



EROAD

EROAD strengthening focus on ANZ opportunities

AUCKLAND, 17 October 2025: EROAD today announced actions to enhance its focus on capturing the significant emerging opportunity in electronic road user charging (eRUC), including:

- a strategic change in focus towards ANZ opportunities;
- changes to Governance and Management; and
- an update to FY26 Guidance and timing for EROAD 2026 Investor Day.

Strategic change in focus towards ANZ opportunities

EROAD was founded on road user charging and is the market leader in New Zealand's eRUC system. With governments in both New Zealand and Australia moving toward usage-based and time-of-use charging, EROAD is uniquely positioned to lead.

In the near-term, EROAD plans to prioritise new growth investment to ANZ to move quickly and capture this opportunity. This focus is further supported by increasing enterprise momentum in ANZ.

North America remains an important market for EROAD, however due to a variety of market conditions elongating enterprise sales cycles, growth activity in the region has not delivered within expected timeframes. North American resources will remain focused on delivering for our customers and partners, deepening relationships, and exploring further growth opportunities in cold-chain.

Mark Heine said, "I am incredibly excited by the opportunities ahead at EROAD, as we focus on what matters most to our customers and our growth. Building on EROAD's legacy and credibility in eRUC is particularly energising. As the world continues to trend towards more fuel-efficient vehicles, the need to fund global infrastructure sustainably and more equitably creates significant opportunity for EROAD. We see the 4.6m vehicles in New Zealand as the perfect place to start."

Changes to Governance and Management

To support the opportunity, and streamline strategic execution, the Board has made changes to governance and management. John Scott has been appointed as Executive Chair of the Board of Directors, effective immediately¹. The Board has determined that after a period of no longer than nine months, John Scott will revert to non-executive Chair of the Board of Directors.

John Scott, based in Auckland, New Zealand, was appointed to the Board in February 2025 as an independent director. This followed the Board's search for a director with deep technology experience, to capitalise on the opportunities in the rapidly evolving telematics sector globally.

John has held senior executive and CEO roles across several New Zealand technology companies, most recently as CEO of Invenco. He has a strong background in product innovation, scaling global businesses and driving strategic change. As Executive Chair, John brings a wide network of technology peers, practical product insight and commercial discipline. This appointment further equips EROAD's capability to execute at this key strategic juncture. John also serves as Chair of two other technology companies.

John Scott said, "Since joining the Board I've seen first-hand the scope of opportunities that EROAD is focused on. EROAD is a company solving real problems for some of the largest and most complex fleets. The potential to take that further is enormous. Stepping into the role of Executive Chair means that I can support management at this crucial time, as we move at pace for this exciting opportunity ahead."

Former Chair Susan Paterson, who served as Chair since 2023, steps back into her role as Director, and will Chair the People and Culture Committee.

"Susan oversaw the execution of a disciplined strategy to turn around EROAD and return it to profitability. The strong balance sheet and positive free cash flow that has been built leaves EROAD in a solid position to execute on new opportunities. The Board and I thank Susan for her role as Chair and look forward to her continued service on the Board," noted John Scott.

Together with John's appointment as Executive Chair, Mark Heine will serve as Chief Executive Officer. David Kenneson steps down from his role as Co-CEO effective 31 October 2025, to spend time with family and pursue the next chapter in his career. David expressed his gratitude to the EROAD team, Board, and Co-CEO, Mark Heine, for their partnership and shared commitment to strengthening the business. "It has been a privilege to serve alongside such a talented and dedicated team," said David. "Together, we've

¹ Appendix A provides further information on remuneration associated with the Executive Chair position

achieved significant milestones, positioning EROAD for continued growth and success. I will always be proud of what we accomplished and wish the company every success in the future."

The Board thanks David for his contributions during his tenure and wishes him well in his future endeavours.

Update to FY26 Guidance

The North American telematics market remains challenging due to a combination of competitive dynamics and economic conditions. EROAD is committed to maintaining and growing our existing customer relationships and continuing to win new customers where returns on investment are appropriate.

Prioritisation of new growth investment to the significant eRUC opportunity in ANZ, combined with a large legacy North American transport customer not renewing their contract in February 2026, is expected to lead to a slower growth rate in our business this year.

EROAD now expects:

FY2026 Guidance	Current	Previous
Revenue	\$197m - \$203m	> \$205m
Annualised Recurring Revenue (ARR)	\$175m - \$183m	> \$188m
Free Cash Flow Margin ²	5% - 8%	8% - 10%

As a consequence of the challenging US market that led to a change in guidance and consistent with the strategic change in focus, EROAD expects to record an impairment to carrying value of intangible assets relating to the North American region of up to \$150m.

Investor Day Update

EROAD updates the market that its previously announced Investor Day will be held in March 2026 to provide insights into the emerging eRUC opportunity and share further details of its strategic plan to capture this opportunity.

² Normalised for the 4G hardware upgrade program

EROAD is well positioned to support the New Zealand Government's recently announced plans to transition all 4.6 million vehicles to eRUC, a distance and weight-based system to replace fuel excise duties. EROAD currently collects approximately \$1 billion in RUC from commercial vehicle operators on the New Zealand Government's behalf each year. This initiative builds on EROAD's core capabilities and provides governments with alternatives to fund maintenance and development of transport infrastructure.

ENDS

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

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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

Appendix A

As Chair, John Scott will receive an annual fee of \$106,250 for his role as a Director of the Company and an additional \$106,250 for his role as Chair of the Board.

For his work in a temporary executive capacity, in addition to his role as Chair, John Scott has also entered into a separate consultancy agreement with EROAD for a weekly rate of \$7,913 (excluding GST) for an engagement period of up to 9 months, in-line with prevailing market rates for similar advisory work.

It is intended that in the near term, the Directors of EROAD will apply 50% of the fees to be paid to them in their capacity as Directors of EROAD, and any additional consultancy fees to be paid to Directors, to acquire shares in EROAD on market under a fixed share trading plan, reinforcing their belief in the company and the opportunities ahead.

Details of the remuneration of the CEO, Executive Chair and other directors will be included in the next remuneration report to be released alongside EROAD's FY26 Annual Report.