



EROAD



INVESTOR PRESENTATION

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EROAD North America

FULL YEAR RESULTS 2019

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.

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SIGNIFICANT CHANGE IN ACCOUNTING STANDARDS AND RESTATEMENT OF COMPARATIVES

Adoption of NZ IFRS 15 Revenue from Contracts with Customers and NZ IFRS 16 Leases had a significant impact on the way the Group recognises revenue and related costs for its customer contracts.

All comparative numbers (GAAP and non-GAAP) and growth rates referred to in this presentation refer to restated balances.

Further disclosure on the change and impact on prior year comparatives are disclosed in note 2 to the Financial Statements and in the appendix to this presentation.



A year of good progress delivers double-digit growth

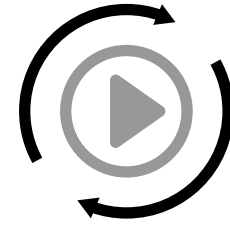


1

ANZ

Momentum continues in New Zealand

- Solid growth continues for the run-rate business in small-medium (SMB) fleets, via both new customers and upgrades.
- Health & safety offering continues to drive growth into lighter vehicle segment.

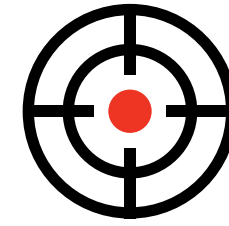


2

ANZ

Australia re-launch

- Re-launch plan successfully implemented.
- Launched specific products to address Australian regulations leading to encouraging pipeline and inclusion in funding trials.



3

NA

Focussed plan for run-rate business, first major enterprise rolling out

- Moved to geo-vertical strategy to build a highly focussed and sustainable run-rate business in SMB space.
- Targeting enterprise customers on a selective basis.
- Contracted largest customer to date, one of the largest privately owned fleets in NA.

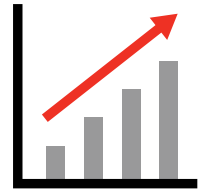


4

Global

Major investment in leadership

- EROAD made a major investment in leadership during FY19.
- The executive team is now fully established and positions EROAD for continued growth across all markets.



5

Global

Investing for next growth phase

- Substantial investments to enable scalable systems, processes, improved customer service and operating leverage.
- The established growth incubators for regulatory trials, data insights and new ventures are gaining traction across all markets.

Complexity made simple through EROAD's one platform

EROAD's in-vehicle telematics solution (Ehubo) collects data from the vehicle which is then transmitted via a secure cellular link and appears in a cloud-based web portal (Depot), for customer access and easy reporting

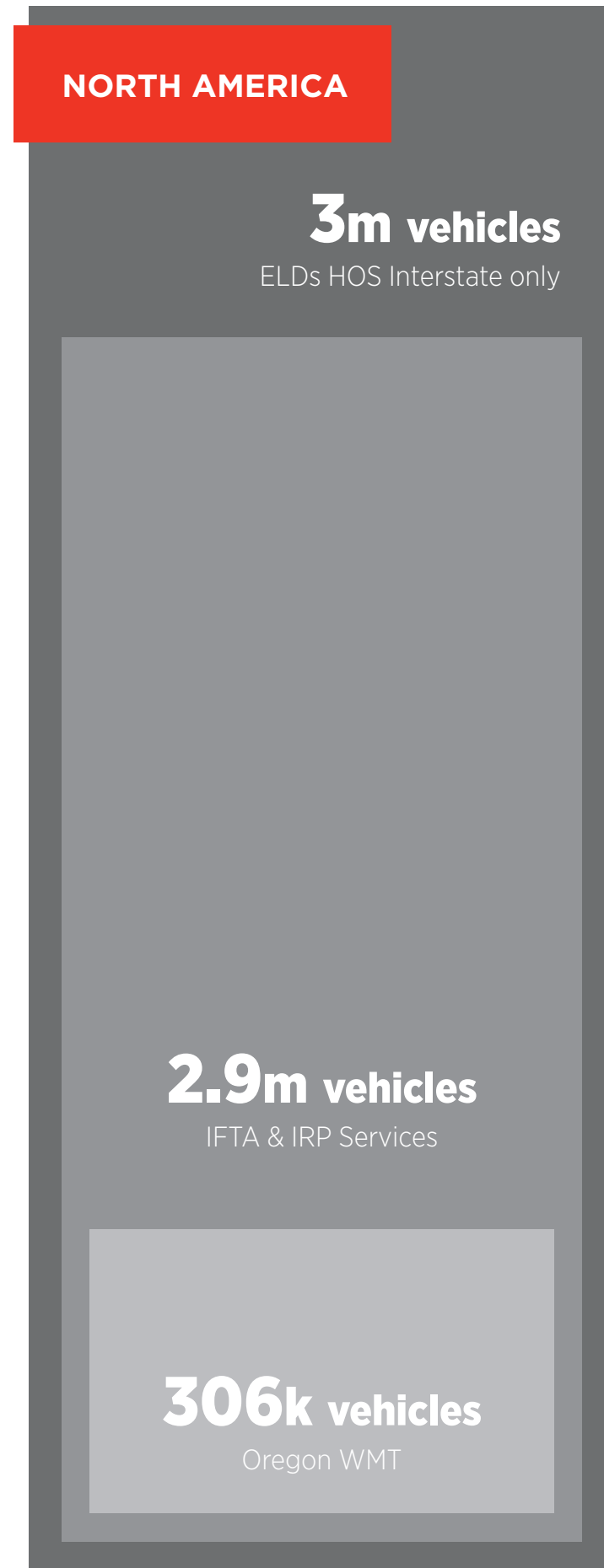
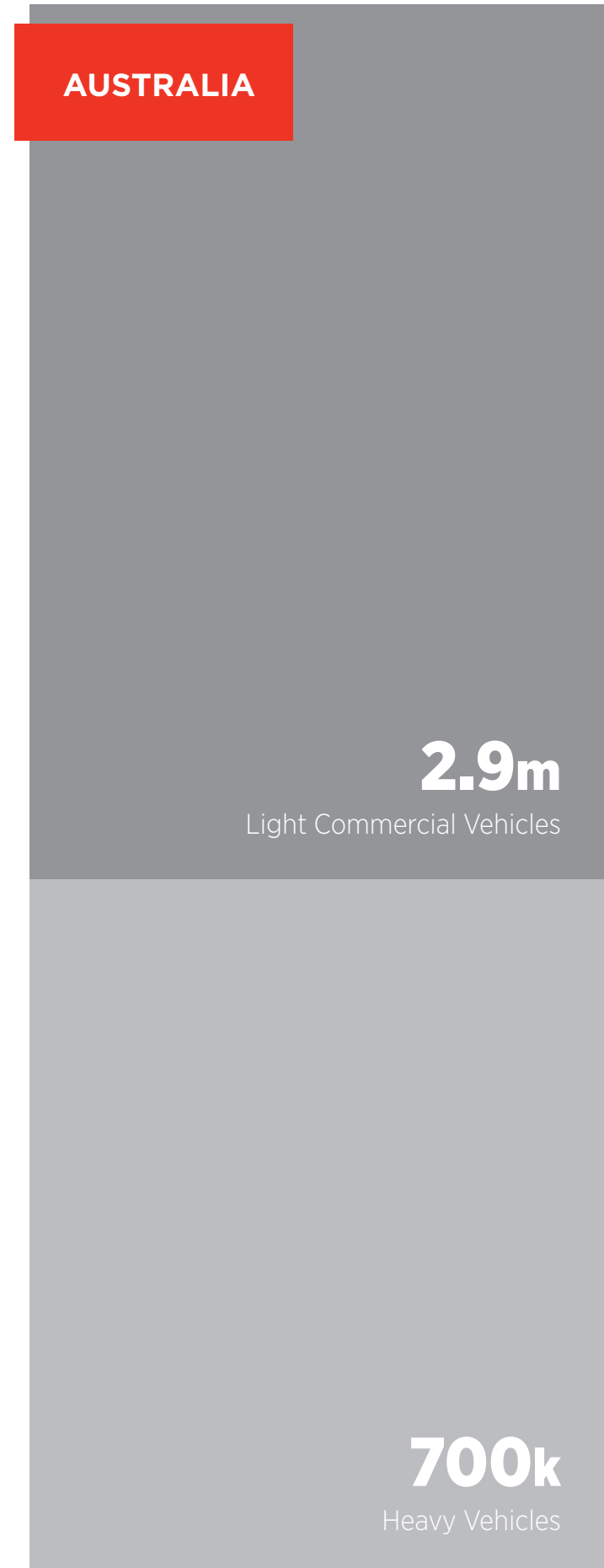
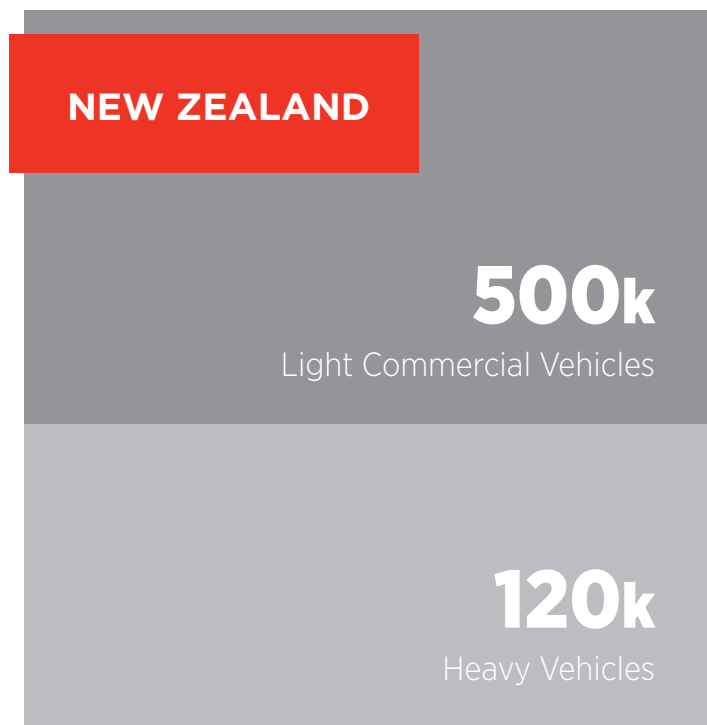
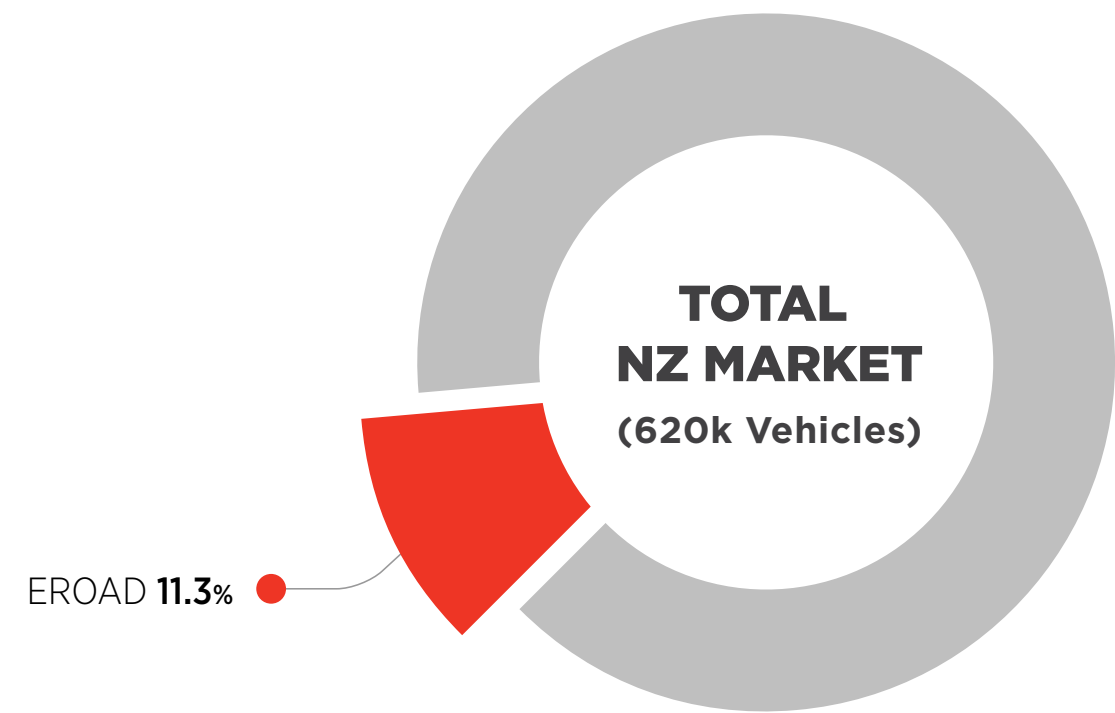
REGULATORY



COMMERCIAL



EROAD is operating in a **large and growing** Total Addressable Market (TAM)



CURRENT MARKETS

FUTURE MARKETS



TOP (left to right) Matt Dalton, Norm Ellis, Tony Warwood, Steven Newman, Alex Ball, Pip Gilbert
 BOTTOM (left to right) Mike Sweet, Jarred Clayton, Mark Heine, Genevieve Tearle

EROAD made a major investment in **leadership** during FY19

The executive team is now fully established and positions EROAD for **continued growth across all markets**

Steven Newman
 Chief Executive Officer

Alex Ball
 Chief Financial Officer

Jarred Clayton
 Chief Technology Officer

Matt Dalton
 EVP Operations

Norm Ellis
 President - NA

Pip Gilbert
 EVP Strategy

Mark Heine
 EVP General Counsel

Mike Sweet
 Chief People Officer

Genevieve Tearle
 Chief Marketing Officer

Tony Warwood
 General Manager - ANZ

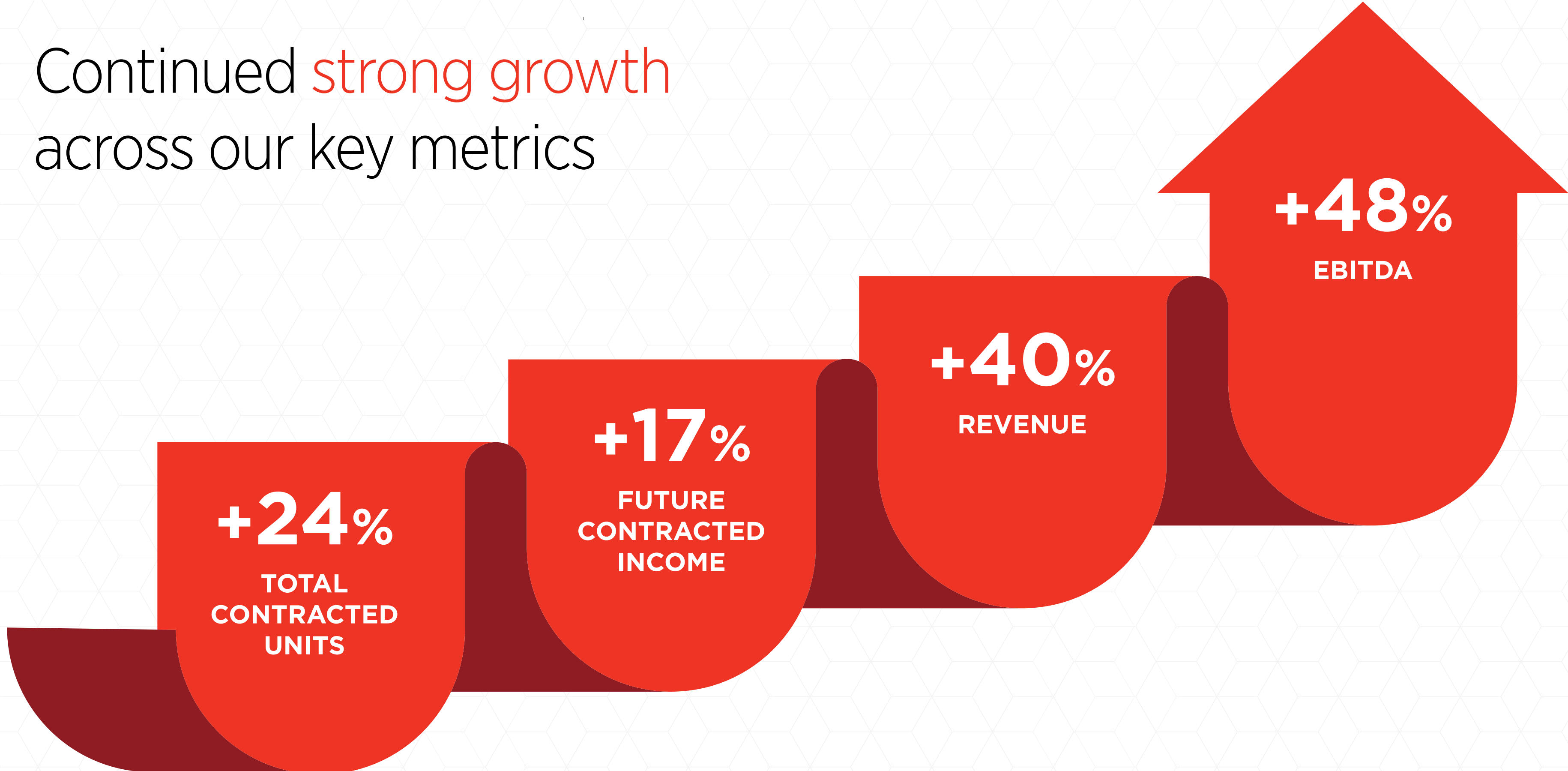
“

EROAD fleet tracking is fantastic. It's creating more and more information that's really beneficial to our fleet.

