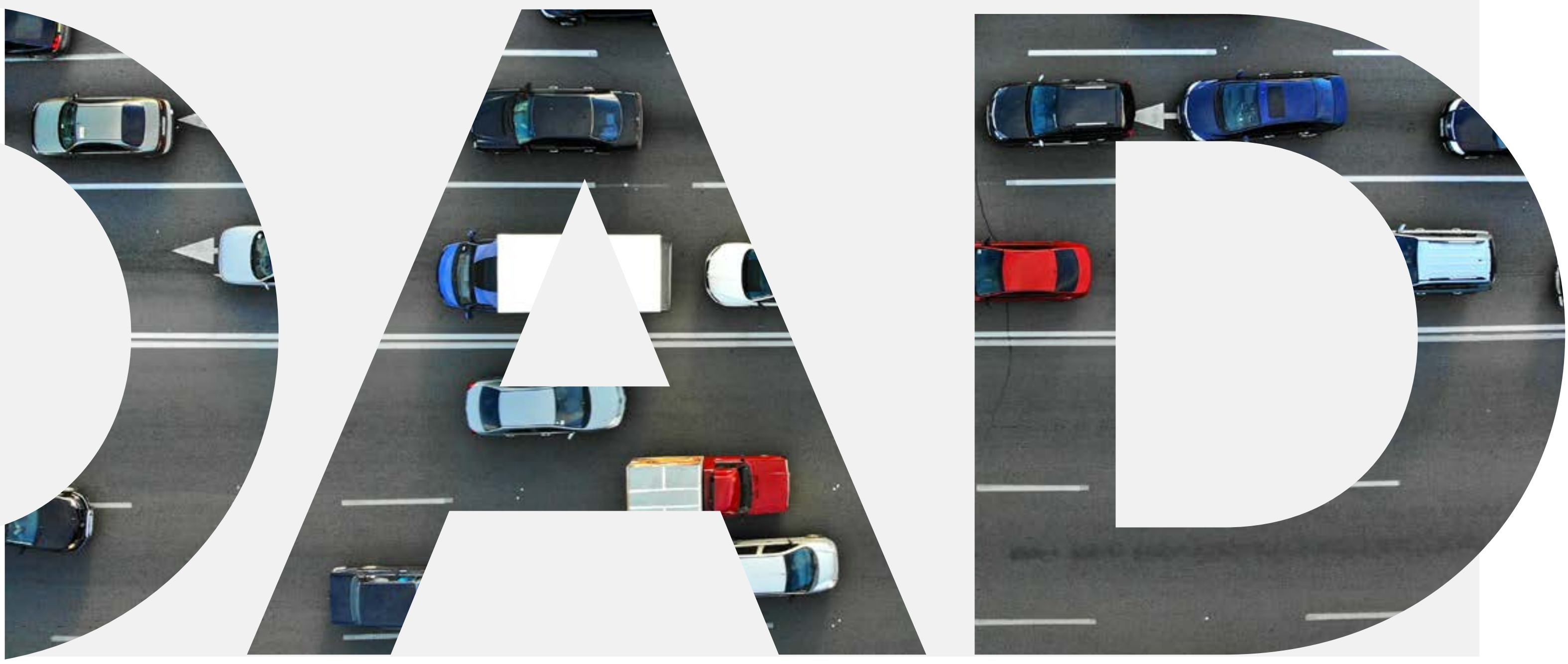
2023
Interim
Report



Contents

PAGE 4
Letter from the Chair

PAGE 6
Letter from the Chief Executive Officer

PAGE 14
Financial Statements

PAGE 37
Independent Review Report

PAGE 39
Directory

Non-GAAP Measures
EROAD has used non-GAAP measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources. Non-GAAP measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by EROAD in accordance with NZ IFRS.

The non-GAAP measures EROAD have used are, Annualised Monthly Recurring Revenue (AMRR), Costs to Acquire Customers (CAC), Costs to Service & Support (CTS), EBITDA, Normalised EBITDA, EBITDA margin, Normalised EBITDA margin, Normalised Revenue, Free Cash Flow and Future Contracted Income (FCI).

Letter from the Chair

The past half year has been challenging for EROAD and its shareholders. In addition to navigating through the major transition of integrating a company almost half its size, EROAD is now operating in a very different macro-economic environment.

The capital markets have turned, particularly for SaaS technology stocks. In addition to this, EROAD's share price has continued to track under the indices for technology stocks. Capital is scarcer and more expensive.

Overall, your Board is responding decisively to this new reality by repositioning EROAD to ensure we succeed and deliver to shareholder expectations. With a sharp focus on shortening investment horizons, we are looking for a quicker return on investment from R&D spend and undertaking an on-going programme of cost-cutting initiatives.

In addition, we have appointed an external consultant to assist with a thorough strategic review. The strategy review is looking to build on the progress made in H1 FY23 towards profitable growth. The review looks to build on the cost-out initiatives already implemented in H1 FY23, alongside further rationalisation of products and narrowing of focus of which products are brought to the market. A key focus for EROAD is the North America market, and this review is working towards a more focused and disciplined market strategy. EROAD will conclude the strategy review before the end of FY23 and provide a more detailed update to the market.

In June, we appointed Mark Heine as Chief Executive Officer. The Board is pleased that staff are responding positively to this change and, under Mark's leadership, EROAD is sharpening its focus on profitable growth and following through to make the tough choices that are needed.

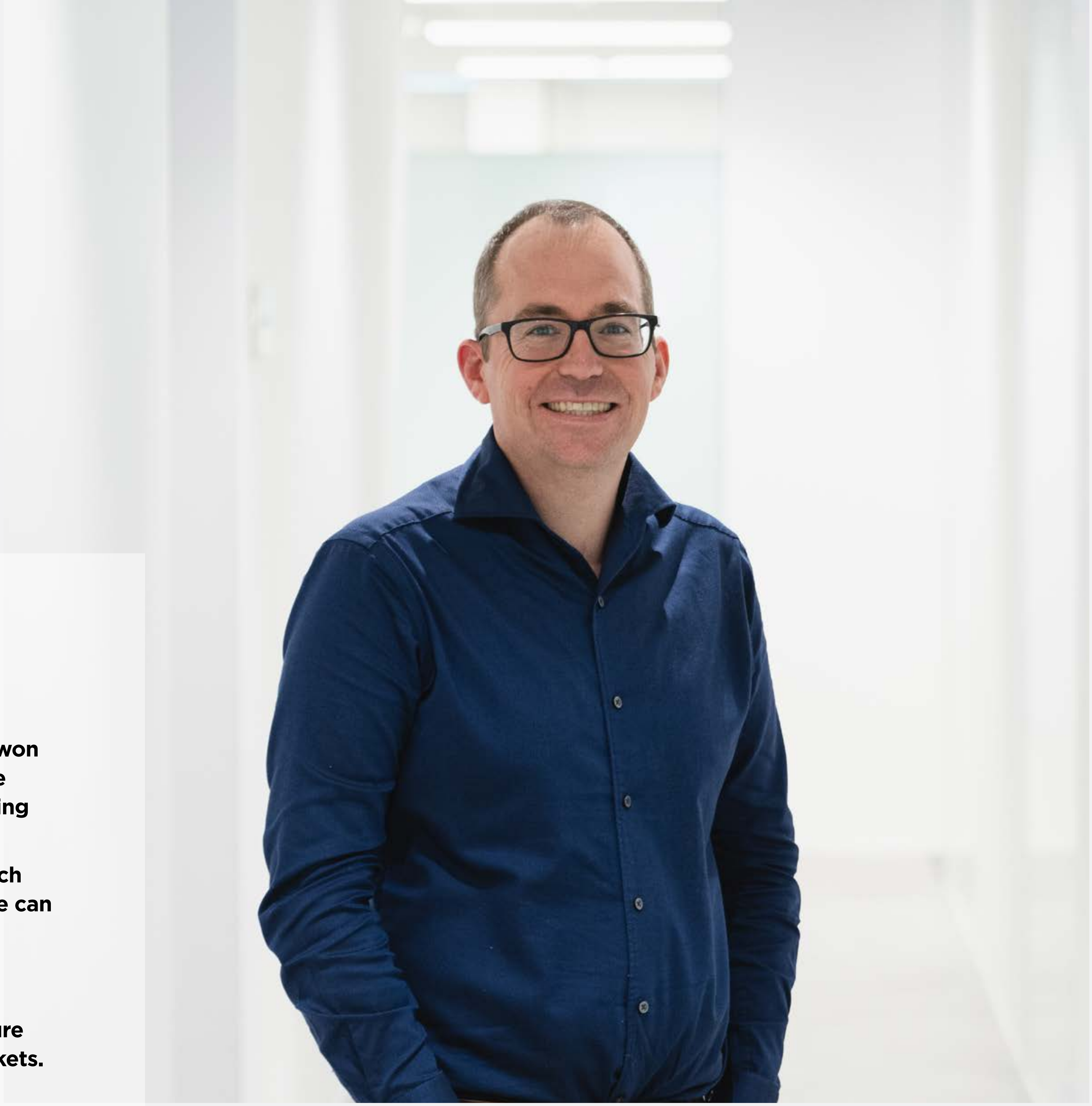
The integration of Coretex is well progressed and we have proven the product market fit with the CoreHub product and 360 platform by winning business against some of our strongest competitors. While we continue to be impacted by high churn from our small-to-medium Ehubo North American customers, our New Zealand and Australian businesses continue to track well against our expectations.

