EROAD (NZX: ERD ASX: ERD)
Financial Results

For the 12 months ended 31 March 2023 (FY23)

24 May 2023

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Agenda

1. **FY23 Result Overview**
   - Operational Overview & Key Metrics
   - Geographic
   - Financial
   - Hardware Replacement & Integration
2. **EROAD Strategy**
   - Key Market Opportunities
   - Strategy
   - Cost Out
3. **Outlook & Guidance**

MARK HEINE, CEO

MARGARET WARRINGTON, CFO

Key Highlights

FY23 RESULTS IN LINE WITH GUIDANCE GIVEN IN MAY 2022, WITH CASH BURN IMPROVING IN H2 FY23

Reported revenue $174.9m
+52.2% vs pcp

Normalised Revenue[1] $165.3m
Slightly above guidance range of $159-164m

Reported EBIT $1.7m

Normalised EBIT[1,2] $(4.5)m
Midpoint of guidance range of $(6)–(3)m

$20m Cost-out
$10m (annualised) completed in FY23, additional $10m (annualised) targeted in FY24

FY23 Results In Line With Guidance

Strategic Discipline Pays Off

Future contracted income $219.6m
Increased 16% in FY23

Asset retention 94.8%
Improvement on FY22 93.4%

AMRR $153.7m
+14.2% vs pcp

Unit net adds 18,452
Growth of 8.8% YoY

FCF[3] $(29.9)m
Cash burn reduced from $4.2m/mth in H1 FY23 to $1.8m/mth in H2 FY23

R&D $37.2m
23% of normalised revenue

1. Normalised for $9.6m for accounting adjustment related to contingent consideration . 2. Normalised for integration costs of $3.4m. 3. Free Cash Flow to the firm normalised for Coretex acquisition payments and excludes financing costs

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FY23 Result Overview

Operational Overview

CREDIBLE RESULTS AND CAPABLE OF DELIVERING ON STRATEGY

Refreshed strategy

- Outputs of November review: right-size the cost base; move to generate positive FCF; better capitalise on growth opportunities in key markets
- Strategic review announced at March investor day, with Goldman Sachs appointed, is ongoing and aims to evaluate a number of options: aim to accelerate North America strategy via partnership options

Financial headroom to execute on strategy

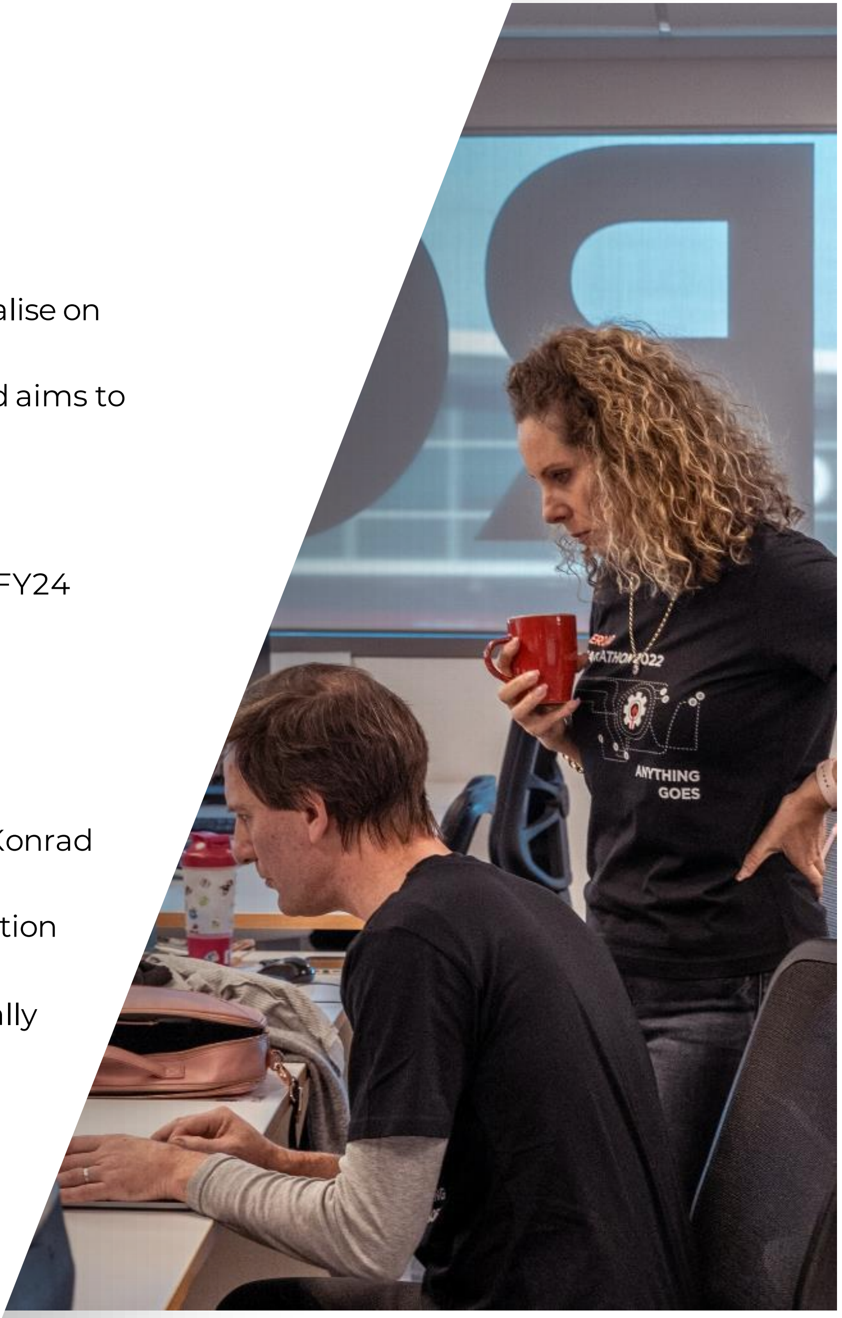
- Cost savings of $10m (annualised) achieved in FY23 with additional $10m (annualised) targeted in FY24
- Normalised cash burn reduced to $1.8m/month in H2 FY23 (from $4.2m in H1 FY23)
- Liquidity of $27.5m available via credit facility headroom and cash to execute on strategy

Refreshed management team

- CEO Mark Heine, CFO Margaret Warrington, President NA and CIO Akinyemi Koyi, and EGM ANZ Konrad Stempniak
- COO Aaron Latimer is returning to EROAD; CPO Shelley Prentice started in April; Chief Transformation Officer Steen Andersen started in February, New CTO joining Q1 FY24
- Chief Sustainability Officer Craig Marris & Chief Data Science Officer Dean Marris promoted internally

Key enterprise accounts won or retained

- Won Sysco in North America (over 9,000 connections)
- Won Fonterra in New Zealand taking full product suite (cameras, Ehubo, and satellite)
- Renewed ABC in North America (6,000 connections)



Key Metrics

FOCUSED EXECUTION DELIVERS GOOD RESULTS AGAINST REFRESHED STRATEGY

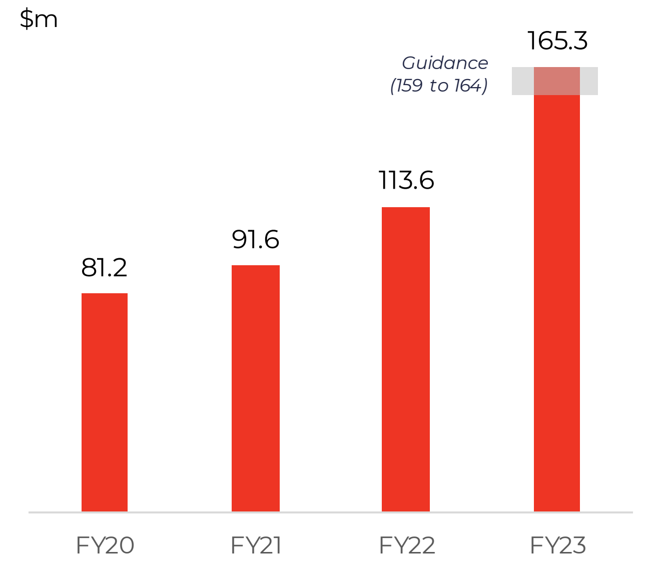
Goal	Metric	FY22	FY23	Strategy	FY26 Targets
SaaS Quality	AMRR*	$134.6	**$153.7**	Grow customer base in-line with market growth	**11% – 13% CAGR**
	Churn	7%	**5%**	Maintain historical churn rate	**5% – 7%**
	Average Lease Duration Remaining (years)	1.4	**1.3**	Rebalance toward longer-dated enterprise contracts	**1.5 – 2.0**
Investment	R&D as % of revenue	28%	**23%**	Focus on projects with near-term ROI	**13% – 15%**
Return	Free Cash Flow Margin	-39%	**-18%**	Improve cash efficiency and drive NA growth	**9%+**

