EROAD

Strong cash flow supports focused ANZ market expansion

21 November 2025

AUCKLAND, 21 November 2025: Leading transportation technology services company EROAD Limited (NZX/ASX: ERD) today released its financial results for the 6 months ended 30 September 2025.

All numbers are stated in New Zealand dollars (NZ$) and relate to the six months ended 30 September 2025 (H1 FY26), unless stated otherwise. Comparisons relate to the six months ended 30 September 2024 (H1 FY25).

Financial Highlights[1]

- **Continued improvement in Free Cash Flow position (to the firm)** rose to $6.2m in H1 FY26 compared to $0.1m in H1 FY25. This improvement is the result of ongoing enterprise customer rollouts and price increases. When normalised for the temporary impact of the 4G upgrade program, free cash flow (to the firm) was $16.7m.
- **Revenue** climbed to $99.1m for H1 FY26 from reported revenue of $95.9m in H1 FY25. This represents a 3.3% increase against the prior comparable period. Growth in revenue was driven by a 6.7% increase in ANZ offset by negative 1.5% growth in North America. Subscription revenue, which excludes non-recurring hardware and service revenue, grew 5.4% against the prior comparable period.
- **Annualised Recurring Revenue** (restated)[2] increased by $11.4m (6.9%) to $178.1m in H1 FY26 from $166.7m in H1 FY25, reflecting growth in ANZ offset by a decline in North America and favourable foreign exchange rates.
- **EBIT** declined to negative $133.9m in H1 FY26 compared to $2.4m in H1 FY25. Normalised[3] EBIT, adjusted for a non-cash impairment to the North American assets, declined to $2.5m in H1 FY26 from $4.7m in H1 FY25 due to lower capitalisation of R&D and accelerated amortisation due to a large customer termination in North America.
- **NPAT** decreased to negative $144.2m in H1 FY26 from negative $1.5m in H1 FY25. The loss was primarily driven by an non-cash impairment to the North American assets of $134.7m.

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[1] EROAD has presented certain non-GAAP financial measures as part of its H1 FY26 results, which EROAD's directors and management believe provide useful information as they exclude any impacts of one-offs which can make it difficult to compare and assess EROAD's performance. The non-GAAP financial measures EROAD has used in this document are Annualised Recurring Revenue (ARR), EBIT, Normalised EBIT, and Free Cash Flow. A detailed reconciliation of non-GAAP measures to EROAD's reported financial information is included on EROAD's website (http://www.eroadglobal.com/global/investors/). General information about EROAD's use of non-GAAP financial information is included on page 2 of the H1 FY26 Investor Presentation.

[2] Annual recurring revenue from subscriptions only. Excludes uncontracted hardware sales and non-recurring revenue

[3] Normalised for the recognition of costs associated with the 4G hardware upgrade program in H1 FY26 and H1 FY25

- **Liquidity** remains strong at $62.3m with a $70m of credit facility limit against $7.7m of net debt to support growth and fund large enterprise deployments.

Operational Highlights

- **Australian enterprise customer win** to provide Cleanaway (ASX: CWY) with a comprehensive vehicle monitoring solution to over 3,000 heavy vehicles. The deal adds over A$5m of ARR, rolling out over the next 12 months.
- **Asset retention remains high** at 92.0% in H1 FY26 (NZ 92.1%; AU 95.5%; NA 91.0%).
- **Substantial completion of 4G hardware upgrade** with 87% of EROAD units 4G compatible in ANZ as at 30 September 2025, increasing to 89.2% at the beginning of November 2025. A further $2.5m - $4.5m is expected to be spent in the second half of the year to complete the program, which will free up considerable cash in future periods.

Executive Chair John Scott said, "Our success ultimately comes down to people – customers, partners, and our team – and a shared belief that when you get those things right, everything else follows.

Few companies get to shape an industry twice. EROAD is one of them, and we intend to make it count."