The group's financial performance for the first half represents a business in transition. We expect the tough decisions taken during this year will positively impact on performance in the second half and beyond and, coupled with the outcomes of the strategic review, will set the business towards profitable growth.

Thank for you your continued support and patience with EROAD as we take the actions needed by us to drive shareholder value going forward.

Graham Stuart
Chairman

Letter from the CEO



I'm proud of the progress the EROAD team has made against our strategic priorities. We have delivered 18% growth in Annualised Monthly Recurring Revenue (AMRR) from H2 FY22 and won a contract to supply a North America Enterprise customer for over 9,000 trucks, alongside making progress integrating EROAD and Coretex.

We moved early on a cost-out programme, which included a reduction in headcount, to ensure we can deliver profitable growth.

We are facing up to the significantly changing market environment we now operate in and are looking to better position the business to capture attractive growth opportunities across our markets.

H1 FY23 Financial results reflect a business in transition

Revenue increased from $48.0m in H1 FY22 to $85.4m in H1 FY23 reflecting a full six month contribution from Coretex, a $7.0m non-cash acquisition accounting revenue relating to the Coretex merger and growth across all markets. Annualised Monthly Recurring Revenue, which provides a forward view of on-going revenue, increased 18% from H2 FY22 to $158.3m in H1 FY23 reflecting growth across all markets and a FX benefit of $13.6m. EROAD continued to execute its growth strategy, growing contracted units to 217,519 and 1,019 customers adding products and services to their plan, such as Clarity Connect Cameras, Enterprise Data Connector, Logbook and Inspect subscriptions.

New Zealand continues to deliver strong and stable growth. North America saw gross sales of 7,572 units, more than three times that of H1 FY21, with some 75% of new sales coming from Coretex subscriptions. However, in North America, EROAD continues to be impacted by high churn in small-to-medium Ehubo customers as a result of the macro-economic conditions and increased competitiveness.

We continue to benefit from high asset retention rates for both EROAD and Coretex customers. During H1 FY23, we have successfully renewed 918 customer contracts, representing some 21,336 contracted units. This includes one of EROAD's largest North American enterprise customers, ABC Supply, for over 6,000 subscriptions through to at least August 2024. ABC Supply is one of North America's largest wholesale distributors of roofing, siding, and other select exterior and interior building products, and has been partnering with EROAD since 2019. Our teams in North America and Australia have been focused on retention and renewal of contracts as we enter into a renewal phase for some of the larger Enterprise customers in these regions.

Operating expenditure for H1 FY23 was $64.6 million reflective of the additional Coretex operating expenditure, integration costs of $5.5m, inflation and pressure in the labour market for specialist skills.

Reported EBITDA increased from $12.3m (restated) in H1 FY22 to $20.8m. For H1 FY23, once the one-off non-cash acquisition accounting revenue and integration costs are excluded, normalised EBITDA is $16.4m, representing an EBITDA margin of 19%. EBIT increased from a loss of $0.4m in H1 FY22 to a profit of $1.0m. Normalised* EBIT improved from a loss of $2.5m in H2 FY22 to a loss of $3.4m in H1 FY23.

As anticipated, research and development spend increased from $13.3m in H1 FY22 to $20.5m in H1 FY23. EROAD continues to expect to spend around $38m for FY23. EROAD is focused on increasing the return on investment made in research and development by rationalising its product suite and increasing the efficiency and velocity of its engineering teams.

Free cashflows continue to be impacted by a combination of the merger with Coretex, R&D investment and growth in inventory as global supply chain pressures were addressed. EROAD renegotiated a new syndicated debt facility of $90m in March 2022 to provide future capacity to grow. Headroom of around $41.8m as at 30 September 2022 will support the R&D and integration investment planned for FY23 and fund hardware to enable EROAD to pursue large Enterprise opportunities.

Read more about our Financial results in **H1 FY23 Investor Presentation**

*Normalised for Non-cash acquisition accounting adjustments and integration costs.

Delivering progress on strategic initiatives to reposition EROAD

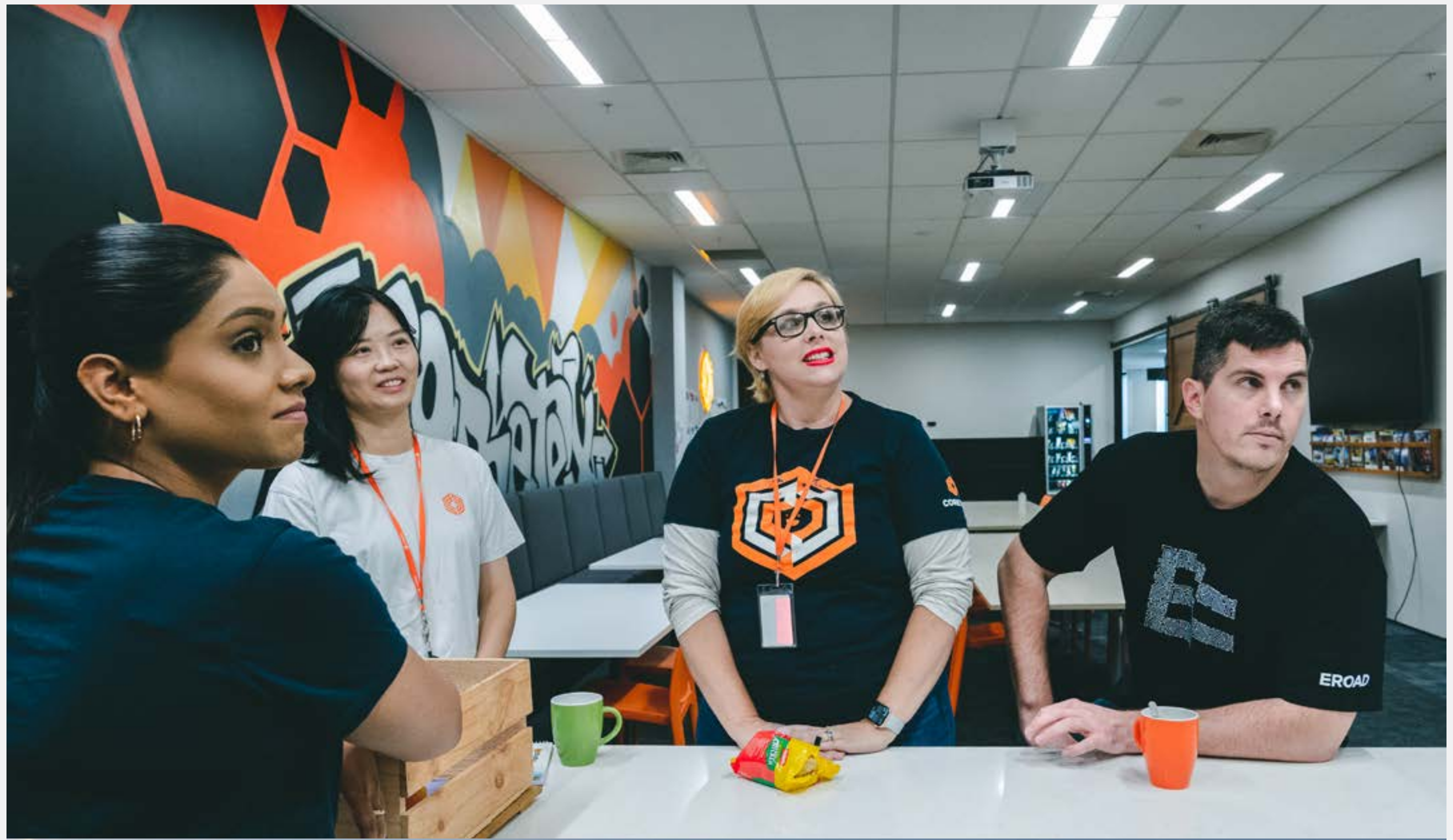
Integration of Coretex has been a key focus this year. The integrated platform is expected to be live by the end of 2022, with the focus then on integrating Clarity Dashcam and the US tax products in the first quarter of 2023. Work will also begin on simplifying our platform with a single ingestion engine for multiple telematics device types - reducing the number of platforms and thus reducing SaaS overhead and improving performance in the medium term.