* Annualised monthly recurring revenue includes positive FX impact of $8.6m

Revenue & EBIT

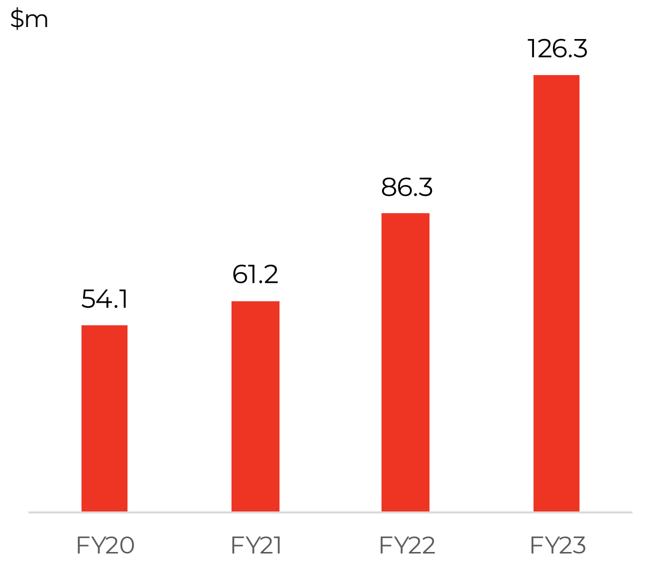
FINANCIAL RESULTS HAVE DELIVERED ABOVE GUIDANCE, FULFILLING OUR COMMITMENT TO DELIVERING ON OUR PROMISES

Normalised Revenue[1]



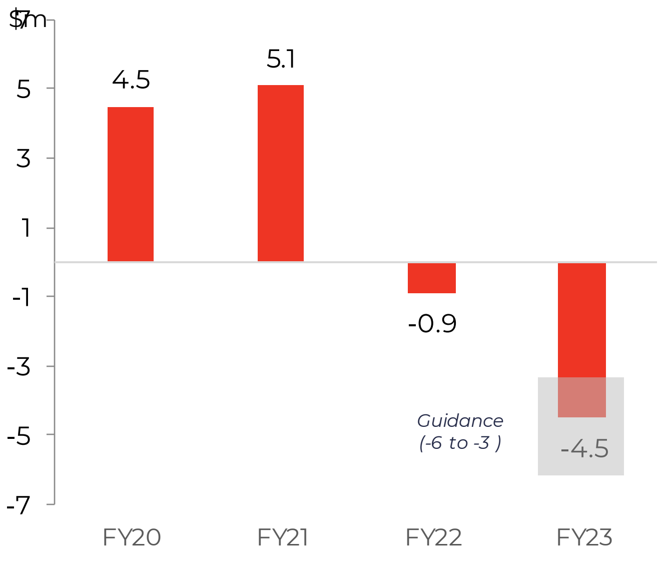
Normalised revenue of $165.3m was slightly above FY23 guidance range ($159-164m)

Operating Costs[2]



The cost-out program achieved $10m of annualised cost savings in FY23, albeit with Personnel costs rising given the inclusion of Coretex expenses.

Normalised EBIT[3]



Normalised EBIT of $(4.5)m was at the midpoint of the FY23 guidance range ($(6)-(3)m)

[1] Revenue normalised for $9.6m in FY23 and $1.3m in FY22, respectively, relating to accounting adjustment for contingent consideration
[2] Operating costs normalised for transaction and integration costs of $3.4 in FY23 and $7.6m in FY22, respectively
[3] EBIT normalised for contingent consideration of $9.6m in FY23 and $1.3m in FY22 respectively, and integration costs of $3.4m in FY23 and $7.6 m in FY22 respectively

New Zealand

CASH GENERATIVE MARKET WITH A FOCUS ON MULTI-PRODUCT ADOPTION

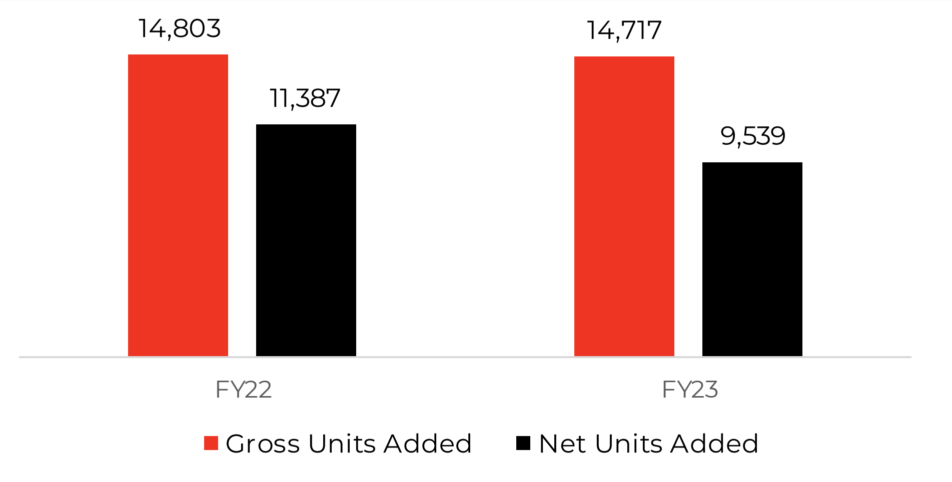
Net unit adds 9,539
Growth of 8.9% YoY

1,556 Customers added services
(13,387 subscriptions)

EBITDA NZ$53.7m
Growth of 18.8% YoY

Asset Retention Rate 95.9%
(FY22: 97.3%)

Monthly SaaS ARPU NZ$55.70
Decline of 1.3% YoY reflecting Coretex's higher weighting to purchased hardware model



FY23 NZ Developments

- 1,092 customers renewed their plans with EROAD, representing a total of 28,631 units renewed for another term
- Enterprise customers Bidfood (735), Higgins (496) renewed their contracts
- Won Fonterra with a whole-of-fleet solution (total of 500+ units), with 50 units installed in FY23

Australia

OPPORTUNITIES TO LEVERAGE TRANS TASMAN FLEETS REMAINS A FOCUS

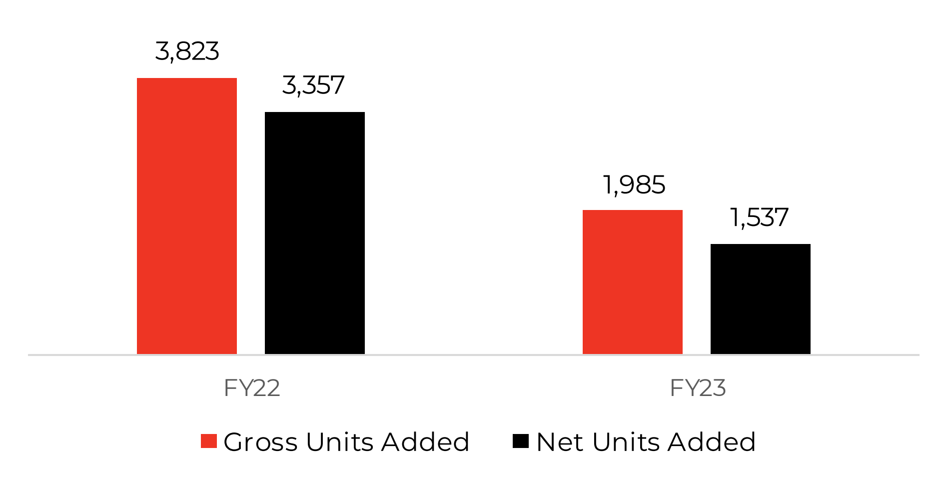
Unit net adds 1,537
Growth of 10.9% YoY

290 Customers added services
(1,699 subscriptions)

EBITDA NZ$2.2m
Growth from $0.1m in FY22

Asset Retention Rate 97.0%
(FY22: 88.4%)

Monthly SaaS ARPU A$42.27
Growth of 15.2% YoY
[FY22 was A$36.69]



FY23 AU Developments

- 51 customers renewed their plans with EROAD, representing a total of 1,166 units renewed for another term
- Enterprise customer Jim Pearson Transport renewed their contract representing 600+ units
- Accelerated amortisation recognised following notice of termination from a 1,500 unit customer