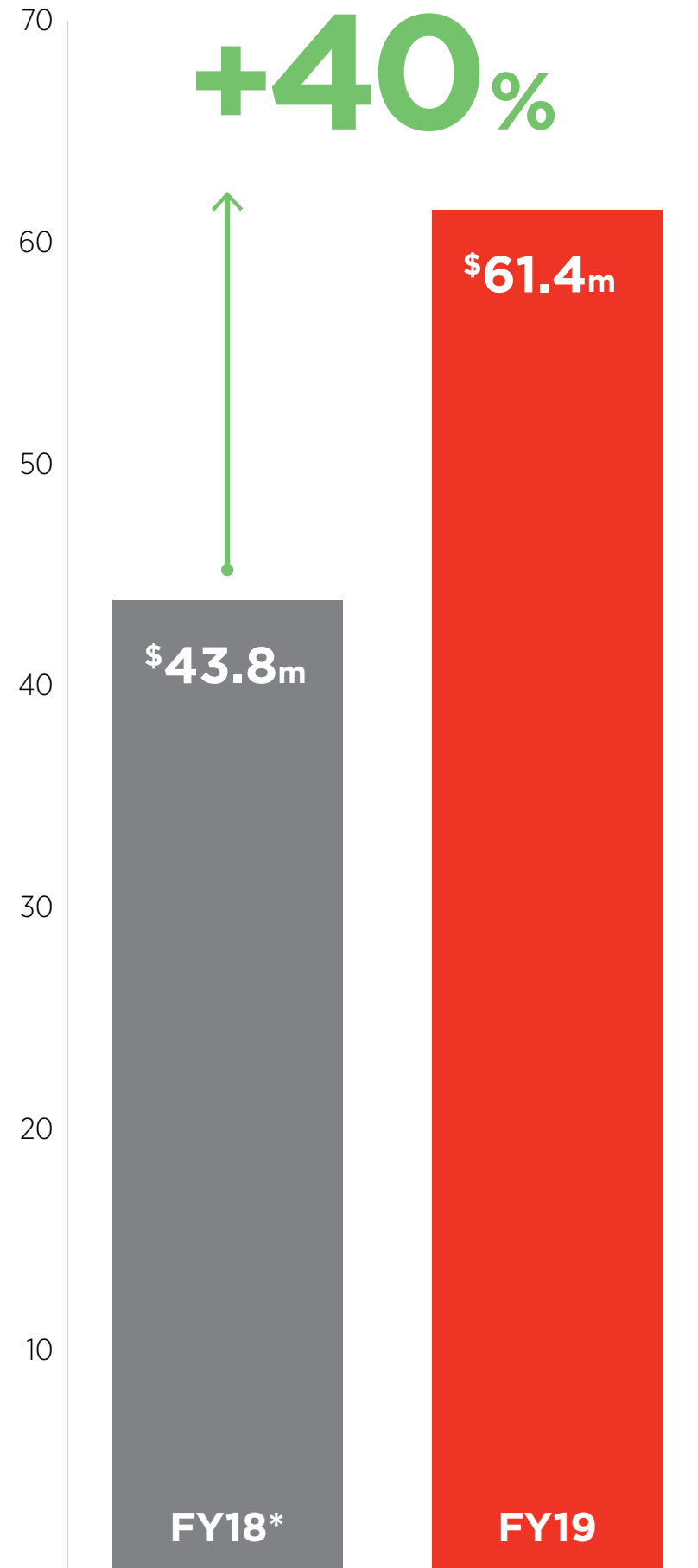
Crown Relocations • New Zealand

**RESULTS
SUMMARY**

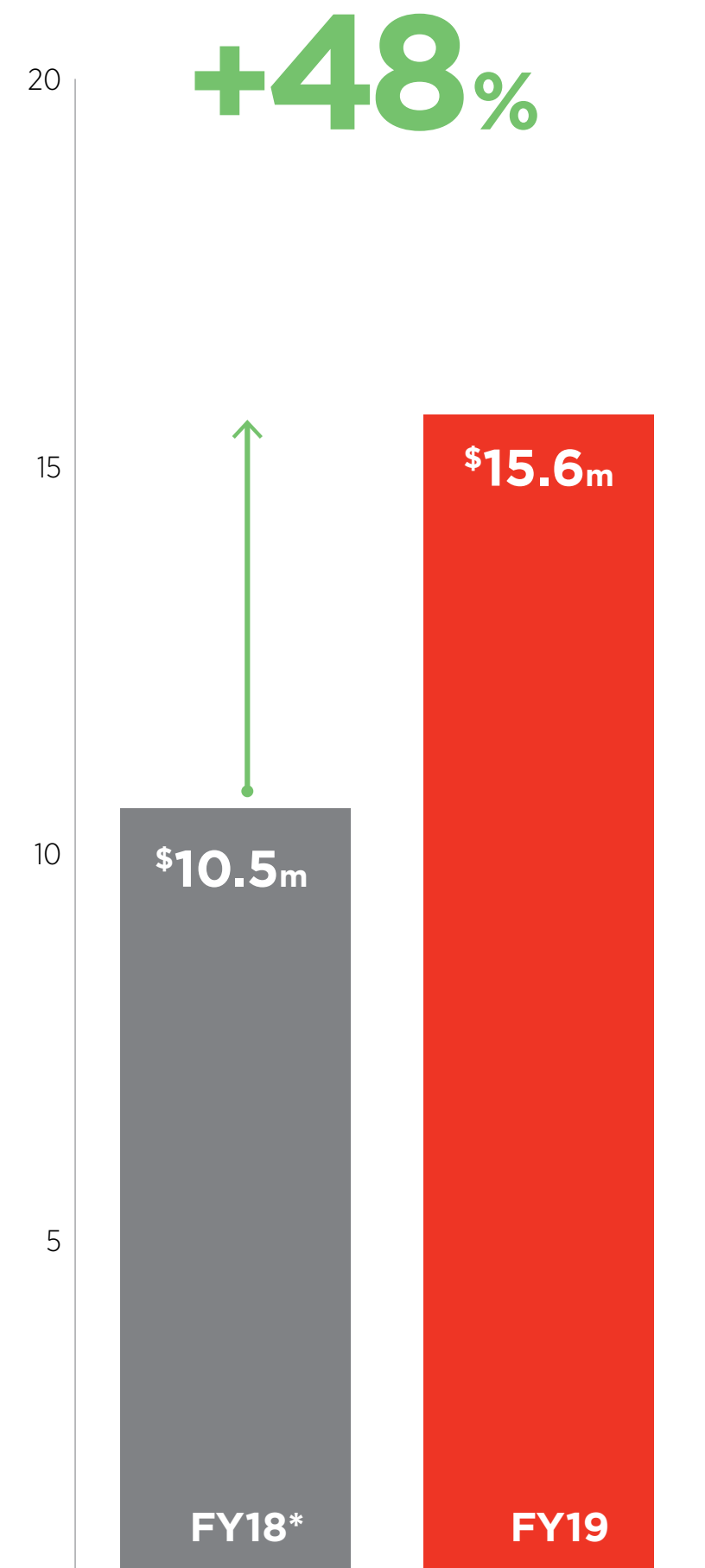
Continued **strong growth**
across our key metrics



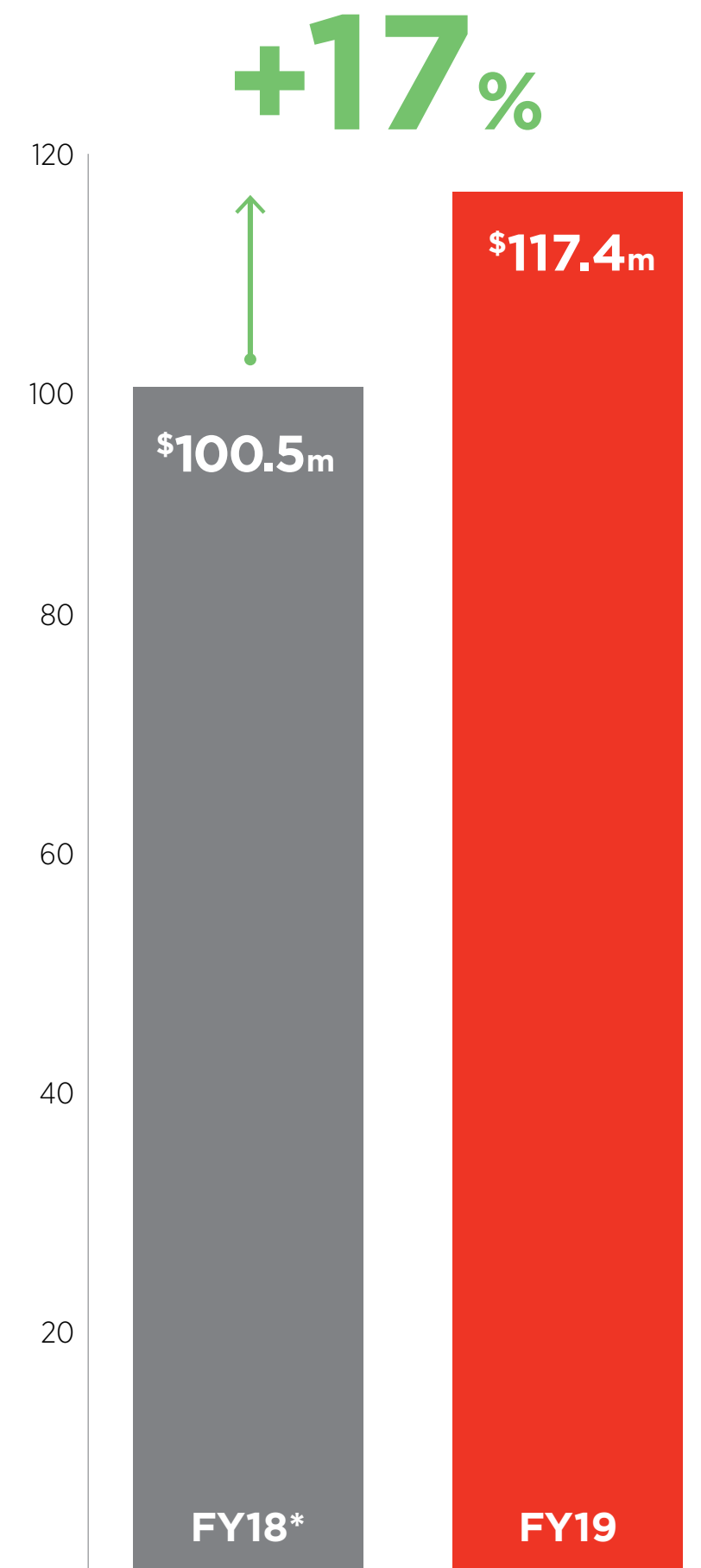
REVENUE



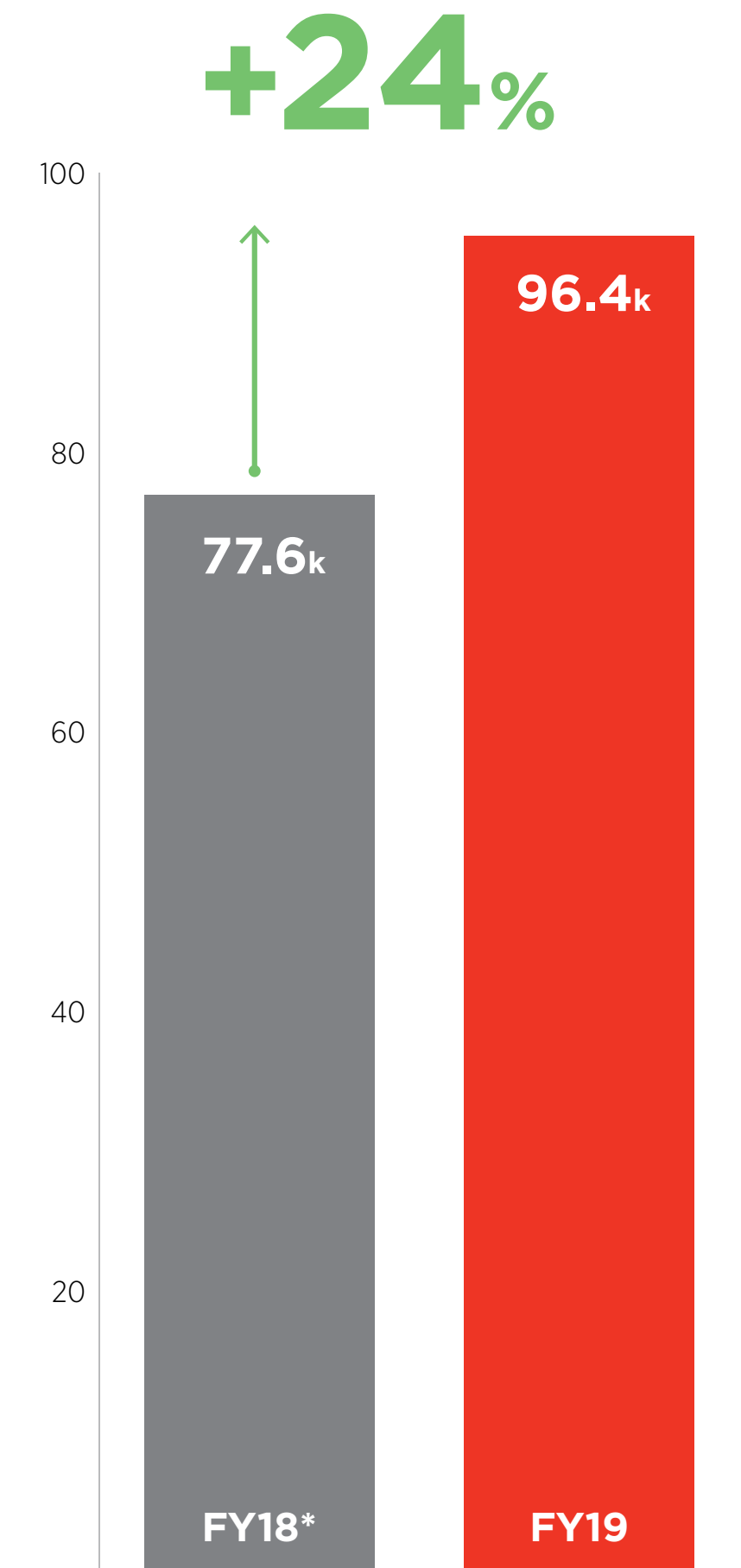
EBITDA**



FUTURE CONTRACTED INCOME***



TOTAL CONTRACTED UNITS



* Previously Reported FY18 metrics were as follows: Revenue \$51.5m; EBITDA \$15.0m; FCI \$92.8m

** EBITDA is a Non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA).

*** The definition of the Non-GAAP measure, Future Contracted Income has been amended to align with changes as a result of the adoption of NZ IFRS 15 and NZ IFRS 16. Future Contracted Income includes all contracted Software as a Service (SaaS) revenue that will be recognised as revenue in future periods.

