



EROAD INVESTOR PRESENTATION H1 20

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019



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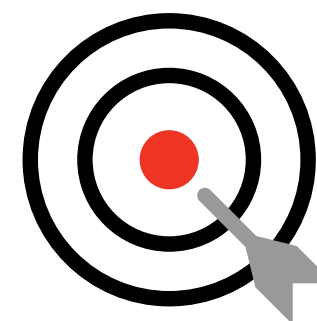


↑35%

IN REVENUE

reflecting strong growth in
New Zealand and North America

(H1 20: \$38.5m • H1 19: \$28.5m)

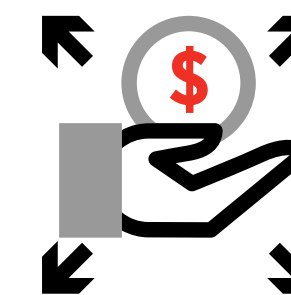


↑92%

IN EBITDA

demonstrating increase in scale
and improving operating leverage

(H1 20: \$11.9m • H1 19: \$6.2m)

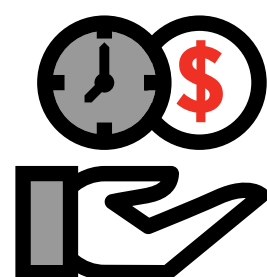


\$106k

OPERATING LOSS AFTER TAX

a **97% improvement**
on H1 19 \$3.4m loss

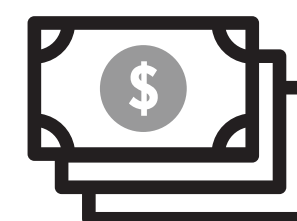
EROAD delivers another period of strong growth in H1 of FY20



↑\$15.8m

**FUTURE
CONTRACTED INCOME**

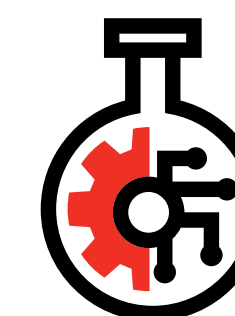
(H1 20: \$130.9m • H1 19: \$115.1m)



↑\$2.8m

**OPERATING
CASH INFLOWS**

(H1 20: \$9.9m • H1 19: \$7.1m)



21%

OF REVENUE REINVESTED IN R&D

to capitalise on future growth potential

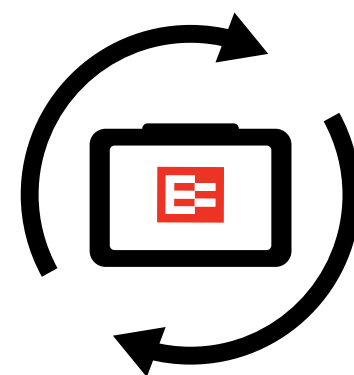
(H1 20: \$8.2m • H1 19: \$6.5m)



↑27%

ANNUALISED CONTRACTED UNIT GROWTH

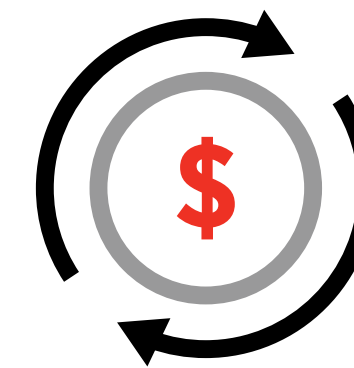
reflecting 2 large North American enterprise customers onboarded



94.9%

ASSET RETENTION RATE

reflecting quality of service and product offering
(H1 19: 94.7%)

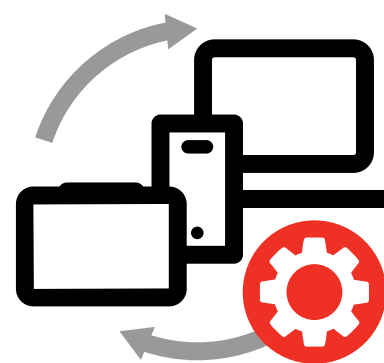


\$57.60

MONTHLY SAAS ARPU

up from \$56.00 in H1 19

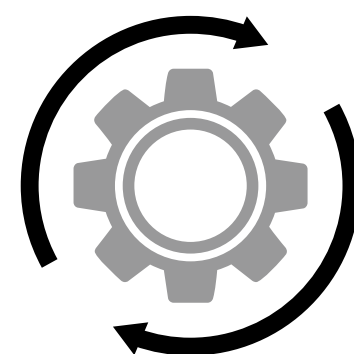
Successfully executing on strategy



4

NEW SAAS PRODUCTS

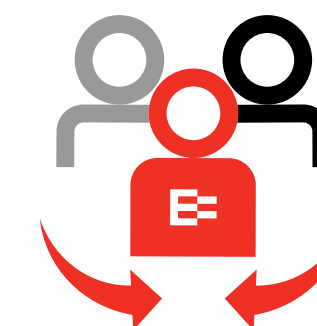
adding to our customer value proposition



\$3.3m

INVESTED IN NEW GENERATION BUSINESS SYSTEMS

to scale for growth and improve operating leverage



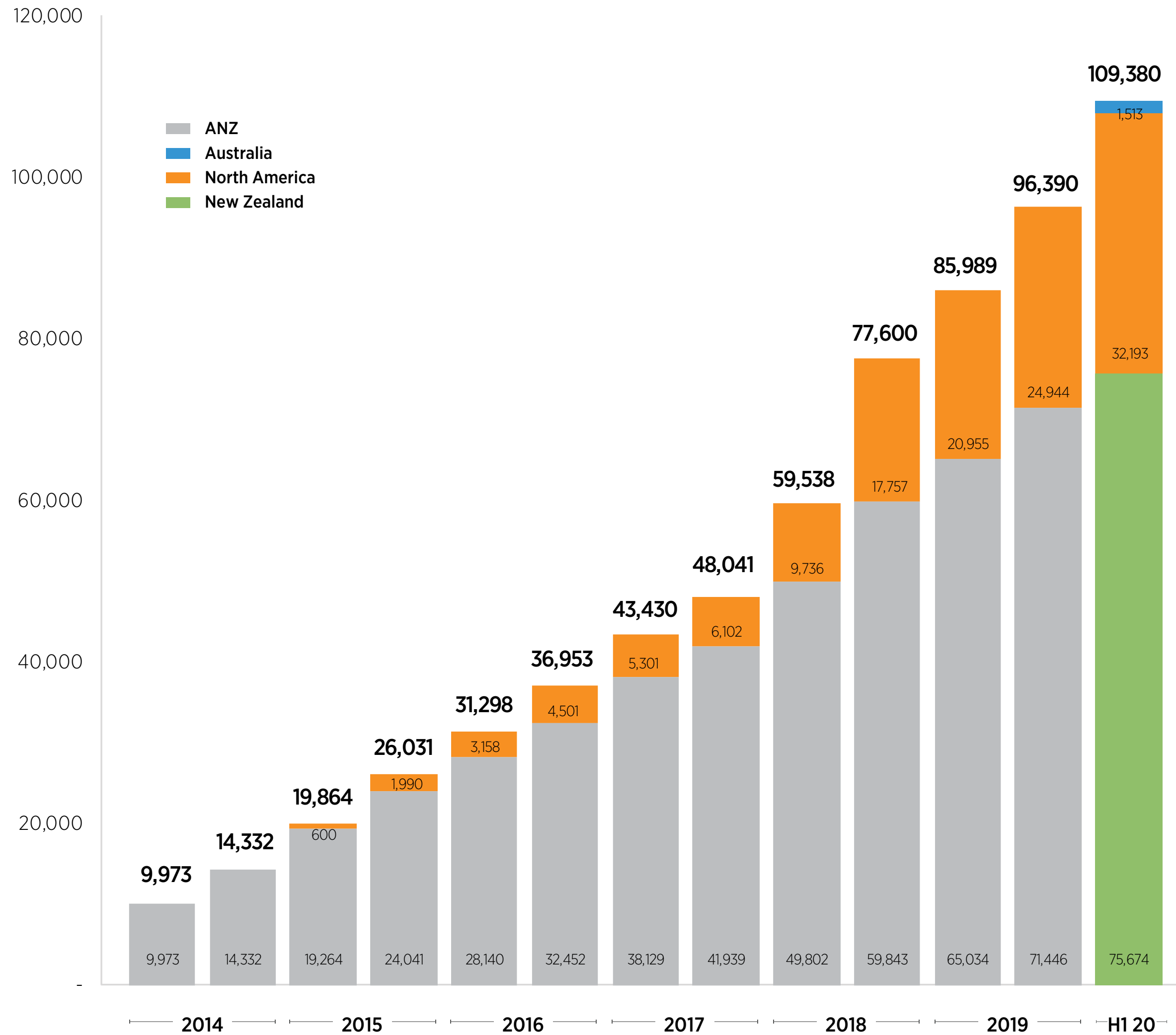
BUILT UP CAPACITY AND EXPERTISE

in key sales and customer service teams

OPERATIONAL UPDATE

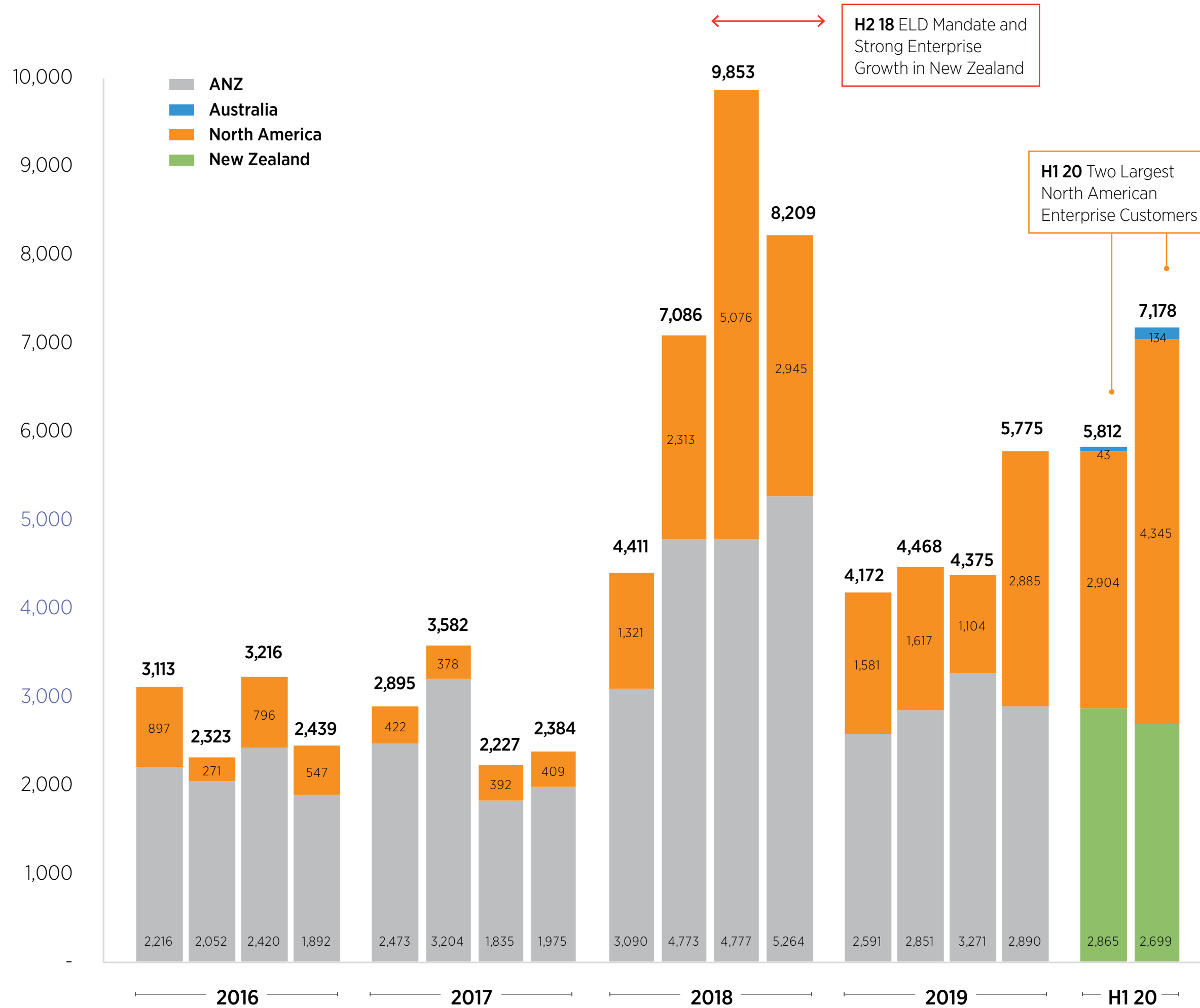
Steven Newman
Chief Executive Officer





6-year annual CAGR of 49%

- Delivered second best half on record with **12,990 contracted units** added.
- **56%** of the H1 20 increase came from North America, following rollout of two significant Enterprise customers.



Strong unit growth continues in H1 20

- On-boarding of Enterprise customers (with longer lead times) and new regulatory settings impact the consistency of growth in contracted units.
- Solid consistent run rate business in New Zealand continues to underpin growth.

Launched four **new SaaS products**

AU
AUGUST
2019

EROAD FUEL TAX CREDIT (FTC) SOLUTION

Enables the maximum rebate companies can claim on all of the fuel tax paid, for vehicles or fuel-operated equipment, on or off-road, and has achieved an Australian Tax Office class ruling.



HOURS OF SERVICE RECAP

Allows EROAD customer administrators to view the most recent cycle data for each driver.