North America

SOLID GROWTH WITH MOMENTUM BUILDING IN OUR ENTERPRISE FOCUS

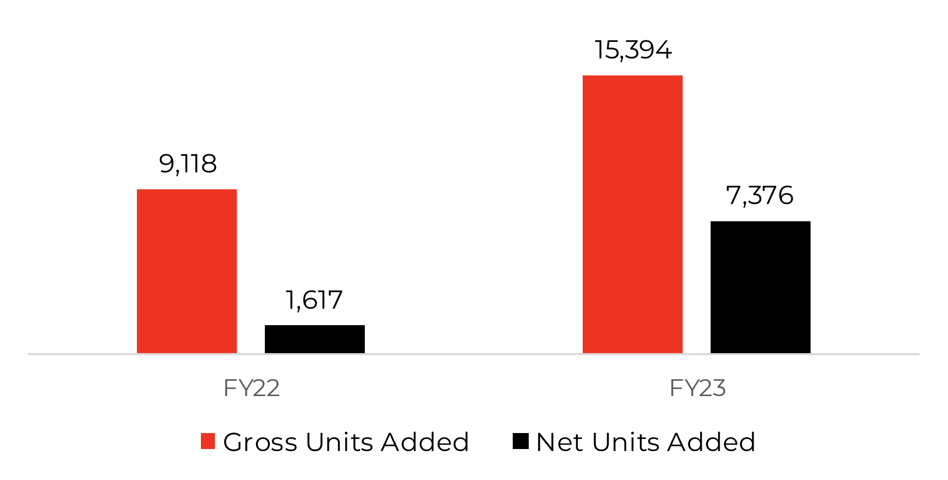
Net unit adds 7,376
Growth of 8.4% YoY

404 Customers added services
(2,625 subscriptions)

EBITDA NZ$18.1m
Growth of 93% YoY following acquisition of Coretex in FY22

Asset Retention Rate 93.2%
(FY22: 84.2%)

Monthly SaaS ARPU US$36.65
Decline of 6.1% YoY reflecting Coretex's higher weighting to purchased hardware model



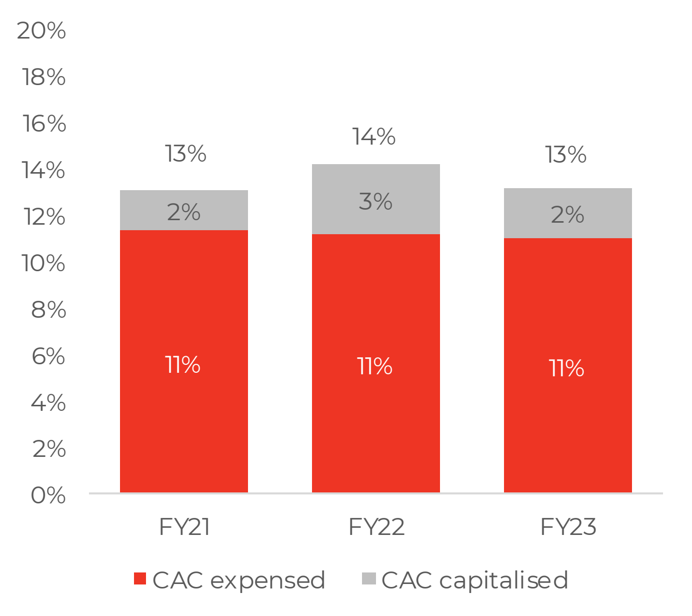
FY23 NA Developments

- 110 customers renewed their plans with EROAD, representing a total of 7,185 units renewed for another term
- Major enterprise customer ABC renewed their contract representing 6,000+ units
- Won Sysco (total of 9,000+ units), with 1,038 number of units installed in FY23
- Churn includes fleet resizes for channel customers who own their hardware on evergreen contracts (approx. 2k units)
- The SMB customer base represents a majority of the churn with only one enterprise customer lost (approx. 900 units)

Operational Efficiency

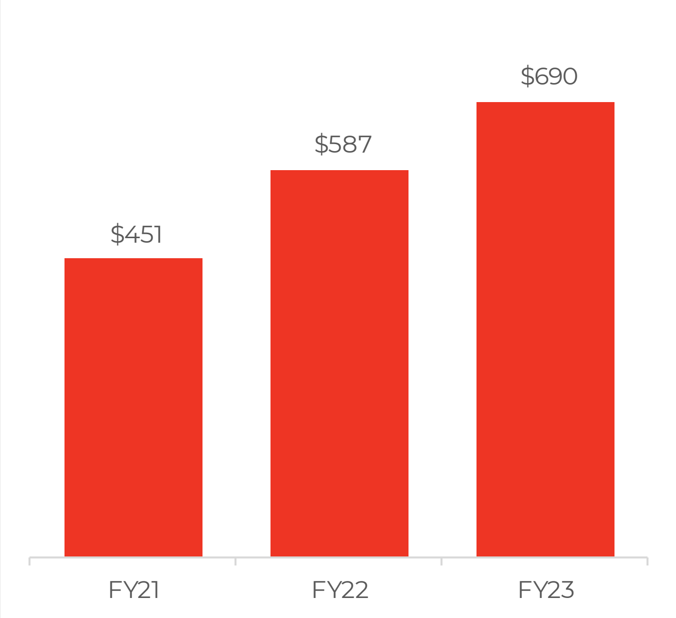
MANAGEMENT FOCUS ON GAINING EFFICIENCY ACROSS ALL COST MEASURES

Cost to acquire customers as a % of revenue



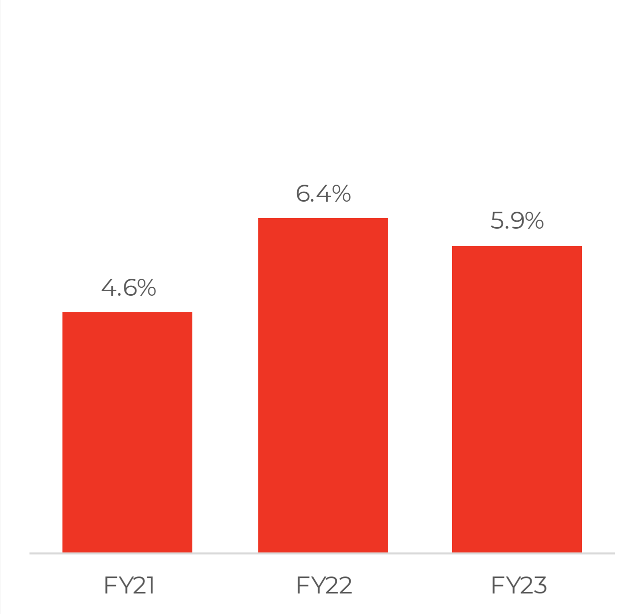
Our underlying costs increase in line with revenues following the acquisition of Coretex.

Customer acquisition cost (CAC) per unit



Higher cost per unit in FY23 reflects the lag between the costs spent to acquire a customer and the recognition of a new unit added following installation. This is particularly pronounced with large enterprise wins.

Cost to support & service as a % of revenue

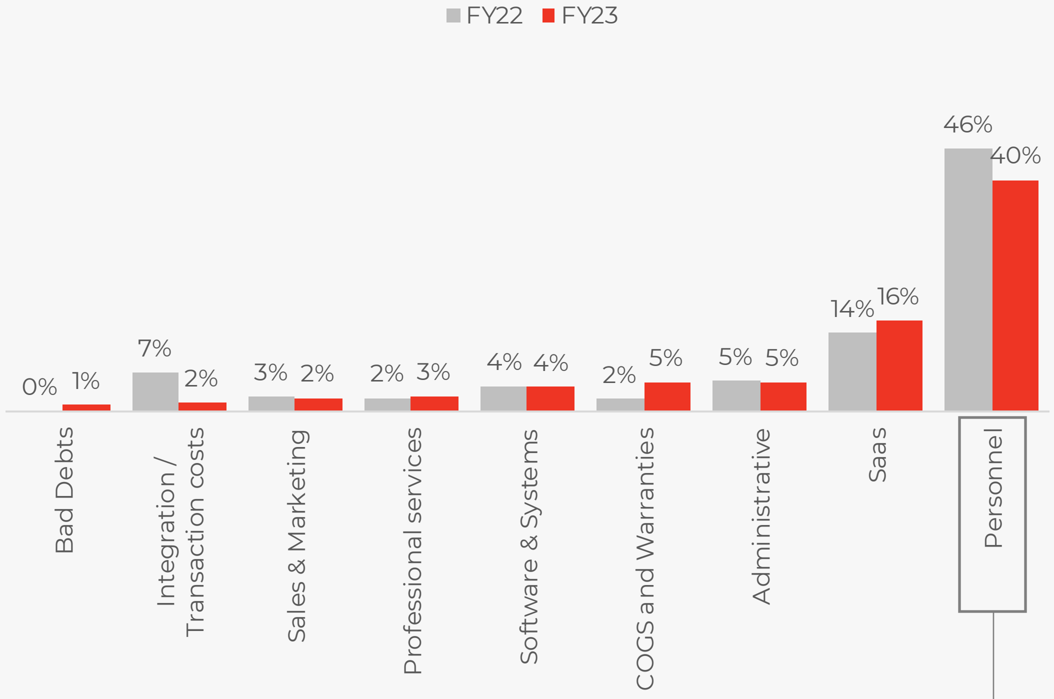


The decline over the prior year reflects savings from driving efficiencies and the cost-out program.