	FY19	FY18	% change
Revenue (\$000's)	61,352	43,766	40%
EBITDA* (\$000's)	15,633	10,545	48%
EBITDA margin	25%	24%	1%
Net Profit/(Loss) After Tax (\$000's)	(4,915)	(3,457)	(-42%)
Total Contracted Units**	96,390	77,600	24%
Future Contracted Income (FCI) (\$000's)	117,411	100,458	17%
Asset Retention Rate***	94.4%	95.8%	(-1.4%)
Customer Retention Rate****	98.5%	98.5%	0%

* EBITDA is a Non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA).

** Total Contracted Units - Total Contracted Units represents the total units subject to a customer contract and includes Units on Depot and units pending installation

***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.

****Customer Retention Rate - Asset Retention Rate excluding contraction in existing customer Total Contracted Units when customer remained with EROAD.

Strong growth in both revenue and EBITDA despite investment in capability, strategic initiatives and re-launch into Australia

The Group has changed method for calculating retention in order to provide a more useful understanding when combined with other reported SaaS metrics.

Strong EBITDA growth in established markets, partly offset by Australian market entry and higher Corporate costs

(\$m)	FY19	FY18	Movement
ANZ	27.3	22.1	5.2
North America	0.4	(3.4)	3.8
Corporate & Development*	(12.0)	(4.9)	(7.1)
Elimination of inter-segment EBITDA*	(0.1)	(3.3)	3.2
EBITDA	15.6	10.5	5.1
EBITDA MARGIN	25%	24%	1%

* Corporate & Development EBITDA losses were lower in FY18 due to higher intercompany margins on internally manufactured units, with corresponding higher elimination of inter-segment EBITDA.

ANZ

- Growing penetration of light vehicles.
- Strong renewal and upgrade activity with over 8k units renewed (40% of which upgraded to Gen2 hardware).
- Start-up costs ahead of revenue with HY2 re-launch into Australian (\$1.2m).

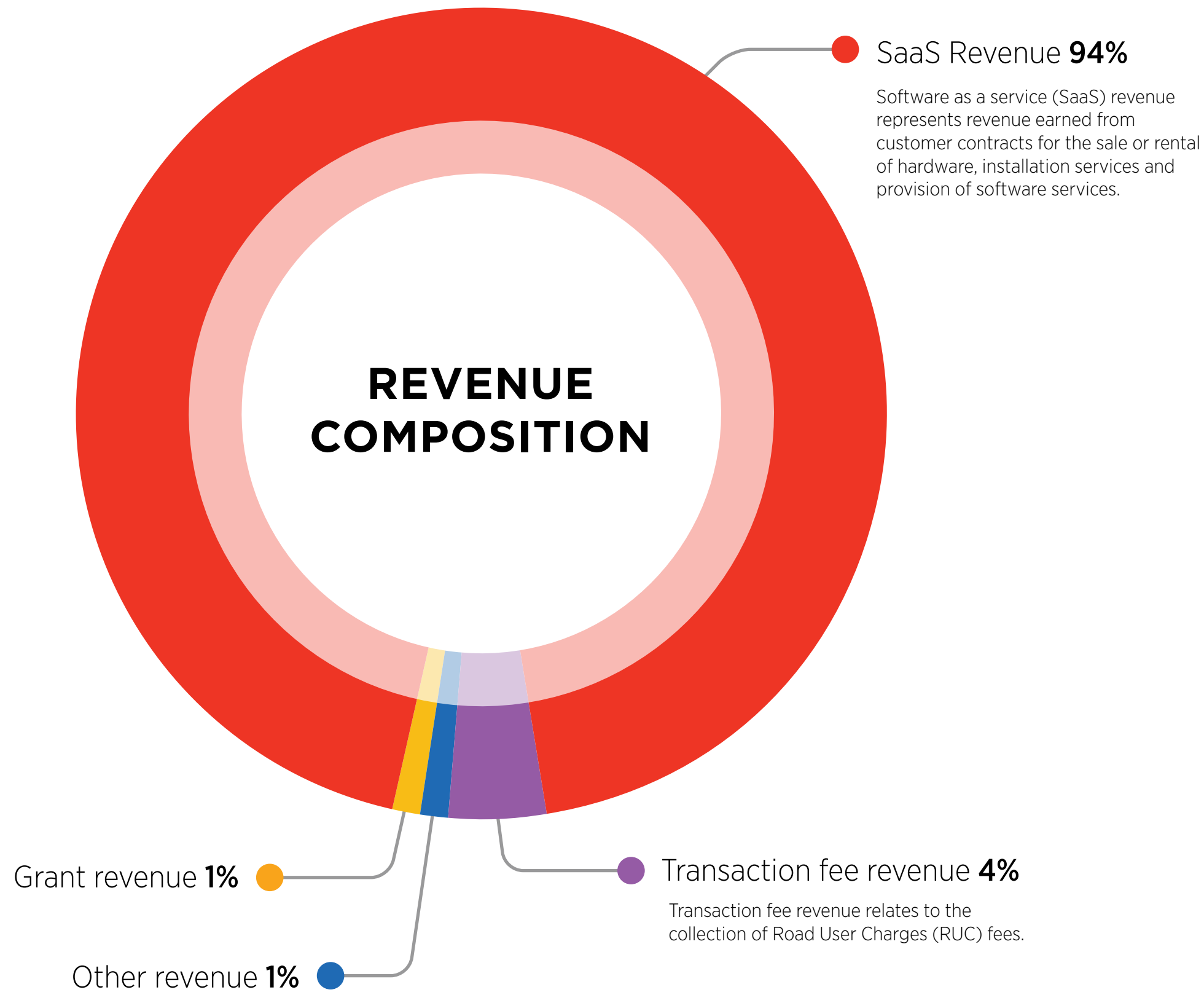
NORTH AMERICA

- EBITDA positive for first time in FY19.
- Tight focus on key geographies and verticals where EROAD has competitive advantage.
- First enterprise account win late in FY19 so did not contribute significantly to FY19 results.

CORPORATE

- Increased operating expenses as EROAD executes on strategic initiatives signalled in FY18 equity raise.
- R&D spend increases (refer to [slide 14](#)).
- Significantly lower intercompany sales & EBITDA as a result of outsourced manufacturing.
- Group operating expense bridge is provided on [slide 15](#).

EROAD driven by **recurring SaaS revenue**



ANNUALISED MONTHLY RECURRING REVENUE*

\$66.5m

Annualised SaaS Revenue

MONTHLY SAAS ARPU

\$55.10

FY18: \$54.30

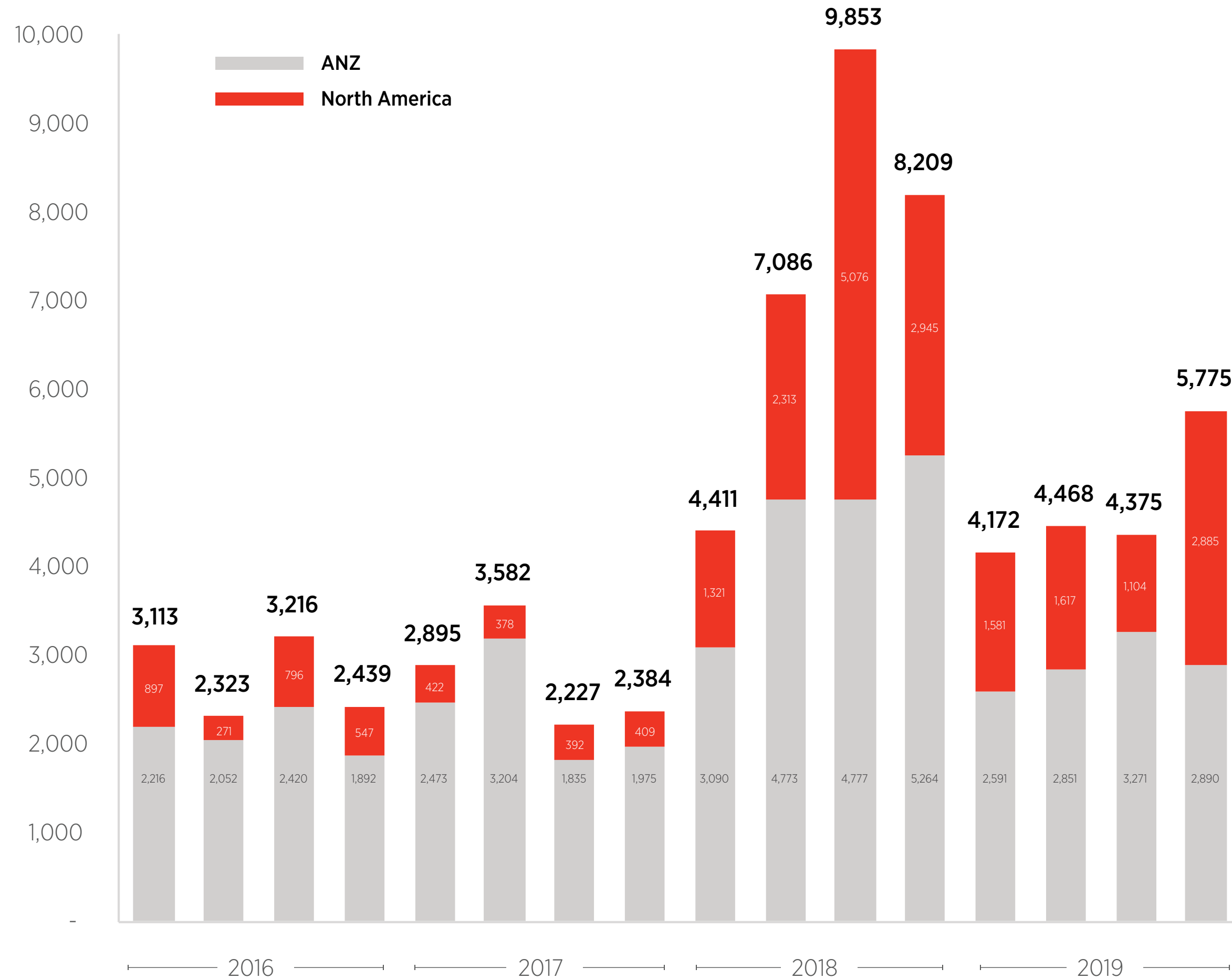
ASSET RETENTION RATE**

94.4%

Continued high retention

* Annualised Monthly Recurring Revenue – from Glossary

** 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 Units on Depot at the beginning of the 12 month period.



Unit growth moderated YoY:
less large enterprise deals in
ANZ and post NA ELD deadline

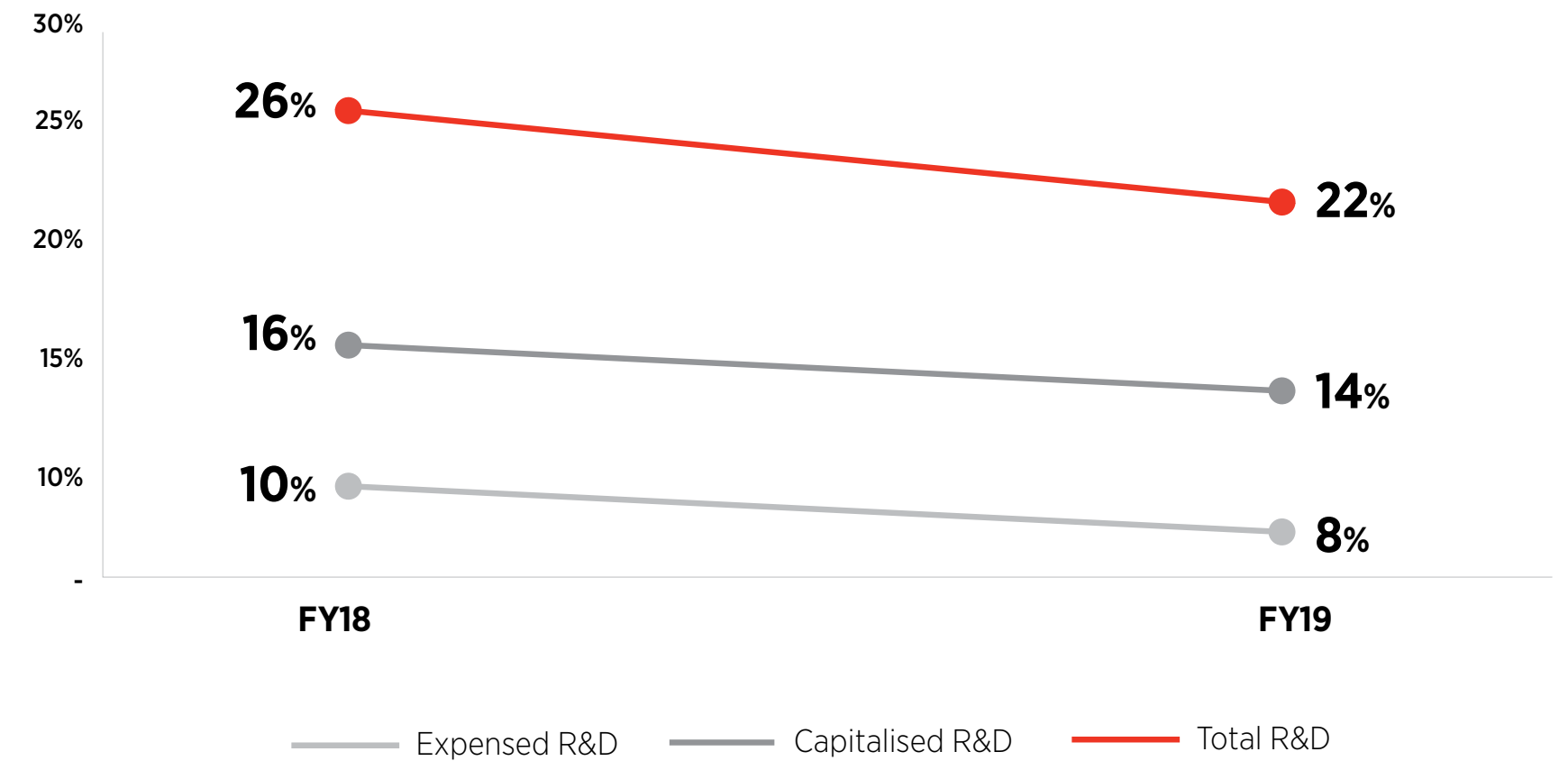
- ANZ unit growth:
FY19 11,603; FY18 17,904 units.
- NA unit growth:
FY19 7,187; FY18 11,655 units.
- Record FY18 in both markets due to introduction of regulatory change (NZ Health & Safety and NA ELD Mandate)
- ANZ sales growth lower due to less enterprise deals compared to FY18, which had included roll out of some of EROAD's largest customers to date. However, enterprise does continue to contribute solid growth (reached 40% of NZ unit base).
- NA sales growth slower than FY18, which was boosted by pre-ELD deadline activity.
- NA sales picked up in Q4 FY19 with initial units being dispatched to first large enterprise account.