NA
AUGUST
2019

AU
NZ
SEPTEMBER
2019

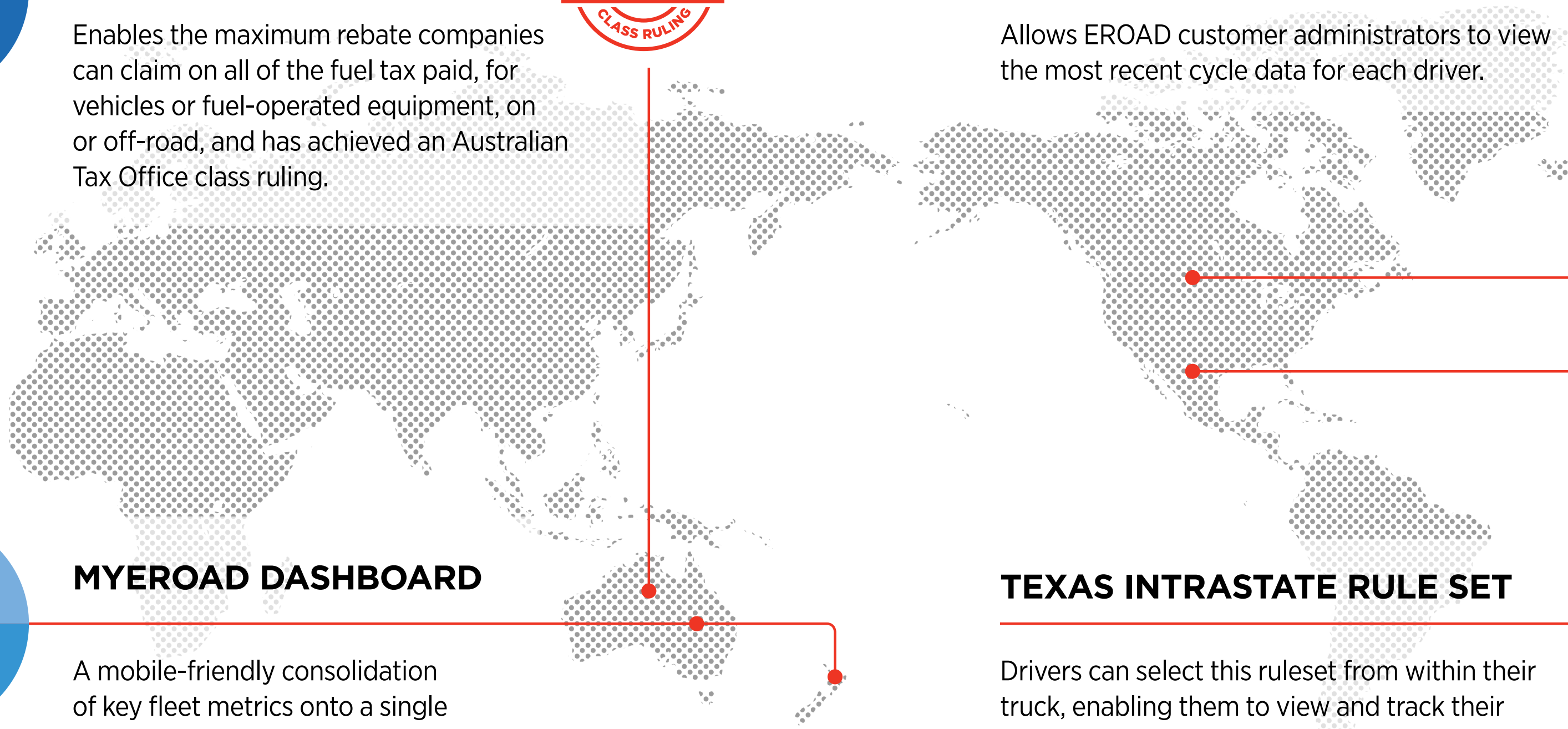
MYEROAD DASHBOARD

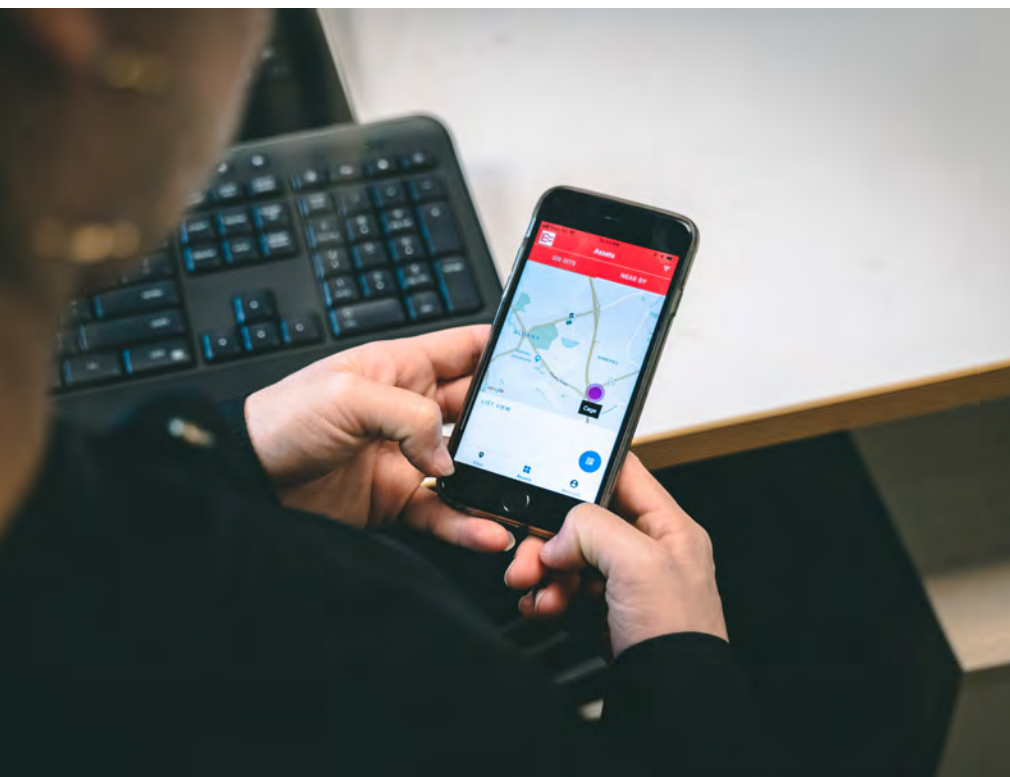
A mobile-friendly consolidation of key fleet metrics onto a single view dashboard.

TEXAS INTRASTATE RULE SET

Drivers can select this ruleset from within their truck, enabling them to view and track their driving hours in line with Texas regulations.

NA
JULY
2019





EROAD Where

A game changer for the market

- EROAD Where is an Asset Management platform, similar in design to the EROAD Depot platform.
- It is being launched together with the EROAD designed and built EROAD Where Bluetooth® tag, which leverages the power of our unique Mesh network (which only EROAD can create in New Zealand), made up of Ehubo Gen 2 units and the EROAD Where App on mobile phones.
- At just \$30 per EROAD Where tag, and \$5 per month per tag subscription, the game changing price point delivers a disruptive asset tracking solution to a large addressable market.
- EROAD has determined an initial target market of c. 1m assets.
- IOT trackers claim to save time, reduce costs, and help businesses perform better. EROAD Where does that too, but at a fraction of the cost. This is a game changer in cost in the market, even for low cost or high volumes of assets.
- The platform has been designed to communicate with a variety of future devices, so EROAD Where will continue to scale with our customer's needs
- Now in the final stages of Beta testing in Q3, will be launched in Q4.
- Investment prior to launch has been c.\$1m.

↑16%

**ANNUALISED
GROWTH IN UNITS**

95.2%

**ASSET
RETENTION RATE**

(H1 19: 95.5%)

\$54.15

NZ MONTHLY SAAS ARPU

(H1 19: \$52.99)

\$16.2m

EBITDA

(H1 19: \$13.7m)

New Zealand remains a significant growth opportunity

EROAD's three strategic priorities in the New Zealand market are:

- **GROW THROUGH RETENTION AND ACCOUNT EXPANSION**
 - NZ asset retention rate of 95.2%
 - 1,766 of ANZ connected units were upgraded from Ehubo1 to Ehubo2
 - 58% of contracted units are now using Ehubo2 (55% as at March 2019)
 - 12% of NZ customers are now using 2 or more SaaS products
 - Implementation of customer success model across sales and support teams
- **CONTINUE EXPANSION INTO SAFETY CONSCIOUS MARKET**
 - Through continued expansion of EROAD's safety and compliance centered proposition, annualised unit growth of 16% was achieved
- **LEVERAGE NETWORK INTO NEW OPPORTUNITIES**
 - Launch of the EROAD Where business, and the continuing development of data analytics revenue

↑ 58%

**ANNUALISED
GROWTH IN UNITS**

2

**LARGE ENTERPRISE
CUSTOMERS ONBOARDED**

\$64.87

NA MONTHLY SAAS ARPU

(H1 19: \$57.86)

\$3.2m

EBITDA

(H1 19: \$(0.4)m)

North America is now an established market

EROAD's three strategic priorities in the North American market are:

- **BUILD SUSTAINABLE RUNRATE BUSINESS IN THE SMB SPACE**
 - The average monthly SMB runrate was 328 units. This was below EROAD's expectations
 - Work is underway to improve this runrate, although with the lower than anticipated AOBRD to ELD pipeline this may not be achieved in the short term
 - Expect some growth from 2017 ELD mandate contract roll-offs and sunset of 3G technology
- **PURSUE SELECTIVE ENTERPRISE OPPORTUNITIES**
 - 3,631 units from EROAD's largest enterprise customer win were deployed and a second large enterprise customer was won and deployed (1,650 units)
- **CONSIDER STRATEGIC GROWTH OPPORTUNITIES**
 - Continues to hold discussions with potential partners around a range of opportunities


26%

**ANNUALISED
GROWTH IN UNITS**



**LAUNCHED
EROAD FTC SOLUTION**



**BUILT OUT SALES TEAM
AND INCREASED
MARKETING EFFORTS**

\$(0.8)m

EBITDA

(H1 19: \$(0.2)m)

Building brand in Australia leveraging Trans-Tasman synergies

EROAD's three strategic priorities in the Australian market are:

- **BUILD SUSTAINABLE RUNRATE BUSINESS IN THE SMB SPACE**
 - The monthly average runrate achieved was 22 units. This is below EROAD's expectations and work is underway to improve this in the short term, including increasing marketing and informing potential customers on EROAD's customer value proposition
- **PURSUE SELECTIVE ENTERPRISE OPPORTUNITIES**
 - The enterprise opportunity pipeline for Australia (fleets of 500-1000) continues to be strong and above expectations. Given the longer sales lead times for this type of customer, we only anticipate some wins prior to the end of FY20
- **MANAGE COST BASE FOR EFFICIENCIES IN GROWTH**
 - The size of the in-market sales team and marketing activity is closely monitored and increases will only follow increases in sales achieved and opportunity pipeline. Customer support functions continue to be provided from New Zealand to ensure cost to serve efficiencies at this early stage of entry into Australia

FINANCIAL UPDATE

Alex Ball

Chief Financial Officer



EROAD delivers another period of strong growth



Continued strong EBITDA growth in New Zealand and North America, partly offset by Australian market entry

(\$m)	H1 20	H1 19	Movement
New Zealand	16.2	13.7	2.5
North America	3.2	(0.4)	3.6
Australia	(0.8)	(0.2)	(0.6)
Corporate & Development	(6.7)	(7.0)	0.3
Elimination of inter-segment EBITDA	-	0.1	(0.1)
EBITDA	11.9	6.2	5.7
EBITDA MARGIN	31%	22%	9%

NEW ZEALAND

Continued solid EBITDA growth in NZ with \$4.3m additional revenue flowing through to an additional \$2.5m of EBITDA net of increased investment in customer support, product and engineering teams.

NORTH AMERICA

Strong EBITDA growth of \$3.6m from \$(0.4)m to \$3.2m reflects strong revenue growth of \$5.0m from \$6.9m to \$11.9m and improved operating leverage in addition to stronger USD.

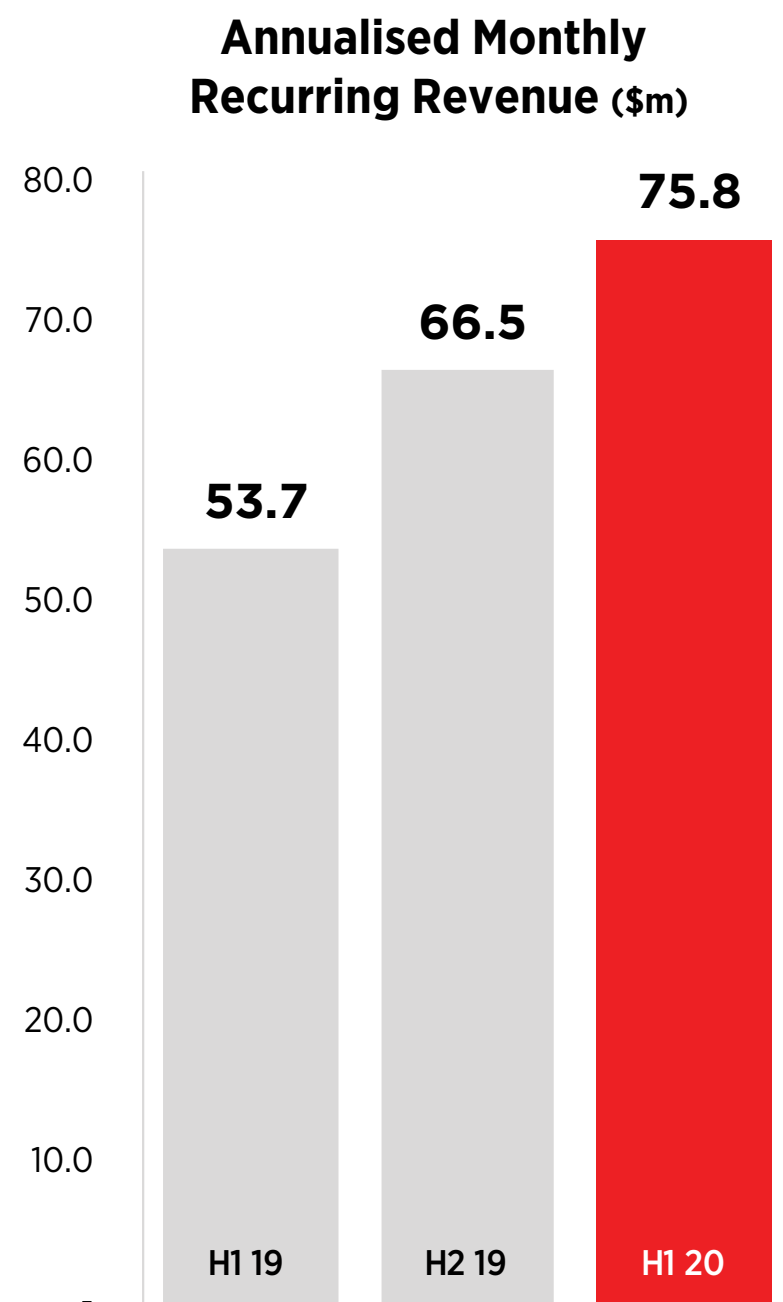
AUSTRALIA

Comparative half year was prior to re-launch into Australian market. Investment made into building sales and marketing capability in new market.