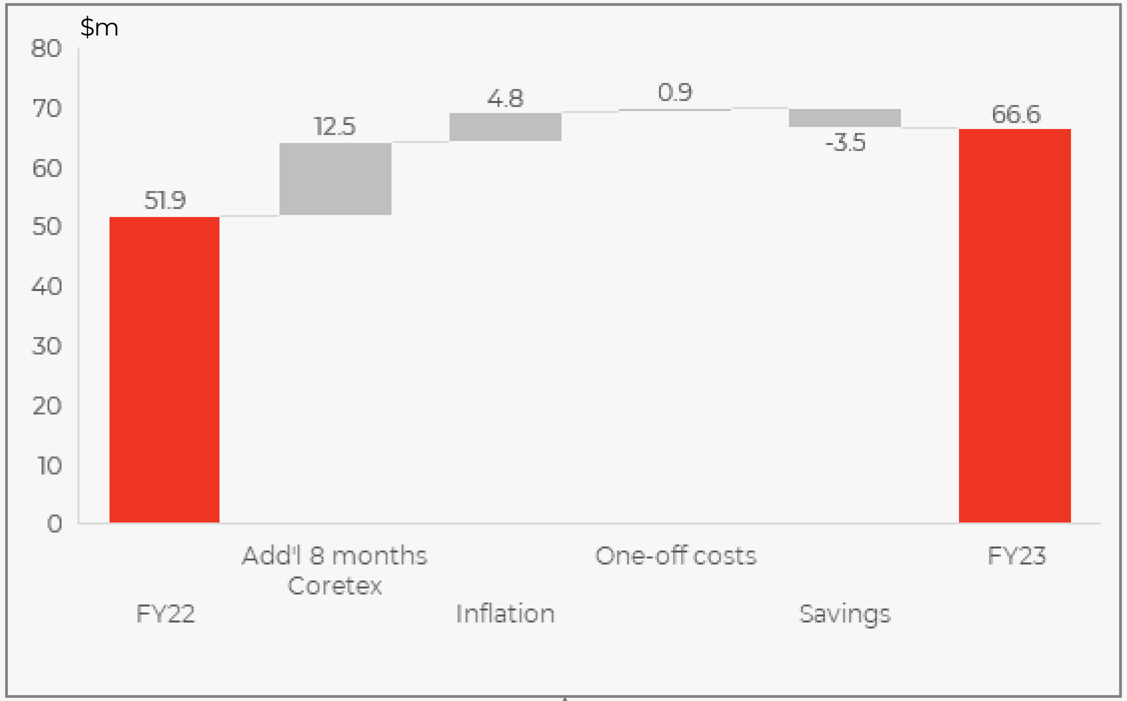
Operating Costs

COST-OUT PROGRAM HAS HELPED TO RE-ALIGN COST BASE FOR IMPROVED PROFITABILITY

Operating cost as a % of normalised revenue[1]



Cost-out program estimated impact on Personnel costs



COGS increased due to the higher proportion of hardware sales following acquisition of Coretex

Personnel Costs driven by Coretex (pcp includes only four months), partially offset by cost-out. Annualised cost-out for FTE estimated to be $9.6m

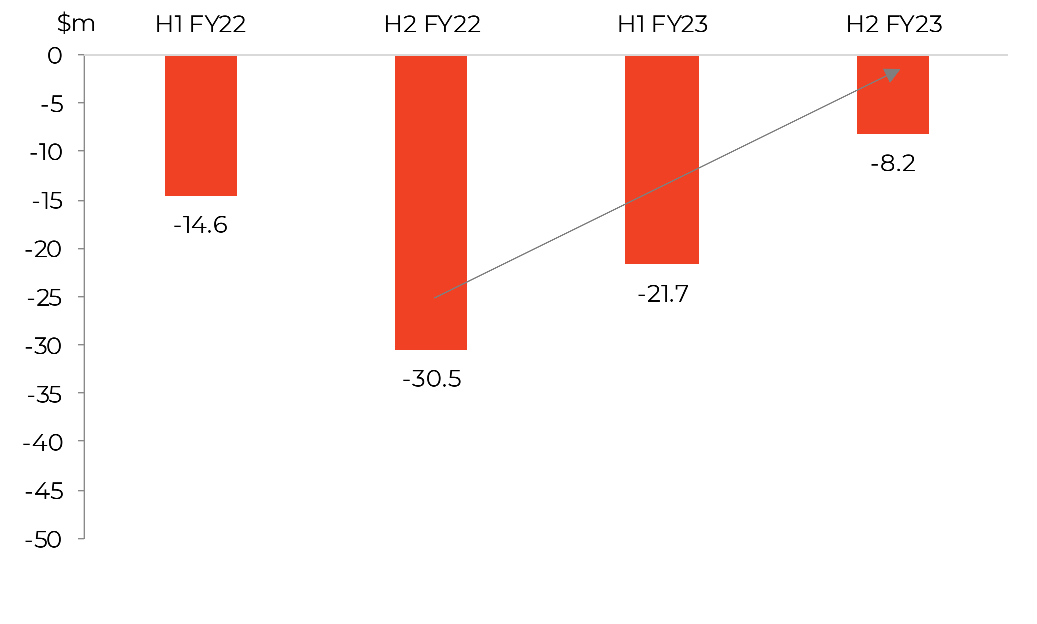
Full impact of FY23 savings should allow EROAD to grow revenue while holding operating costs at current levels

[1] Revenue normalised for $9.6m in FY23 and $1.3m in FY22, respectively, relating to accounting adjustment for contingent consideration

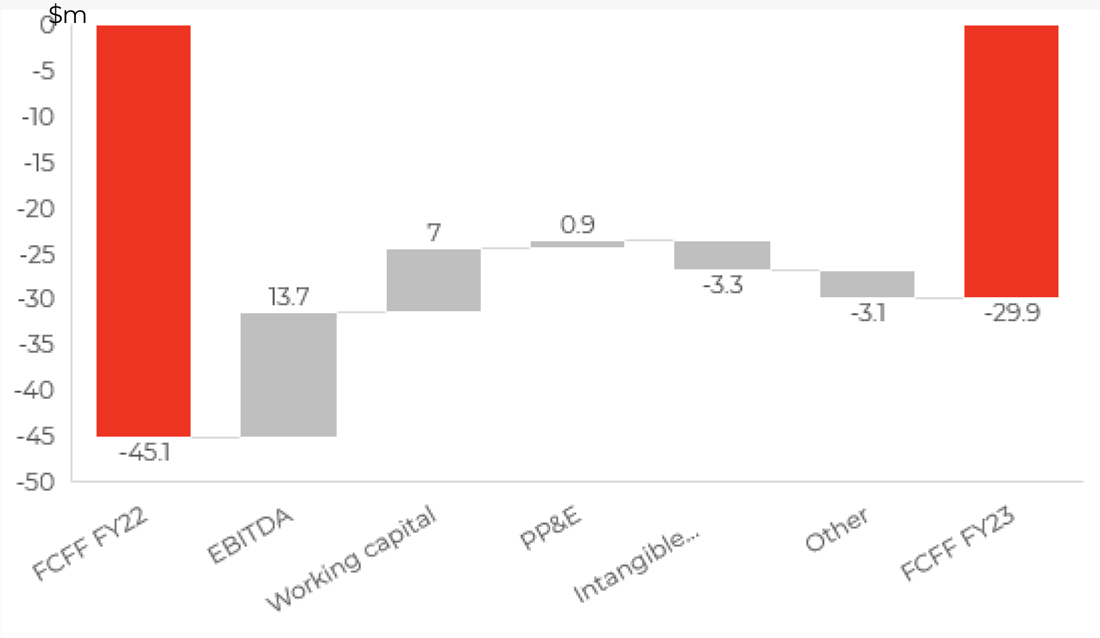
Cash Flow Bridge

CASH FLOWS IMPROVED SIGNIFICANTLY OVER THE COURSE OF FY23 & CONTINUE IN RIGHT DIRECTION

Cost-out program driving improvement in free cash flow to the firm[1]



Free cash flow to the firm[1] FY22 to FY23



EBITDA increased due to full year of Coretex results, organic growth of 18k units, and operating cost savings ($3.5m impact in the period). The full impact of FY23's cost-out program will impact FY24 and is expected to be partially offset by inflationary impacts and investment in North America.

R&D increased due to temporarily higher spending related to integration of the Coretex and EROAD platforms. R&D is budgeted to reduce from $37.2m in FY23 to ~$30m in FY24 as integration is completed and efficiencies created.