CAC, CTS and R&D all reduced as a % of revenue

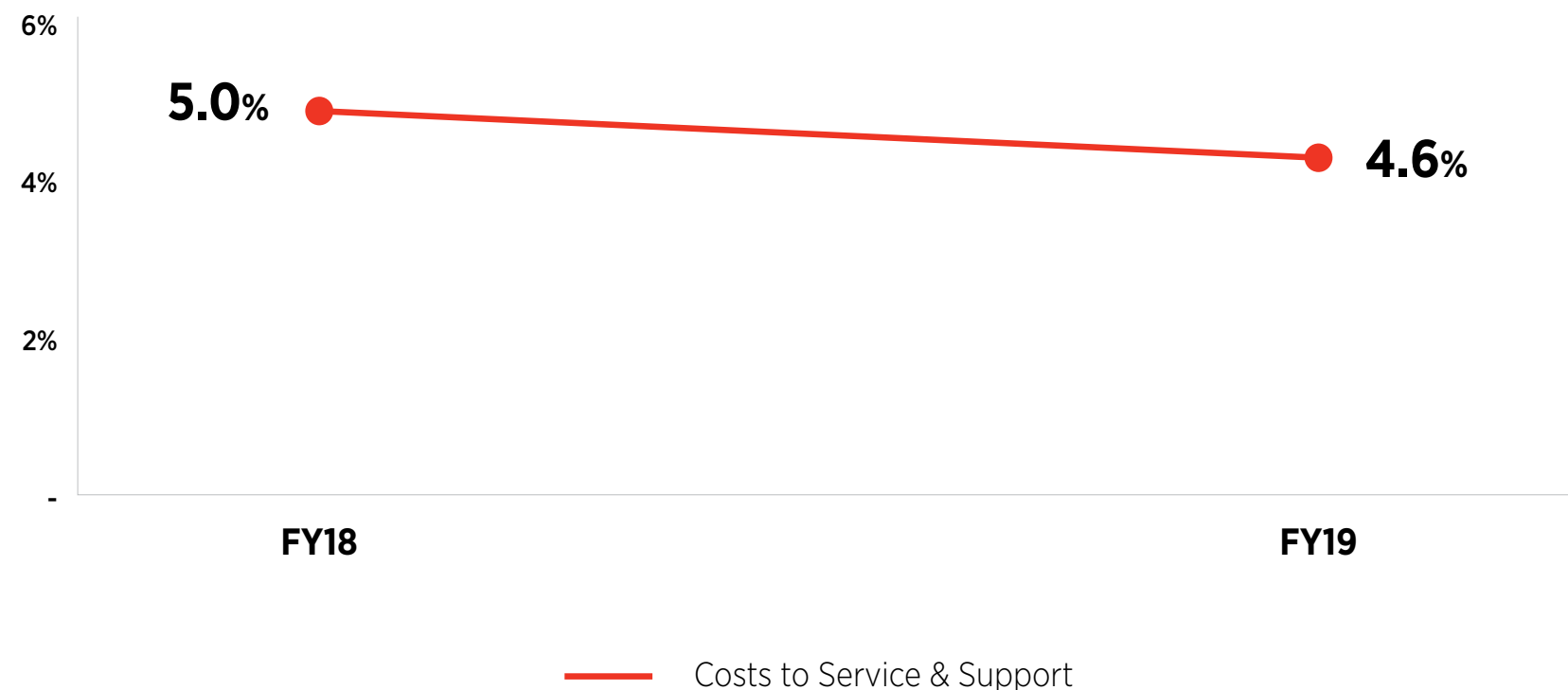
- Reductions in CAC* and CTS* were more pronounced if the impact of Australian market re-launch were stripped out.
- Increased operating leverage expected from FY21 due to realisation of system and process transformation benefits.

*Customer Acquisition Costs (CAC) & Costs to Service & Support (CTS) are non-GAAP measures and are defined in the glossary in the appendix to this presentation.

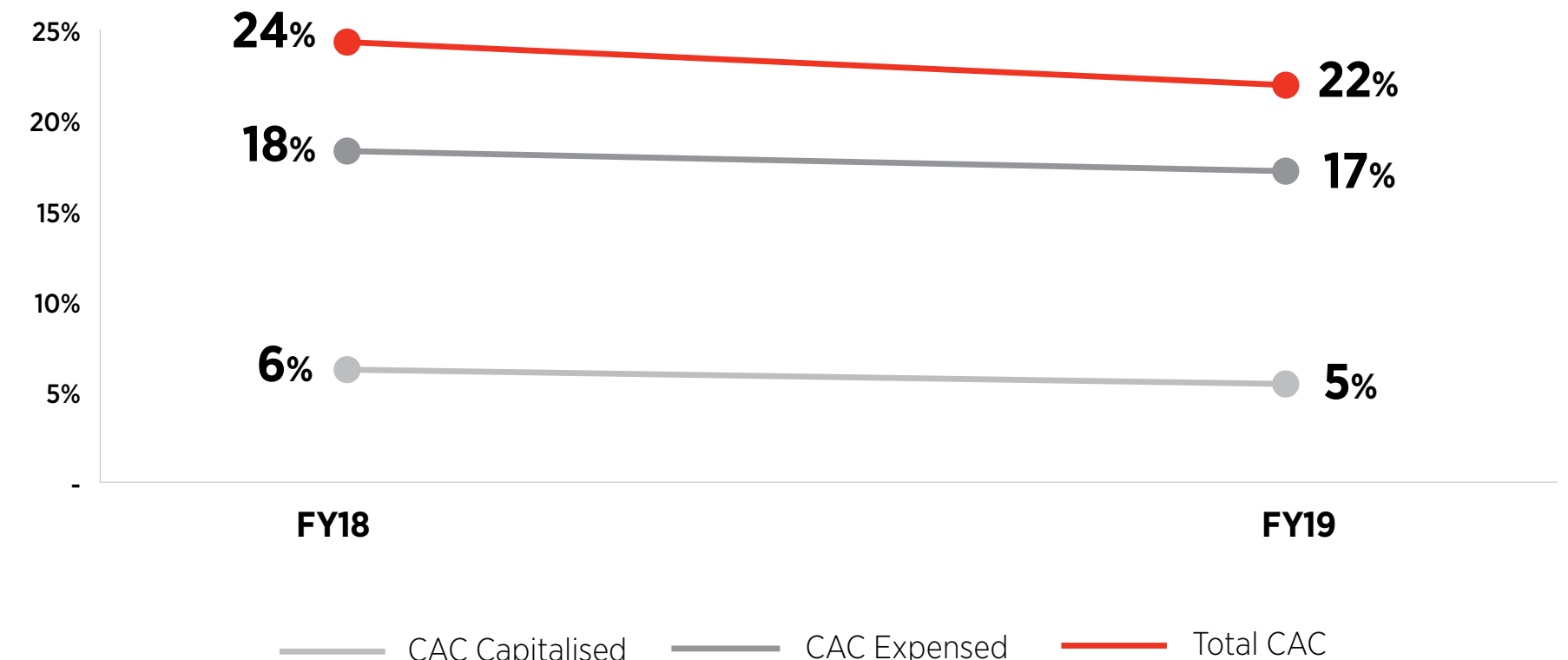
R&D as % of Revenue



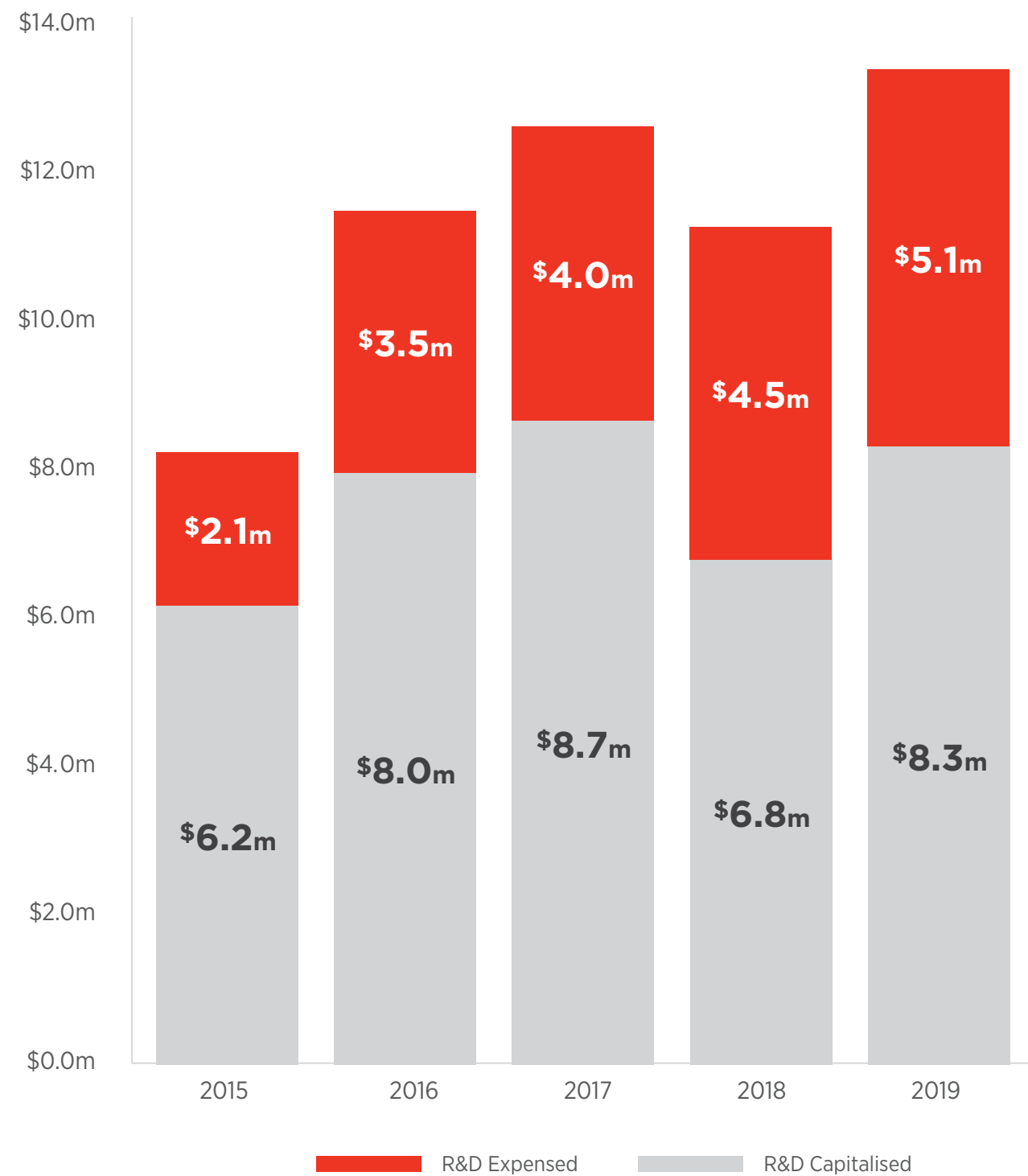
CTS* as % of Revenue



CAC* as % of Revenue



Investment in product R&D increased during FY19 reflecting **increased product offering** and **expansion into new markets**



KEY RELEASES

New Zealand

- ETrack Wired (discreet asset tracker for powered assets)
- Proof of Service (linking auxiliary input & GPS location)

Australia

- Fringe Benefit Tax solution

North America

- OBDII connection to enable ELD compliance for mixed fleets
- Rulesets and enhancements to support NA market (e.g. Oil & Gas ruleset)
- Enhancements and integration capability to enable enterprise customer base

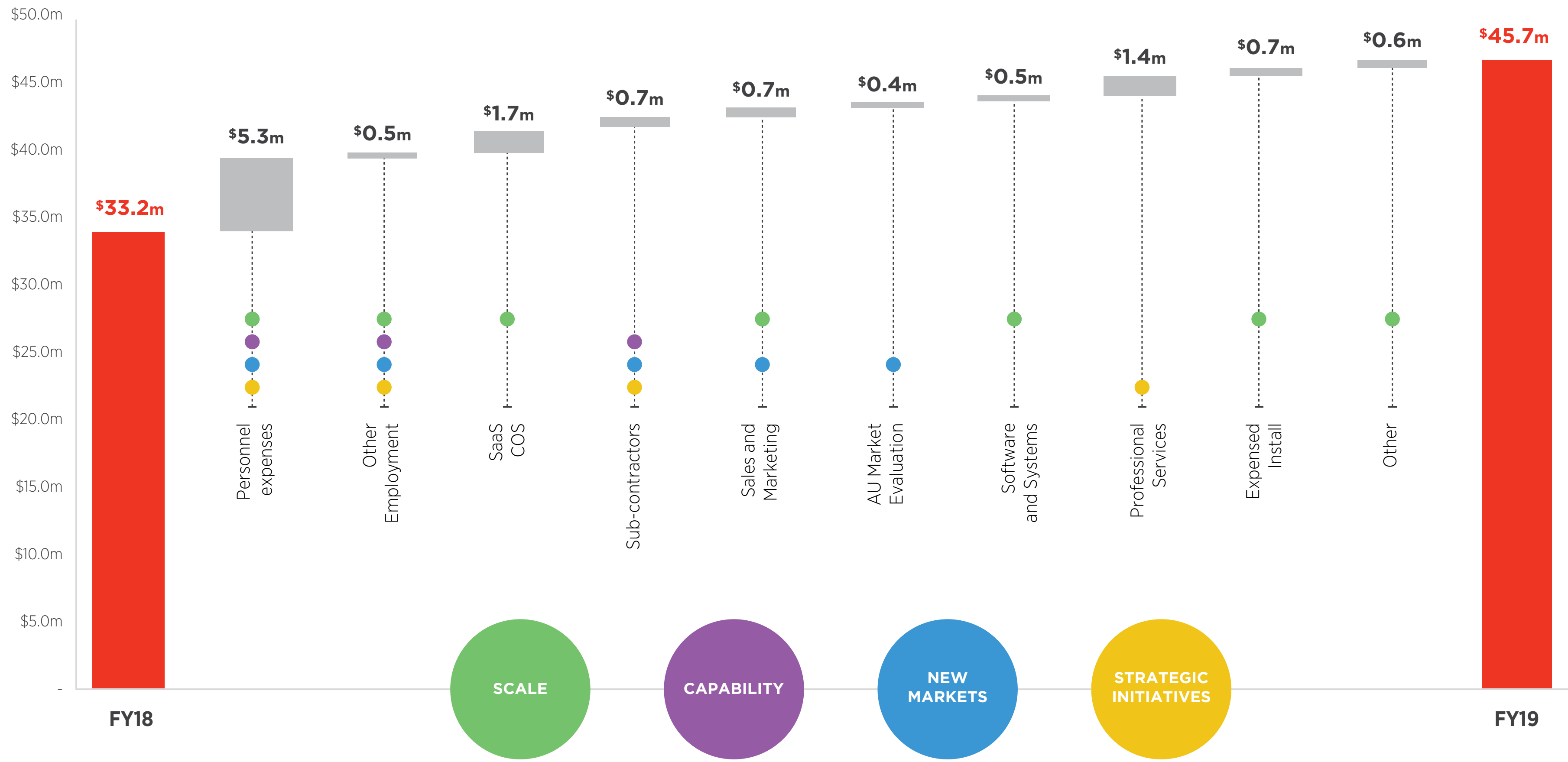
Global

- Upgrading Ehubo2 to enable compatibility with 4G networks

ON-GOING DEVELOPMENT AND FUTURE FOCUS

- Continued development of rulesets and enhancements to support NA market
- Continued development of features to support Australian re-launch (e.g. upcoming launch of Fuel Tax Credit solution)
- Investment in platform scalability and maintenance for future growth
- Next-generation in-cab experience and supporting technology selection
- Next-generation SaaS platform for the most intuitive experience