With our expanded portfolio of products and capabilities, we are now beginning to convert our pipeline to sales in the challenging and competitive North American market. Following a rigorous competitive procurement process lasting 18 months, earlier this month EROAD was awarded a contract to supply its in-cab CoreHub technology and SaaS solutions to North American foodservice operator Sysco for over 9,000 trucks with further growth potential. EROAD and Sysco will work together to rollout EROAD's solutions across the next 12 months. Sysco will utilise EROAD's fully integrated solutions to provide supply chain assurance for critical food service distribution throughout North America.

EROAD has taken a number of steps in 2022 to reduce its cost base and run the business more efficiently. While EROAD is only at the start of this journey, a number of meaningful actions were taken to reduce operating costs for H2 FY23 and beyond, including reducing headcount (net reduction of approximately 40 roles) and operating costs, reducing the number of office leases and renegotiating contracts with suppliers.

It is expected that these initiatives, together with the completion of the integration and reduction in personnel costs, will see operating leverage start to improve. Further initiatives underway will continue to provide further opportunity for cost-out from FY24.

Any major merger and leadership change requires a dedicated focus on people, communication and change management to maintain engagement. Focus has been on building a shared culture which builds on the strengths of EROAD and Coretex cultures with several initiatives underway, alongside a concentrated effort to get staff back into the office post COVID. We have a talented and capable team, and one of my own focus areas is to ensure the team feels empowered to drive the strategy in the right direction.



Looking Forward

We have today reconfirmed guidance provided as part of our market update on 7 November 2022. With more clarity around the conversion of the North American enterprise pipeline, the FY23 revenue guidance was narrowed to between $154m - $164m subject to FX movements (previous guidance $150m - $170m). EROAD has a number of headwinds on operating costs, however we have been focused on cost reduction initiatives to help offset the impact of inflationary and supply chain pressures to ensure we remain on track to achieve FY23 Normalised EBIT of between $-5m and breakeven.

Revenue growth momentum is expected to continue to build in FY23 and beyond reflecting continued strong growth in New Zealand and the improved product market fit with the CoreHub product in North America. The enterprise pipeline remains robust with a total of 22 Enterprise customers at the pilot stage across all the markets, representing some 32,300 contracted units. We expect revenue growth will continue to reflect the lumpy nature of Enterprise sales and the phasing of the hardware roll-outs. The key focus for the second half of FY23 will also be on the retention and growth of existing Enterprise accounts.

Times are tough for most businesses and industries, as such it's not surprising that buying decisions are just taking longer, which we expect will push out the timing to reach EROAD's $250m revenue target beyond FY25. However, EROAD continues to have significant growth opportunities as it is beginning to see the benefits of the improved market fit of Coretex products with higher gross sales in North America and good conversion of pilot opportunities to sales. Businesses continue to increase their demand for solutions focused on sustainability, data and managing assets.

We look forward to updating the market with more detail on the outcomes of our strategy review next year.

Mark Heine
Chief Executive Officer

Financial Statements

Condensed consolidated statement of Comprehensive Income

For the six months ended 30 September 2022

GROUP	Notes	30 SEPTEMBER 2022 Unaudited $M's	RESTATED 30 SEPTEMBER 2021 Unaudited $M's
Revenue	2	85.4	48.0
Operating expenses		(64.6)	(35.7)
Earnings before interest, taxation, depreciation and amortisation		**20.8**	**12.3**
Depreciation of property, plant and equipment	5	(8.0)	(5.0)
Amortisation of intangible assets	6	(8.1)	(4.4)
Amortisation of contract and customer aquisition assets		(3.7)	(3.3)
Earnings/(loss) before interest and taxation		**1.0**	**(0.4)**
Finance expense		(3.7)	(1.5)
Finance income		-	0.4
Net financing costs		**(3.7)**	**(1.1)**
Loss before tax		**(2.7)**	**(1.5)**
Income tax benefit/(expense)	7	3.3	(1.3)
Profit/(loss) after tax for the period attributable to the shareholders		**0.6**	**(2.8)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss		5.0	0.4
Total comprehensive profit/(loss) for the period		**5.6**	**(2.4)**
Earnings/(loss) per share - Basic (cents)		0.50	(3.24)
Earnings /(loss) per share - Diluted (cents)		0.49	(3.24)

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of Financial Position

As at 30 September 2022

	Notes	30 SEPTEMBER 2022 Unaudited $M's	31 MARCH 2022 Audited $M's
CURRENT ASSETS			
Cash and cash equivalents		4.4	13.9
Restricted bank accounts		10.2	14.7
Trade and other receivables		35.6	27.2
Contract fulfilment costs		4.5	3.6
Costs to obtain contracts		2.3	2.1
Total current assets		**57.0**	**61.5**
NON-CURRENT ASSETS			
Property, plant and equipment	5	74.3	61.7
Intangible assets	6	236.7	228.4
Contract fulfilment costs		3.8	3.3
Costs to obtain contracts		2.2	1.9
Deferred tax assets		15.7	10.3
Total Non-Current Assets		**332.7**	**305.6**
Total assets		**389.7**	**367.1**

Condensed consolidated statement of Financial Position (continued)

As at 30 September 2022

	Notes	30 SEPTEMBER 2022 Unaudited $M's	31 MARCH 2022 Audited $M's
CURRENT LIABILITIES			
Borrowings	8	17.5	2.1
Trade payables and accruals		31.5	37.1
Payables to transport agencies		10.4	15.0
Contract liabilities		9.6	5.7
Lease liabilities		1.6	1.4
Employee entitlements		5.0	4.6
Total current liabilities		**75.6**	**65.9**
NON-CURRENT LIABILITIES			
Borrowings	8	30.0	30.0
Contract liabilities		9.2	6.2
Lease liabilities		4.1	4.3
Derivative financial liabilities		0.2	0.2
Deferred tax liabilities		17.3	12.8
Total non-current liabilities		**60.8**	**53.5**
Total liabilities		**136.4**	**119.4**
Net assets		**253.3**	**247.7**
EQUITY			
Share Capital	4	294.8	293.3
Share capital Premium/Discount		(6.5)	(6.5)
Other reserves		1.3	(3.7)
Accumulated losses		(36.3)	(35.4)
Total shareholders' equity		**253.3**	**247.7**