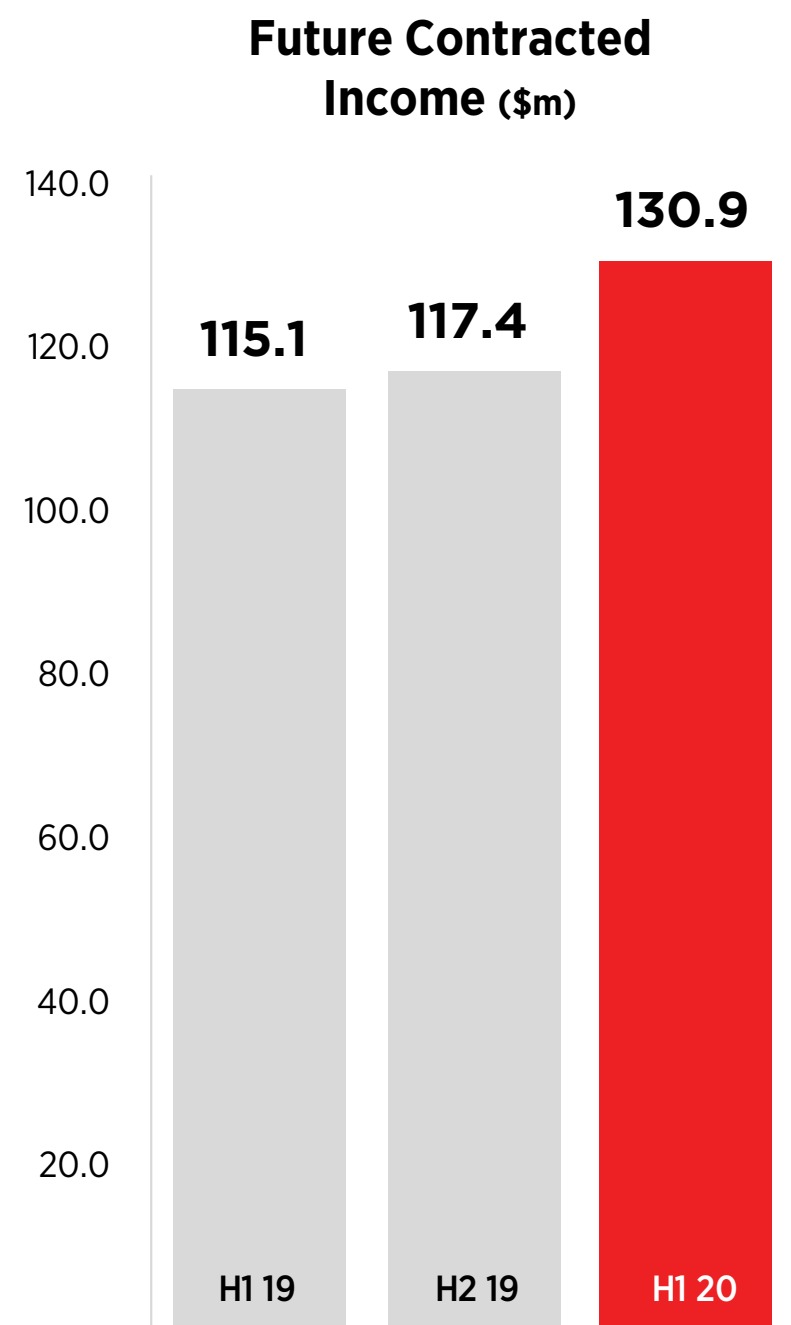
CORPORATE

Revenues were higher than the previous half year with grant income and revenues relating to US I-95 RUC pilot and our data analytics team. Partly offset by higher operating expenses from investment in management capability in the second half of FY19 continuing through to FY20.

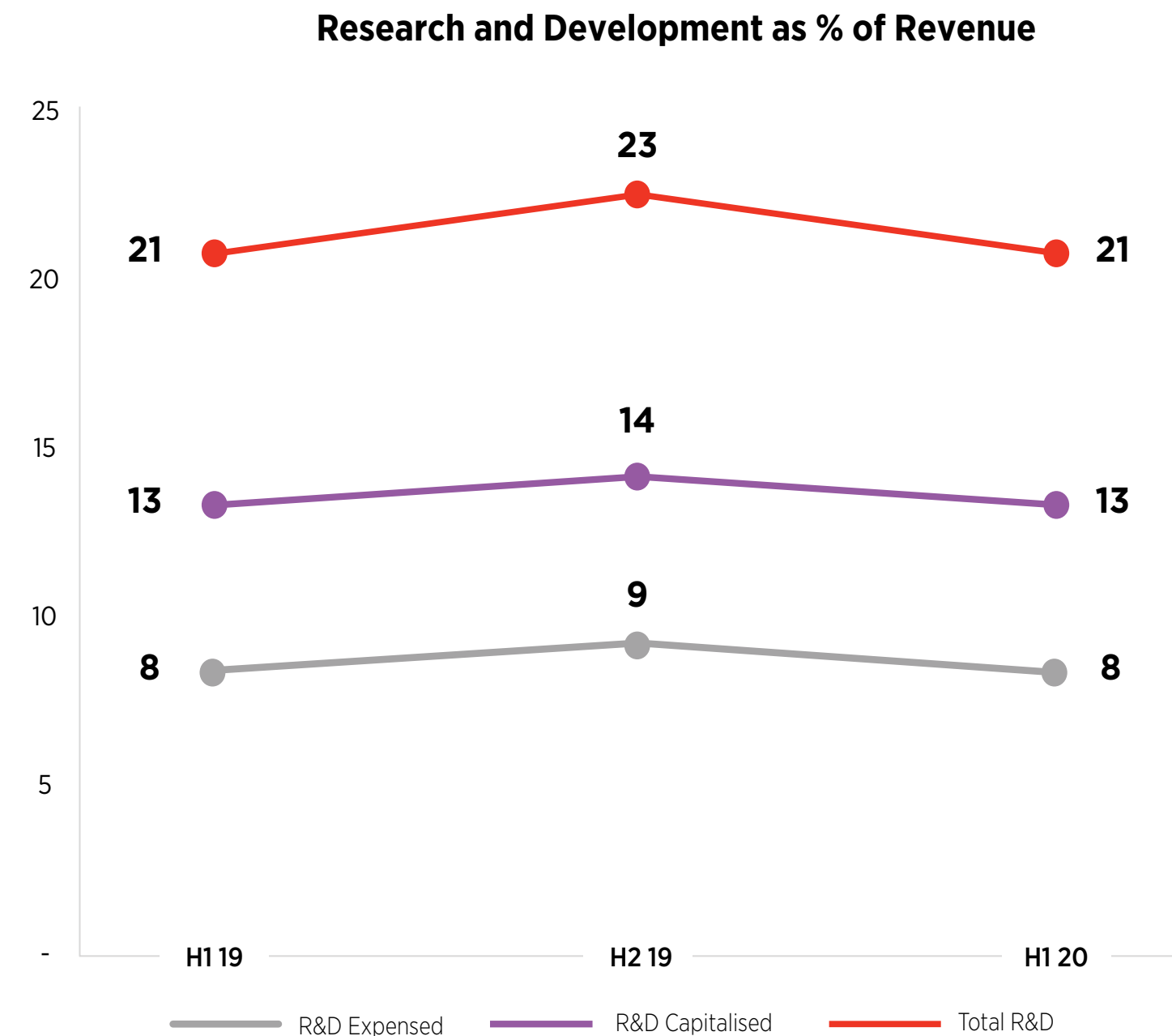
Monitoring Performance: Leading Growth Indicators



AMRR increase reflects growth in recurring revenues from new units and SaaS ARPU.

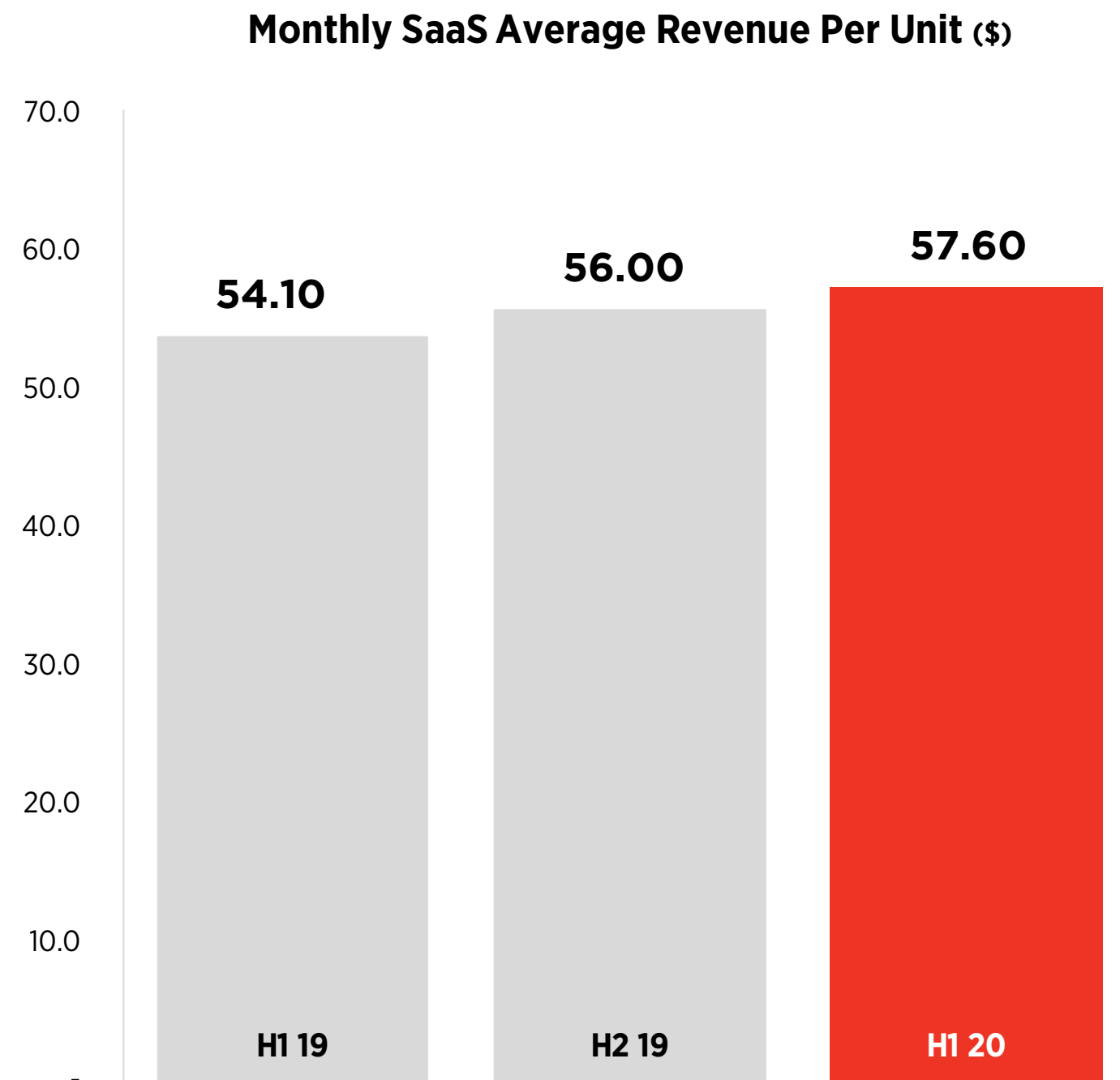


FCI increased with new incremental contracted units added and renewals, partially offset by recognition of revenues for new and existing contracts.



R&D as % of Revenue within expected range of between 18-22% of Revenue.

Monitoring Performance: Enterprise value from existing customer base



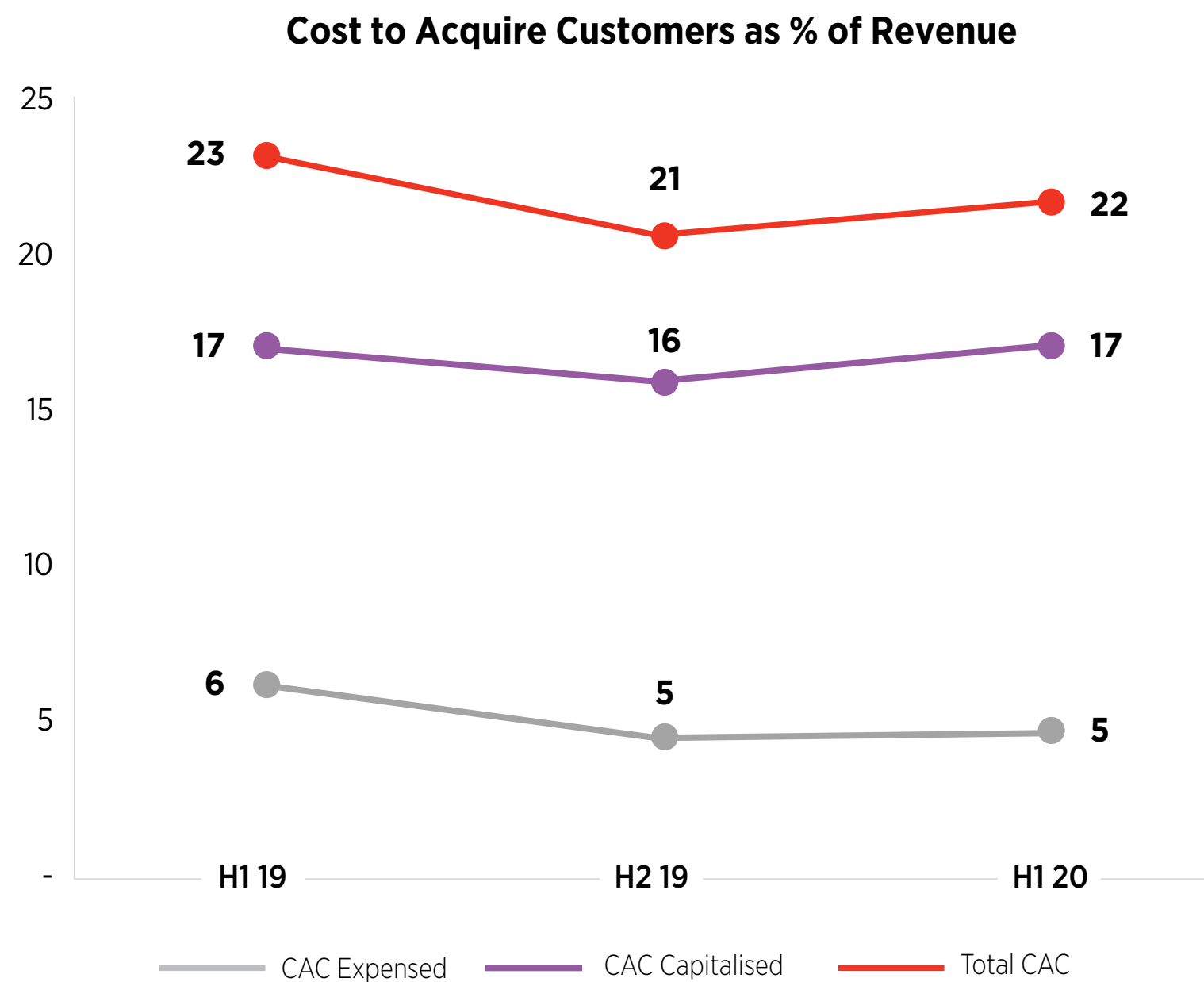
Monthly SaaS ARPU has been trending upwards over past 12 months.

