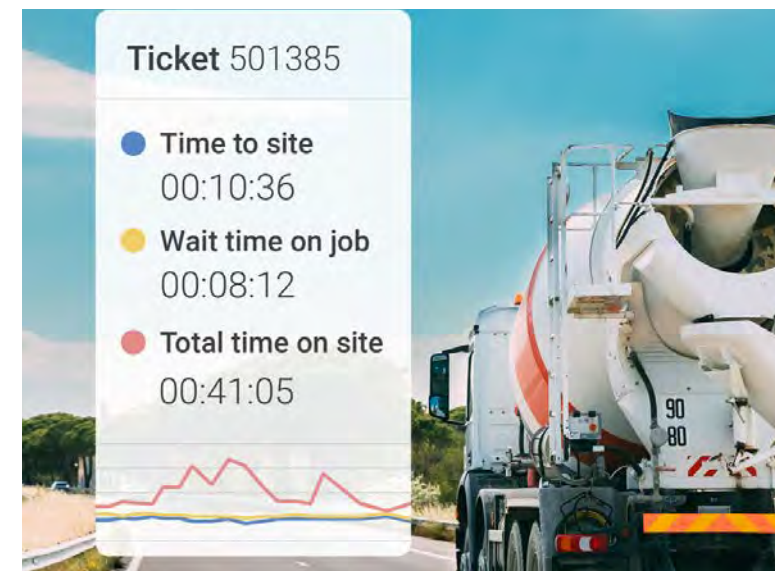
**650,000 units**

**NORTH AMERICAN SERVICEABLE MARKET\*\***

**65,000 units**

## CONSTRUCTION

Using the drum rotation sensor and water add meter, collect detailed job data. Easily integrate this data to dispatch systems and automated job workflows to streamline complex supply chain processes.



**NORTH AMERICAN TOTAL ADDRESSABLE MARKET\***

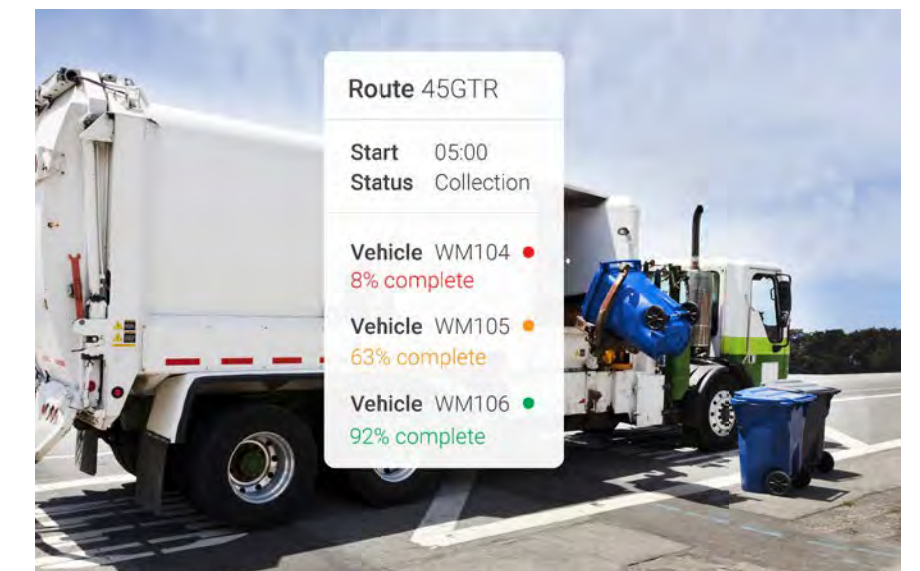
**130,000 units**

**NORTH AMERICAN SERVICEABLE MARKET\*\***

**30,000 units**

## WASTE AND RECYCLING

By installing bin sensors on the arms of the truck, receive specific and detailed data on exactly the customers the drivers have visited. By combining this information with specific routes, easily see in real time route compliance and optimization.



**NORTH AMERICAN ADDRESSABLE MARKET\*\*\***

**150,000 units**

\*Total Available Market is the total number of vehicles or trailers within each vertical. These numbers were best-estimates drawing on a variety of inconsistent sources.