Increase in operating expenses due to **increased scale**, **investment in capability**, **entry in Australia** and **other strategic initiatives**

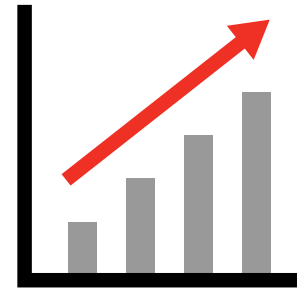


“

It's all about driving safely and getting home safely. **That's why you should have EROAD.**

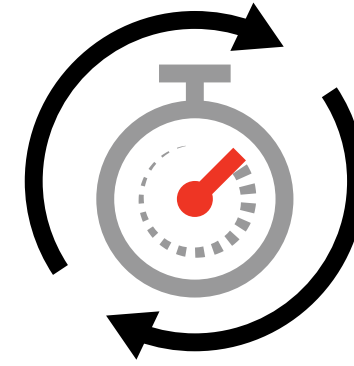
Machinery Movers • New Zealand

**AUSTRALIA AND
NEW ZEALAND**



+19%

Growth in Units in ANZ



8,000+

RECORD RENEWALS

Units renewed (of which 3,000+ upgraded to Gen 2)



**Launched
Fringe Benefit Tax**

EROAD Product in Australia

ANZ: Continued solid growth



\$27.3m

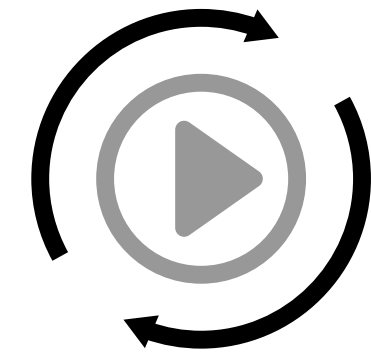
EBITDA



46%

HT RUC \$ IS COLLECTED

through EROAD technology in New Zealand

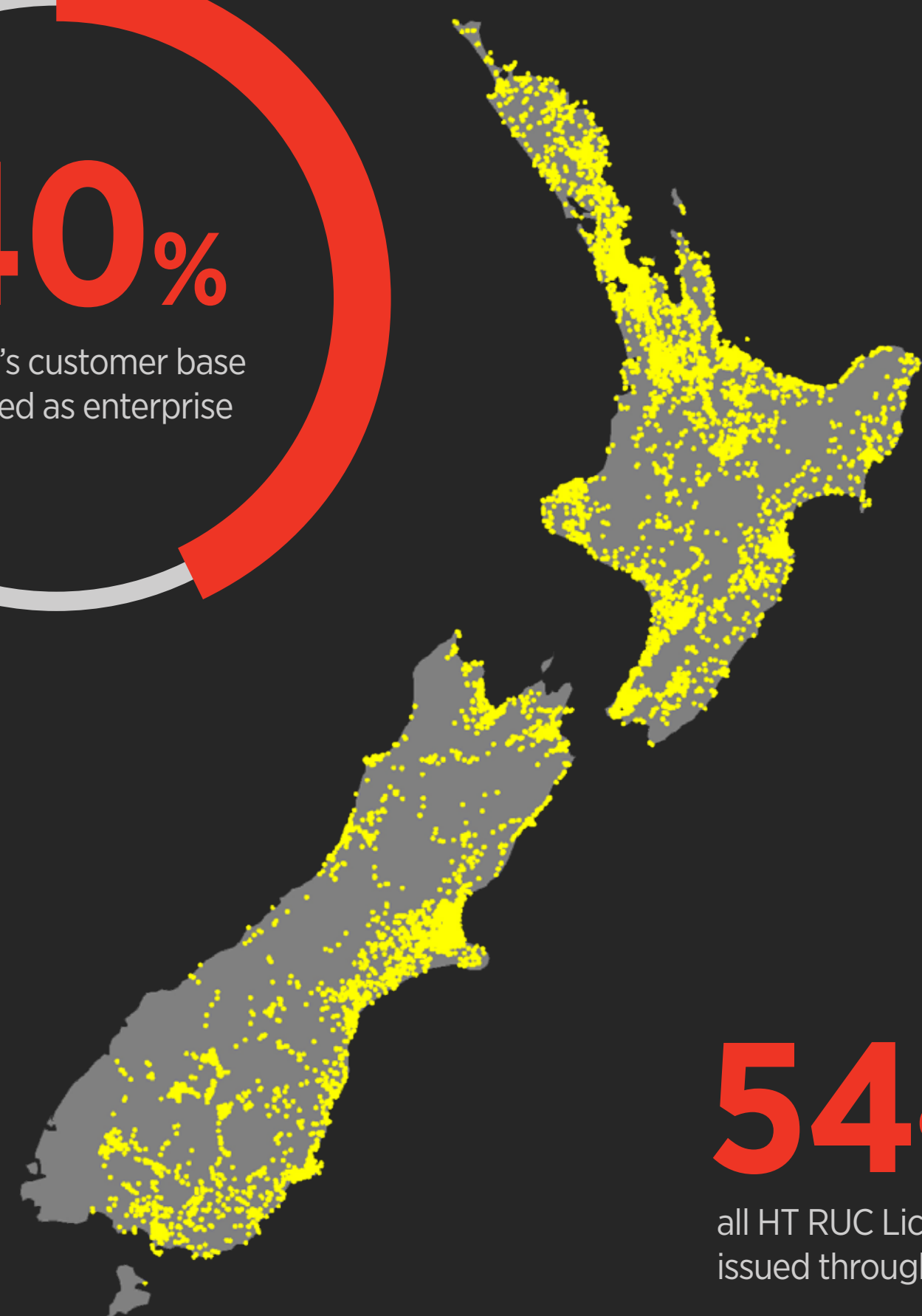


**Australian
Market Re-launch**

Initial re-launch initiatives according to plan

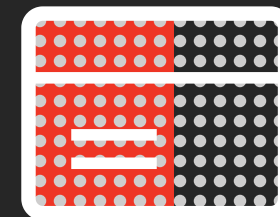
40%

EROAD's customer base
classified as enterprise



54%

all HT RUC Licences
issued through EROAD



New Zealand

- **ANZ EBITDA of \$27.3m**
- **Continued solid growth** in the SMB run-rate business.
- **Largest customers continue to get larger.** Approximately 40% of EROAD's customer base in NZ is now classified as enterprise.
- **Light vehicle and asset tracking markets continue to grow,** reflecting Health & Safety regulatory trends and customers recognising the commercial benefits of telematics.
- **High number of renewals (8k+) and upgrades (3k+)** to second generation hardware.
- **NZ generates significant operating cash flows** which funds R&D investment and expansion of newer markets.

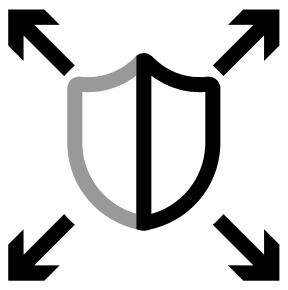
NZ Go-to Market Summary



1

Grow through retention and account expansion

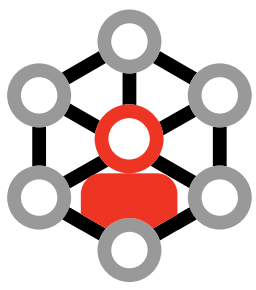
- Provide upgrade pathways and value added services to increase lifetime value.
- Future product releases focused on next generation experiences.
- Leveraging our ease of use, reliability and market penetration.



2

Continue expansion into safety conscious market

- Continue to amplify demand generation.
- Leverage new and existing partnerships to increase sales across their customer bases.



3

Leverage network into new opportunities

- EROAD will consider opportunities to create and/or obtain innovative / complementary product offerings.
- Develop new products and services using network insights and in collaboration with our customers and stakeholders.

Australia

Progressing to plan

- ✓ Investments made to establish a solid foundation, including a comprehensive market review.
- ✓ Initial hires into Australian based sales team.
- ✓ Australian FBT and posted speed products launched.
- ✓ Australian marketing campaigns and lead generating activity commenced.
- ✓ Management is encouraged by early interest and pipeline.

Market Opportunity

- Chain of Responsibility regulatory changes driving higher adoption rates for telematics in Australia.
- Testimonials are highly referenceable Trans-Tasman.
- EROAD is leveraging capabilities and resources in its NZ business, requiring significantly lower market entry investment.

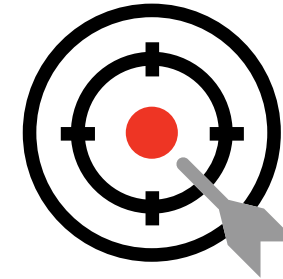
AU Go-to Market Summary



1

Build sustainable run-rate business in SMB space

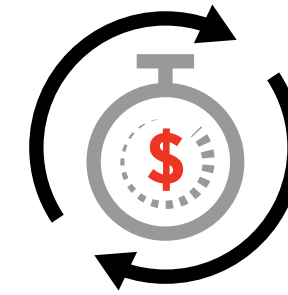
- Focused on underserved market segments with product-market fit.
- Near term product releases dictated by high value opportunities to deliver ROI.
- Leveraging our accuracy, ease of use and reliability.



2

Pursue selective enterprise opportunities

- Leverage NZ reference accounts into parent companies and areas of industry strength.
- Position EROAD to take advantage of rapidly evolving compliance burden on businesses that operate fleets.



3

Manage cost base for efficiencies in growth

- Leverage NZ operations to accelerate an efficient operating model.
- Amplify leading service and support.

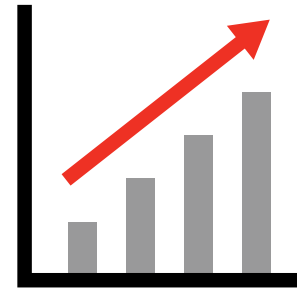
“

With EROAD, we have not had even a single Hours-of-Service violation.

It's a great deal simpler to use than any of the 30 other products we tested. It takes most drivers 15 minutes to learn to operate it.

JAS Trucking • USA

**NORTH
AMERICA**



+40%

Growth in NA Units



**EBITDA
Positive**

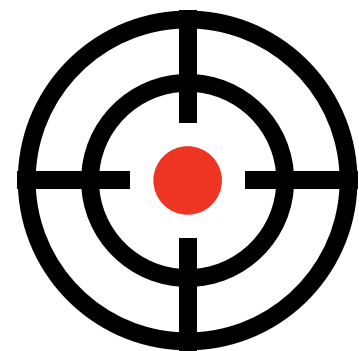
*NA positively contributing to group
EBITDA & operating cash flows*