- Plan and hardware upgrades
- Above average pricing for new sales, including NA enterprise accounts
- Stronger USD vs NZD

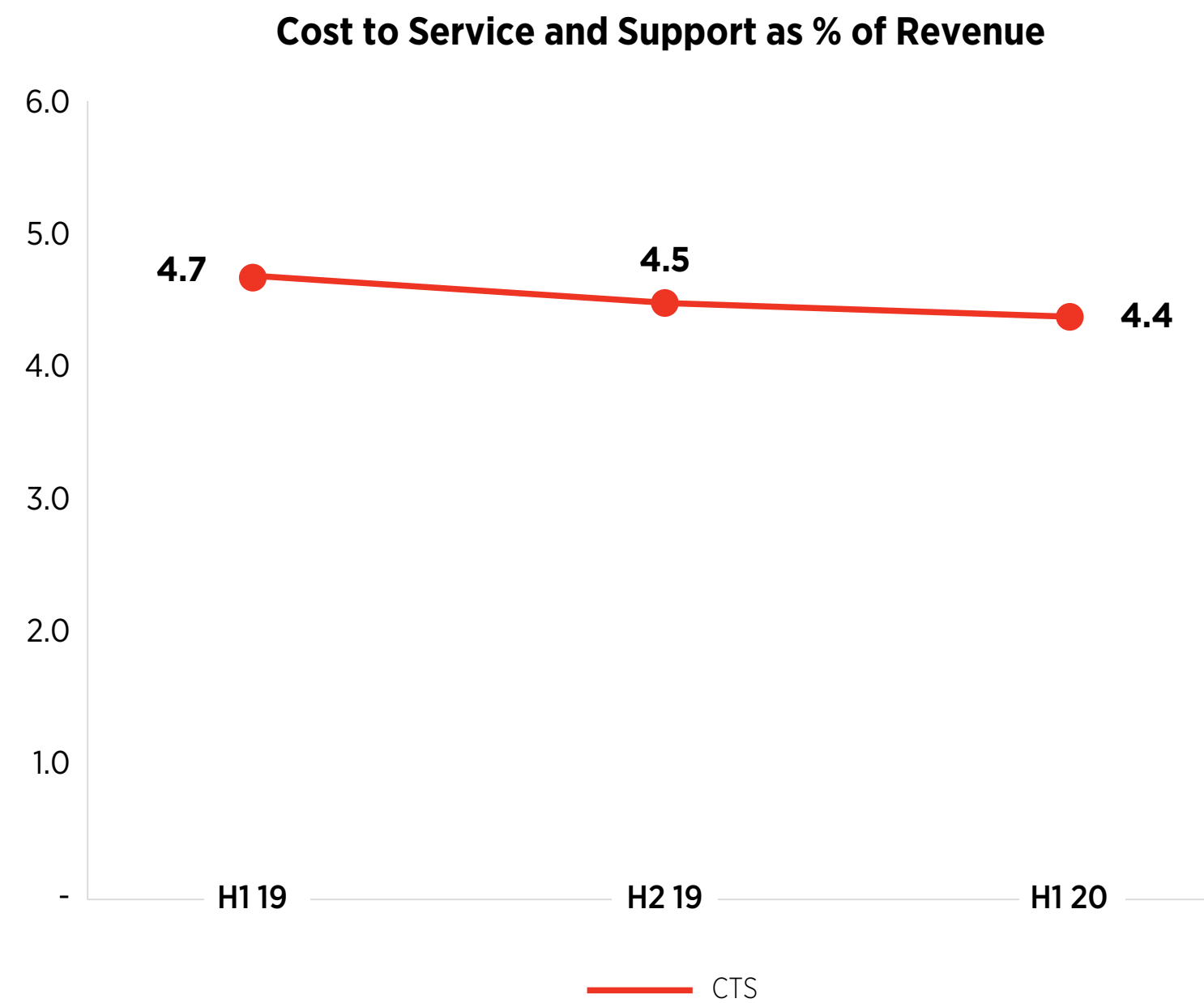


Asset Retention Rate has remained stable and remains a focus as we work to maintain this very high level through renewal programmes in key markets.

Monitoring Performance: Profitability



CAC as a % of Revenue would be expected to trend down over time as revenue grows, reductions will be partly offset by investment in CAC ahead of revenues in Australia.

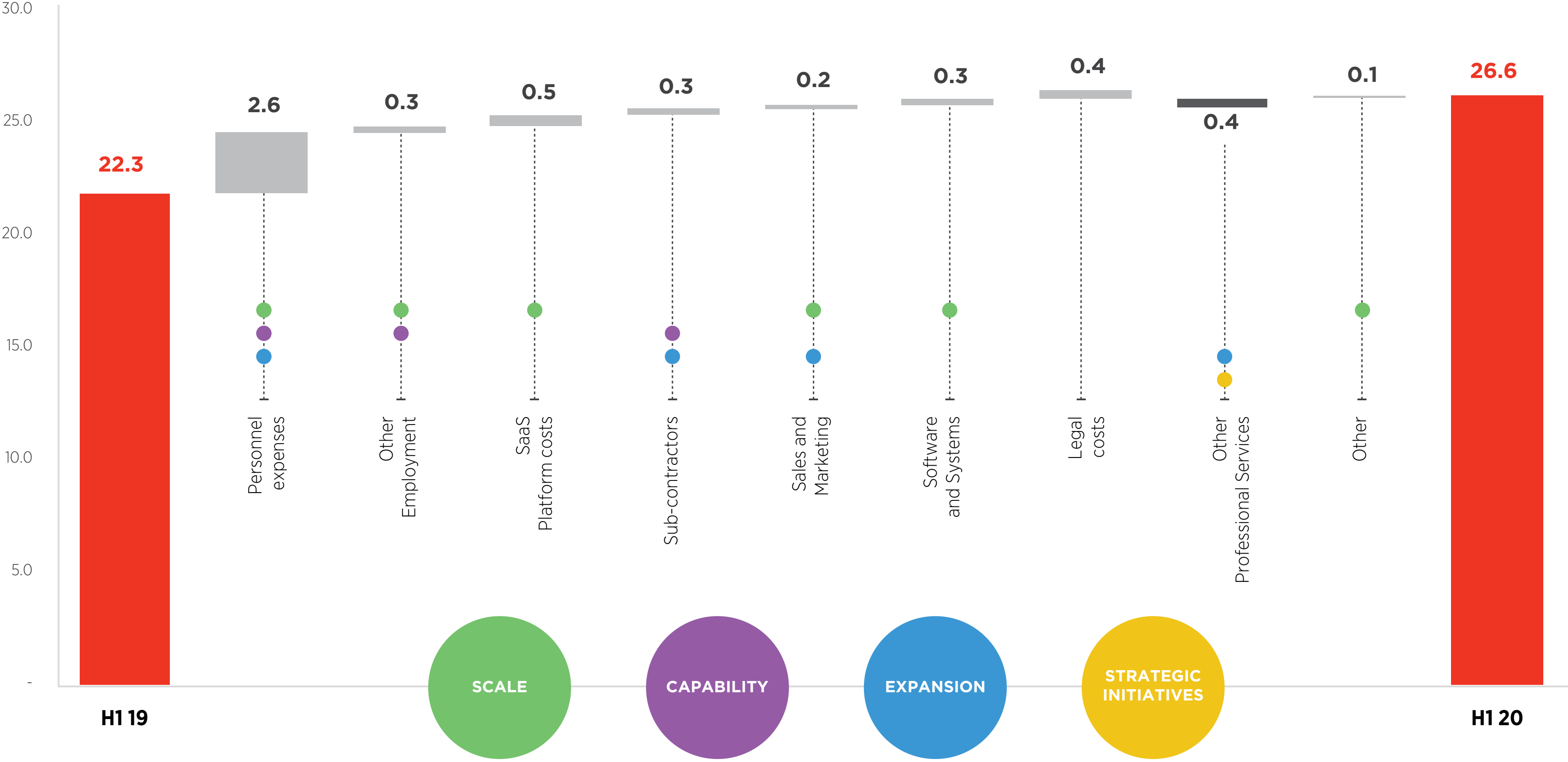


CTS has trended down slightly but remained within 4-5% of revenue range. There will be some further operational leverage expected from FY21 as business realises benefits of system transformation investment.

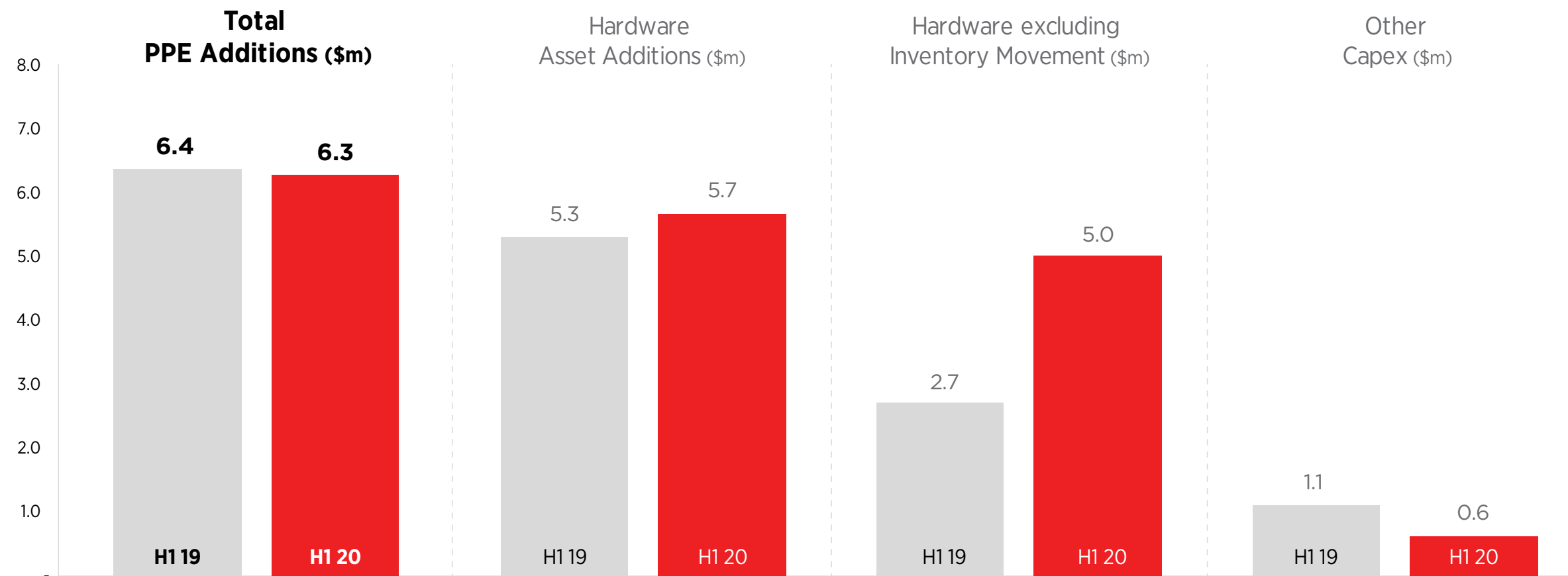
CTS will improve over time as scale and leverage increases.

Operating expenses have increased on previous half year with scale and expansion into Australian market

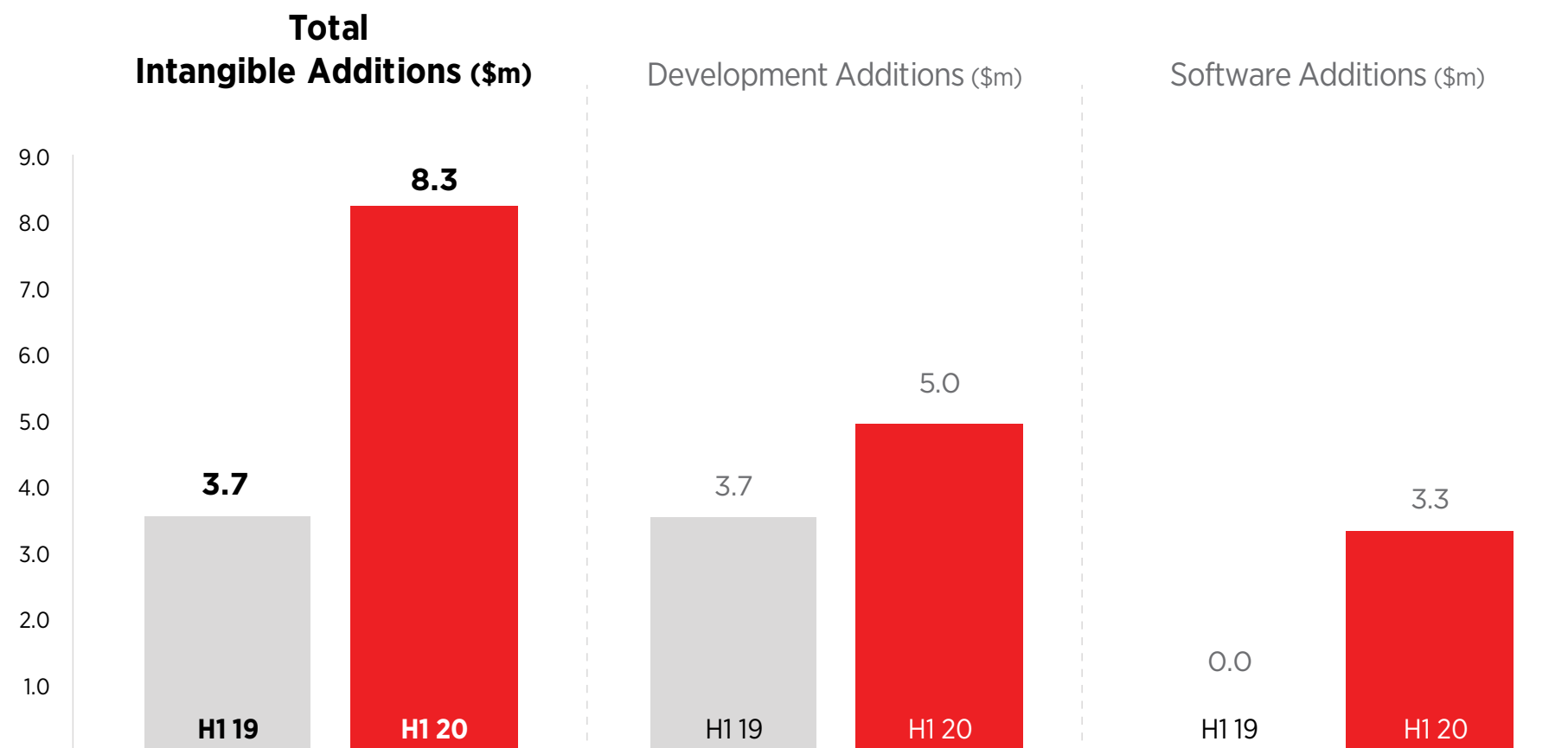
OPERATING EXPENSES (\$m)



Additions to Property, Plant and Equipment



Additions to Intangible Assets



Capital Expenditure has increased on the comparative half year with increased Development spend and investment in scalable systems.