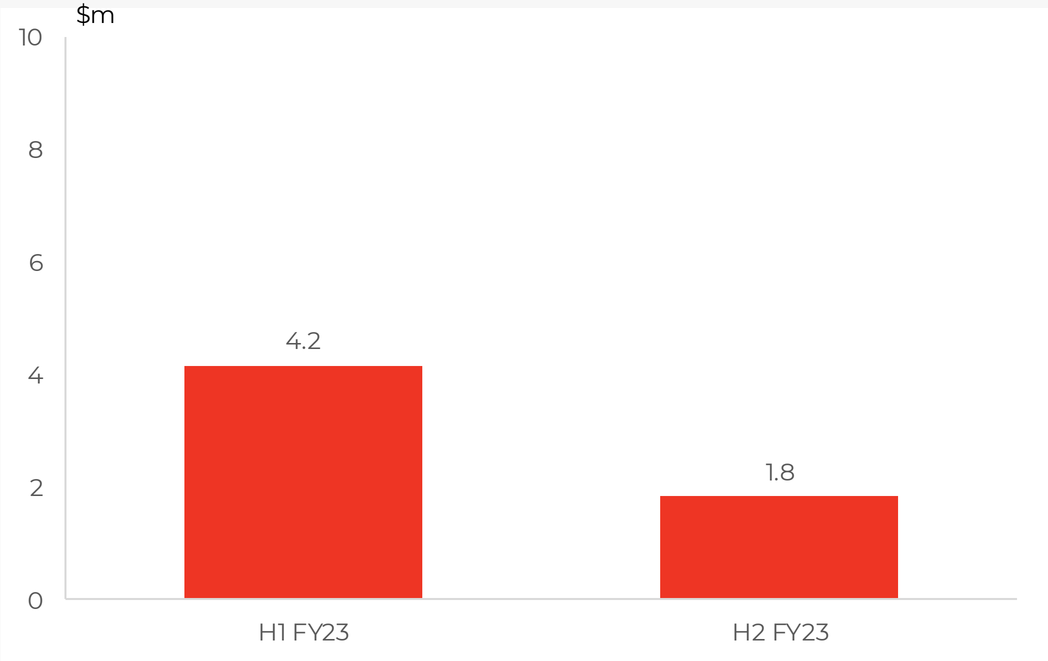
PP&E remained flat as investment in inventory in the prior year was utilised for new units in the current year. It is expected that as EROAD grows and the 3G replacement program accelerates, inventory (assets under construction) will decrease over FY24.

[1] Normalised for Coretex acquisition payments

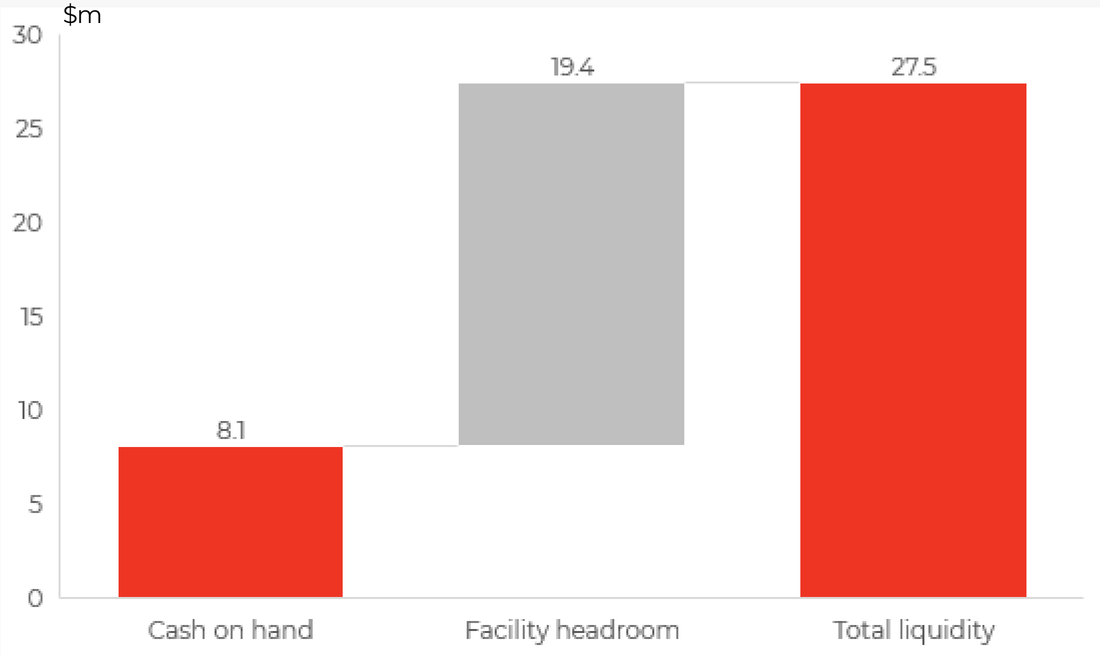
Debt

REDUCING CASH BURN STRENGTHENS FUNDING CAPACITY AND STRATEGIC PLANS CAN BE EXECUTED WITHIN $90M DEBT FACILITY

Normalised[1] monthly cash burn has improved



Sufficient liquidity to fund strategic plan



Consistent cash burn improvement and total liquidity of $27.5m allow EROAD to fund strategic goals within its existing capital structure.

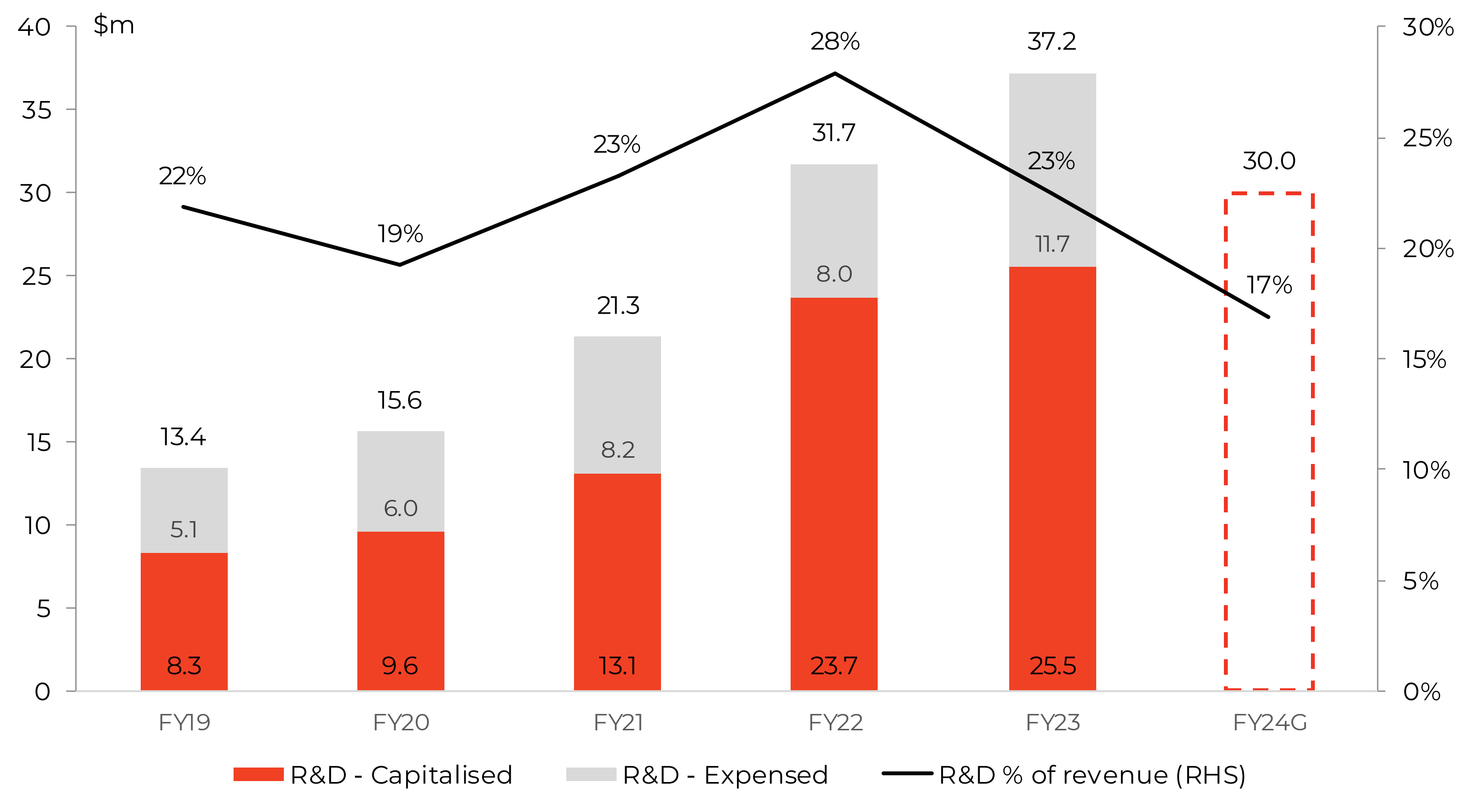
EROAD remains compliant with all debt covenants for its $90m syndicated credit facility.

(1) Normalised for $8.5m contingent consideration related to the Coretex transaction, paid in December 2022.