**First Enterprise
Account Win**

Approx. 4.9k units signed in March 2019

North America: Moving to the next phase



**Refined
Geo-vertical Focus**

*Focussing sales, marketing
and R&D investment*



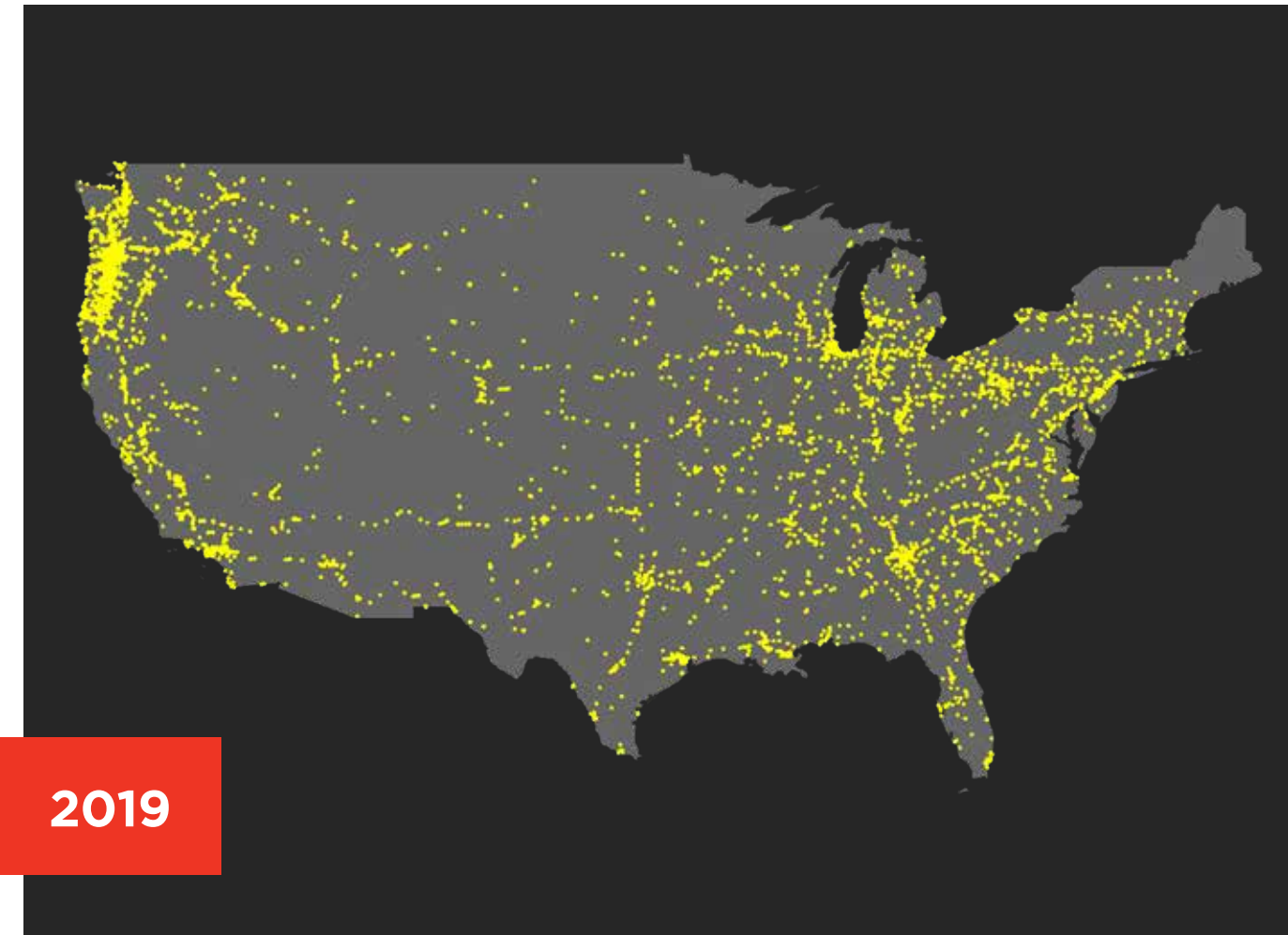
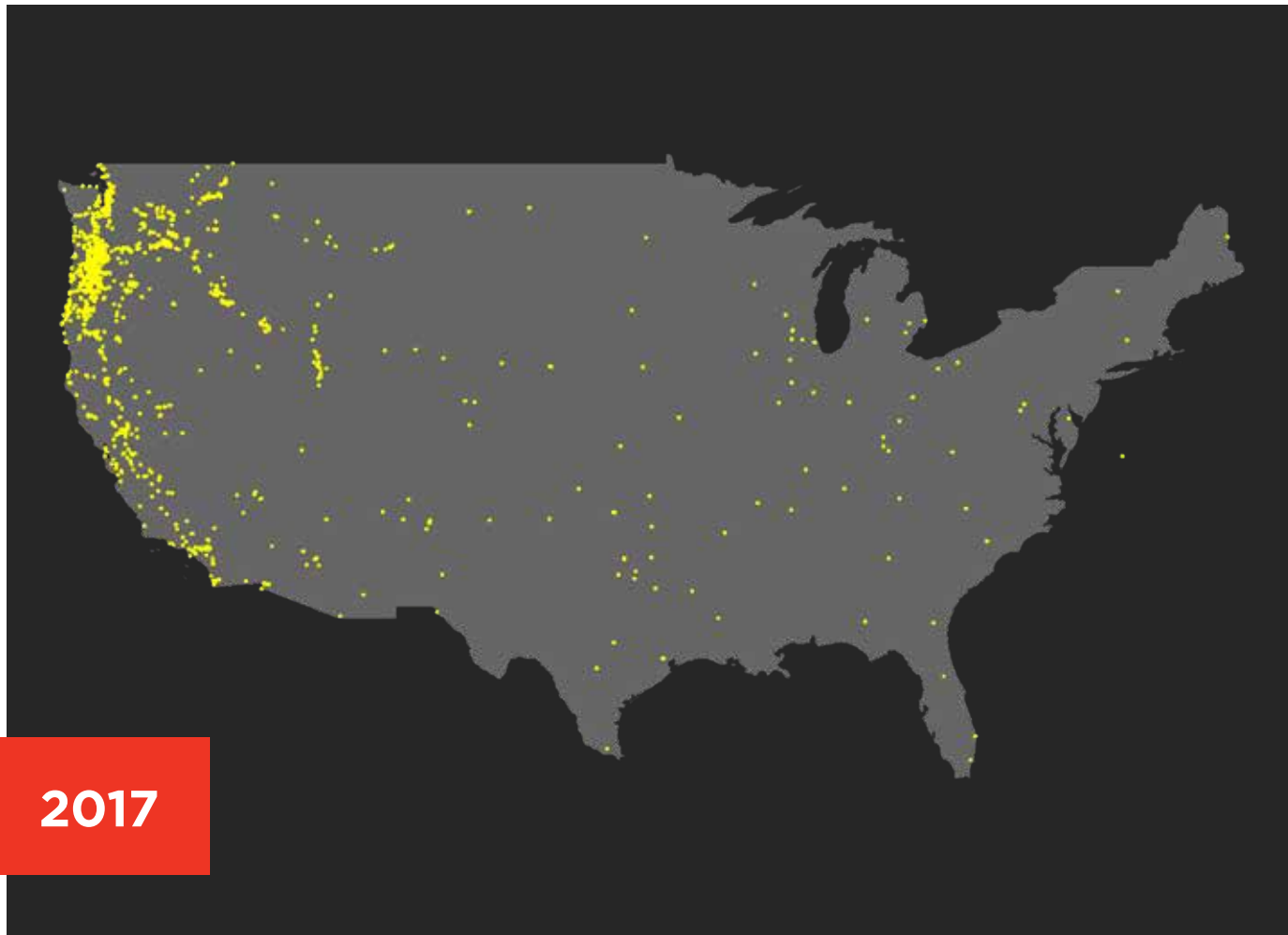
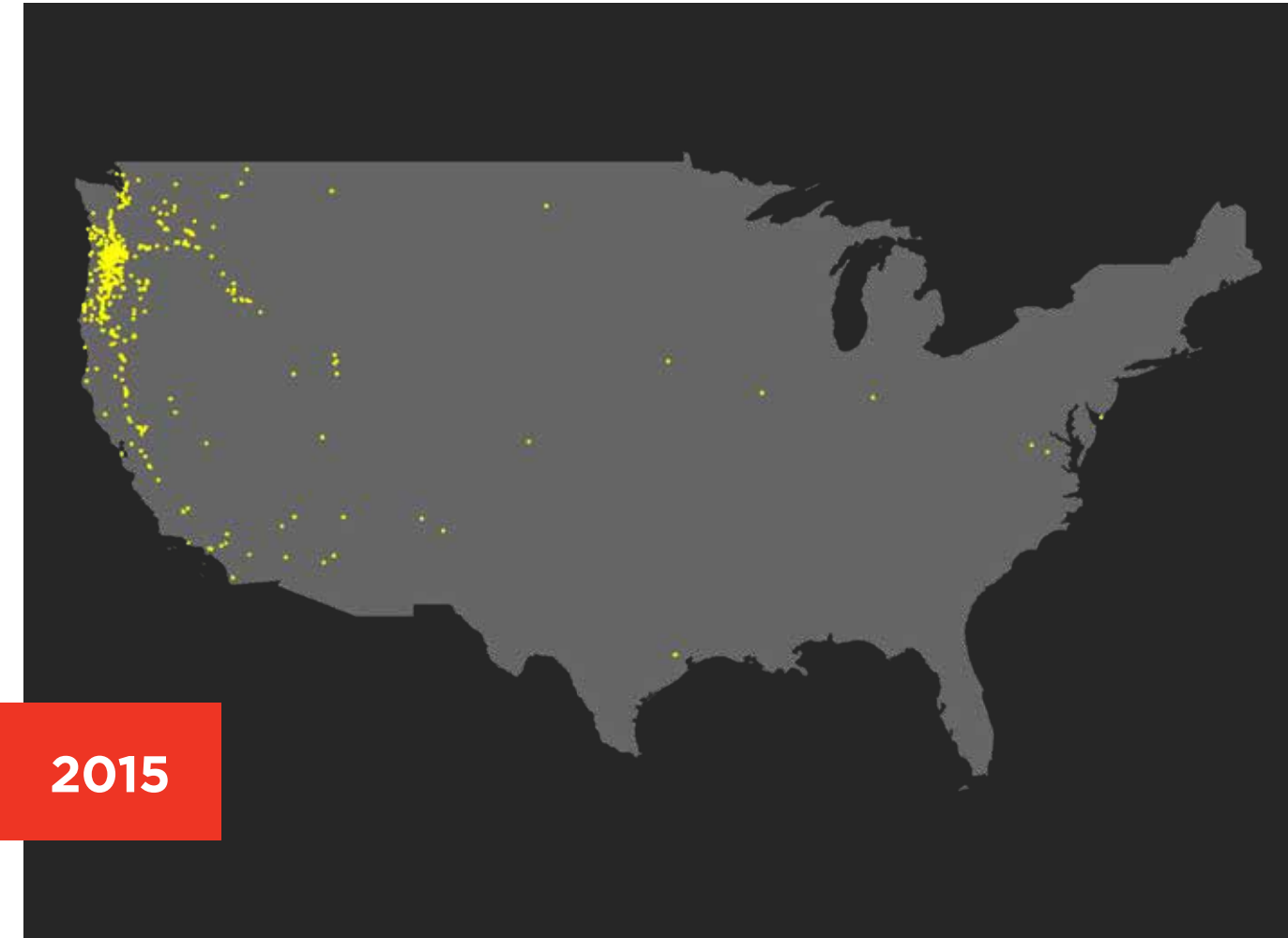
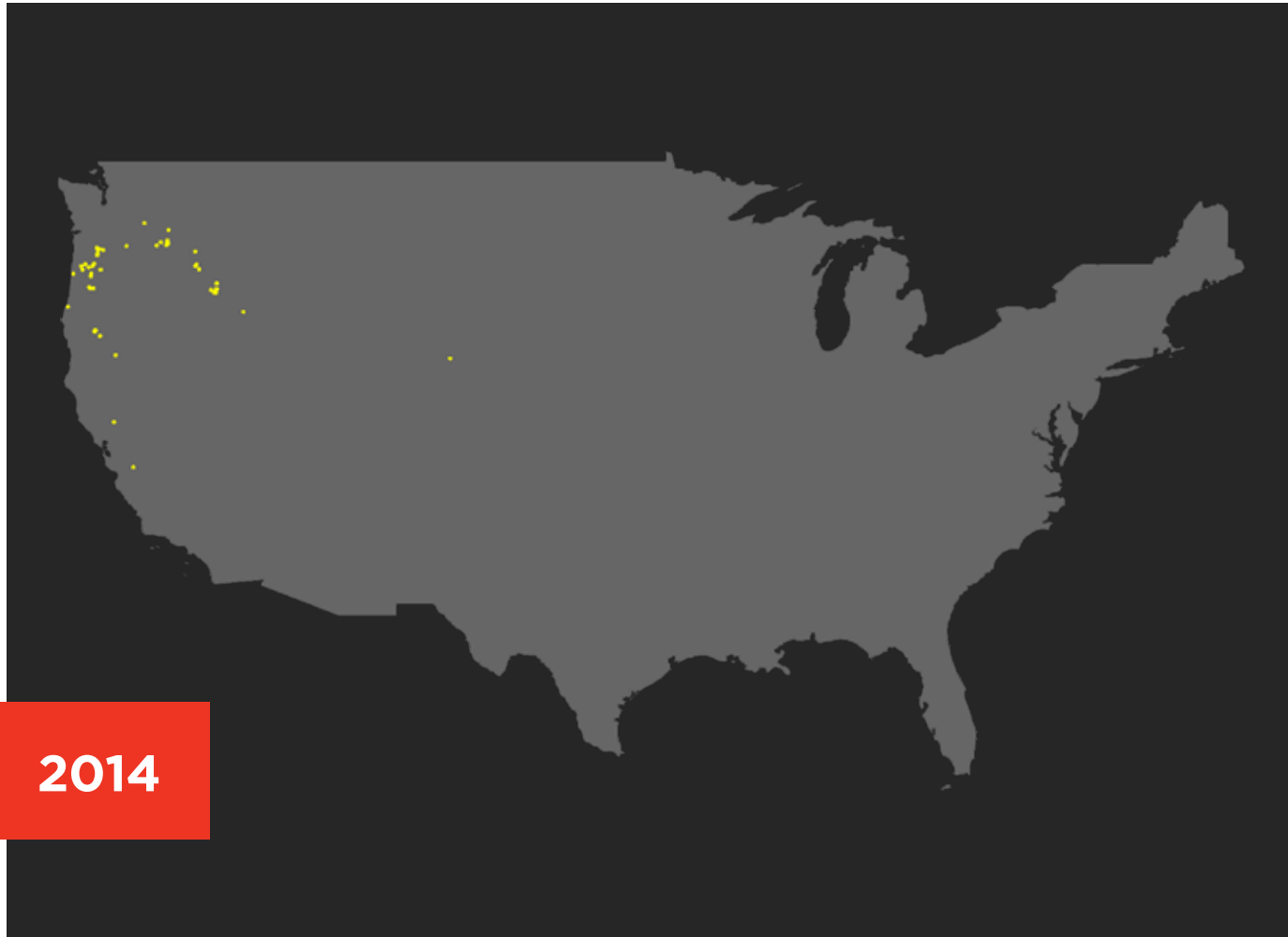
**Strengthened Local
Management**

*Strengthened local management
team to drive further growth*



#1 Rated ELD

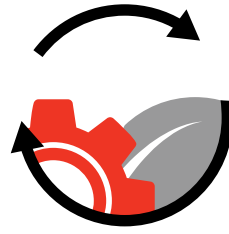
*by users on ELDratings.com
and #2 by independent reviewer*



North America

- Achieved 20k unit milestone in August 2018.
- EROAD's US business is now producing positive operating cash flow and EBITDA on a monthly basis.
- **First significant enterprise fleet signed** – one of the largest privately owned fleets in North America, requiring approx. 4,900 units (full benefits will be realised in FY20). This expands our addressable market beyond our market entry target of <200 vehicles per fleet.
- **We continued to grow the underlying SMB run-rate business** through a more focussed geo-vertical go-to-market strategy.
- **Future potential enterprise opportunities** will be evaluated to ensure there is strong product and customer fit.
- EROAD is playing selectively in the US AOB RD to ELD transition (required by Dec 2019) where there is a strong product fit and limited bespoke R&D development necessary.

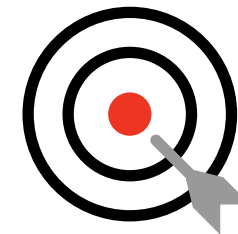
NA Go-to Market Summary



1

Build sustainable run-rate business in SMB space

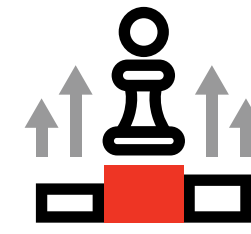
- Tightly focussed geo-vertical approach.
- Near term product releases dictated by geographic and vertical focus.
- Leveraging our accuracy, ease of use and reliability.
- Establishing our demand generation framework.
- Third party telemarketing.



2

Pursue selective enterprise opportunities

- Large enterprise account win provides strong reference account for larger prospects.
- Selectively targeting enterprises, only where a close fit exists with minimal requirements for customisation.



3

Consider strategic growth opportunities

- During 1H19, actively pursued target which didn't eventuate following detailed due diligence.
- EROAD will continue to consider inorganic growth opportunities to broaden customer base or introduce innovative and complimentary offerings.

Telematics landscape continues to evolve post ELD deadline

PRE DEADLINE

- Late adopters
- Price key rather than value
- Compliance focused users
- Focused on being compliant by deadline

DEADLINE (DEC '17)

- Final rule compliance date: Dec-17 (excluding AOBRDs)
- Enforcement deadline: Apr-18 (excluding AOBRDs)

POST DEADLINE

- Return to value focus
 - Buyers' remorse
- In cab vs tablet functionality, complexity, compliance
- Value selling over price and simple compliance

UPCOMING (NEXT 3 YEARS)

- Intra-state adoption of ELD
- AOBRD users transition to ELD by Dec-19
- Fleets wanting to leverage telematics beyond ELD
- State and federal regulators looking at telematics solutions in the electronic road charging space

I could not imagine trying to accomplish our day to day duties without EROAD. We now have the ability to give real-time updates to our clients, our maintenance needs are tracked, and weight-mile taxes are done at the push of a button.



FY20 OUTLOOK

Heather Woodruff
Customer Success & Service Manager
EROAD North America

NZ

Continuation of unit growth levels in NZ market.

Health and safety offering driving expansion in light commercial vehicles.

AU

Initial review of Australian market re-launch and increased sales traction providing a more meaningful contribution to unit growth on a monthly basis by HY1 FY20.

Start-up investment to run ahead of revenue in the near to medium term (but lower level investment than for a new market entry).

NA

Unit and revenue growth driven by large enterprise account roll out over HY1 and continued geo-vertical focus to build sustainable run-rate business in SMB space.

FY20 Outlook: Continued growth in established markets to fund Australian expansion and R&D

Strategic growth investment

Investment in business systems and process transformation project to enable business to scale more efficiently and improve customer experience.

R&D Levels

Expected to remain at similar % of revenue to support development of next generation SaaS platform, as well as ongoing investment in features, rule-sets and enhancements to support continued growth

Regulatory telematic opportunities

Overall regulatory telematics in AU and NA continues to develop positively, creating opportunities in the 3 year timeframe.