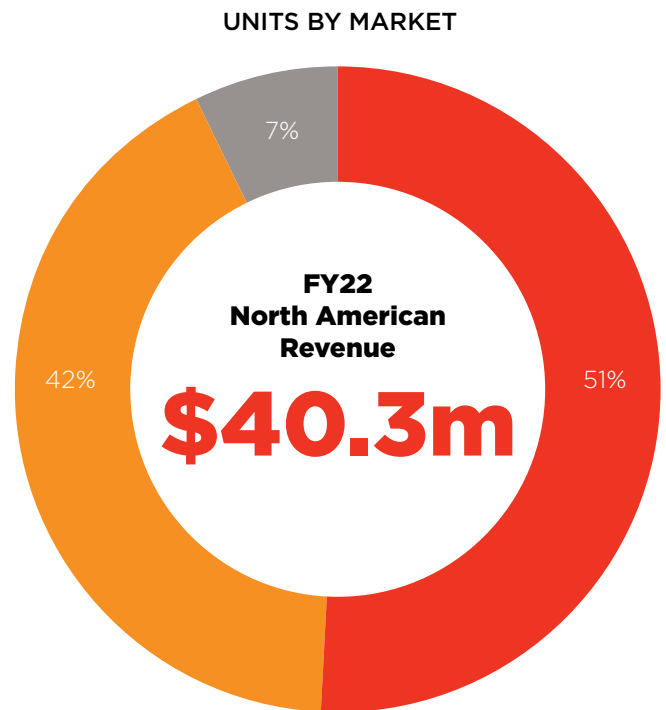
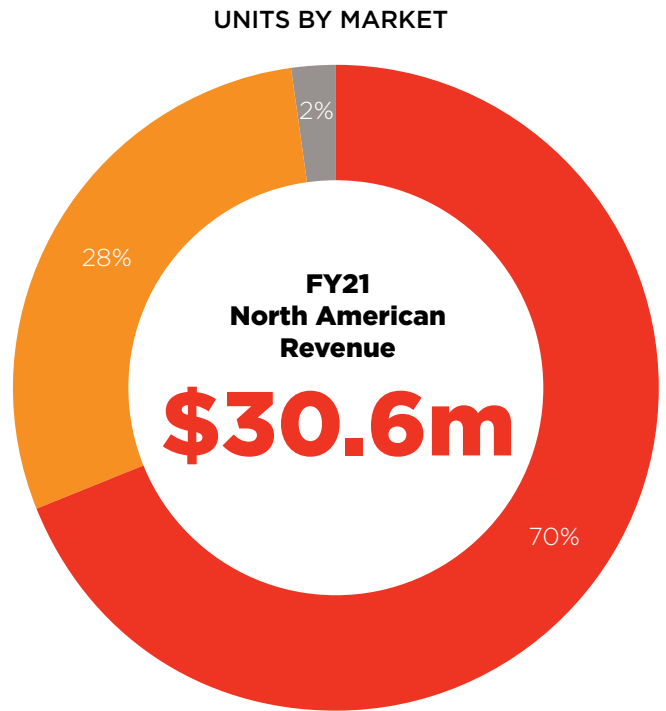
\*\* Serviceable Available Market is the segment of the TAM which is expected to be coming out of contract with any incumbent telematics providers and so could potentially be won. These numbers were a best-estimate based on industry knowledge of the telematics penetration and average contract period in each vertical.

\*\*\*Obtained from independent market research by an external consultant.

# INCREASED SCALE AND BROADER CUSTOMER BASE GIVING US BETTER REFERENCES TO WIN NEW BUSINESS

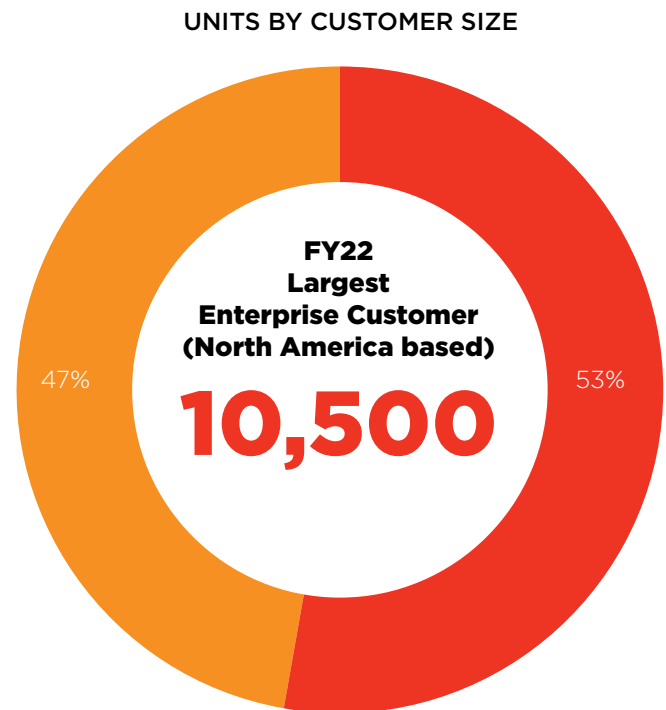
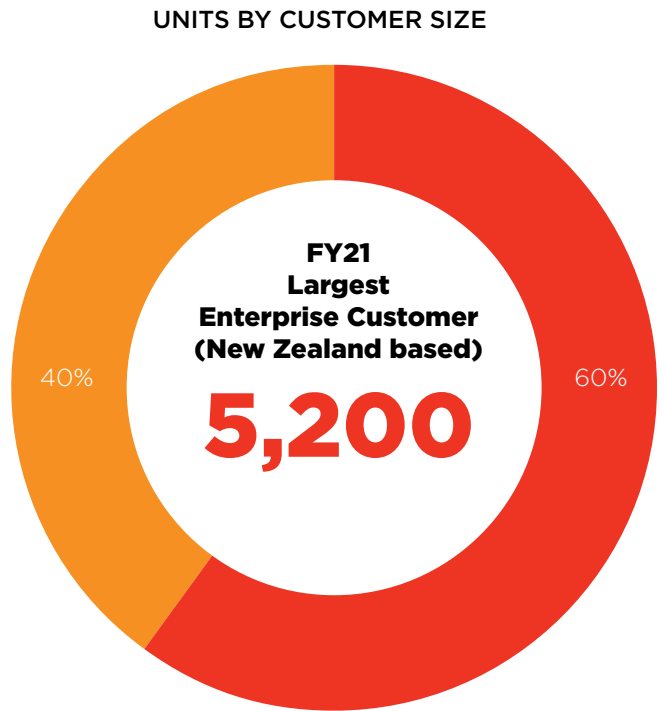
## Increased Scale in North America and Australia