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Chairman,
25 November 2022

Chair of the Finance, Risk and Audit Committee,
25 November 2022

Condensed consolidated statement of Changes in Equity

For the six months ended 30 September 2022

	Share Capital	Share Premium / Discount	Accumulated loss	Transalation Reserve	Hedging Reserve	Total
Restated balance as at 31 March 2021 (Audited)	**131.7**	**-**	**(26.2)**	**(3.4)**	**-**	**102.1**
Restated loss after tax for the period	-	-	(2.8)	-	-	(2.8)
Other comprehensive income	-	-	-	0.4	-	0.4
Transactions with owners of the Company						
Equity settled share-based payments	0.8	-	(0.6)	-	-	0.2
Share capital issued	80.3	-	-	-	-	80.3
Restated Balance as at 30 September 2021 (Unaudited)	**212.8**	**-**	**(29.6)**	**(3.0)**	**-**	**180.2**
Balance as at 31 March 2022 (Audited)	**293.3**	**(6.5)**	**(35.4)**	**(3.5)**	**(0.2)**	**247.7**
Profit after tax for the period	-	-	0.6	-	-	0.6
Other comprehensive income	-	-	-	5.0	-	5.0
Transactions with owners of the Company						
Equity settled share-based payments	1.5	-	(1.5)	-	-	-
Balance as at 30 September 2022 (Unaudited)	**294.8**	**(6.5)**	**(36.3)**	**1.5**	**(0.2)**	**253.3**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated statement of Cash Flows

For the six months ended 30 September 2022

	Notes	30 SEPTEMBER 2022 Unaudited $M's	30 SEPTEMBER 2021 Unaudited $M's
Cash flows from operating			
Cash received from customers		78.0	43.9
Payments to suppliers and employees		(64.4)	(32.9)
Interest received		-	0.1
Interest paid		(1.7)	(1.3)
Income taxes paid		-	-
Net cash inflow from operating activities		**11.9**	**9.8**
Cash flows from investing			
Payments for investment in property, plant & equipment		(14.3)	(9.5)
Payments for investment in intangible assets		(16.1)	(11.8)
Payments for investment in contract fulfilment assets		(3.6)	(2.6)
Payments for investment in customer acquisition assets		(1.3)	(1.7)
Net cash outflow from investing activities		**(35.3)**	**(25.6)**
Cash flows from financing			
Receipts from bank loans		24.5	0.1
Repayments of bank loans		(9.0)	(2.5)
Payment of lease liability		(1.2)	(0.8)
Receipts from issue of equity		-	84.7
Payments for costs of raising equity		-	(3.5)
Net cash inflow from financing activities		**14.3**	**78.0**
Net increase (decrease) in cash held		**(9.1)**	**62.2**
Cash at the beginning of the financial period		**13.9**	**57.1**
Effects of exchange rate changes on cash and cash equivalents		(0.4)	-
Closing cash and cash equivalents		**4.4**	**119.3**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Reconciliation of Operating Cash Flows with reported loss after tax

For the six months ended 30 September 2022

	Notes	30 SEPTEMBER 2022 Unaudited $M's	RESTATED 30 SEPTEMBER 2021 Unaudited $M's
(Loss)/Profit after tax for the six month period attributable to the shareholders		0.6	(2.8)
Add/(less) non-cash items			
Tax asset recognised		(3.3)	1.2
Depreciation and amortisation		19.8	12.7
Other non-cash expenses/(income)		0.9	(0.8)
Contingent consideration		(6.3)	-
		11.1	**13.1**
Add/(less) movements in other working capital items			
(Increase)/decrease in trade and other receivables		(6.3)	(4.2)
Increase/(decrease) in current tax payables		-	-
Increase/(decrease) in contract liabilities		5.9	0.5
Increase/(decrease) in trade payables, interest payable and accruals		0.6	3.2
		0.2	**(0.5)**
Net cash from operating activities		**11.9**	**9.8**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the six months ended 30 September 2022

NOTE 1 SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

The consolidated interim financial statements presented for the six months ended 30 September 2022 are for EROAD Limited (EROAD), and its subsidiaries (collectively referred to as the "Group"). The Group provides electronic on-board units and software as a service to the transport industry.

EROAD Limited (the "Company") is a company domiciled in New Zealand registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) Main Board and Australian Stock Exchange (ASX). The Company is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013.

The consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). NZ GAAP in this instance being New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities. These consolidated interim financial statements also comply with the New Zealand equivalent to International Accounting Standard 34: Interim Financial Reporting (NZ IAS 34), and International Accounting Standard 34: Interim Financial Reporting (IAS 34) and are prepared in accordance with the Financial Markets Conduct Act 2013.

The consolidated interim financial statements for the six months ended 30 September 2022 are unaudited and have been the subject of review by the auditor, pursuant to NZ SRE 2410 (Revised): Review of Financial Statements Performed by the Independent Auditor of the Entity as issued by the External Reporting Board.

These consolidated interim financial statements have been prepared using the same accounting policies as, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2022 ('last annual financial statements'). These consolidated interim financial statements do not include all of the information required for a complete set of NZ IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Group's financial position and performance since the last annual financial statements.

These financial statements have been approved for issue by the Board of Directors on 25 November 2022.

(a) Going concern

As at balance the Group's current liabilities exceeded its current assets by $18.6 million.The $18.6 million includes an estimated $12.2 million of contingent consideration payable in cash and shares and $9.6 million of contract liabilities. The directors have carefully considered the ability of the Group to continue to operate as a going concern for at least the next 12 months from the date the financial statements are authorised for issue. It is the conclusion of the directors that the Group will continue to operate as a going concern and the financial statements have been prepared on that basis.

In reaching their conclusion the directors have considered the following factors:

- Cash reserves as at 30 September 2022 of $4.4M and bank borrowing facility of $90M of which $41.8M was undrawn as at 30 September 2022 after including borrowing costs of $0.7M. This provides sufficient level of headroom to help support the business for at least the next 12 months from the date of issuance of these financial statements;
- The Future Contracted Income of $215.7M provides certainty of forecast revenue; and
- The directors have made due enquiry into the appropriateness of the assumptions underlying the budgetary forecasts.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for certain financial instruments carried at fair value.

(c) Presentation currency

The financial statements are presented in New Zealand dollars ($) which is the Group's presentation currency, and all values are rounded to million dollars to one decimal place ($M's) except where stated. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its New Zealand subsidiaries is New Zealand dollars. The functional currency of the Company's Australian and North American subsidiaries are Australian dollars and United States dollars respectively.

NOTE 1 SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES *(CONTINUED)*

(d) Standards or interpretations issued but not yet effective and relevant to the Group

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after a 1 April 2022.

The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates.

(e) Critical accounting estimates and judgements

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to the Group. Actual results may differ from the judgements, estimates and assumptions.

The significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined within the financial statement notes to which they relate. These are :

- Recognition of deferred tax assets
- Impairment testing – key assumptions underlying recoverable amounts, including recoverability of development costs
- Capitalisation of development costs
- Fair value of contingent consideration

(f) Restrospective restatement

In the period ended 31 March 2022 the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Saas arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. Refer to the full year 31 March 2022 financial statements for the full details.

The impact of the cloud accounting changes have now been considered in the comparatives and are reflected in these accounts.

The comparative financial information has been restated to account for the impact of the change in accounting policy, as follows:

Statement of comprehensive income

	30 SEPTEMBER 2021 PREVIOUSLY REPORTED	ADJUSTMENTS	RESTATED 30 SEPTEMBER 2021
	$M's	$M's	$M's
Operating expenses	(35.4)	(0.3)	(35.7)
Amortisation of intangible assets	(4.8)	0.4	(4.4)
Loss before tax	(1.6)	0.1	(1.5)
Income tax expense	(1.3)	-	(1.3)
Loss after tax for the period attributable to the shareholders	**(2.9)**	**0.1**	**(2.8)**

(g) Acquisition of subsidiary update

Provisional values

There have been no changes made as yet to the provisional values reported at 31 March 2022. Refer to the full year 31 March 2022 financial statements for further details on the provisional amounts recorded.

Contingent consideration

On 1 December 2021, the Group acquired 100% of the shares and voting interests in Coretex Limited, a telematics vertical specialist provider delivering enterprise grade solutions, this transaction was reported in the Group's full year financial statements at 31 March 2022. For further details on the transaction please refer to those accounts.