R&D

R&D % OF REVENUE IMPROVES AS RE-FOCUSING INITIATIVES DRIVE EFFICIENCY

Research & Development decreasing as % of revenue on strategic shift



Commentary

- Total R&D spend of $37.2m in FY23 is inclusive of a full year of Coretex's results and temporarily elevated integration spend.
- Integration related R&D work was $8.1m in FY23, of which $7.7m was capitalised.
- R&D of $30m in FY24 equates to 17% of the mid-point of FY24 revenue guidance ($175-180m).

3G Hardware Replacement

UNIT REPLACEMENT PROGRAM PROGRESSING TO PLAN, WITH 37% OF ALL UNITS IN ANZ ALREADY 4G COMPATIBLE

Upgrades to ANZ network

- With One New Zealand (formerly Vodafone New Zealand) turning off its 3G service in August 2024, EROAD is accelerating the swap-out of older model products over a 2-3 year period.
- Telstra Australia will be turning off its 3G network in June 2024.
- Requires $25-$30m total investment of which $5-$7m is COGS and program operating costs; current inventory includes ~$6m of finished goods and componentry to facilitate replacement hardware.
- ~$7-$9m of hardware cash flows would have been incurred through normal unit exchange program over the 2-3 year period with the remainder related to bringing future renewal events forward.

FY23 Progress and FY24 Expectations

- As at 8 May, 37% of all units in ANZ were 4G compatible.

NZ$m	FY24	FY25	FY26
Expected investment (Hardware + Program costs)	**$11–$13m**	**$8–$10m**	**$5–$7m**

Accelerated replacement program costs are one off and relate specifically to the 3G Network shutdown

Integration Progress

INTEGRATION WITH CORETEX REALIGNED TO STRATEGIC PRIORITIES & PROGRESSING WELL

Background

- Following the acquisition of Coretex in December 2021, integration was planned within 12-18 months initially focused on promoting the Coretex 360 platform and CoreHub hardware solution as EROAD's next generation product in NA to drive sales momentum

Progress update

- We have created a comprehensive integration platform that enables us to sync data and product features across both platforms, including telematic data
- This new integration platform enables us to share the best of capabilities across existing EROAD and Coretex customers. This approach enables us to advance toward a single set of products, features and user experience
- Due to realignment of strategic priorities, some of the integration streams are now planned to complete outside of the initial 18 month window
- Focus has remained on the areas of integration which allow us to seize opportunities presented by the customer and market

INTEGRATION STREAM	PROGRESS
Personnel	Complete
Locations & Assets	Complete
Integrated product platform	Complete
Sales Backoffice / Systems	Complete
Data ingestion engine	On track
Brand Retirement	On track
Operational Backoffice / Systems	Paused

02 Strategy Update

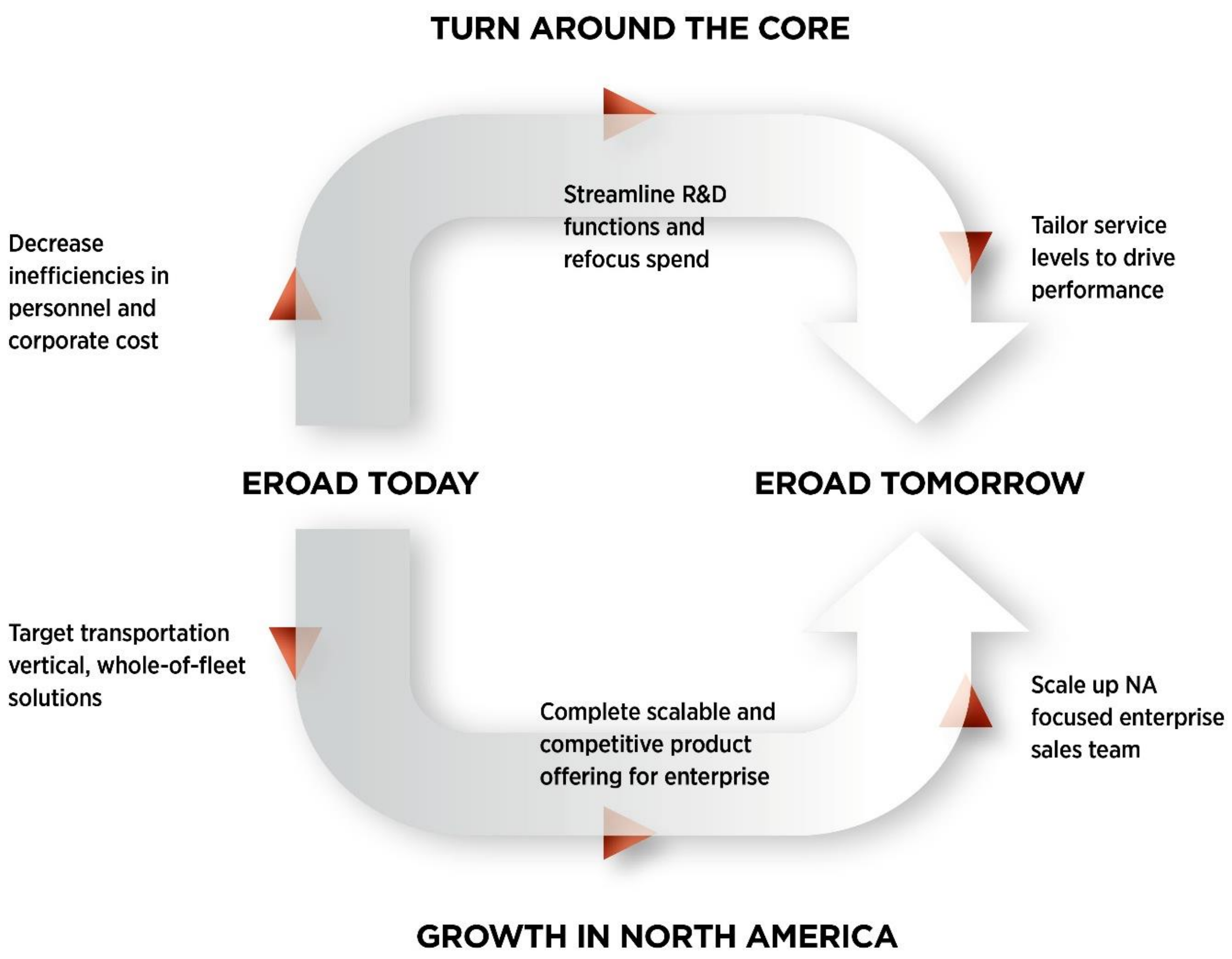
Repositioning To Generate Cash & Drive Growth

RIGHT-SIZING THE FOUNDATIONS TODAY ALLOWS EROAD TO SCALE EFFICIENTLY, RESPOND TO MARKET DRIVERS QUICKER AND BE MORE AGILE TO CUSTOMER NEEDS

PLATFORM TODAY

Multiple solutions supporting range of offerings, custom builds for large fleets

Development of software & hardware, with long time to market (1yr+)



PLATFORM TOMORROW

Scalable platforms centred around verticals supporting fast customisation

More focus on software development for scalability, quicker time to market (<8 months)

Strategy Timeframe

OPTIMISING BUSINESS OPERATIONS UNDERWAY, AFTER WHICH RESOURCES CAN BE DEPLOYED TO ACHIEVE SCALEABLE GROWTH

Turnaround the core

Future Growth

Approach	**Corporate overhead reduction**	**Efficiency in ANZ / Growth in NA**	**Growth in NA Verticals**
Timing	FY23	FY24	~3-5 years
Value focus	• Headcount reduction • Overhead expense reduction	• Customer service segmentation • Accelerated replacement program execution • Product stabilisation and simplification • Rollout Sysco and retain North American enterprise customers • Ongoing cost-out	• Growth in large enterprise customer base • Capitalise on sales and product improvements made • Rationalisation of cost base • Economies of scale on development, other functions
Annualised savings	• $10m completed	• $10m targeted	

Cost-out Program

ALREADY HALFWAY THROUGH COST-OUT PROGRAM, WITH TARGETED PLANS FOR THE REMAINING $10M

FY23: Completed $10m (annualised) cost-out

- **Right-sized personnel**
  - Reduced actual and planned positions (approximately 75 FTE)
- **Reduced sub-contractor spend**
  - 40% reduction in run-rate spend
- **Property footprint reduction**
  - Closed Portland, OR office and consolidated Albany, NZ site
- **Optimised mobile data usage**
  - Negotiated alternative cellular pricing for our camera product
  - Negotiated data plan more in-line with our merged consumption pattern
- **De-prioritised business systems investment**
  - Removed low-priority business systems

FY24: Targeted $10m (annualised) cost-out

- **Product simplification**
  - Consolidate product suite and eliminate duplication
- **Corporate efficiency**
  - Streamlining processes and systems
  - Focus on return on investment
- **Supplier renegotiation**
  - Merger has created opportunities to negotiate joint contracts
  - Contract manufacturing cost reductions
- **Expense rationalisation**
  - Discretionary travel, computer subs, and other expenses

03

Trading Update & Outlook

Outlook & Guidance

COMMITTED TO DELIVERING A PATH TO SUSTAINABLE, PROFITABLE GROWTH

North America strategic partnership update

- EROAD has undertaken a review to identify partnership options to contribute a combination of additional market access, expertise and capital to gain further growth in the North American market.
- The review is currently ongoing as the company evaluates a number of options. We will provide further updates to the market when appropriate.