- New Zealand
- North America
- Australia



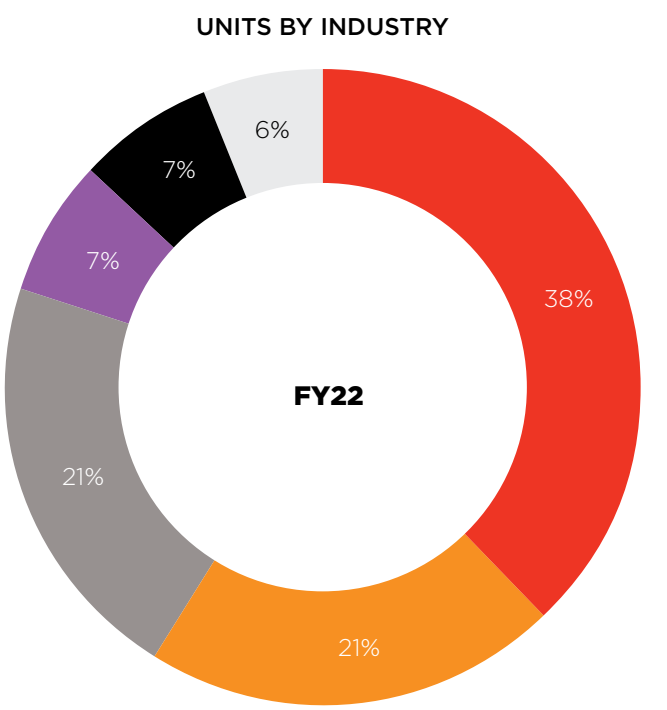
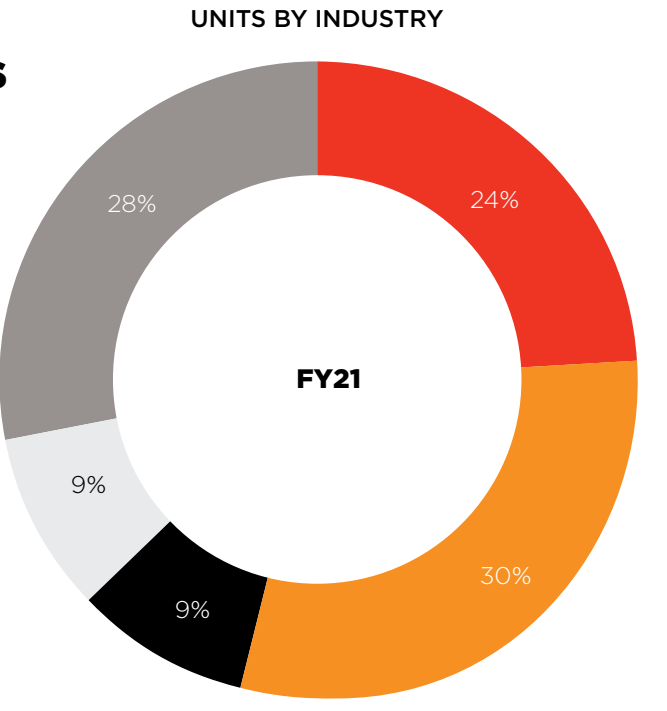
## Increase in Enterprise Customers

- SMB
- Enterprise



## Entry into key strategic verticals

- Construction & Civil Engineering
- Freight & Road Transport
- Other
- Agriculture/Forestry
- Services & Trade
- Refrigerated Transport