As part of the acquisition the Group agreed to pay the selling shareholders in 12 months from transaction completion additional consideration of $14.5 million in cash and a maximum of 2,683,000 of ordinary shares based on the satisfaction of customer retention and platform suitability performance criteria. The contingent consideration was included in the transaction as both an incentive and protection to the respective parties to the transaction.

NOTE 1 SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES *(CONTINUED)*

Assuming all criteria are met, the maximum contingent consideration payable is $14.5 million in cash and 2,683,000 shares.

Contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The Group included in its accounts, $26.4 million as contingent consideration, which represents its estimated fair value at the date of acquisition. At 31 March 2022, the contingent consideration estimate had decreased by $0.9 million due to remeasurement. At 30 September 2022, the contingent consideration estimate has decreased further by $6.3 million to $19.2 million under the fair value remeasurement requirements.

The fair value of contingent consideration at 30 September 2022 includes an estimated $9.0 million to be settled in shares, of which $7.0 million has been recognised as equity within Share Premium/Discount reserve as the number of shares that will be issued is fixed depending on the achievement of certain platform suitability targets, and $2.0 million has been recognised as a liability within Trade Payables and accruals as the number of shares that will be issued is variable based on the outcome of customer retention performance targets.

NOTE 2 REVENUE

GROUP	30 SEPTEMBER 2022 Unaudited $M's	30 SEPTEMBER 2021 Unaudited $M's
Revenue from contracts with customers		
Software as a Service (Saas) revenue	71.3	45.2
Hardware revenue (subscription basis)	2.7	-
Other		
Transaction fee revenue	1.7	1.4
Other revenue and income	8.9	0.7
Grant income	0.8	0.7
Total revenues	**85.4**	**48.0**

Set out above is the disaggregation of the Group's revenue. The disaggregation reflects the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Specifically, software as a service (SaaS) revenue represents revenue earned from customer contracts for the sale or rental of hardware, installation services, training and support services and provision of software services. Transaction fee revenue relates to the collection of Road User Charges (RUC) fees.

Hardware revenue (subscription basis)
Hardware revenue with no contractual term for Saas is recognised when control of the goods has transferred, being when the goods have been shipped to the specified location. Hardware revenue reflects hardware sales where a subscription must be separately purchased to utilise the hardware and obtain access to the services. A receivable is recognised by the Group when the goods are delivered as this represents point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Transaction price allocated to the remaining performance obligations
The below table represents the revenue allocated to performance obligations that are unsatisfied or partially unsatisfied at the period end. The revenue amounts yet to be recognised under non-cancellable contract agreements at 30 September 2022 are expected to be recognised by EROAD based on the time bands disclosed below.

GROUP	30 SEPTEMBER 2022 Unaudited $M's	30 SEPTEMBER 2021 Unaudited $M's
Software as a Service (Saas) revenue		
No later than one year	98.9	70.2
Later than one year no later than five years	116.8	78.9
Total price allocated to remaining performance obligations	**215.7**	**149.1**

The Group reports the Non-GAAP measure, Future Contracted Income. The definition of Future Contracted Income includes all future hardware and SaaS cash inflows relating to income under non-cancellable long-term agreements. The disclosure above aligns with the Future Contracted Income reported by the Group.

Software as a Service (Saas) revenue
The Group has determined EROAD's customers do not have the right to direct the use of EROAD's asset (Ehubo, Corehub/THU1500) as EROAD continues to have the right and ability to change how the asset operates during the customer's contract period. These contracts are therefore accounted for as service contracts. The Group generates revenue through the sale of hardware assets, rental of hardware assets, installation of hardware assets and provision of software services as part of contracts with customers as part of a bundled package. These hardware units enable customers to access the software platform offered by the Group. The transaction involving hardware and accessories do not convey a distinct good or service. The sale does not transfer control to the customer as the Group provides a significant service of integrating the software service to produce a combined output.

NOTE 2 REVENUE *(CONTINUED)*

The sale of the hardware, accessories and software service are referred to as Software as a Service (SaaS) revenue, which is recognised on a straight line basis over the contract period to reflect the fulfilment of the performance obligations as they arise. There are no variable consideration terms within the contracts.

A contract liability is recognised where consideration is received in advance of the completion of associated performance obligations. The contract liability is derecognised over time. As a result there is a financing component which the group recognise as a finance cost when consideration is received in advance.

Hardware revenue with no contractual term for Saas is recognised when control of the goods has transferred, being when the goods have been shipped to the specified location. A receivable is recognised by the Group when the goods are delivered as this represents point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The Group offers installation services as part of a number of promises to transfer goods and services within each contract. Installation services do not convey a distinct good or service and therefore are not a separate performance obligation as the installation is a set-up activity that does not provide the customer a direct benefit other than access to the software services. As a result, the installation service is considered as part of the single performance obligation; referred to as Software as a Service (SaaS) revenue, which includes the software service and hardware sale or rental for which the customer simultaneously receives and consumes the benefit of the service. Where installation revenue is received in advance of satisfying the performance obligation a contract liability is recognised. The contract liability is derecognised over time evenly over the period of the contract as the customer derives the benefit evenly from the services provided over the contract period. The majority of contracts are for 3 years and can be for a term of up to 5 years. As a result there is a financing component which the group recognises as a finance cost when consideration is received in advance.

Transaction fees
The Group acts as an agent for transport authorities in the market that is operates in. Where fees are collected on their behalf, the Group charges a commission. The revenue recognised is the net amount of the commission fee earned by the Group.

Grant income
Government grants are recognised at fair value in the statement of comprehensive income over the same periods as the costs for which the grants are intended to compensate. No unfulfilled conditions or contingencies exist related to the government grants.

Other revenue and income
Included in other income and revenue is $7m related to the reassessment of contingent consideration as outlined in Note 1.

NOTE 3 SEGMENTAL NOTE

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise income tax.

The Group has four segments as described below, which are the Group's strategic divisions. The strategic divisions offer different services and are managed separately because they require different technology, services and marketing strategies. For each strategic division, the Group's CEO (the chief operating decision maker) reviews internal management reports. The following summary describes the operations in each of the Group's segments.

EROAD reports selected financial information segmented by geographic location for operating companies and corporate and development costs.

- *Corporate & Development:* Corporate head office costs and R&D activities for development of new and existing products and services
- *North America:* Operating companies serving customers in North America
- *Australia:* Operating companies serving customers in Australia
- *New Zealand:* Operating companies serving customers in New Zealand

Inter-segment pricing is determined on an arm's length basis.

NOTE 3 SEGMENTAL NOTE *(CONTINUED)*

Reportable segment information

Information related to each reportable segment is set out below. Segment result represents Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA), which is the measure reported to the chief operating decision maker.

	Corporate & Development		North America		New Zealand		Australia	
	30 SEPT 2022	RESTATED 30 SEPT 2021	30 SEPT 2022	30 SEPT 2021	30 SEPT 2022	30 SEPT 2021	30 SEPT 2022	30 SEPT 2021
	Unaudited $M's	Unaudited $M's	Unaudited $M's	Unaudited $M's	Unaudited $M's	Unaudited $M's	Unaudited $M's	Unaudited $M's
Revenue								
Software as a Service (Saas) revenue	-	0.2	30.6	13.4	36.7	30.8	4.0	0.8
Hardware revenue	-	-	2.6	-	-	-	0.1	-
Transaction fee revenue	-	-	-	-	1.7	1.4	-	-
Other revenue[1]	26.2	14.4	1.0	0.6	1.8	0.6	0.2	-
	26.2	**14.6**	**34.2**	**14.0**	**40.2**	**32.8**	**4.3**	**0.8**
Earnings Before interest, taxation, depreciation & amortisation	(17.6)	(12.2)	12.7	2.9	25.0	22.0	0.9	(0.6)
Total assets	275.8	173.6	102.8	26.8	57.8	52.5	16.1	4.0
Depreciation of property, plant & equipment	(1.0)	(0.6)	(3.4)	(2.1)	(3.4)	(2.5)	(0.3)	(0.1)
Amortisation of intangible assets	(4.7)	(4.4)	(2.8)	-	(0.4)	-	(0.4)	-
Amortisation of contract and customer acquisition assets	-	-	(0.8)	(0.8)	(2.6)	(2.4)	(0.3)	(0.1)

[1] 1 Revenue from Corporate & Development Markets includes R&D Grant Income of $0.8m (30 September 2021: $0.7m) and reassessment of contingent consideration of $7m.