Guidance

- FY24 revenue guidance announced:
  - Revenue growth of between 6 – 9%
  - Cost-out program to continue
  - EBIT of $0m to $5m normalised for accelerated 3G replacement program

Free Cash Flow neutral by FY25, positive by FY26

- Implementation of refreshed strategy will provide pathway to sustainable, profitable growth.

FY24 Guidance	
Revenue	$175m – $180m
Normalised EBIT	$0m to $5m
R&D spend	$30m

04

Appendix

EROAD

Statement of Income

NZ$m	FY23	FY22	Change ($)
Revenue	174.9	114.9	60.0
Operating expenses	(129.7)	(93.9)	(35.8)
Earnings before interest, taxation, depreciation and amortisation	**45.2**	**21.0**	**24.2**
Depreciation of property, plant and equipment	(17.2)	(10.4)	(6.8)
Amortisation of intangible assets	(17.9)	(11.0)	(6.9)
Amortisation of contract and customer aquisition assets	(8.4)	(6.8)	(1.6)
Earnings/(loss) before interest and taxation	**1.7**	**(7.2)**	**8.9**
Net financing costs	(6.8)	(3.2)	(3.6)
Profit/(loss) before tax	**(5.1)**	**(10.4)**	**5.3**
Income tax benefit/(expense)	2.1	0.8	1.3
Profit(loss) after tax for the period attributable to the shareholders	**(3.0)**	**(9.6)**	**6.6**
Items that are or may be reclassified subsequently to profit or loss	**2.7**	**(0.3)**	3.0
Total comprehensive income / (loss) for the period	**(0.3)**	**(9.9)**	**9.6**

Revenue increased $60m primarily due to the inclusion of a full year of Coretex revenue versus only four months in the prior year.

Strength of the USD has resulted in increased revenue of approximately $7.5m.

The change in the commercial model through the Coretex acquisition resulted in revenue of $6.3m of outright hardware sales with no term being recognised in the year (rather than spread over 3 years if sold under the EROAD rental model).

EBITDA increased $24.2m on the benefit of cost reductions in the second half of this financial year with operating expenses increasing year on year tracking lower than revenue growth.

D&A increased $15.3m on the additional units and intangibles from the acquisition of Coretex depreciated for a full 12 months as well as unit growth during FY23. Amortisation expense in FY23 includes accelerated amortisation of $0.9m to reflect the impact of an enterprise customer churn

Interest increased $3.6m in line with increased borrowing in the period as well as movements in the interest rates and the recognition of $0.8m for the discount unwind of the cash contingent consideration in the period.

Cash Flow Statement

NZ$m	FY23	FY22	Change ($)
Cash received from customers	165.2	109.4	55.8
Payments to suppliers and employees	(128.9)	(92.2)	(36.7)
Investment in contract fulfilment assets	(7.6)	(5.7)	(1.9)
Net interest	(4.6)	(2.8)	(1.8)
Income taxes paid	0	(0.1)	0.1
Cash flows from operating activities	**24.1**	**8.6**	**15.5**
Property, plant & equipment	(27.5)	(28.4)	0.9
Investment in intangible assets	(28.2)	(24.9)	(3.3)
Contract fulfilment and customer acquisition assets	(2.9)	(3.2)	0.3
Investment in Coretex, net of cash acquired	(8.5)	(72.4)	63.9
Cash flows from investing activities	**(67.1)**	**(128.9)**	**61.8**
Bank loans	38.5	(2.9)	41.4
Payment of lease liability	(1.3)	(1.6)	0.3
Issue of equity	0	85.0	(85.0)
Cost of raising capital	0	(3.4)	3.4
Cash flows from financing activities	**37.2**	**77.1**	**(39.9)**
Net increase (decrease) in cash held	(5.8)	(43.2)	37.4
Cash at the beginning of the financial period	13.9	57.1	(43.2)
Effects of exchange rate changes on cash	0	0	0
Closing cash and cash equivalents	**8.1**	**13.9**	**(5.8)**

Operating CF increased $15.5m primarily due to the inclusion of a full year of Coretex results versus only four months in the prior year and organic growth.

Investing CF decreased $61.8m on the acquisition of Coretex in the prior year comparable period.

Investment in intangible assets reflects the 12 months of integration activity versus only four months in the prior year.

Financing CF decreased $39.9m on the equity raise to partially fund the acquisition of Coretex in the prior year offset by increased borrowings.

Balance Sheet

NZ$m	FY23	FY22	Change ($)
Cash	8.1	13.9	(5.8)
Restricted bank accounts	11.6	14.7	(3.1)
Costs to acquire and contract fulfilment costs	7.6	5.7	1.9
Other	34.4	27.2	7.2
Total current assets	**61.7**	**61.5**	**0.2**
Property, plant and equipment	77.8	61.7	16.1
Intangible assets	242.1	231.4	10.7
Costs to acquire and contract fulfillments costs	5.8	5.2	0.6
Other	15.4	10.3	5.1
Total non-current assets	**341.1**	**308.6**	**32.5**
Total assets	**402.8**	**370.1**	**32.7**
Payable to transport agencies	11.9	15.0	(3.1)
Contract liabilities	19.4	11.9	7.5
Borrowings	70.6	32.1	38.5
Other liabilities	52.1	63.4	(11.3)
Total liabilities	**154**	**122.4**	**31.6**
Net assets	**248.8**	**247.7**	**1.1**

PP&E increased $16.1m partially due to responding to global supply chain uncertainties over the past 12-18 months that have driven growing inventory levels to ensure security of stock, as well as the ongoing growth from new hardware leasing.

Inventory balance at 31 March 2023 was $27.8m.

Contract fulfillment & customer acquisition assets increased $2.5m reflecting growth and renewals

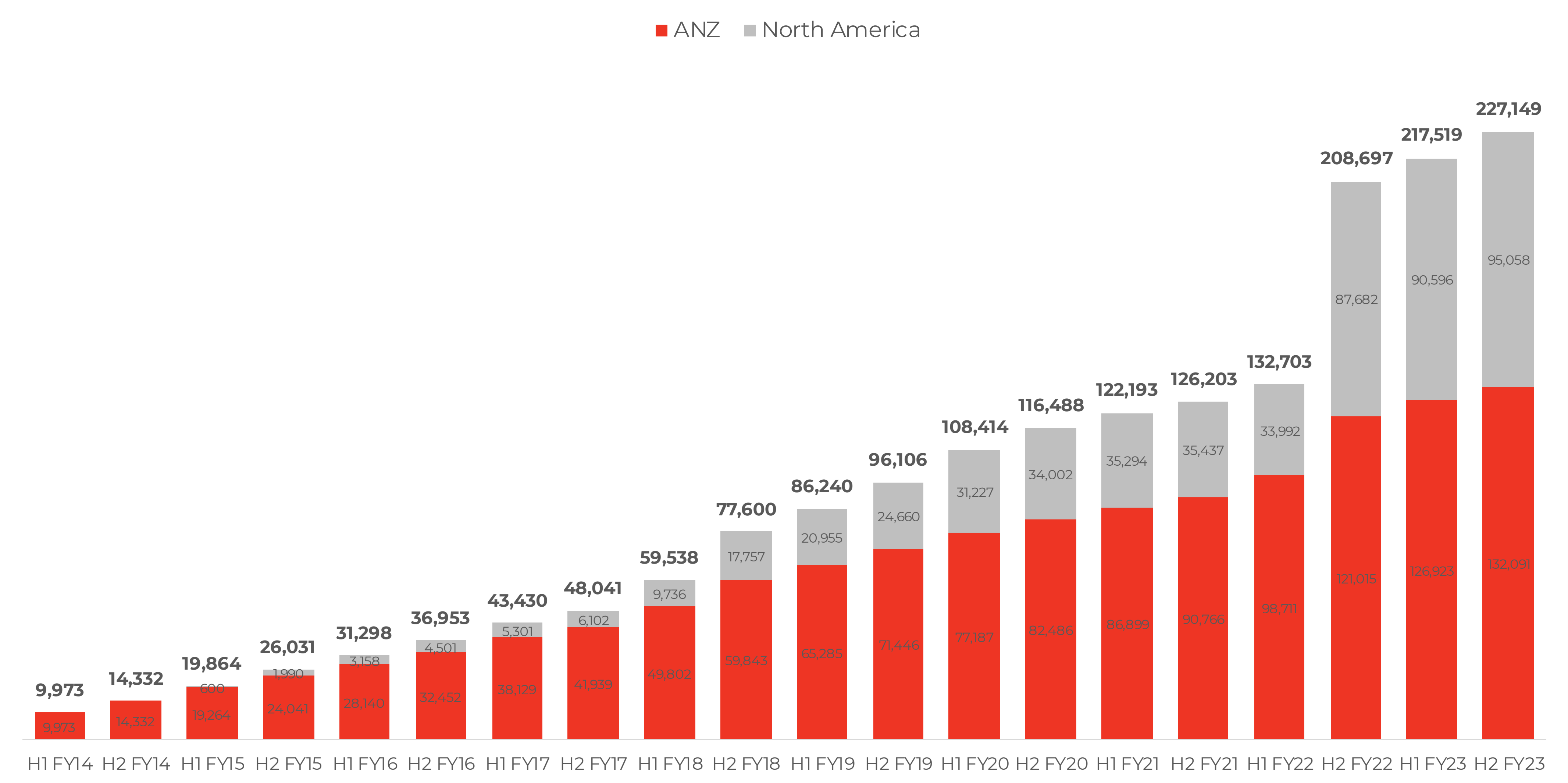
Borrowings increased by $22.9m since H1 FY23 largely due to contingent consideration cash settlement of $8.5m paid on 23 December 2022, and the remaining balance reflects cash burn requirements for inventory purchasing and other operating expenses