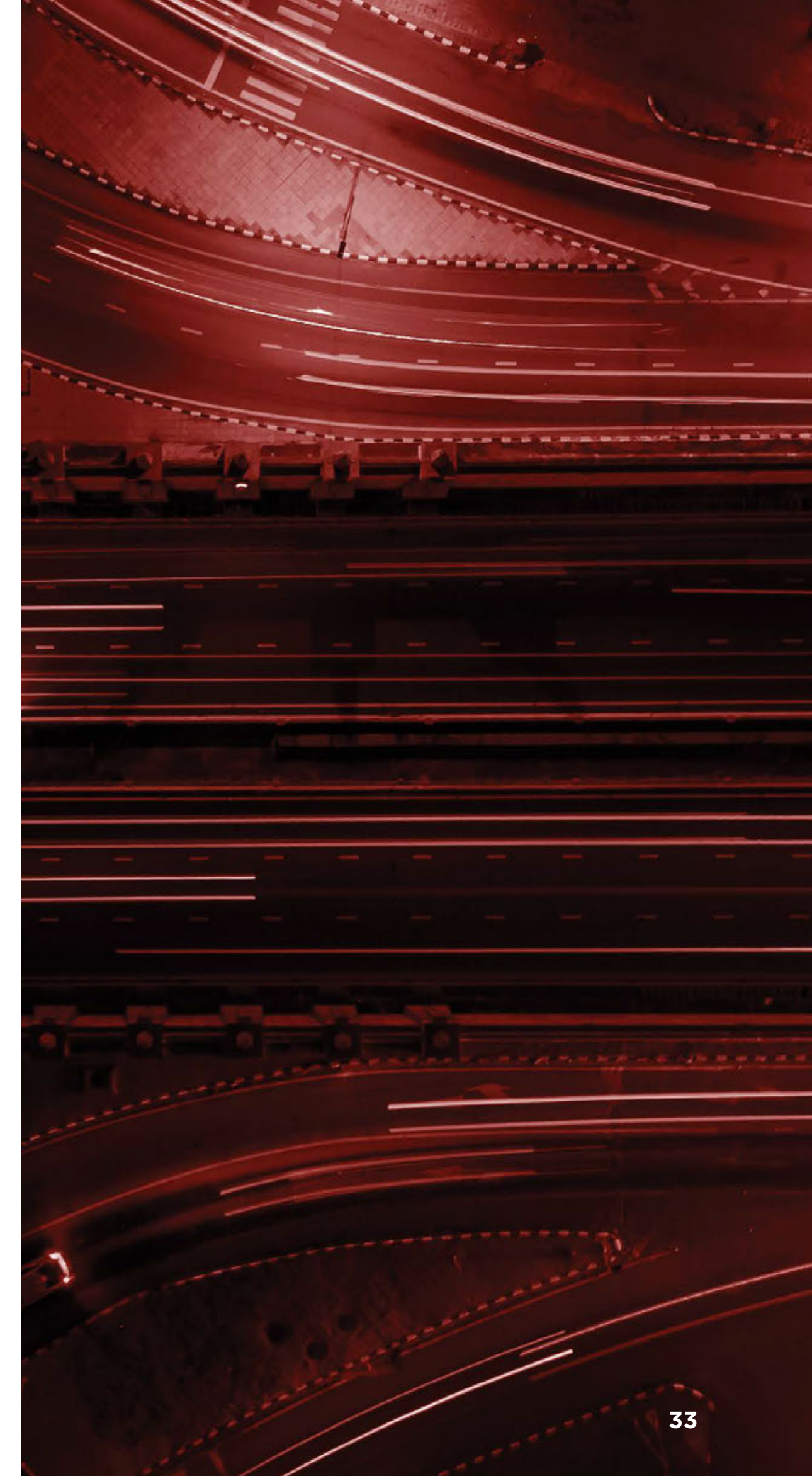
# CORETEX INTEGRATION ON TRACK WITH SIGNIFICANT PROGRESS MADE TO DATE

EROAD remains confident in the revenue synergies identified through the due diligence progress.

Expect to deliver key product and platform integration by the end of CY2022.

## GOOD PROGRESS SINCE 1 DECEMBER 2021

- ✓ Sales activities underway for Coretex 360 platform and Corehub hardware solutions as EROAD's next generation product platform
- ✓ Supply chain integration complete
- ✓ 3G to 4G upgrade programme in North America largely complete
- ✓ Engineering teams now integrated with focus on integration of key platform and products by end of 2022
- ✓ Integrated Sales Teams and aligned go-to-market strategy
- ✓ Integration of EROAD and Coretex teams complete with on-going change management to build an inclusive, diverse and collaborative culture



# OUR FY23 PRIORITIES

**Following the acquisition of Coretex, a strategy refresh will be conducted over H1 FY23 to maximize EROAD's growth potential.**

---

## **Revenue growth momentum in New Zealand and North America**

- focused on Enterprise accounts in professional transport, refrigeration, construction and Waste & Recycling
- providing ESG solutions to customers to help them decarbonise and convert to EV fleets