NOTE 3 SEGMENTAL NOTE *(CONTINUED)*

Reconciliation of information on reportable segments

GROUP	30 SEPTEMBER 2022	RESTATED 30 SEPTEMBER 2021
	Unaudited $M's	Unaudited $M's
Revenue		
Total revenue for reportable segments	104.9	62.2
Elimination of inter-segment revenue	(19.5)	(14.2)
Consolidated Revenue	**85.4**	**48.0**
EBITDA		
Total EBITDA for reportable segments	21.0	12.1
Elimination of inter-segment EBITDA	(0.2)	0.2
Consolidated EBITDA	**20.8**	**12.3**
Depreciation		
Total depreciation for reportable segments	(8.1)	(5.3)
Elimination of inter-segment depreciation	0.1	0.3
Consolidated Depreciation	**(8.0)**	**(5.0)**
Amortisation of intangible assets		
Total amortisation for reportable segments	(8.3)	(4.4)
Elimination of inter-segment amortisation	0.2	-
Consolidated Amortisation	**(8.1)**	**(4.4)**

GROUP	30 SEPTEMBER 2022	31 MARCH 2022
	Unaudited $M's	Audited $M's
Total assets		
Total assets for reportable segments	452.5	415.8
Elimination of inter-segment balances	(62.8)	(48.7)
Consolidated Total Assets	**389.7**	**367.1**

Allocation of goodwill and other intangible assets

Included within Total Assets are Development Assets of $96.4M (31 March 2022: $88.3m) which for the purpose of the segment note have been allocated to the Corporate & Development Market based on the ownership of intellectual property. The amortisation for these assets are also presented in the Corporate & Development segment. The Group's cash generating units (CGUs) are North America, New Zealand and Australia. For impairment testing purposes management allocate the Development Assets to the CGU based on the specific CGU that the Development Asset relates to, or if the Development Asset is developed for use globally across all CGU's, the asset is allocated to CGU's based on the proportionate share of the Group's Contracted Units.

Also included in the total assets is the intangible assets acquired through the acquisition of the Coretex subsidiaries and resulting goodwill. The allocation of these to cash-generating units has been done based on valuation expert advice.

NOTE 3 SEGMENTAL NOTE *(CONTINUED)*

The allocation of the Development Assets, goodwill and other intangibles to CGU's within the following reportable segments for the purpose of impairment testing was as follows:

GROUP	Development Assets	Goodwill	Brand	Customer Relationships
	$M's	$M's	$M's	$M's
30 Sept 2022 Unaudited				
North America	46.2	85.8	2.8	21.4
New Zealand	44.6	5.7	-	1.1
Australia	5.6	13.6	-	4.6
	96.4	**105.1**	**2.8**	**27.1**
31 March 2022 Audited				
North America	43.3	85.8	3.1	21.9
New Zealand	39.8	5.7	-	4.9
Australia	5.2	13.6	-	1.2
	88.3	**105.1**	**3.1**	**28.0**

Geographic information

The geographic information below analyses the Group's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the following information segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

GROUP	30 SEPTEMBER 2022	30 SEPTEMBER 2021
	Unaudited $M's	Unaudited $M's
Revenue		
New Zealand	47.2	33.7
All foreign countries:		
USA	33.8	13.5
Australia	4.4	0.8
Total revenue	**85.4**	**48.0**

GROUP	30 SEPTEMBER 2022	31 MARCH 2022
	Unaudited $M's	Audited $M's
Non-current assets		
New Zealand	221.7	206.5
All foreign countries:		
USA	83.4	76.9
Australia	11.9	11.9
Total non-current assets	**317.0**	**295.3**

Non-current assets exclude financial instruments and deferred tax assets.

NOTE 4 PAID UP CAPITAL

All issued shares are fully paid up and have equal voting rights and share equally in dividends and surplus on winding up.

GROUP	Number of ordinary shares	Issue price $	Issued Capital $
AT 31 MARCH 2022 (AUDITED)	**110,338,787**		**293.3**
Shares issued to employees	456,625	3.13	1.5
AT 30 SEPTEMBER 2022 (UNAUDITED)	**110,795,412**		**294.8**

At 30 September 2022 there was 110,795,412 authorised and issued ordinary shares (31 March 2022: 110,338,787). 386,166 (31 March 2022: 417,306) shares are held in trust for employees in relation to the long-term incentive plan and are accounted for as treasury stock.

The calculation of both basic and diluted loss/profit per share at 30 September 2022 was based on the profit attributable to ordinary shareholders of $0.6M (Restated 30 September 2021: loss of $2.8M). The weighted number of ordinary shares on 30 September 2022 was 110,254,882 (30 September 2021: 85,835,006) for basic earnings per share and 112,937,882 for diluted earnings per share (30 September 2021: 85,835,006).

Other components of equity include:

- *Translation reserve* - comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign subsidiaries into New Zealand Dollars.
- *Hedging reserve* - the hedging reserve is used to record gains or losses on instruments used as cash flow hedges. The amounts are recognised in profit and loss when the hedged transaction affects profit and loss.
- *Retained earnings* - includes all current and prior period retained profits and losses and share-based employee remuneration. .
- *Share Premium/Discount* - this account is for the difference between the issued par share price and the trading share price (or fair value share price) on date of issue and includes contigent consideration portion classified as equity related to the acquisition of Coretex.

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

GROUP	Right of Use Assets	Hardware Assets	Plant and equipment	Leasehold improvements	Motor vehicles	Office equipment	Computers	Total
	$M's	$M's	$M's	$M's	$M's	$M's	$M's	$M's
YEAR ENDED 31 MARCH 2022 (AUDITED)								
Opening net book amount	4.1	28.0	0.2	1.3	0.4	0.3	0.4	34.7
Acquisition through business combinations	1.3	7.5	-	0.2	-	0.1	0.1	9.2
Additions	0.4	24.1	-	-	-	0.3	0.8	25.6
Disposals	-	-	-	-	(0.1)	-	-	(0.1)
Depreciation charge	(1.3)	(8.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.4)	(10.4)
Depreciation recovered	-	3.3	-	-	0.1	-	-	3.4
Effect of movement in exchange rates	-	(0.7)	-	-	-	-	-	(0.7)
Closing net book amount	**4.5**	**54.1**	**0.1**	**1.2**	**0.3**	**0.6**	**0.9**	**61.7**
Cost	8.5	76.3	0.7	2.9	1.1	1.8	4.3	95.6
Accumulated depreciation	(4.0)	(22.2)	(0.6)	(1.7)	(0.8)	(1.2)	(3.4)	(33.9)
Net book amount	**4.5**	**54.1**	**0.1**	**1.2**	**0.3**	**0.6**	**0.9**	**61.7**

GROUP	Right of Use Assets	Hardware Assets	Plant and equipment	Leasehold improvements	Motor vehicles	Office equipment	Computers	Total
	$M's	$M's	$M's	$M's	$M's	$M's	$M's	$M's
SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)								
Opening net book amount	4.5	54.1	0.1	1.2	0.3	0.6	0.9	61.7
Additions	1.0	12.5	-	-	0.1	-	0.5	14.1
Disposals	-	-	-	-	(0.1)	-	-	(0.1)
Depreciation charge	(0.9)	(6.4)	-	(0.2)	(0.1)	(0.1)	(0.3)	(8.0)
Depreciation recovered	-	1.3	-	-	0.1	-	-	1.4
Effect of movement in exchange rates	-	5.2	-	-	-	-	-	5.2
Closing net book amount	**4.6**	**66.7**	**0.1**	**1.0**	**0.3**	**0.5**	**1.1**	**74.3**
AT 30 SEPTEMBER 2022								
Cost	9.9	99.1	0.8	3.0	1.2	1.9	4.8	120.7
Accumulated depreciation	(5.3)	(32.4)	(0.7)	(2.0)	(0.9)	(1.4)	(3.7)	(46.4)
Net book amount	**4.6**	**66.7**	**0.1**	**1.0**	**0.3**	**0.5**	**1.1**	**74.3**

NOTE 5 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Included in the Hardware Assets is equipment under construction to be leased of $27.4M (31 March 2022: $23.8M).