PROPERTY PLANT & EQUIPMENT

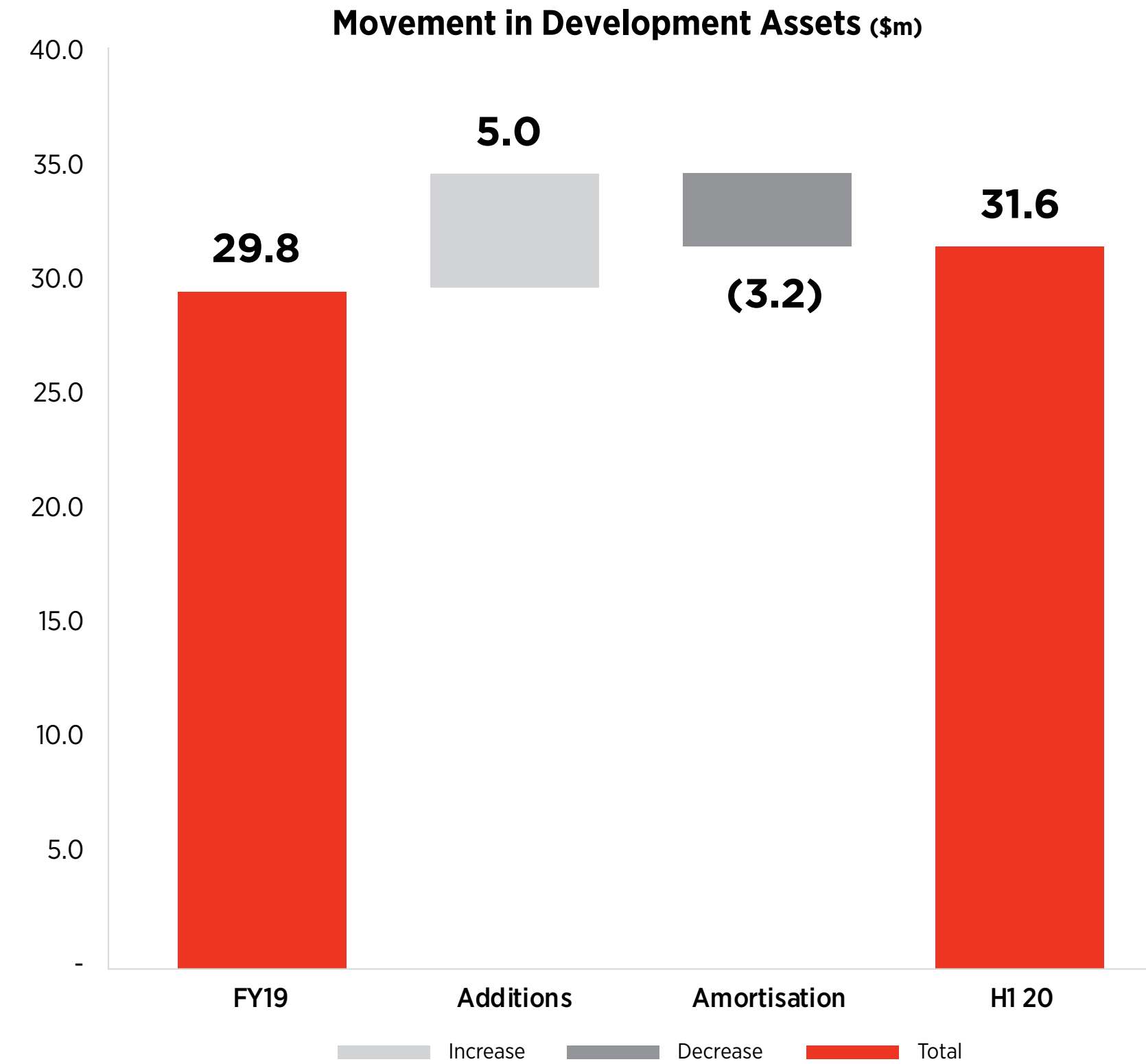
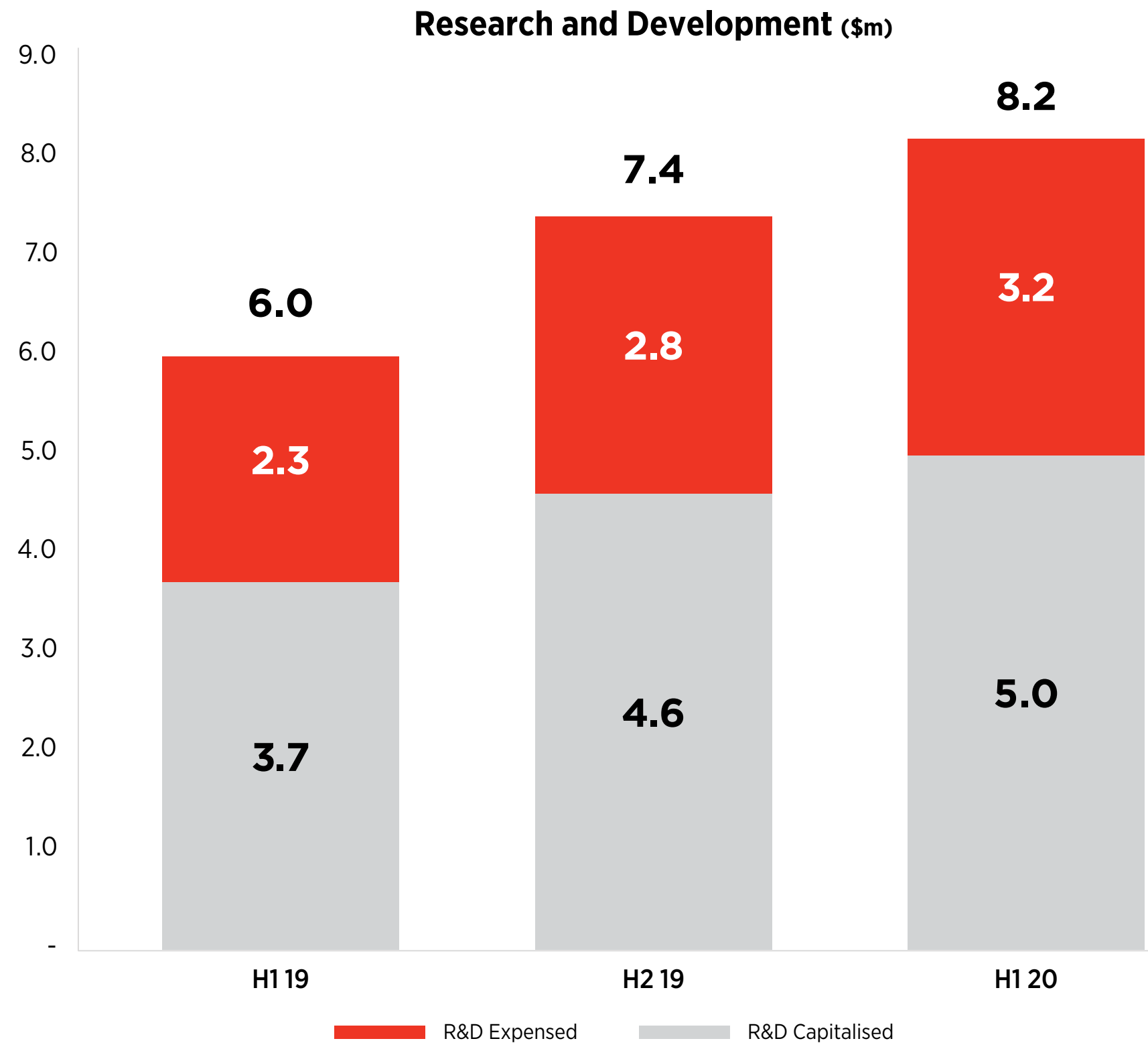
- Investment in Hardware Assets (excluding inventory movements) has increased due to higher new unit volumes, stronger USD, and higher accessories due to higher weighting of NA sales.

INTANGIBLE ASSETS

- R&D spend of \$8.2m is within signalled range of 18-22% of revenues. \$5.0m of which was capitalised as Development Assets up \$1.3m on the comparative half year (see next slide).
- Software additions are \$3.3m higher as a result of the investment in process and system transformation.

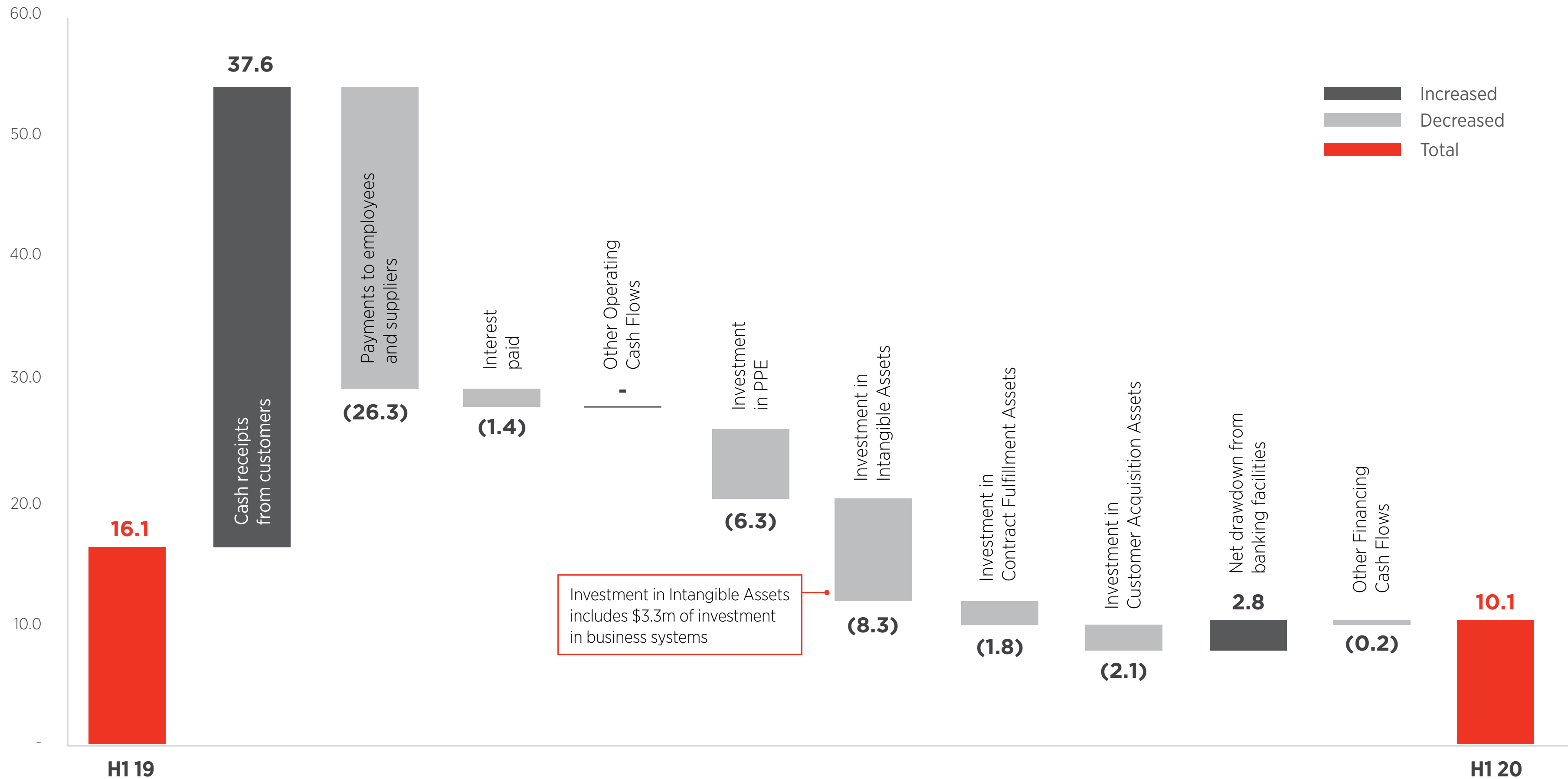
Continued investment in R&D critical to delivering reliability, scalability, quality and growth