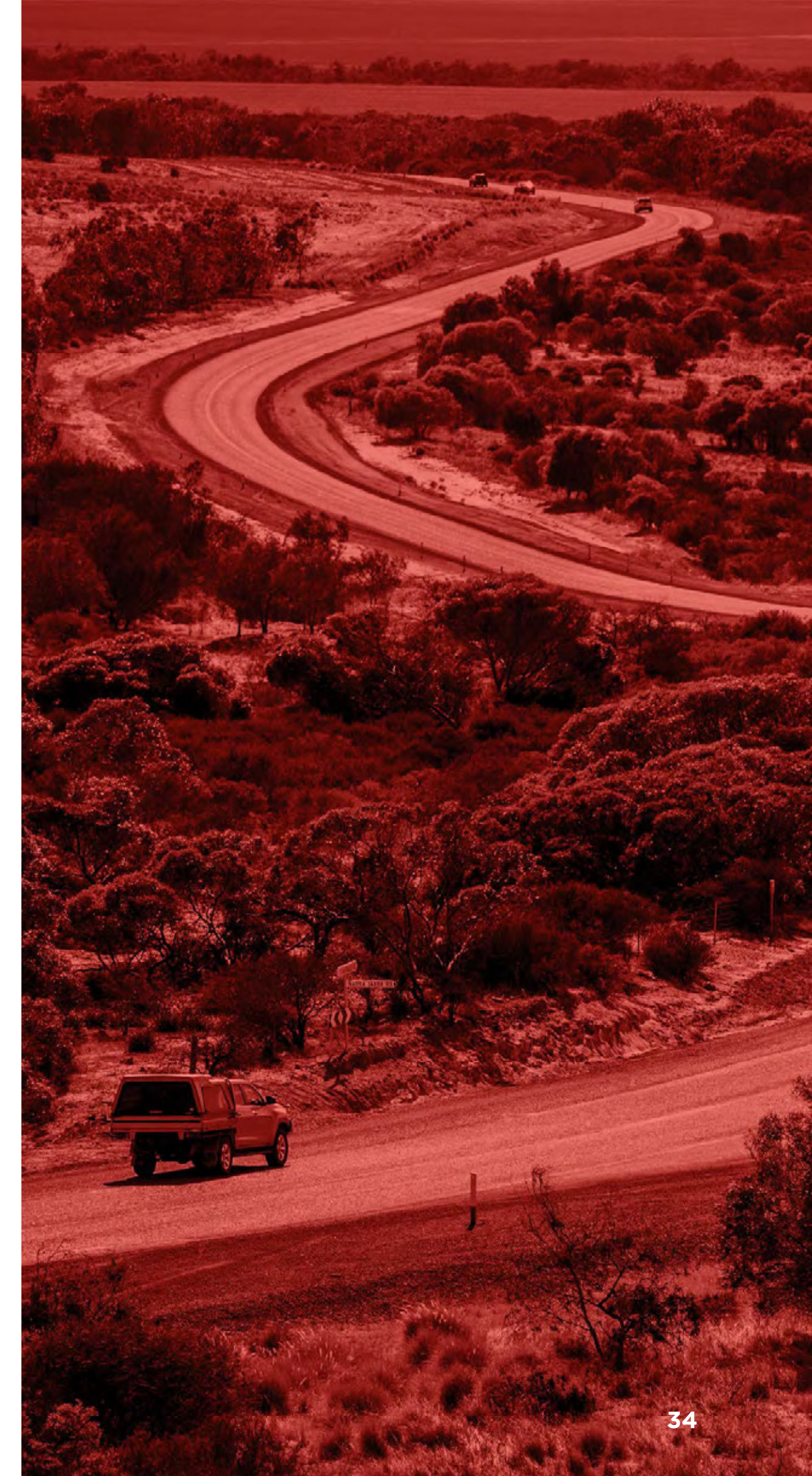
---

## **Maintain an engaged culture aligned to the vision of the merged company**

- position EROAD as an employer of choice
- continue to increase capability of leaders

---

**Deliver key product and platform integration by the end of CY2022 to enable delivery of enhanced SaaS products to build growth momentum further and support retention**



# FY23 OUTLOOK

---

Growth momentum is expected to further build through the year with the successful conversion of some of the North American enterprise pipeline opportunities.

---

Revenue growth for FY23 will reflect the lumpy nature of enterprise sales and the phasing of the hardware roll-outs. In addition, there are a number of enterprise customers due to renew their contracts during the year.

---

Across all markets has a total of 18 pilots with enterprise customers, representing some 30,700 units and 10,000 microtags.

---

Anticipated Revenue will be between \$150 million to \$170 million reflecting the contribution of a full year of Coretex and continued growth across all the markets.

---

FY22 has been a year of significant year of investment in capability to prepare for growth and this investment will continue into FY23 . As a result, EROAD is targeting normalized EBIT of between -\$5m to breakeven (FY22: -\$0.9). EROAD expects operating leverage to improve from FY24 onwards.

---

Longer term, EROAD is targeting to deliver ongoing strong growth in revenue, of at least \$250m by FY25.