Items of plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes the purchase consideration, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Where an item of plant and equipment is disposed of, the gain or loss recognised in the statement of comprehensive income is calculated as the difference between the net sales price and the carrying amount of the asset.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense in the period they are incurred.

Depreciation

Depreciation begins when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. The following rates have been used on a straight line basis:

Leasehold improvements	3 to 9 years
Hardware assets	3 to 6 years
Plant and equipment	3 to 11 years
Computer/Office equipment	1 to 5 years
Motor vehicles	3 to 5 years
Right of use assets	3 to 9 years

The above rates reflect the estimated useful lives of the respected categories. Consideration was given to how long assets can be deployed and any expected network changes. Leasehold improvements are depreciated over the contracted lease term.

NOTE 6 INTANGIBLE ASSETS

GROUP	Development	Software	Goodwill	Brand	Customer relationships	Total
	$M's	$M's	$M's	$M's	$M's	$M's
YEAR ENDED 31 MARCH 2022 (AUDITED)						
Opening net book amount	36.9	3.7	-	-	-	40.6
Business combination acquisition	37.2	-	105.1	3.3	28.7	174.3
Additions	23.7	1.2	-	-	-	24.9
Disposals	-	(0.1)	-	-	-	(0.1)
Effect of movement in foreign exchange rate	(0.2)	-	-	-	(0.1)	(0.3)
Amortisation charge	(9.3)	(0.9)	-	(0.2)	(0.6)	(11.0)
Closing net book amount	**88.3**	**3.9**	**105.1**	**3.1**	**28.0**	**228.4**
Cost	128.9	9.5	105.1	3.3	28.6	275.4
Accumulated amortisation	(40.6)	(5.6)	-	(0.2)	(0.6)	(47.0)
Net book amount	**88.3**	**3.9**	**105.1**	**3.1**	**28.0**	**228.4**

NOTE 6 INTANGIBLE ASSETS *(CONTINUED)*

GROUP	Development $M's	Software $M's	Goodwill $M's	Brand $M's	Customer relationships $M's	Total $M's
SIX MONTHS ENDED 30 SEPT 2022 (UNAUDITED)						
Opening net book amount	88.3	3.9	105.1	3.1	28.0	228.4
Additions	14.4	1.7	-	-	-	16.1
Disposals	-	-	-	-	-	-
Effect of movement in foreign exchange rate	0.2	-	-	-	0.1	0.3
Amortisation charge	(6.5)	(0.3)	-	(0.3)	(1.0)	(8.1)
Closing net book amount	**96.4**	**5.3**	**105.1**	**2.8**	**27.1**	**236.7**
Cost	143.5	10.3	105.1	3.3	28.8	291.0
Accumulated amortisation	(47.1)	(5.0)	-	(0.5)	(1.7)	(54.3)
Net book amount	**96.4**	**5.3**	**105.1**	**2.8**	**27.1**	**236.7**

The useful lives of the Group's Intangible Assets are assessed to be finite except for goodwill. Assets with finite lives are amortised over their useful lives and tested for impairment whenever there are indications that the assets may be impaired. Where an indicator of impairment exists the Group makes a formal assessment of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the greater of fair value less costs to dispose of the assets and its value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Research and Development
Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the statement of comprehensive income when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of comprehensive income when incurred. There is judgement involved in relation to whether a project meets the capitalisation criteria, and whether the expenditure can be directly attributable to the respective project.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets
Other intangible assets, including customer relationships, brand, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure
Subsequent expenditure is capitalised when it increases the future economic benefits embodied in the specific asset to which relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of comprehensive income when incurred.

NOTE 6 INTANGIBLE ASSETS *(CONTINUED)*

Amortisation
Amortisation is recognised in the statement of comprehensive income on a straight line basis over the estimated useful life of intangible asset. The estimated useful lives for the current and comparative periods are as follows:

Patents	10 to 20 years
Development Hardware & Platform	7 to 15 years
Development Products	5 to 10 years
Software	5 to 7 years
Customer relationships	15 years
Brand	5 years

Impairment testing of goodwill and other intangible assets
The acquisition of Coretex during the previous financial year, meant goodwill and other intangible assets were recognised for the excess between the fair value consideration paid and the fair value of the net assets acquired. This goodwill and other intangible assets were then allocated to the cash generating units of the business with the assistance of external specialists. When goodwill and other intangible assets are acquired in a business combination, under the accounting standards, NZ IAS 36 requires an impairment test to be completed annually (for cash-generating units in which goodwill and other intangible assets have been allocated) irrespective of whether there is any indication of impairment. An impairment test is also required when there is an indicator of impairment identified each reporting period. Refer to note 3 for the allocation of goodwill and other intangible assets to cash generating units (CGUs).

Under the accounting standards one of the external sources of information that may indicate that an impairment exists is when the carrying amount of the net assets of the entity exceeds the entity's market capitalisation. At 30 September 2022 this is the case for the EROAD Group. The share price of EROAD at 30 September 2022 being $1.56 equating to a market capitalisation of $173 million compared to net assets of $253.3 million at the same date.

To complete the impairment testing management assessed the recoverable amount of each of the cash-generating units ('CGU') of which goodwill and other intangible assets have been allocated by reference to its value in use ('VIU') determined using a discounted cash flows model. The recoverable amounts of the CGU were estimated based on the following significant assumptions:

- Compound annual growth rate in connected units between 2023 and 2027 of 11% for North America, between 2023 and 2027 of 4% for New Zealand, and between 2023 and 2027 of 17% for Australia reflecting past experience and forecast performance of the Group following the acquisition of Coretex
- Compound annual growth rate in Average Revenue per Unit (ARPU) between 2023 and 2025 of 8.8% for North America, -0.6% for New Zealand, and 0.7% for Australia. No growth in 2026 to 2027 for any CGU
- Post-tax discount rate of 12.3%
- Terminal growth rate of 1.5% applied to 2027 and thereafter

Sensitivity analysis was undertaken which concluded that North America and New Zealand results are not particularly sensitive to changes in the underlying assumptions. Australia is sensitive to the compounding growth rate with a break even growth rate of 15.5%.

The Group applied judgment in determining reasonably possible changes in the key assumptions in the value in use models. Results of the sensitivity analysis as follows:

		Input required for the VIU to equate to the carrying value		
	Amount the VIU exceeds the carrying value $M's	Connected unit CAGR	WACC	Terminal growth rate
New Zealand	266.3	Not sensitive	Not sensitive	Not sensitive
North America	180.0	Not sensitive	Not sensitive	Not sensitive
Australia	3.7	15.50%	13.1%	0.3%

The Group concluded that the recoverable amount of each of the CGU were higher than their respective carrying values and therefore no impairment was considered necessary at 30 September 2022.

The Group completed its annual impairment review of goodwill in May 2022 as part of the 31 March 2022 financial statements, with no impairment being identified.

NOTE 7 INCOME TAX EXPENSE

GROUP	30 SEPTEMBER 2022 Unaudited $M's	30 SEPTEMBER 2021 Unaudited $M's
(a) Reconciliation of effective tax rate		
Loss before income tax	**(2.7)**	**(1.6)**
Income tax using the Company's domestic tax rate of 28%	(0.8)	(0.4)
Non-deductible expense/(non-assessable income)	(2.0)	0.8
Adjustment related to prior period	0.5	
Utilisation of tax losses previously unrecognised	(0.6)	0.7
Effect of different tax rates of subsidiaries operating overseas	(0.4)	0.2
Income tax expense/(benefit)	**(3.3)**	**1.2**
(c) Current tax expense		
Current year	-	-
	-	**-**
(c) Deferred tax expense		
Current year	(3.8)	1.2
Adjustments in respect of prior periods	0.5	-
	(3.3)	**1.2**
Income tax expense/(benefit)	**(3.3)**	**1.2**

At 30 September 2022 there were no imputation credits available to shareholders (31 March 2022: Nil).