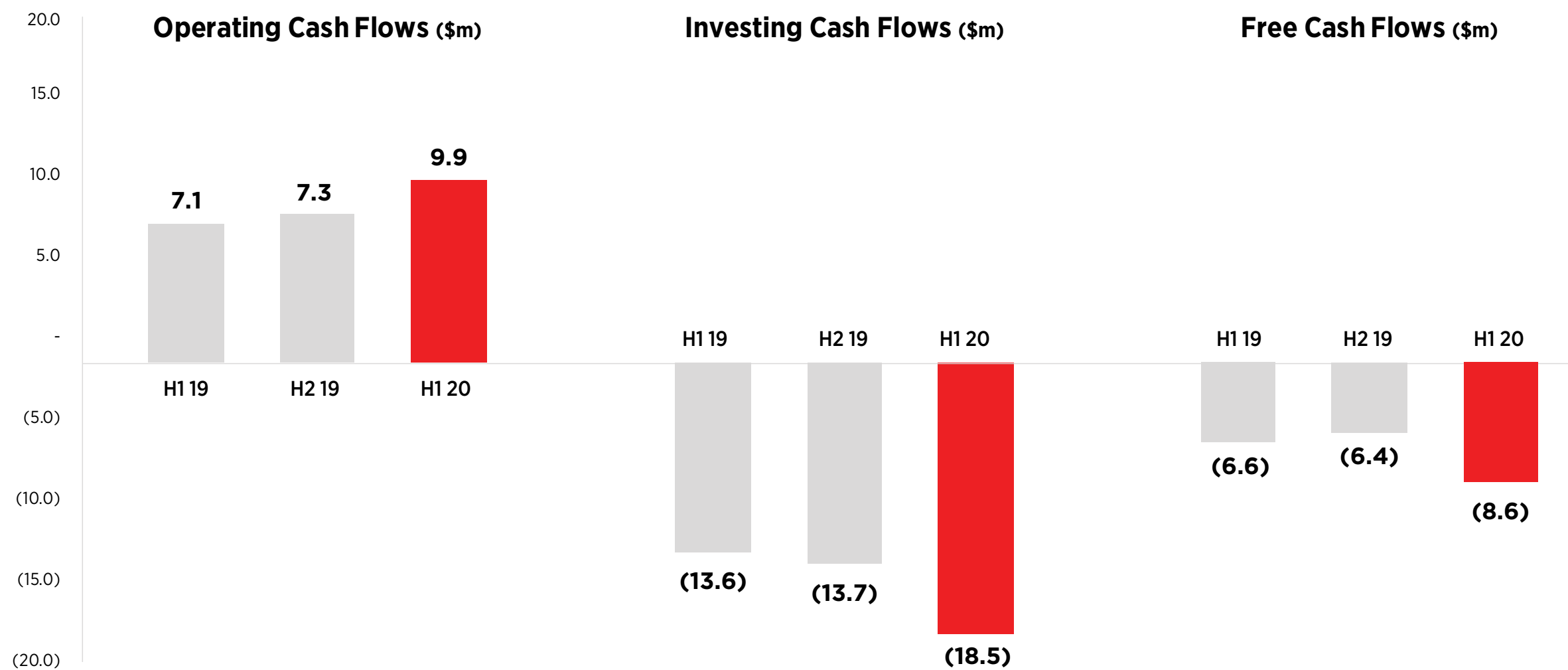
R&D SPEND



Cash position has reduced by \$6m in the half year with elevated levels of investment in business systems and R&D

GROUP CASH FLOW





Operating Cash Flows:

- H1 19 included favourable working capital movements from improvements in debtors.
- H1 20 operating cash flows include negative EBITDA of \$0.8m relating to AU market.
- Expensed \$0.9m more R&D than H1 19.

Investing Cash Flows:

- \$8.3m investment in intangible assets, an increase of \$4.6m on H1 19. \$3.3m of which relates to strategic investment in business systems. Development asset investment was \$5m, up \$1.3m on H1 19.
- \$6.3m PPE largely investment in Hardware Assets.
- \$3.9m investment in contract fulfilment and customer acquisition.

Free Cash Flows:

- Free cash flows impacted by investment in key strategic initiatives:
- \$0.8m EBITDA loss in relation to AU market entry.
 - \$3.3m investment in business and operating systems.
 - \$2.2m higher R&D compared to H1 19.

Free Cash Flows impacted by investment in strategic initiatives

The Group expects to fund ongoing investment in intangible assets with operating cash flows.

Operating cash flows will continue to improve with continued growth and operating leverage.

In the short term, until the business becomes Free Cash Flow positive, the Group expects that investing cash flows will be able to be funded by operating cash inflows and available debt facilities.

OUTLOOK

Steven Newman

Chief Executive Officer



Creating Shareholder Value in FY20

SAFER, MORE PRODUCTIVE ROADS

EXTENDING THE PLATFORM

- Launched EROAD Fuel Tax Credit solution in Australia market
- Launched Texas Intrastate Ruleset and HOS Recap in North America market improving customer value proposition
- Launched MyEROAD Dashboard improving retention and revenue
- EROAD Where to be launched in Q4 FY20

SCALING FOR GROWTH

- Largely completed our roll-out of new generation of business systems and supporting processes. This will be completed in the next few months
- Built further capability in sales and customer support

CHOOSING TO GROW

- **12,990** new subscribers added in H1 20
- Second Enterprise customer signed with **1,650** units installed within nine weeks
- Building acquisition capability in FY20 so we are ready to execute in FY21 as the right opportunities are identified
- Continue to review the appropriateness of our capital structure and funding capacity

ENERGISED AND CAPABLE TEAM OF EROADERS

H2 20 Outlook

- Consistent, solid growth is expected in the New Zealand business for the remainder of FY20.
- Following the strong growth for North America in H1 20 with the on-boarding of two large enterprise customers, further growth in the second half is expected to be at a reduced rate and predominantly come from the small to medium customer run rate business.
- In Australia, it is anticipated that some of the strong enterprise pipeline will convert prior to the end of FY20. In addition, steady gains will be delivered in the small to medium customer run rate business.
- Will go live with new generation of business systems in H2 20. This will deliver further operating leverage into FY21.
- Research and development cost is still anticipated to be within the higher end of the 18 to 22% of revenue range previously outlined.
- Operating expenses are anticipated to be several million dollars higher in the second half of FY20 due to the full year impact of new capability hires, an anticipated increase in legal costs relating to the US patent claim, the costs associated with the company's share based payment scheme as well as continuing capability hires in the product and engineering functions as well as strategic partnering and acquisitions.

Q&A



EROAD

Statement of Income (NZ\$m)

SIX MONTHS ENDED	H1 20	H1 19	Movement
Revenue	38.5	28.5	9.9
Expenses	(26.6)	(22.3)	(4.3)
Earnings before interest, taxation, depreciation and amortisation	11.9	6.2	5.7
Depreciation of Property, Plant & Equipment	(4.0)	(3.1)	(0.9)
Amortisation of Intangible Assets	(3.6)	(3.1)	(0.5)
Amortisation of Contract and Customer Acquisition Assets	(2.9)	(2.3)	(0.6)
Earnings/(loss) before interest and taxation	1.4	(2.3)	3.7
Net Financing Costs	(1.6)	(1.3)	(0.3)
Loss before tax	(0.2)	(3.6)	3.4
Income Tax benefit	0.1	0.2	(0.1)
Loss after tax for the year attributable to the shareholders	(0.1)	(3.4)	3.3
Other comprehensive income	(0.2)	(0.5)	0.3
Total comprehensive (loss) for the year	(0.3)	(3.9)	3.6

Balance Sheet (NZ\$m)

AS AT PERIOD END	H1 20	FY19	Movement
Cash	10.1	16.1	(6.0)
Restricted Bank Account	16.3	12.7	3.6
Costs to Acquire and Contract Fulfilment Costs	5.3	4.6	0.7
Other	11.4	10.5	0.9
Total Current Assets	43.1	43.9	(0.8)
Property, Plant and Equipment	37.7	33.9	3.8
Intangible Assets	37.8	33.1	4.7
Costs to Acquire and Contract Fulfilment Costs	5.1	4.8	0.3
Other	7.7	7.5	0.2
Total Non-Current Assets	88.3	79.3	9.0
TOTAL ASSETS	131.4	123.2	8.2
Payables to Transport Agencies	16.3	12.5	3.8
Contract Liabilities	10.0	10.0	0.0
Borrowings	37.5	34.6	2.9
Other Liabilities	16.3	14.8	1.5
Total Liabilities	80.1	71.9	8.2
NET ASSETS	51.3	51.3	0.0

- Cash has reduced by \$6.0m since 31 March 2019 and been utilised on investing in new generation business systems, key research and development projects, including EROAD Where, and Australian market re-entry sales and marketing activity.
- Intangible assets have increased due to investment in new generation business systems and capitalised development activity.

Cash Flow Statement (NZ\$m)

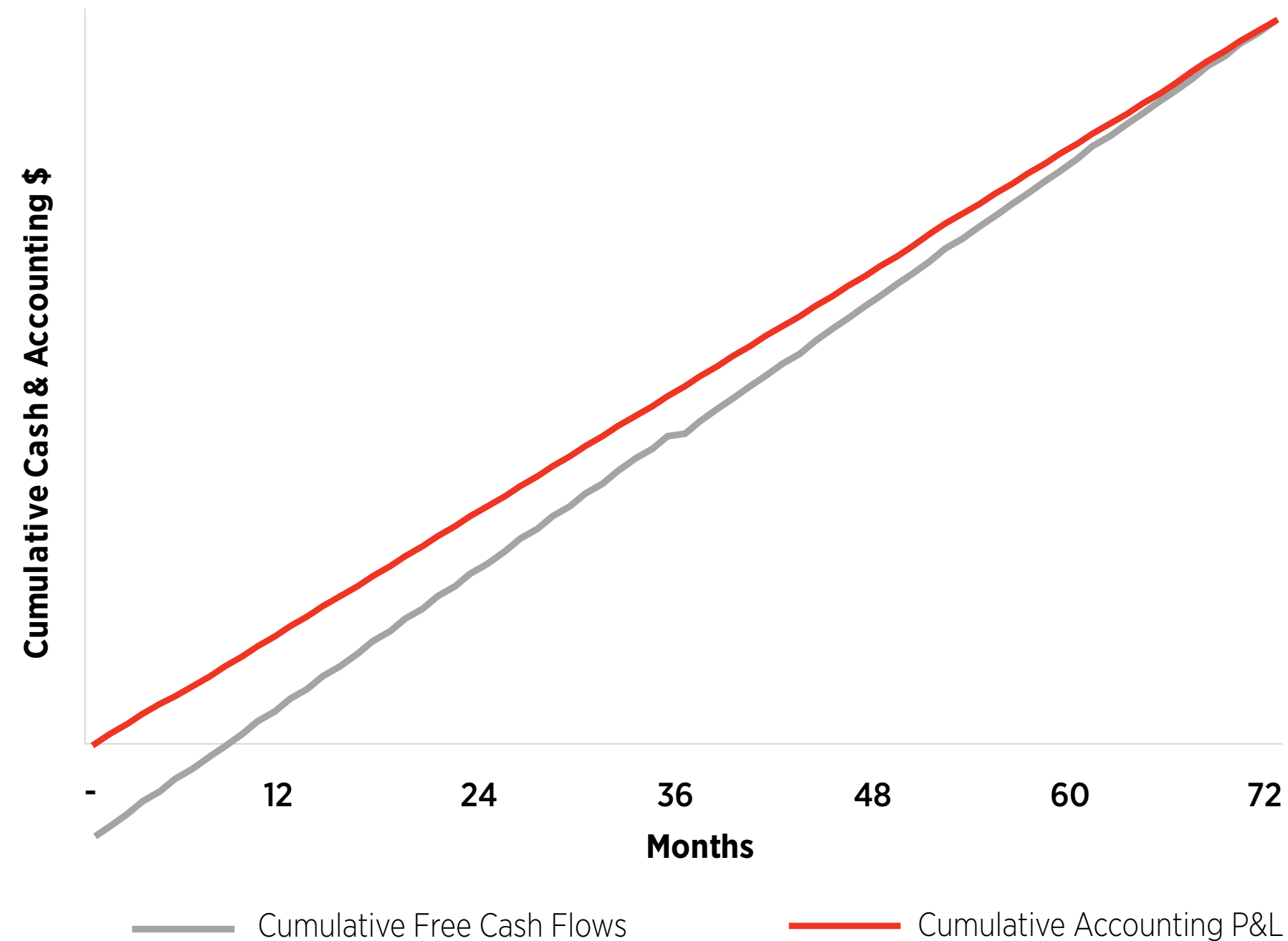
SIX MONTHS ENDED	H1 20	H1 19	Movement
Cash flows from operating activities			
Other operating cash flows	11.3	8.4	2.9
Interest paid	(1.4)	(1.3)	(0.1)
Net cash inflow from operating activities	9.9	7.1	2.8
Cash flows from investing activities			
Property, Plant and Equipment (including hardware assets)	(6.3)	(6.3)	(0.0)
Intangible Assets	(8.3)	(3.7)	(4.6)
Contract Fulfillment and Customer Acquisition Assets	(3.9)	(3.5)	(0.4)
Net cash outflow from investing activities	(18.5)	(13.6)	(4.9)
Cash flows from financing activities			
Bank loans	2.8	6.7	(3.9)
Other financings cash flows	(0.2)	0.3	(0.5)
Net cash outflow from financing activities	2.6	7.0	(4.4)
Net increase/(decrease) in cash held	(6.0)	0.4	(6.4)
Cash at beginning of the financial period	16.1	21.9	(5.8)
Closing cash and cash equivalents	10.1	22.3	(12.2)

- Investing cashflows in intangibles consist of \$3.3m of spend in new generation business systems and an incremental amount of spend on key research and development activity.
- Financing cash inflows have reduced period on period as a net effect of amounts drawn down to fund up front hardware and installation costs from new sales, less scheduled loan repayments.