# QUESTIONS & ANSWERS



# APPENDIX



# STATEMENT OF INCOME (NZ\$M)

Year ended	<b>FY22</b>	<b>FY21 (restated)</b>	<b>Movement FY22 vs FY21</b>	<b>H2 FY22</b>	<b>H1 FY22</b>	<b>Movement H2 FY22 vs H1 FY22</b>
Revenue	114.9	91.6	23.3	66.9	48.0	18.9
Operating expenses	(93.9)	(61.2)	(32.7)	(58.5)	(35.4)	(23.1)
<b>Earnings before interest, taxation, depreciation and amortisation</b>	<b>21.0</b>	<b>30.4</b>	<b>(9.4)</b>	<b>8.4</b>	<b>12.6</b>	<b>(4.2)</b>
Depreciation of property, plant & equipment	(10.4)	(9.6)	(0.8)	(5.4)	(5.0)	(0.4)
Amortisation of intangible assets	(11.0)	(8.9)	(2.1)	(6.2)	(4.8)	(1.4)
Amortisation of contract and customer acquisition assets	(6.8)	(6.8)	-	(3.5)	(3.3)	(0.2)
<b>Earnings before interest and taxation</b>	<b>(7.2)</b>	<b>5.1</b>	<b>(12.3)</b>	<b>(6.7)</b>	<b>(0.5)</b>	<b>(6.2)</b>
<b>Net financing costs</b>	<b>(3.2)</b>	<b>(2.5)</b>	<b>(0.7)</b>	<b>(2.1)</b>	<b>(1.1)</b>	<b>(1.0)</b>
<b>Profit/(loss) before tax</b>	<b>(10.4)</b>	<b>2.6</b>	<b>(13.0)</b>	<b>(8.8)</b>	<b>(1.6)</b>	<b>(7.2)</b>
Income tax (expense) benefit	0.8	(0.1)	0.9	2.1	(1.3)	3.4
<b>(Loss)/profit after tax for the year attributable to shareholders</b>	<b>(9.6)</b>	<b>2.5</b>	<b>(12.1)</b>	<b>(6.7)</b>	<b>(2.9)</b>	<b>(3.8)</b>
Other comprehensive income	(0.3)	(0.5)	0.2	(0.7)	0.4	(1.1)
<b>Total comprehensive (loss)/income for the year</b>	<b>(9.9)</b>	<b>2.0</b>	<b>(11.9)</b>	<b>(7.4)</b>	<b>(2.5)</b>	<b>(4.9)</b>

- Revenue increased 25% to \$114.9m, with underlying SaaS revenue growing 22%. Following the acquisition of Coretex, revenue included outright hardware sales that do not have ongoing contractual conditions. This is \$2.5m for the 4 month period and is expected to reduce over time as customers shift to rental models.
- Non-recurring revenue relates to a variety of areas. One-off acquisition accounting revenue (\$1.3) and early termination fees related to the large enterprise customer in North America have increased other revenue. A similar one-off item is also in FY21 (forgiveness of the North American COVID-19 government support \$1.6m).
- Operating cost growth relates to both the inclusion of Coretex (\$13.6), acquisition and integration costs (\$7.6m) and growth in various operating expenses. Growth in personnel costs to deliver increased R&D and to manage global supply chain pressures were two areas of investment during FY22, along with inflationary pressures in competitive labour markets impacted by COVID restrictions.
- Amortisation increases with the merger of Coretex intangibles and growth in R&D activity.
- EBIT reduced from \$5.1m (restated) to a loss of \$7.2m, normalised for transaction and integration costs, EBIT grows to \$0.4m.

# BALANCE SHEET (NZ\$M)

As at period end	FY22	Restated FY21	Movement
Cash	13.9	57.1	(43.2)
Restricted bank account	14.7	10.5	4.2
Costs to acquire and contract fulfilment costs	5.7	5.5	0.2
Other	27.2	9.5	17.7
<b>Total current assets</b>	<b>61.5</b>	<b>82.6</b>	<b>(21.1)</b>
Property, plant and equipment	61.7	34.7	27.0
Intangible assets	228.4	40.6	187.8
Costs to acquire and contract fulfilment costs	5.2	3.4	1.8
Other	10.3	8.3	2.0
<b>Total non-current assets</b>	<b>305.6</b>	<b>87.0</b>	<b>218.6</b>
<b>Total assets</b>	<b>367.1</b>	<b>169.6</b>	<b>197.5</b>
Payables to transport agencies	15.0	10.5	4.5
Contract liabilities	11.9	6.6	5.3
Borrowings	32.1	35.0	(2.9)
Other liabilities	60.4	15.4	45.0
<b>Total liabilities</b>	<b>119.4</b>	<b>67.5</b>	<b>51.9</b>
<b>Net assets</b>	<b>247.7</b>	<b>102.1</b>	<b>145.6</b>

- Cash has decreased \$43.2m following the purchase of Coretex and growth in property, plant and equipment (PPE) as increased inventory is held to ensure continuity of supply given global supply chain pressures.
- The increase in other assets is as a result of the combination of an increase in our receivables balance following the Coretex merger, growth in prepayments to secure component parts and the reclassification of some intangible costs to prepayments following the new IFRS guidance in relation to treatment of Cloud.
- Contract Fulfilment and Customer Acquisition Assets increased by \$2.0m (across both current and non-current portions) reflecting growth and a strong period of renewals.
- Intangibles growth primarily relates to the purchase of Coretex and includes R&D, brand value, customer contracts and goodwill. These were independently valued to reflect fair market values. There has also been \$23.7m R&D development capitalised during the year.
- Borrowings from long term bank loans have reduced due to scheduled repayments.
- Other liabilities includes an estimate for the contingent payable related to the Coretex acquisition.