CEO Mark Heine is committed to financial discipline while progressing EROAD to its next phase of growth, "We'll keep focusing on what we control: generating cash, delivering for customers, and directing investment where it creates the most value. The opportunity in front of us is significant, and the team is ready to make the most of it.

Across all markets, our priorities remain the same: deliver value to customers, convert that value into recurring, profitable growth, and generate cash to fund the next opportunity. The 3G network shutdown in NZ, now scheduled for completion in December 2025, will release additional cash capacity and simplify operations. We've also increased our investment in customer operations to lift the experience end-to-end, from faster onboarding to proactive support, so fleets can see value sooner and stay with EROAD longer."

Outlook

Heine added, "Our disciplined focus on free cash flow gives us the opportunity to decide where growth capital should go. In October, we shared that new investment will be directed to the markets where opportunity and conversion are strongest – in the near term that is Australia and New Zealand. These are regions where we already have strong product market fit, credibility, and policy momentum. Governments in both countries are moving toward usage-based and time-of-use charging, and EROAD is uniquely positioned to help them get there.

The shift toward electronic and usage-based charging is one of the most significant infrastructure transitions of the coming decade. In New Zealand, the Government's plan to move all vehicles onto electronic RUC represents a multi-year opportunity that builds directly on EROAD's existing capability and credibility. Australia is now signalling similar intent, and we have previously worked with partners at both state and federal levels to help shape practical solutions. These programmes will require proven technology, data integrity and regulatory experience at scale, and no one has deeper, more proven experience in electronic road charging than EROAD.

We are on track to deliver on our revised FY26 guidance, communicated in October 2025, supported by the enterprise win in ANZ, price increases and continued growth in our core markets."

- **FY26 Revenue guidance** of $197m to $203m
- **FY26 ARR guidance** of a $175m to $183m
- **FY26 free cash flow (to the firm) margin** of 5% - 8%, normalised for the 4G hardware upgrade program

Corporate Governance

To help drive EROAD's strategy, EROAD recently announced the appointment of John Scott as Executive Chair. While EROAD has an Executive Chair, the Board has appointed David Green Lead Independent Director and an Executive Oversight Committee of independent directors has been established within the Finance, Risk and Audit Committee, to provide additional oversight.

The Board has also approved the Director's Fixed Share Trading Plan, which is expected to start following the release of our H1 FY26 results. From 1 December 2025, half of each director's after-tax fees, including John Scott's temporary executive consultancy fee, will be applied to the on-market purchase of EROAD shares on a quarterly basis. This change in the composition of director renumeration will further align directors with shareholders and demonstrates their confidence in the long-term value of EROAD's strategy.

Ends

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

Webinar details

EROAD's Chief Executive Officer, Mark Heine, and Chief Financial Officer, Ciara McGuignan, will give a presentation on the financial and operational performance for H1 FY26 via webinar on Friday 21 November 2025 at 12:00pm NZT / 10am AEDT.

When:	Friday 21 November 2025
Time:	12:00pm NZT / 10am AEDT
Topic:	EROAD H1 FY26 Financial Results
Link:	https://www.eroad.co.nz/investor-presentation/

After registering, you will receive a confirmation email containing information about joining the webinar. A recording of this webinar will be available once it has been uploaded to the EROAD website under 'presentations' on www. eroadglobal.com/investors/https://eroadglobal.com/investors/

Ends

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About EROAD

EROAD (NZX/ASX: ERD) is a hardware-enabled SaaS company delivering safety, compliance, sustainability and efficiency solutions for complex vehicles fleets.

Its connected platform is used by commercial and government operators across New Zealand, Australia and North America to manage vehicles, assets and drivers with greater visibility and control. EROAD supports demanding, highly regulated fleet operations, including those moving food, concrete and aggregates, enabling them to operate smarter, safer and more sustainably.

EROAD's platform is built on a foundation of regulatory expertise, having delivered the world's first GPS-based road user charging system in New Zealand, where it remains the market leader today.

www.eroad.co.nz