Reconciliation of Profit to movement in cash (NZ\$m)

SIX MONTHS ENDED	H1 20	H1 19
Loss after tax for the six month period attributable to the shareholders	(0.1)	(3.4)
Add/(less) non-cash items		
Tax asset recognised	(0.1)	(0.6)
Depreciation and amortisation	10.5	8.5
Other non-cash expenses/(income)	(1.4)	(0.1)
Add/(less) movements in other working capital items:		
Decrease/(increase) in trade and other receivables	(0.9)	1.3
Decrease/(increase) in current tax payables	0.0	(0.1)
Increase/(decrease) in contract liabilities	0.1	0.3
Increase / (decrease) in trade payables, interest payable and accruals	1.8	1.1
Net Cash from operating activities	9.9	7.0

Illustrative – Incremental Accounting & Cash Flows (per Unit)



UPFRONT CASH OUTFLOWS:

- **Hardware & Accessory costs** (for accounting capitalised and depreciated over expected useful life – 72 months Hardware/36 months Accessories)
- **Costs of Fulfilment** - largely incremental installation and shipping costs (for accounting capitalised and amortised over initial contract term)
- **Costs of Acquisition** - incremental commission costs (for accounting purposes capitalised and amortised over initial contract term)

UPFRONT CASH INFLOWS:

- Installation & Shipping Revenues

RECURRING CASH INFLOWS:

- Monthly Contracted Invoicing
- Recurring Cash Outflows
- SaaS Platform Costs
- Costs to Service and Support per unit

High-level example of incremental cash flows and accounting impact of additional units:

- Example of 36-month rental contract
- Example assumes renewal of contract with same hardware at end of initial 36-month term
- Non-incremental Costs of Acquisition such as sales salaries and marketing costs excluded from analysis. These are expensed when incurred

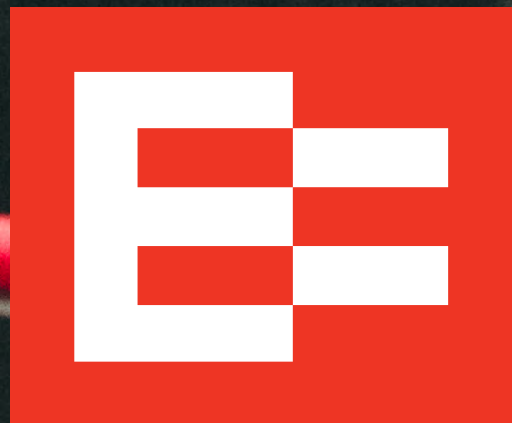
Glossary

- Annualised Growth in Units**
 Annualised growth in units is calculated as the growth in contracted units from 31 March 2019 to 30 September 2019 multiplied by 2.
- Annualised Monthly Recurring Revenue (AMRR)**
 Annualised monthly recurring revenues (AMRR) a non-GAAP measure representing monthly Recurring Revenue for the last month of the period (September of \$6.3m included in SaaS revenue), 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.
- Automatic On Board Recording Device (AOBRD)**
 AOBRDs are electronic devices that can be used to automatically record drivers' hours of service.
- 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. These costs are included in Administrative and other Operating Expenses reported in Note 3 Expenses of the Interim Financial Statements.
- Customer Retention Rate**
 Asset Retention Rate excluding contraction in existing customer Total Contracted Units when customer remained with EROAD.
- Depot**
 EROAD's web-based platform that allows customers to manage (and pay) their RUC, WMT and fleet management services.
- Driver Vehicle Inspection Report (DVIR)**
 A report created by a driver identifying defects and safety risks to a commercial vehicle.
- EBITDA**
 Is a non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA). Refer Condensed Consolidated Statement of Comprehensive Income in Interim Financial Statements.
- EBITDA Margin**
 Is a non-GAAP measure representing EBITDA divided by Revenue.
- 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.

Glossary *contd.*

- Electronic Logging Device (ELD)**
 An electronic solution that synchronises with a vehicle engine to automatically record driving time and hours of service records.
- Free Cash Flows**
 Is 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 2 of Interim Financial Statements.
- 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. Refer Revenue Note 2 in the Interim Financial Statements.
- Monthly SaaS Average Revenue Per Unit (ARPU)**
 Monthly Software as Service (SaaS) Average Revenue Per Unit is a non-GAAP measure that is calculated by dividing the total SaaS revenue for the year reported in Note 2 of the Interim Financial Statements, by the total of the TCU balances at the end of each month during the year.
- Recurring Revenue**
 The Software as a Service (SaaS) revenues EROAD recognises on a recurring monthly basis in accordance with the groups revenue recognition policy.
- 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.
- 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.
- 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.
- 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.

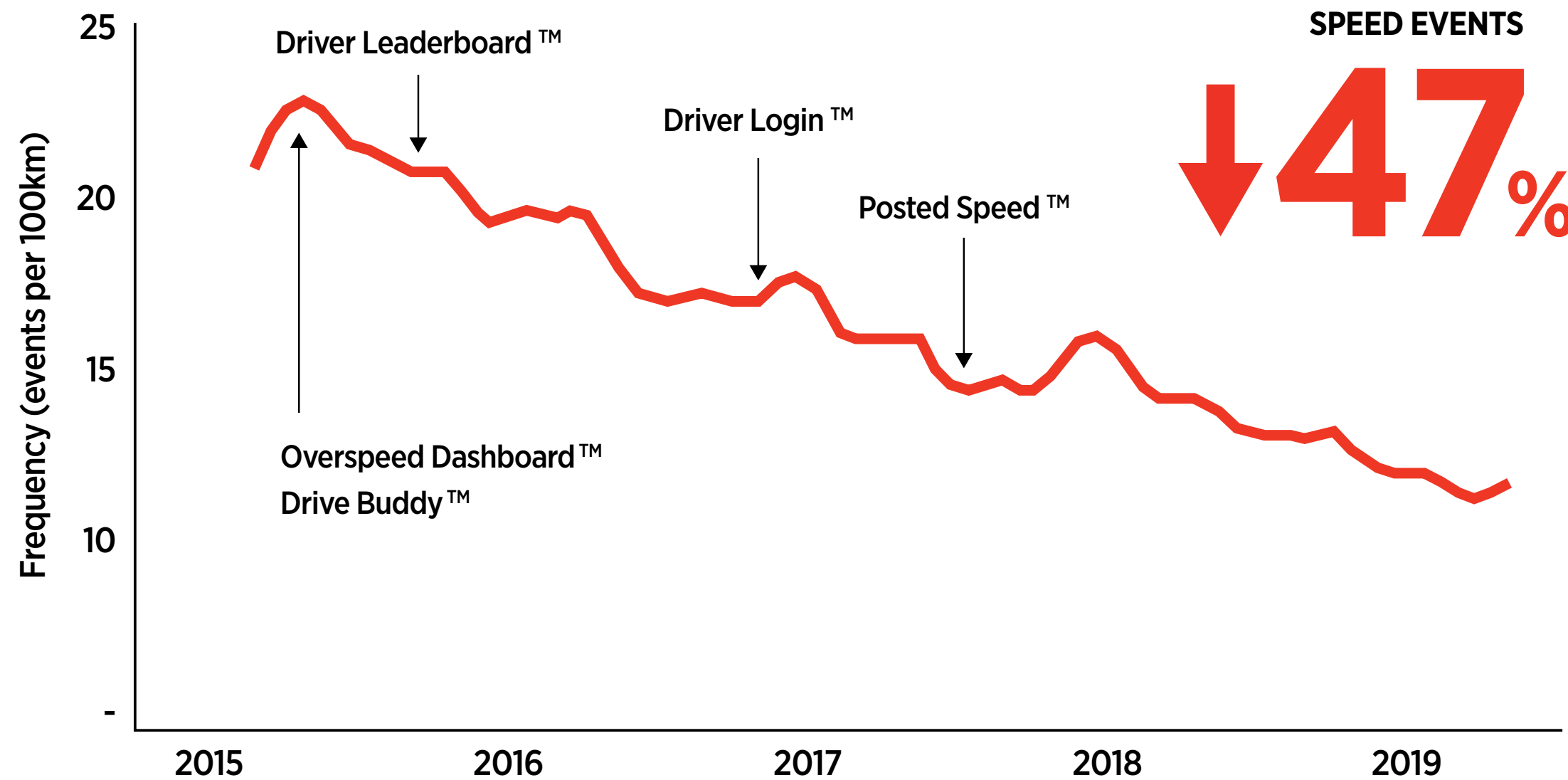
INTRODUCTION TO EROAD



EROAD



New Zealand reduction in speed



The above graph shows the reduction in speed events over time as product enhancements have been added.

Our purpose is safer, more productive roads

SAFER

- EROAD solutions have a direct impact on road safety, reducing accident/incident rates and saving lives
- Vehicle service and maintenance monitoring ensures safer vehicles on our roads
- Our driver management services improve driving behaviour

IMPROVED PRODUCTIVITY

- EROAD data insights help customers achieve greater fuel efficiency and reduce emissions
- Our analytics informs improved infrastructure decisions
- EROAD solutions reduce compliance costs and improve on-road productivity

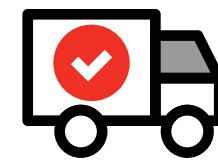
Every country is looking to solve the same transport issues



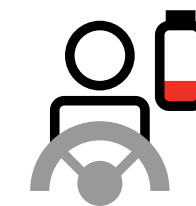
How do we pay for and maintain roading infrastructure?



How do we improve health and safety on roads?

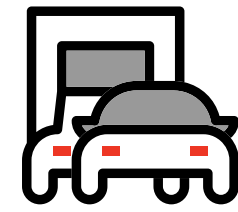


How do we ensure vehicles are fit for use?



How do we best manage driver fatigue?

Our customers too have common problems to be solved



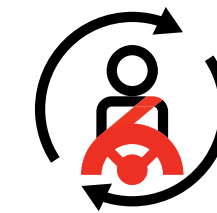
How do we manage our
fleets most effectively?



How do I manage my
drivers cost effectively



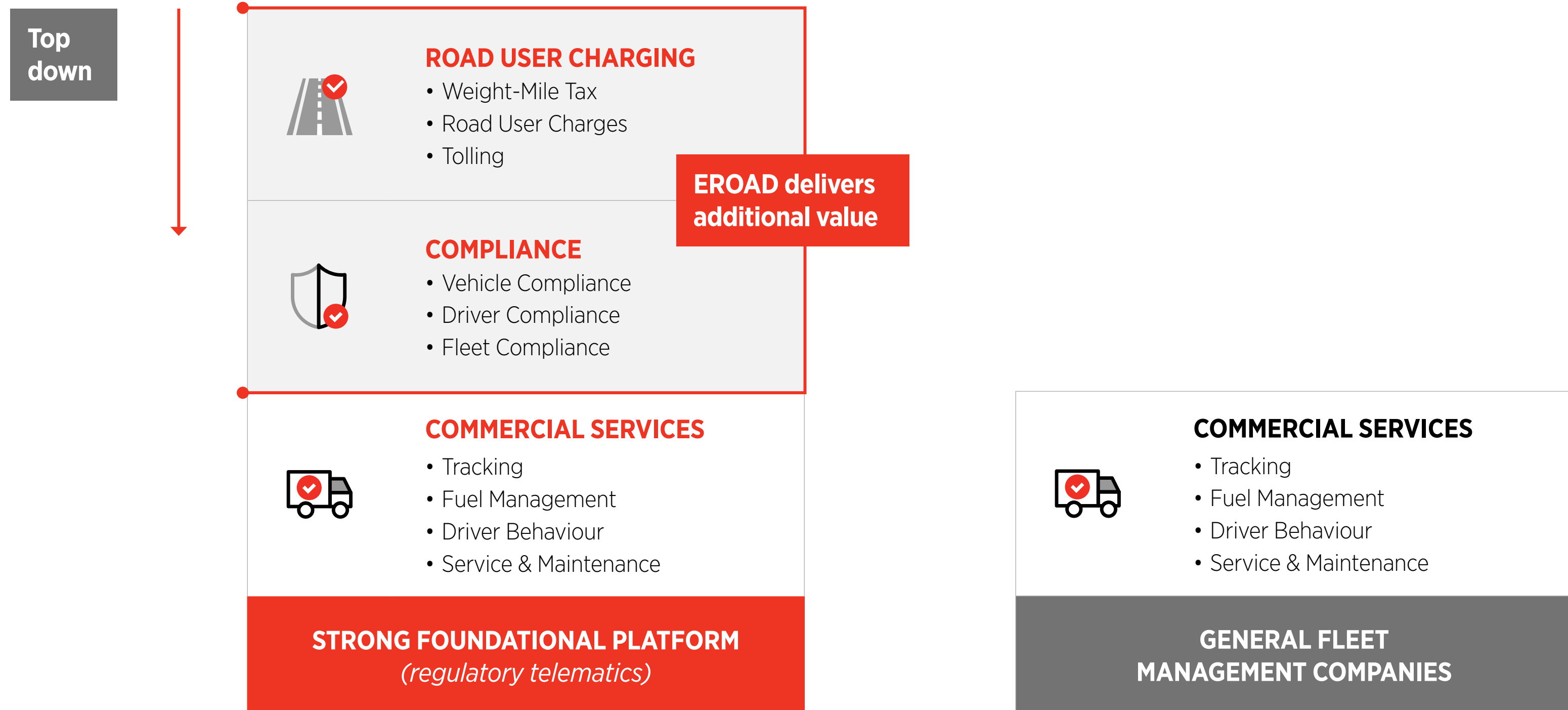
How do I keep my
business compliant?



How do I keep
my drivers safe?

We pioneered regulatory telematics

providing a solid foundation for our unique customer value proposition



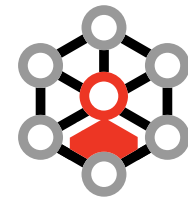
We pioneered regulatory telematics

This is why we are the experts in easy compliance, improved safety & easy fleet management



CUSTOMER CENTERED

Our solutions help run
a safer business



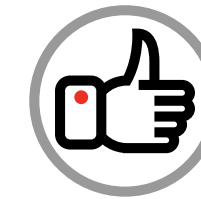
ONE SOURCE

One platform delivering
intuitive, multiple services



RELIABLE ACCURACY

First to receive independent
verification (ELD, NA)



EASY TO USE

*"Better than the 30 other
devices we tried"*





**Solving customer problems using
four pillars of products and services**







Building out product solutions to solve these problems



2019 / Present

2009 / Launch








TAX COMPLIANCE







 ELECTRONIC LOGBOOK
 DRIVER CERTIFICATIONS
 FRINGE BENEFIT TAX
 FUEL TAX CREDITS

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



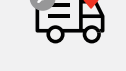

 AUTO RUC
 OFF-ROAD CLAIMS

FLEET MANAGEMENT

 EROAD SHARE
 E-TRACK WIRED
 ASSET TRACKER
 PARTNER INTEGRATIONS
 TRIP INVESTIGATOR
 PROOF OF SERVICE
 MyEROAD DASHBOARD

 DAILY FLEET ACTIVITY
 GEOFENCE SITE ACTIVITY
 FUEL MANAGEMENT
 IDLE REPORT
 SERVICE RECORD HISTORY
 OUTSOURCED REPAIR SERVICE ACCESS
 EROAD U Book-it
 SERVICE SCHEDULING AND ALERTS