# CASH FLOW STATEMENT (NZ\$M)

Year ended	<b>FY22</b>	<b>Restated FY21</b>	<b>Movement FY22 vs FY21</b>	<b>H2 FY22</b>	<b>H1 FY22</b>	<b>Movement H2 FY22 vs H1 FY22</b>
<b>Cash flows from operating activities</b>						
Other operating cash flows	17.2	30.6	(13.4)	6.1	11.1	(5.0)
Net interest paid	(2.9)	(2.5)	(0.4)	(1.6)	(1.3)	(0.3)
<b>Net cash inflow from operating activities</b>	<b>14.3</b>	<b>28.1</b>	<b>(13.8)</b>	<b>4.5</b>	<b>9.8</b>	<b>(5.3)</b>
<b>Cash flows from investing activities</b>						
Property, plant and equipment (including hardware assets)	(28.4)	(4.7)	(23.7)	(18.9)	(9.5)	(9.4)
Intangible assets	(24.9)	(13.1)	(11.8)	(13.1)	(11.8)	(1.3)
Contract fulfillment and customer acquisition assets	(8.9)	(5.0)	(3.9)	(4.6)	(4.3)	(0.3)
Payments for investment in subsidiary	(72.4)	-	(72.4)	(72.4)	-	(72.4)
<b>Net cash outflow from investing activities</b>	<b>(134.6)</b>	<b>(22.8)</b>	<b>(111.8)</b>	<b>(109.0)</b>	<b>(25.6)</b>	<b>(83.4)</b>
<b>Cash flows from financing activities</b>						
Bank loans	(2.9)	(0.8)	(2.1)	(0.5)	(2.4)	1.9
Issue of equity	85.0	52.9	32.1	(0.3)	84.7	(84.4)
Cost of raising capital	(3.4)	(2.1)	(1.3)	(0.1)	(3.5)	3.6
Other financings cash flows	(1.6)	(1.6)	-	(0.8)	(0.8)	0.6
<b>Net cash inflow/(outflow) from financing activities</b>	<b>77.1</b>	<b>48.4</b>	<b>28.7</b>	<b>(0.9)</b>	<b>78.0</b>	<b>(78.9)</b>
Net increase/(decrease) in cash held	(43.2)	53.7	(96.9)	(105.4)	62.2	(167.6)
Cash at beginning of the financial period	57.1	3.4	53.7	119.3	57.1	62.2
<b>Closing cash and cash equivalents</b>	<b>13.9</b>	<b>57.1</b>	<b>(43.2)</b>	<b>13.9</b>	<b>119.3</b>	<b>(105.4)</b>

- Operating cash flows have reduced by \$13.8m reflecting the increased spending related to the Coretex merger along with an increase in receivables and prepayments.
- Investing cash are \$134.6m and predominantly reflect the purchase of Coretex.
- Property plant and equipment growth reflects both unit growth but also the investment in inventory to help ensure continuity of supply as global supply pressures occur.
- Intangible asset cashflow reflects increased R&D investment, including outsourcing development to support flexibility to scale up and down in the future.
- Financing cash flows were \$77.1m for the period as a result of the issue of equity of \$85.0m in July (placement and share purchase plan).

\* FY21 has been restated (cloud related adjustments)



# RECONCILIATION OF PROFIT TO MOVEMENT IN CASH

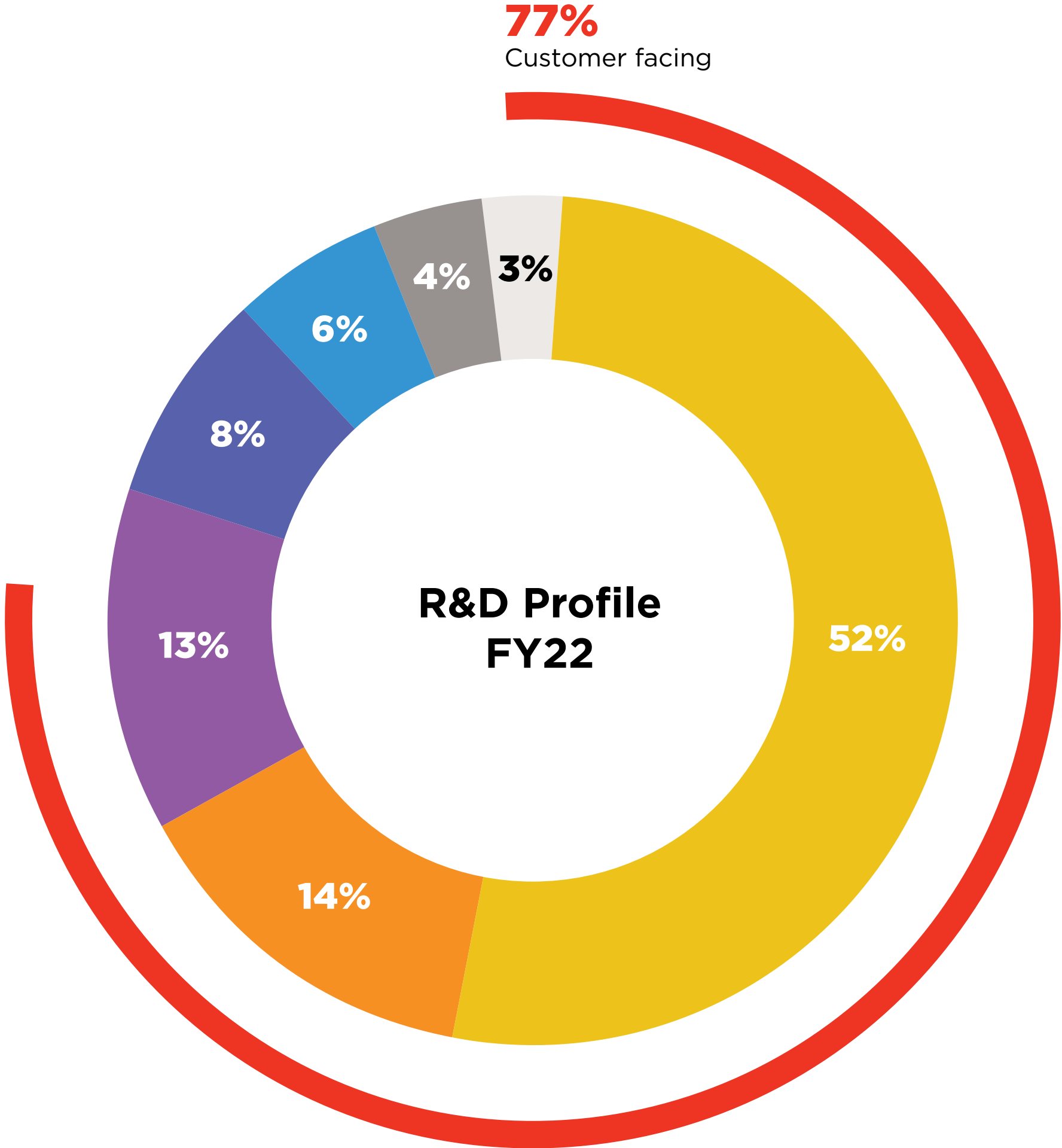
YEAR ENDED	<b>FY22</b>	<b>Restated FY21</b>
<b>Profit/(Loss) after tax for the year attributable to the shareholders</b>	<b>(9.6)</b>	<b>2.5</b>
Add/(less) non-cash items		
Tax asset recognised	(1.1)	0.1
Depreciation and amortisation	28.2	25.3
Other non-cash expenses/(income)	1.4	(1.1)
<b>Add/(less) movements in other working capital items:</b>		
Decrease/(increase) in trade and other receivables	(10.4)	2.7
Increase/(decrease) in contract liabilities	5.3	(1.6)
Increase /(decrease) in trade payables, interest payable and accruals	0.5	0.2
<b>Net cash from operating activities</b>	<b>14.3</b>	<b>28.1</b>