Other liabilities at year-end FY22 included the contingent consideration in relation to the acquisition of Coretex which was settled on 23 December 2022.

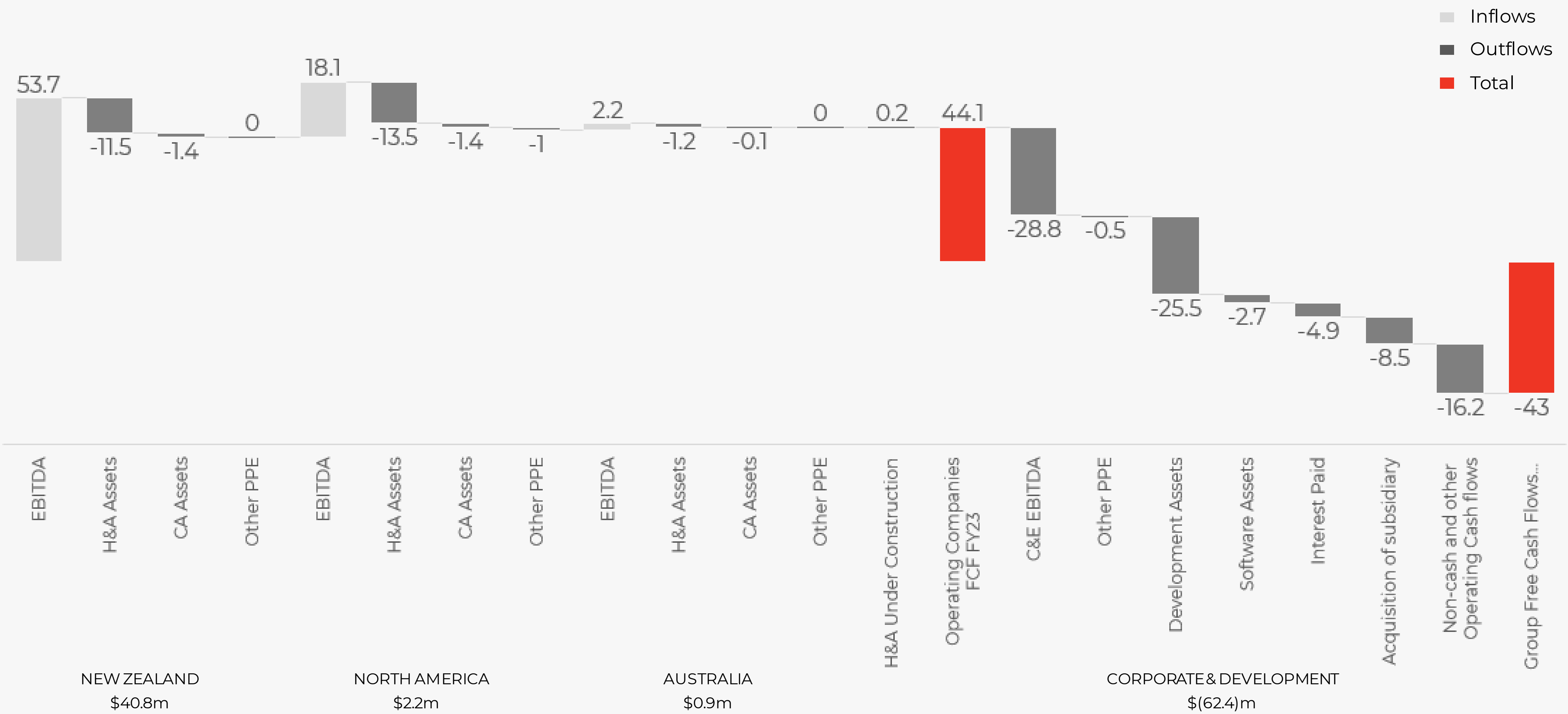
ARPU Trend

NZ$m	NZ$		Local $	
	FY22	FY23	FY22	FY23
North American ARPU	NZ$56.38	NZ$58.77	US$39.02	US$36.65
New Zealand ARPU	NZ$56.45	NZ$55.70	NZ$56.45	NZ$55.70
Australian ARPU	NZ$38.99	NZ$46.35	A$36.69	A$42.27

Unit Count


ANZ
North America
9,973
14,332
19,864
26,031
31,298
36,953
43,430
48,041
59,538
77,600
86,240
96,106
108,414
116,488
122,193
126,203
132,703
208,697
217,519
227,149
9,973
14,332
600
19,264
1,990
24,041
3,158
28,140
4,501
32,452
5,301
38,129
6,102
41,939
9,736
49,802
17,757
59,843
20,955
65,285
24,660
71,446
31,227
77,187
34,002
82,486
35,294
86,899
35,437
90,766
33,992
98,711
87,682
121,015
90,596
126,923
95,058
132,091
H1 FY14
H2 FY14
H1 FY15
H2 FY15
H1 FY16
H2 FY16
H1 FY17
H2 FY17
H1 FY18
H2 FY18
H1 FY19
H2 FY19
H1 FY20
H2 FY20
H1 FY21
H2 FY21
H1 FY22
H2 FY22
H1 FY23
H2 FY23

Free Cash Flow By Region



H&A Assets - Hardware & Accessory Assets • CA Assets - Customer Acquisition Assets • CE EBITDA – Corporate and Elimination EBITDA • H&A under Construction - Hardware & Accessories +/_ Inventories

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.

CHURN
The inverse of the asset retention rate.

COREHUB
EROAD's next generation telematics hardware that collects rich data, meets electronic logging device certification.

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.

CY (CALENDAR YEAR)
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 telematics hardware. EHUBO is a trade mark registered in New Zealand, Australia and the United States.

ELECTRONIC LOGGIING DEVICE (ELD)
An electronic solution that synchronises with a vehicle engine to automatically record driving time and hours of service records

ENTERPRISE
A customer where the $AMRR is more than $100k in NZD for the Financial year reported

FREE CASH FLOW
A non-GAAP measure representing operating cash flow and investing cash flow reported in the Statement of Cash Flows.

FREE CASH FLOW TO THE FIRM
A non-GAAP measure representing operating cash flow and investing cash flow net of interest paid and received. For the purposes of this presentation, payments for the acquisition of Coretex have been excluded.

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 2 of the FY23 Financial Statements.

FY (FINANCIAL YEAR)
Financial year ended 31 March.

H1 (HALF ONE)
For the six months ended 30 September.

H2 (HALF TWO)
For the six months ended 31 March.

LEASE DURATION
Future contracted income as a proportion of reported revenue.

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 FY23 Financial Statements, by the TCU balance at the end of each month during the year.

NORMALISED EBITDA
Excludes one-off items including acquisition accounting revenue ($9.6m) and integration costs ($3.4m). FY22 normalisations include acquisition accounting revenue ($1.3m), due diligence costs ($2.0m), transaction costs ($1.6m), and integration costs ($4.0m).

NORMALISED EBITDA MARGIN
Excludes one-off items, consistent with the definition provided for Normalised EBITDA

NORMALISED REVENUE
Excludes the one-off acquisition accounting revenue in FY23 ($9.6m).

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 and Coretex 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).

360
A web-based platform that allows customers to access data collected by CoreHub and the associated reports.

EROAD acknowledges the Indigenous Nations, First Peoples, Tangata Whenua and Custodians of the lands and waterways on which our offices reside in New Zealand, Australia and the United States of America. We express gratitude and appreciation to these peoples for sharing their culture and traditions and stewarding these lands. We recognise and pay respect to their elders, past, present and emerging.

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