New Zealand

- Continued focus on health and safety
- Strong expansion in light vehicle fleets
- Customers upgrading from Gen 1 to Gen 2 in vehicle hardware



Australia

- Regulatory requirements such as chain of responsibility driving adoption in Australia
- Growth in Trans-Tasman fleet adoption
- Increased effectiveness of sales and marketing following team build

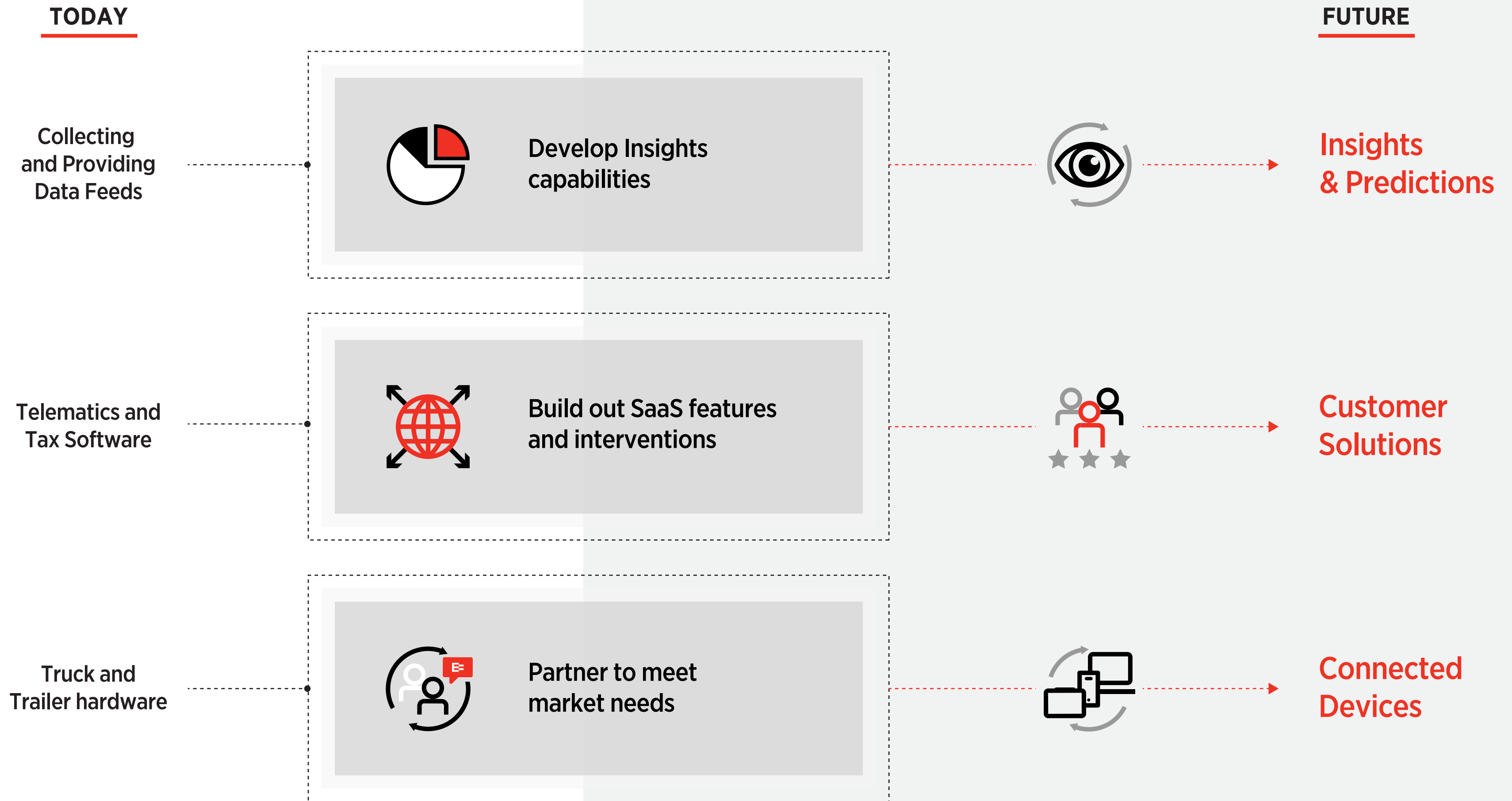


North America

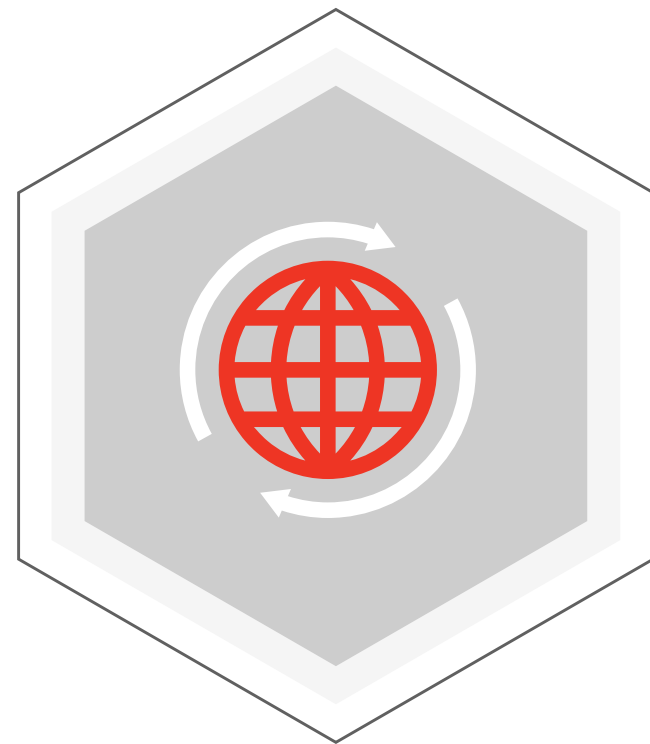
- Regulatory changes have opened new opportunities
- Selective AOBRD opportunities and continue to build sustainable run-rate business
- Change in mindset from ELD compliance to value-added solutions
 - VMT pilots e.g. I-95



Strategic growth expected from data, new features and partnering



GLOBAL TRANSPORT Challenges



Accountability

Chain of Responsibility

Human Interface

Health & Safety and Driver Fatigue Management

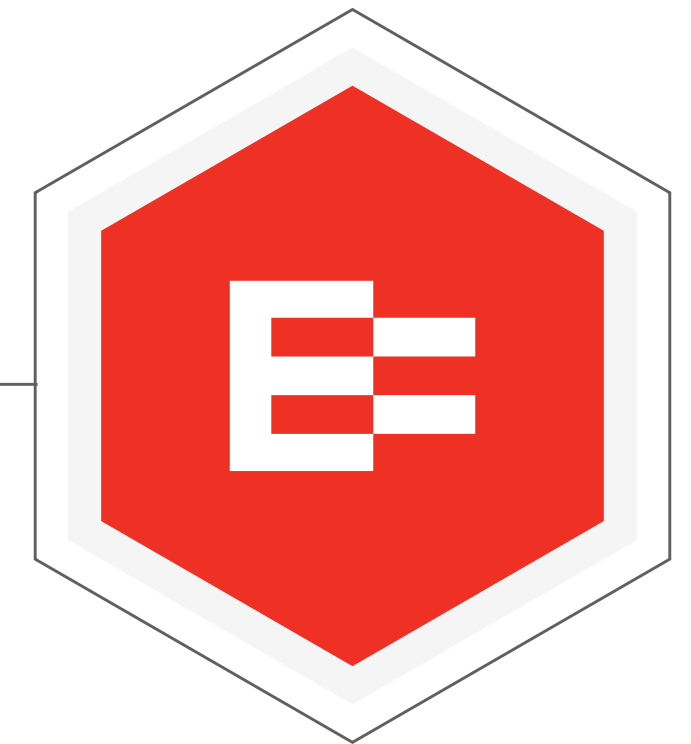
Vehicle Health

Impact, Maintenance Monitoring, MOT Compliance

Infrastructure Funding

Road Tax Suite for Fuel and Mileage

EROAD Solutions



“

With EROAD, we're realizing fuel tax savings of **at least \$200,000 annually** based on accurately capturing off-road mileage.

The ROI on EROAD was almost immediate.

Recoil Oilfield Services • USA

Q&A



Carolyn Glasson
Key Account Manager, Sales
EROAD New Zealand

APPENDICES

Statement of Income (NZ\$m)

YEAR END	FY19	FY18	Movement
Revenue	61.4	43.8	17.6
Expenses	(45.7)	(33.2)	(12.5)
Earnings before interest, taxation, depreciation and amortisation	15.6	10.5	5.1
Depreciation of Property, Plant & Equipment	(6.6)	(5.4)	(1.2)
Amortisation of Intangible Assets	(6.5)	(5.6)	(0.9)
Amortisation of Contract and Customer Acquisition Assets	(4.9)	(3.7)	(1.2)
Earnings before interest and taxation	(2.3)	(4.1)	1.8
Finance Income	0.0	0.1	(0.1)
Finance Expense	(2.8)	(1.9)	(0.9)
Net Financing Costs	(2.8)	(1.8)	(1.0)
Profit/(loss) before tax	(5.1)	(5.9)	0.8
Income tax (expense) benefit	0.2	2.4	(2.2)
Profit/(loss) after tax for the year attributable to the shareholders	(4.9)	(3.5)	(1.4)
Other comprehensive income	(1.1)	(0.2)	(0.9)
Total comprehensive income/(loss) for the year	(6.0)	(3.7)	(2.3)

Balance Sheet (NZ\$m)

YEAR END	FY19	FY18	Movement
Cash	16.1	21.9	(5.8)
Restricted Bank Account	12.7	9.5	3.2
Other	15.1	15.2	(0.1)
Total Current Assets	43.9	46.6	(2.7)
Property, plant and equipment	33.9	23.8	10.1
Intangible assets	33.1	29.9	3.2
Costs to acquire and Contract Costs	4.8	3.8	1.0
Other	7.5	7.0	0.5
Total Non-Current Assets	79.3	64.5	14.8
TOTAL ASSETS	123.2	111.1	12.1
Payables to NZTA and ODOT	12.5	9.4	3.1
Contract liabilities	10.0	10.2	(0.2)
Borrowings	34.6	26.5	8.1
Other liabilities	14.8	8.3	6.5
Total Liabilities	71.9	54.4	17.5
NET ASSETS	51.3	56.8	(5.5)

Cash Flows (NZ\$m)

YEAR END	FY19	FY18	Movement
Cash flows from operating activities			
Other operating cash flows	17.1	7.1	10.0
Interest paid	(2.8)	(1.9)	(0.9)
Net cash inflow from operating activities	14.3	5.2	9.1
Cash flows from investing activities			
Property, Plant and Equipment (including hardware assets)	(10.8)	(11.3)	0.5
Intangible Assets	(9.7)	(6.8)	(2.9)
Contract and Customer Acquisition Assets	(6.8)	(5.6)	(1.2)
Net cash outflow from investing activities	(27.3)	(23.8)	(3.5)
Cash flows from financing activities			
Bank loans	8.2	19.5	(11.3)
Other financings cash flows	(1.0)	20.0	(21.0)
Net cash inflow from financing activities	7.2	39.5	(32.3)
Net increase/(decrease) in cash held	(5.8)	21.0	(26.8)
Cash at beginning of the financial period	21.9	0.9	21.0
Closing cash and cash equivalents (net of overdrafts)	16.1	21.9	(5.8)

Significant change in accounting standards

In addition to adopting the new revenue standard NZ IFRS 15, EROAD has elected to early adopt the new lease standard NZ IFRS 16.

Without early adoption of NZ IFRS 16, EROAD would effectively be restating revenue again for the year ended 31 March 2020 on adoption of the new lease standard.

The definition of a lease has been amended in the new lease standard and EROAD's contracts no longer meet the definition of a lease.

Application of the new lease definition represents a significant change in the way the company recognises revenue and costs relating to its contracts with customers. Most significantly the company no longer recognises revenues at the point of dispatch to the customer from contracts for outright sales of EROAD units, installation services, sale of accessories or entering finance leases. EROAD now recognises these revenue streams over the contract term, typically 3 years.

In addition there are more expenses recognised in the P&L due to reduced capitalisation of customer acquisition costs allowable under the new standards.

The changes in accounting align better with the recurring nature of EROAD's business and reported revenues and earnings now more closely align to underlying operating cash flows.

A full description of the change in accounting standards can be found in EROAD's Half Year Report.

Comparative numbers have been restated. The table below shows the restatement of comparative periods caused by these changes in accounting standards.

Year ended 31 March 2018 (\$m)

	Previously Reported	Restated	Change
Revenue	51.5	43.8	(7.8)
EBITDA	15.0	10.5	(4.5)
Profit/(loss) before tax	(1.5)	(5.9)	(4.3)
Total Assets	113.2	111.1	(2.0)
Total Liabilities	46.0	54.4	8.4
Total Shareholders Equity	67.2	56.8	(10.4)

Glossary

- **Automatic On Board Recording Device (AOBRD)**
AOBRDs are electronic devices that can be used to automatically record drivers' hours of service.
- **Depot**
EROAD's web-based platform that allows customers to manage (and pay) their RUC, WMT and fleet management services.
- **Electronic Logging Device (ELD)**
An electronic solution that synchronises with a vehicle engine to automatically record driving time and hours of service records.
- **Ehubo1 and Ehubo2 (GEN1 and GEN2)**
EROAD's first and second generation electronic distance recorder which replaces mechanical hubodometers. Ehubo is a trade mark registered in New Zealand, Australia and the United States.
- **Driver Vehicle Inspection Report (DVIR)**
A report created by a driver identifying defects and safety risks to a commercial vehicle.
- **Heavy Vehicle**
A truck, or a truck and trailer, weighing over:3.5 tonnes in New Zealand (required to pay RUC); 12 tonnes in Oregon (required to pay WMT); or 4.5 tonnes in Australia.
- **International Fuel Tax Agreement (IFTA)**
A cooperative agreement between all states (excluding Alaska and Hawaii) of the United States, and the Canadian provinces, designed to make it simpler for inter-jurisdictional carriers to report and pay fuel excise taxes, requiring only one fuel licence to operate across multiple jurisdictions.
- **International Registration Plan (IRP)**
An agreement between all states (excluding Alaska, Hawaii and Washington D.C.) of the United States, and the Canadian provinces, for the registration of inter-jurisdictional vehicles. Registration fees are paid to a fleet's base jurisdiction, which then distributes them to other jurisdictions based on the miles travelled in each member jurisdiction.
- **Units on Depot**
The number of EROAD devices installed in vehicles and subject to a service contract with a customer.
- **Units Pending Installation**
The number of EROAD devices subject to a service contract with a customer but pending Installation.
- **Total Contracted Units (TCU)**
Total Contracted Units represents the total Units subject to a customer contract and includes both Units on Depot and Units Pending Installation.
- **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. Note that this definition has changed from the previous period in order to align with the change in adoption of NZ IFRS 15 and NZ IFRS 16.
- **Recurring Revenue**
The Software as a Service (SaaS) revenues EROAD recognises on a recurring monthly basis in accordance with the groups revenue recognition policy.

Glossary *contd.*

- Annualised Monthly Recurring Revenue (AMRR)**
Annualised monthly recurring revenues (AMRR) represents monthly Recurring Revenue for the last month of the period (March), multiplied by 12. It provides a 12 month forward view of revenue, assuming unit numbers, pricing and foreign exchange remain unchanged during the year.
- Monthly SaaS ARPU**
Monthly Software as Service (SaaS) Average Revenue Per Unit is calculated by dividing the total SaaS revenue for the year divided by the total of the TCU balances at the end of each month during the year.
- Costs to Acquire Customers (CAC)**
Costs to Acquire Customers (CAC) are Non-GAAP measures of costs to acquire customers. Total CAC represents all costs Sales & Marketing related costs. CAC Capitalised includes incremental sales commissions for new sales, upgrades and renewals which are capitalised and amortised over the life of the contract. All other CAC related costs are expensed when incurred and included within CAC Expensed.
- Costs to Service & Support (CTS)**
Is a non-GAAP measure of costs to Support and Service customers. Total CTS represents all Customer Success and Product Support costs.
- 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.
- Customer Retention Rate**
Asset Retention Rate excluding contraction in existing customer Total Contracted Units when customer remained with EROAD.
- Road User Charges (RUC)**
Charges payable under the New Zealand Road User Charges Act 2012 in respect of the distance travelled by a RUC vehicle on a road. In New Zealand, RUC is payable for heavy vehicles and all vehicles powered by a fuel not taxed at source. The charges go towards the cost of repairing roads.
- Weight-Mile Tax (WMT)**
A mileage-based tax imposed on Heavy Vehicles according to a combination of the number of axles and/or combined weight of the vehicle and the number of miles driven in Oregon, USA.
- EBITDA**
Is a Non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA).
- EBITDA Margin**
Is a Non-GAAP measure representing EBITDA divided by revenue.