# RECONCILIATION OF PROFIT TO MOVEMENT IN CASH

	NZ\$		Local\$	
	FY22	FY21	FY22	FY21
New Zealand ARPU	NZ\$56.45	NZ\$56.18	NZ\$56.45	NZ\$56.18
North America ARPU	NZ\$56.38	NZ\$65.03	US\$39.02	US\$42.95
Australian ARPU	NZ\$38.99	NZ\$35.50	AU\$36.69	AU\$33.16

# 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 19 key launches or enhancements over FY22 as a result of previous R&D investment
- In FY22 spend 28% and 26% (excluding integration of Coretex) of revenue on R&D. For FY23 targeting spend of 20% (excluding integration) on R&D
- Focused on product development that opens up the addressable market for enterprise customers



<b>52%</b> New to EROAD	<b>14%</b> Planned enhancements	<b>13%</b> Quality /bugs	<b>8%</b> New to world
<b>6%</b> Reliability, availability, serviceability and scalability	<b>4%</b> Learning /future	<b>3%</b> Unplanned enhancements	

# GLOSSARY

## **ANNUALISED MONTHLY RECURRING REVENUE (AMRR)**

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)**

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)**

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 FY22 Financial Statements.

## **CY**

12 months ended 31 December

## **EBITDA**

A non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA). Refer Consolidated Statement of Comprehensive Income in Financial Statements.

## **EBITDA MARGIN**

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**

A fleet of more than 500 vehicles in North America and more than 150 vehicles in Australia or New Zealand.

## **FREE CASH FLOW**

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 FY22 Financial Statements.

## **FY**

Financial year ended 31 March.

## **H1**

For the six months ended 30 September.

## **H2**

For the six months ended 31 March.

## **MONTHLY SAAS AVERAGE REVENUE PER UNIT (ARPU)**

A non-GAAP measure that is calculated by dividing the total SaaS revenue for the year reported in Note 2 of the FY22 Financial Statements, by the TCU balance at the end of each month during the year.

## **NORMALISED EBITDA**

Excludes one-off items including transaction and integration costs (\$7.6m), COVID-19 grant in H1 FY21 (\$1.6m) and acquisition revenue (\$1.3m).

## **NORMALISED EBITDA MARGIN**

Excludes one-off items including transaction and integration costs (\$7.6m), COVID-19 grant in H1 FY21 (\$1.6m) and acquisition revenue (\$1.3m).

## **NORMALISED REVENUE**

excludes the one-off COVID-19 grant in H1 FY21.

## **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 EROAD branded units subject to a customer contract both on Depot and pending instalment and Coretex branded units currently billed

## **UNIT**

A communication device fitted in-cab or on a trailer. Where there is more than one unit fitted in-cab or on a trailer, it is counted as one unit (excluding Philips Connect).



**EROAD**



ASX & NZX: ERD  
investors@eroad.com  
eroadglobal.com/investors