HEALTH & SAFETY

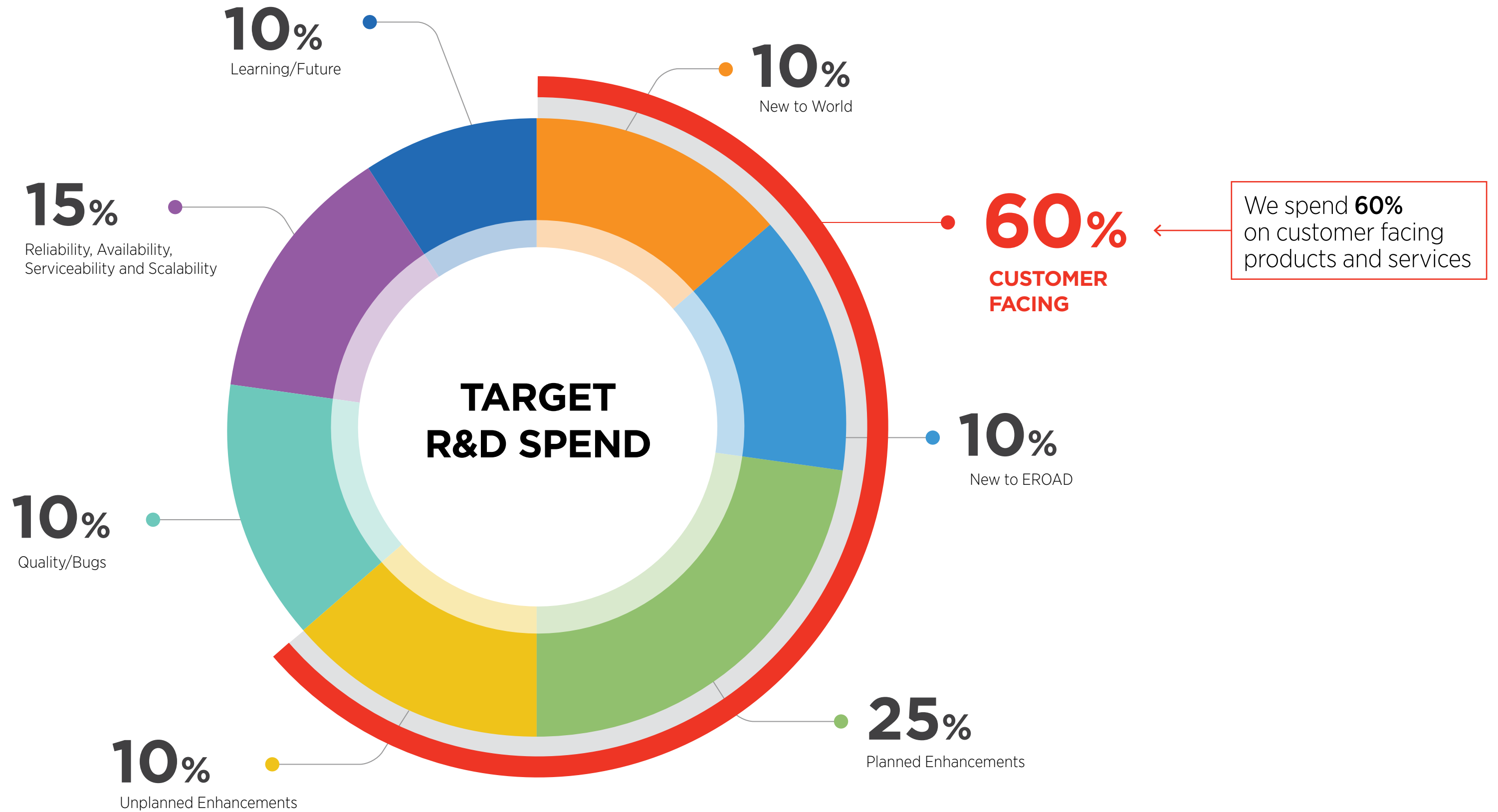
 LEADERBOARD
 DRIVER INSIGHT
 DAILY DRIVER ACTIVITY
 SPEED MONITORING

ROAD SAFETY

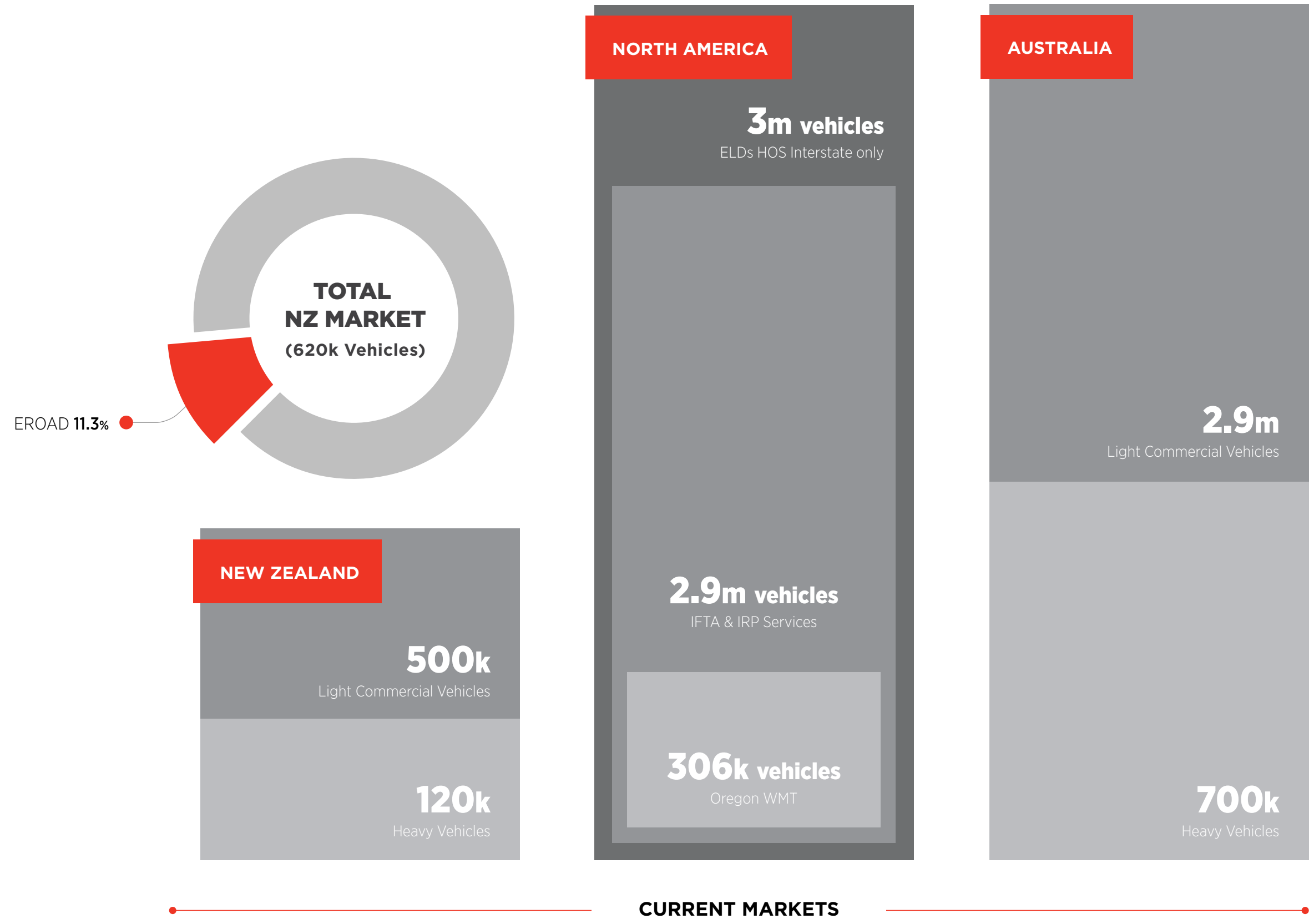
 SPEED MONITORING
 EROAD ANALYTICS
 SAFETY EVENT MONITORING
 CHAIN OF RESPONSIBILITY
 INTEGRATED DVIR WORKFLOW

R&D Investment profile

18% – 22% investment in R&D



Total Addressable Market (TAM)



EROAD is operating in a large and growing market

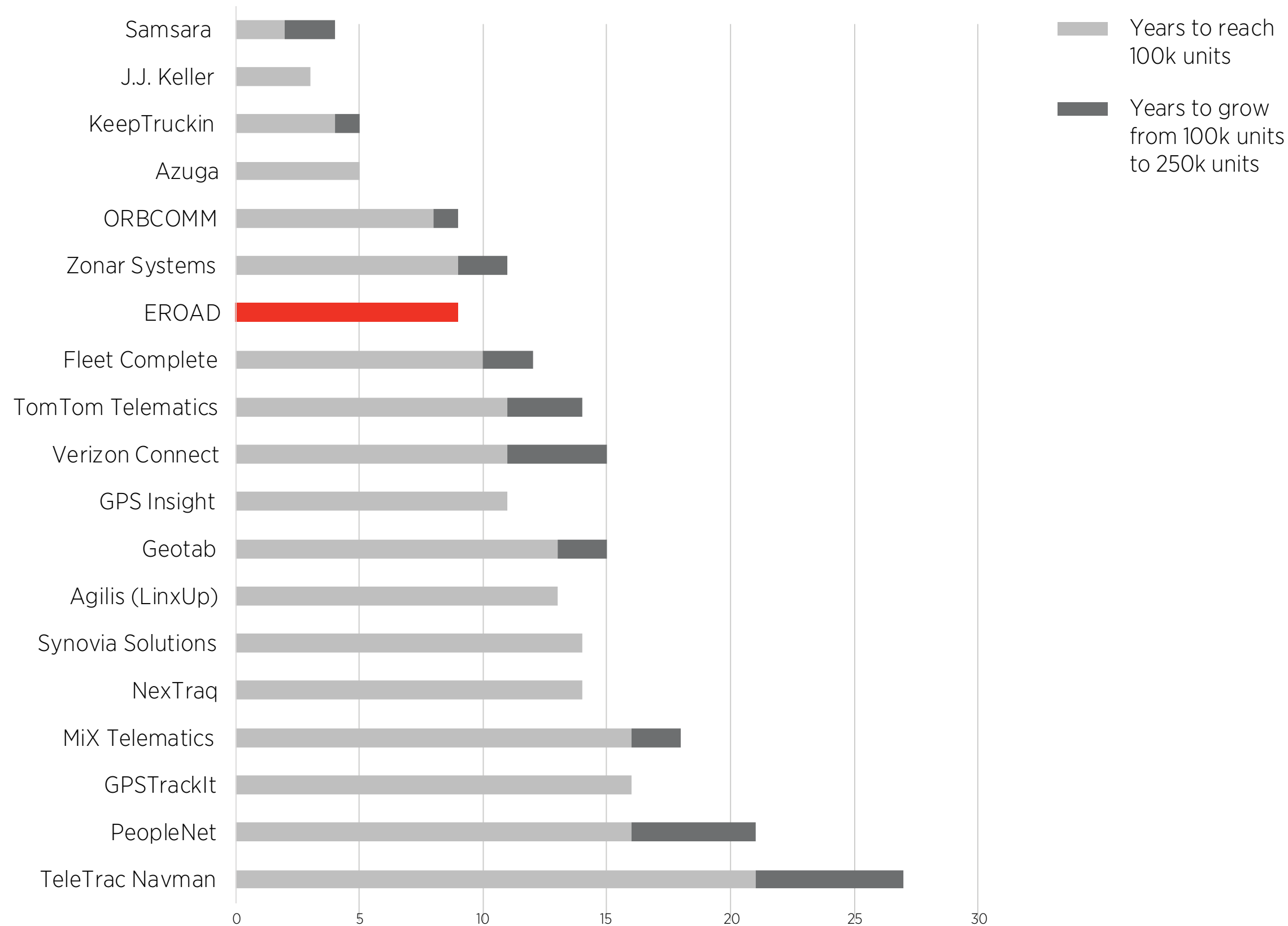
Research by CJ O’Driscoll & Associates has estimated the commercial telematics market in North America has grown by 265% during the past ten years.

McKinsey & Company estimates the value of telematics could be as large as \$750 billion by 2030 with no country reaching adoption rates that exceed 20% (US – 20%, Italy 17%, Australia 3% and NZ 1%).

Global commercial telematic CAGRs are estimated at 18%-21% between 2018 and 2024. Main drivers are:

- Regulatory change (H&S, COR, Driver Fatigue)
- Operational improvements from integration to back office systems (Payroll, dispatch, logistics management)
- Data insights, benchmarking and predictions
- More customer solutions, and connected devices

Years to reach 100k and 250k units



“What race we are in?”

- The true race we are in is with other telematic competitors who operate in our markets.
- We know from the C.J. Driscoll research their growth performance and can set growth targets for ourselves.
- 28 telematics providers operating in North America, Australia and New Zealand have achieved the 100,000 subscriber vehicle milestone. On average achieved in 12 years. EROAD achieved this milestone in 9 years.
- 13 telematics providers have achieved the 250,000 subscriber vehicle milestone taking an average further 3.2 years to achieve. High growth rates were achieved through acquisition (of product gaps or subscriber base), large R&D spend, and significant marketing investment.
- Of the 15 telematic providers than have not achieved the 250,000 milestone, 5 have been acquired or merged. The balance of 10 (excluding EROAD) have an average estimated fleet size of 143,000 and an average estimated run rate of 17,000 per year.
- Based on H1 20 contracted unit growth we will achieve the 250,000 contracted unit target in six years. Our challenge is to get there faster.

We act with environmental and social responsibility



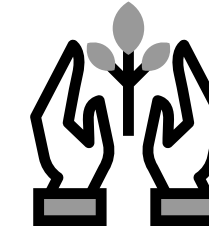
PRIVACY AND CYBER SECURITY

- Designed for privacy and security
- Data centre and network architecture built to meet the requirements of the most security-sensitive organizations
- Independently audited annually for IT security
- EROAD operates in partnership with AWS security to leverage AWS expertise



RESPONSIBLE MANUFACTURING

- We have evaluated our supply chain against human rights and sustainable manufacturing criteria
- Our manufacturing partner participates in Carbon Disclosure Project to reduce CO2 emissions
- Our supply chain improvements have reduced reliance on international freight



WASTE REDUCTION

- We remanufacture/ refurbish \approx 1500 units per month using recycled components
- In FY19 we reclaimed 287kg of LiSOCl₂ batteries and 48kg of PCB boards
- Manufacturing scrap levels have reduced by 67% since 2017
- We follow NZ Ministry for the Environment guidance on minimising electrical and electronic equipment waste

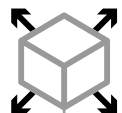
Creating Shareholder Value

SAFER, MORE PRODUCTIVE ROADS



EXTENDING THE PLATFORM

- Recognised pioneer in regulatory telematics
- Unique and compelling product, driving growth and retention of customer base
- Product enhancements delivering further retention and increased ARPU
- Market leader in New Zealand, emerging in North America and launching in Australia



SCALING FOR GROWTH

- Strengthened leadership team and deepened capabilities in key areas
- Invested to strengthen systems capability to support growth aspirations
- Continued high level of innovation and investment in R&D



CHOOSING TO GROW

- Achieved critical milestone of **100,000** subscribers, now aiming for **250,000+**
- Cashflow and debt facilities to fund organic growth
- Seeking opportunities to acquire complementary businesses
- Poised to become a global leader in vehicle telematics

ENERGISED AND CAPABLE TEAM OF EROADERS



EROAD

For further information please contact:

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