THANK YOU

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Alex Ball
CFO
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EROAD

INTRODUCTION TO EROAD

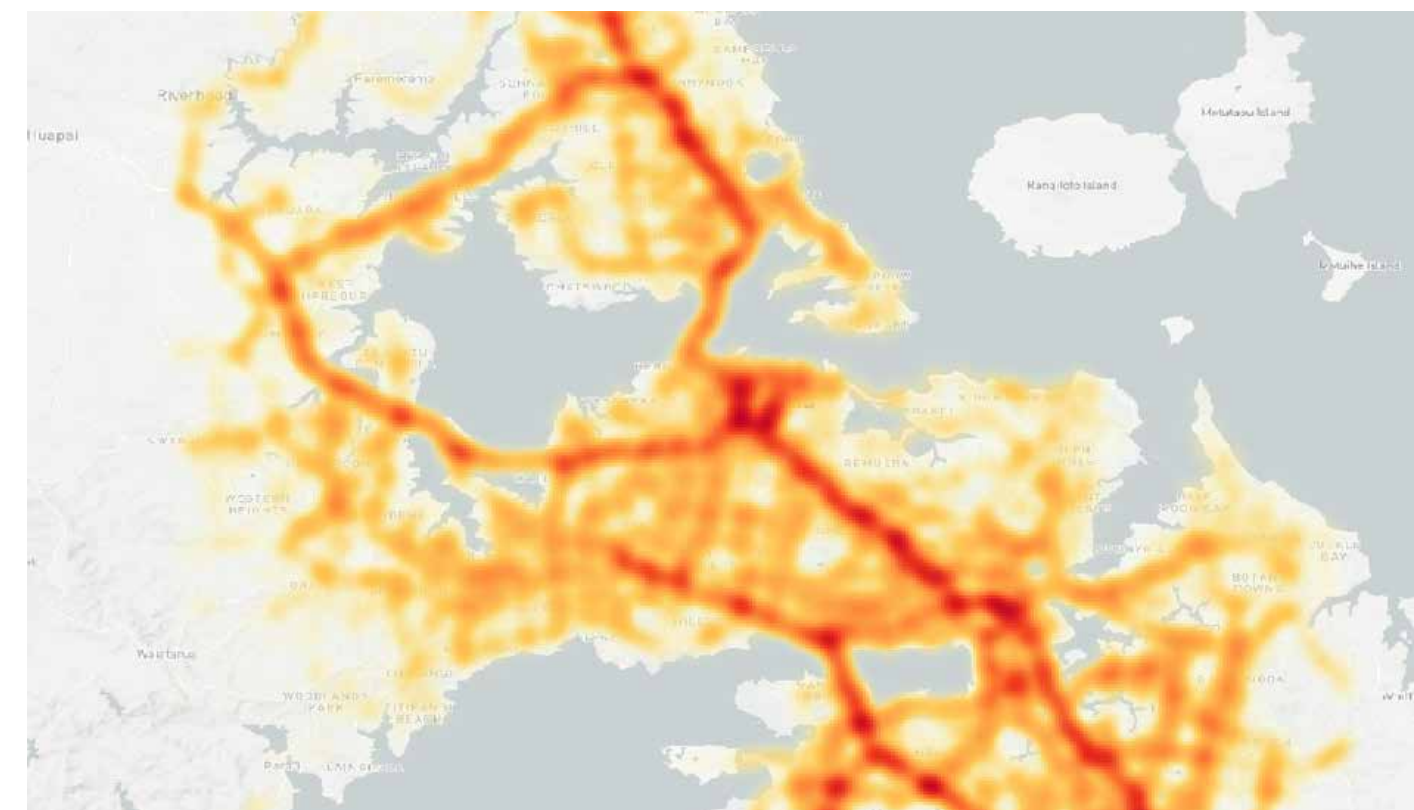




About EROAD

EROAD believes that every community deserves **safer and more productive** roads.

- This is why EROAD develops technology solutions (products and services) that manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with driving.
- These solutions are delivered through a single platform, making our products and services really easy to use.
- **Mission Statement:** Bravely solving complex transportation problems, delivering intuitive solutions that help our customers succeed.



WORLD'S FIRST

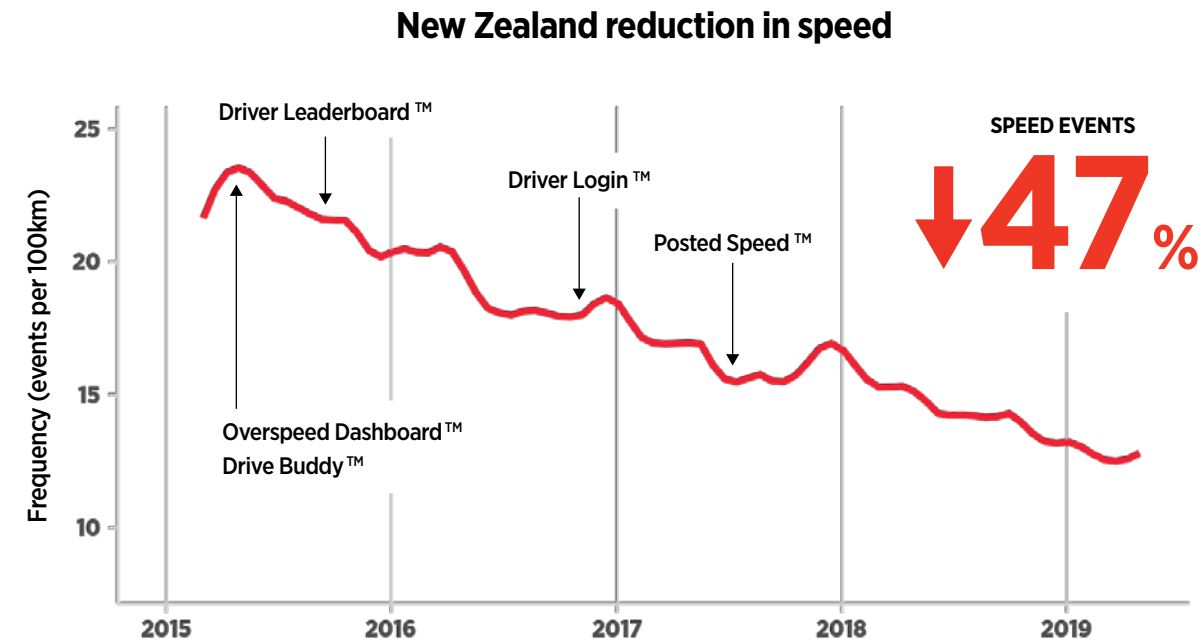


\$2.5b

RUC \$ IS COLLECTED

- EROAD was the first company to implement a nationwide GPS-based electronic road user charging system (NZ, 2010).
- This has now collected NZ\$2.5 billion dollars of Road User Charges at no cost to the NZ government.

IMPROVING SAFETY ON OUR ROADS



260 STRONG AND GROWING



Operations in New Zealand, Australia, North America

- ANZ HQ in Auckland, NZ
- USA HQ in Portland, Oregon

EROAD: A global pioneer and thought leader in Regulatory Telematics

TOTAL CONTRACTED UNITS



71,466

units in ANZ

24,944

units in NA

WEEKLY ACTIVITY



41.5

million

ANZ distance travelled (km)

27.3

million

NA distance travelled (km)

ACHIEVEMENTS



98.5%

Customer Retention Rate (to 31 March 2019)
excluding contraction and existing customer total contracted units when customer remained with EROAD

Regulatory Telematics

Every country is looking to solve the same transport issues



How do we pay for and maintain roading infrastructure?



How do we improve health and safety on the roads?



How do we ensure vehicles are fit for use?



How do we best manage driver fatigue?

EROAD Regulatory Solutions



New Zealand

Market entry 2010
71,466 units (31 March 2019)

TAX

Road User Charges (RUC)

COMPLIANCE

Health and Safety
Electronic Logbook
Driver Vehicle Inspection (DVIR)

COMMERCIAL

Fleet tracking, telematics services

North America

Market entry 2014
24,944 units (31 March 2019)

TAX

Weight Mile Tax (WMT)
International Fuel Tax (IFTA)

COMPLIANCE

Electronic Logging Device (ELD) / HOS, DVIR

COMMERCIAL

Fleet tracking, telematics services

PILOTS

Oregon WMT Pilot (2012/2013)
California RUC Pilot (2017)
I-95 Multi-State Truck Pilot (2018/2019)

Australia

Market re-entry 2018

TAX

Fringe Benefit Tax (H1 FY19)

COMPLIANCE

Health and Safety
Chain of Responsibility

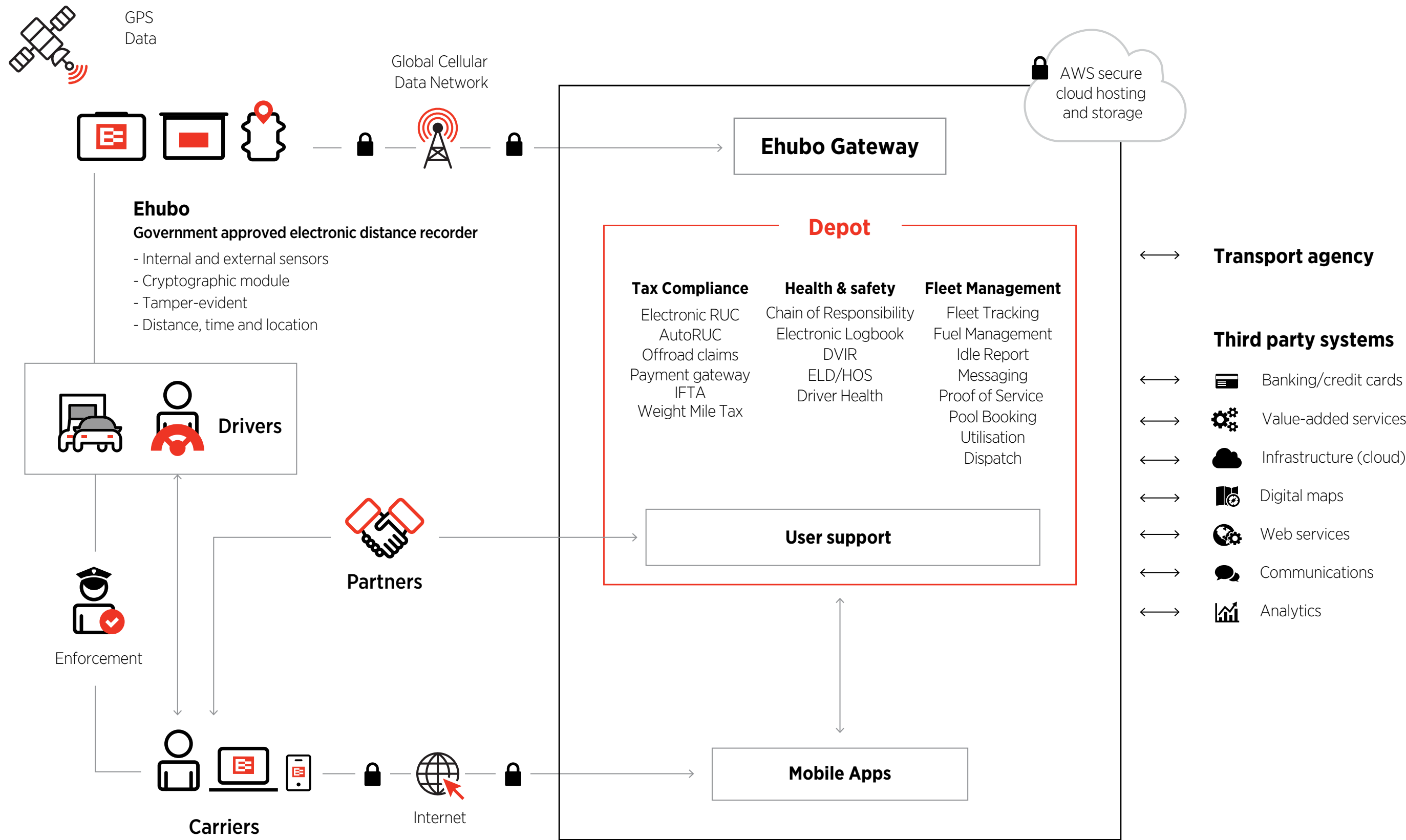
COMMERCIAL

Fleet tracking, telematics services

Complexity made simple

EROAD's end-to-end technology platform consists of:

- An asset hardware including **Ehubo, Asset Tracking and other devices**
- Cloud based, highly available, SaaS platform called **Depot**
- **Variety of mobile apps**
- Online applications portal (SaaS)
- Bank grade payment gateway
- A regulatory interface
- Links to third party systems to enable a partner ecosystem












EROAD's Solution Suite



2019 / Present

2009 / Launch





TAX COMPLIANCE









 DRIVER CERTIFICATIONS
 ELECTRONIC LOGBOOK
 FRINGE BENEFIT TAX

 EASY-TO-USE ELD
 IFTA EASY FILE
 ELECTRONIC OREGON WMT
 IFTA FUEL TRIP RECORDS
 ELECTRONIC IRP
 ELECTRONIC OREGON RUAF







 AUTO RUC
 OFF-ROAD CLAIMS

FLEET MANAGEMENT

 EROAD SHARE
 E-TRACK WIRED
 PARTNER INTEGRATIONS
 TRIP INVESTIGATOR
 PROOF OF SERVICE

 DAILY FLEET ACTIVITY
 GEOFENCE SITE ACTIVITY
 FUEL MANAGEMENT
 IDLE REPORT
 SERVICE RECORD HISTORY
 OUTSOURCED REPAIR SERVICE ACCESS
 DAILY DRIVER ACTIVITY
 SERVICE SCHEDULING AND ALERTS

HEALTH & SAFETY

 LEADERBOARD
 DRIVER INSIGHT
 CHAIN OF RESPONSIBILITY
 INTEGRATED DVIR WORKFLOW
 SPEED MONITORING
 SAFETY EVENT MONITORING



INTUITIVE IN-VEHICLE DEVICE

“It takes most drivers 15 minutes to learn to operate EHUBO. We can even train older drivers not as comfortable with technology in less than an hour.”

JAS Trucking



SIMPLIFIED COMPLIANCE

“Before we adopted EROAD, we prepared quarterly returns manually, and it could take two weeks to get all of the information and to recreate each trip. With EROAD it takes ten minutes.”

Hat Creek Construction & Materials

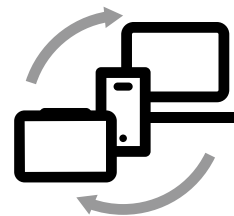


BEST-IN-CLASS CUSTOMER SERVICE

“The EROAD installation was the easiest and most successful vehicle technology roll out in to the St.John fleet. This was due to the flexibility of EROAD, their structured approach and their seamless work”

St John Ambulance Services

EROAD delivers solutions that are really easy to use



ALL IN ONE SOLUTION

“It’s reduced our overall fuel bill by approximately 20% and accident incident rates by 20%”

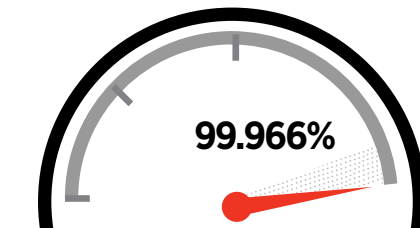
McConnell Dowell



SECURE, RELIABLE, ACCURATE

“With EROAD, we are saving a few thousand dollars per month in administrative time for fuel tax reporting and realizing fuel tax savings of at least \$200,000 annually based on the ability to accurately capture and track off road mileage.”

Recoil Oilfield Services



INDUSTRY-LEADING SERVICE UPTIME

“EROAD has made us more proactive in keeping the trucks safe. Maintenance is simpler to manage and we’re able to keep on top of things a lot more easily”

Conroy Removals

“

Take heed telematics companies, EROAD got it right and deserves to have a higher market share. Highly recommend—you won't be disappointed!

Myles Transportation • USA

QUESTIONS