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTE 8 BORROWINGS

GROUP	30 SEPTEMBER 2022 Unaudited $M's	31 MARCH 2022 Audited $M's
Current borrowings		
Revolving Credit Facility	16.2	0.7
Capex Facility	2.0	2.0
Capitalised borrowings cost	(0.7)	(0.6)
	17.5	**2.1**
Non-current borrowings		
Term Loans	30.0	30.0
	30.0	**30.0**

GROUP	Nominal Interest	Year of Maturity	30 SEPT 2022 Unaudited Face Value $M's	30 SEPT 2022 Unaudited Carrying amount $M's	31 MARCH 2022 Audited Face Value $M's	31 MARCH 2022 Audited Carrying amount $M's
Tem Loans	5.08%	2025	30.0	30.0	30.0	30.0
Capex facility	5.08%	2025	2.0	2.0	2.0	2.0
Revolving credit facility	5.08%	2025	16.2	16.2	0.7	0.7
Capitalised borrowing costs			-	(0.7)	-	(0.6)
			48.2	**47.5**	**32.7**	**32.1**

The Group has a syndicated debt facility with the Bank of New Zealand (BNZ) and the Australia and New Zealand Banking Group (ANZ). At 30 September 2022, EROAD had the following facilities in place:

$30.0M (NZD) Term Loan Facility A – to refinance debt from the prior financial year. The Term Loan has a term of 36 months from the March 2022 refinance date, with the facility having a maturity date in March 2025. The interest rate is variable with reference to a base rate (BKBM bid rate) for the selected interest period plus a margin of 2.95%. EROAD may select an interest period of 1,2,3 or 6 months. This is an interest only term facility with full repayment on the termination date.

$55.0M (NZD) Revolving Credit Facility B – for general corporate purposes. The Revolving Credit Facility has a term of 36 months from the March 2022 refinance date with a periodic roll over feature at the end of each interest period (90 days) that is subject to continued compliance with the terms of the loan agreement, with the facility having a maturity date in March 2025. Funds may be drawn in NZ Dollars, AU Dollars, or US Dollars. The interest rate is variable with reference to the base rate (BKBM bid rate for NZ Dollar drawings, BBSY bid rate for AU Dollar drawings, and US Federal Open Market Committee short-term interest rate target for US Dollar drawings) for the selected interest period plus a margin of 1.5%. EROAD may select an interest period of 1,2,3 or 6 months. In addition, a Commitment Fee of 1.45% per annum is payable on the committed balance of the facility quarterly in arrears. The full outstanding balance is payable on the termination date.

$5.0M Capex Facility– for general working capital purposes. This is an on demand facility with the interest rate to be agreed between the lender and borrower at the time of borrowing plus a margin of 1.5%. In addition, a Commitment Fee of 1.45% per annum is payable on the committed balance of the facility quarterly in arrears. The full outstanding balance is payable on the termination date.

EROAD's operating covenants to support the above facilities include Interest Cover Ratio, Leverage Ratio and Obligor Assets to Group Assets. EROAD was compliant with all covenants during the period and at 30 September 2022.

NOTE 8 BORROWINGS *(CONTINUED)*

The security package for the Multi-Option Credit Facility Agreement includes an all obligations cross-guarantee granted by EROAD Financial Services Limited, EROAD Australia Pty Limited, EROAD Inc, Coretex Limited, Imarda Pty Limited, Coretex Australia Pty Limited, Coretex NZ Limited, and Coretex USA Inc in favour of the BNZ (in its capacity of Security Trustee for the banking syndicate). in respect of the obligations of EROAD Limited, and a General Security Agreements granted by EROAD Limited, EROAD Financial Services Limited, EROAD Inc, EROAD Australia Pty Limited, Coretex Limited, Imarda Pty Limited, Coretex Australia Pty Limited, Coretex NZ Limited, and Coretex USA Inc in favour of the BNZ (in its capacity of Security Trustee for the banking syndicate).

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTE 9 RELATED PARTY TRANSACTIONS

Related party transactions are consistent in nature with those reported in 31 March 2022.

NOTE 10 COMMITMENTS

As at 30 September 2022 the Group had confirmed purchase orders open with its third party manufacturer of hardware units amounting to $21.2M (31 March 2022: $20.7M).

NOTE 11 CONTINGENT LIABILITIES

As at 30 September 2022 the Company had no contingent liabilities or assets (2022:$Nil).

NOTE 12 NET TANGIBLE ASSETS PER SHARE

GROUP	30 SEPTEMBER 2022	RESTATED 30 SEPTEMBER 2021	31 MARCH 2022
	Unaudited	Unaudited	Audited
Net assets (equity)	253.3	180.4	247.7
Less Intangibles	(236.7)	(52.4)	(228.4)
Total net tangible assets	**16.6**	**128.0**	**19.3**
Net tangible assets per share ($)	0.15	1.32	0.17

The non-GAAP measure above is disclosed for consistency with the information disclosed in EROAD's results announced under the NZX listing rules.

NOTE 13 EVENTS SUBSEQUENT TO BALANCE DATE

There were no events occurring subsequent to balance date which require adjustment to or disclosure in the financial statements.

KPMG

Independent Review Report

To the shareholders of EROAD Limited

Report on the condensed consolidated interim financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements on pages 15 to 36 do not:

i. present, in all material respects the Group's financial position as at 30 September 2022 and its financial performance and cash flows for the 6 month period ended on that date in compliance with NZ IAS 34 *Interim Financial Reporting*.

We have completed a review of the accompanying condensed consolidated interim financial statements which comprise:

— the condensed consolidated statement of financial position as at 30 September 2022;

— the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and

— notes, including a summary of significant accounting policies and other explanatory information.

Basis for conclusion

A review of condensed consolidated interim financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of EROAD Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to the Group in relation to taxation compliance and transfer pricing services. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as reviewer of the Group. The firm has no other relationship with, or interest in, the Group.

Use of this Independent Review Report

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our review work, this report, or any of the opinions we have formed.

KPMG

Responsibilities of the Directors for the condensed consolidated interim financial statements

The Directors, on behalf of the Group, are responsible for:

— the preparation and fair presentation of the condensed consolidated interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting*;

— implementing necessary internal control to enable the preparation of condensed consolidated interim financial statements that is free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting*.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

This description forms part of our Independent Review Report.

KPMG

KPMG
Auckland

25 November 2022

Directory

REGISTERED OFFICE IN NEW ZEALAND

Level 3 260 Oteha Valley Road,
Albany, Auckland, New Zealand

REGISTERED OFFICE IN NORTH AMERICA

7618 SW Mohawk Street
Tualatin, OR 97062 USA

REGISTERED OFFICE IN AUSTRALIA

Level 36, Tower 2 Collins Square
727 Collins Street Docklands, VIC
3008 Australia

INVESTOR RELATIONS AND SUSTAINABILITY ENQUIRES

Address: EROAD Limited, PO Box 305 394 Triton Plaza
North Shore, Auckland
Email: investors@eroad.com
Telephone: 0800 437 623

MANAGING YOUR SHAREHOLDING ONLINE

Changes in address and investment portfolios can be viewed and updated online: www.computershare.co.nz/investorcentre.

You will need your CSN and FIN numbers to access this service.

SHARE REGISTER - NEW ZEALAND

Computershare Investments Services Limited Private Bag 92119, Victoria Street West Auckland 1142,
New Zealand
Email: enquiry@computershare.co.nz
Telephone: +64 9 488 8777
Website: www.computershare.co.nz/investorcentre

LEGAL ADVISORS

Chapman Tripp Level 34 Commercial Bay Auckland 1010
PO Box 2206, Auckland 1140
Telephone: +64 9 357 9000

BANKERS

Bank of New Zealand
Australia & New Zealand Banking Group Limited
China Construction Bank
National Australian Bank
Wells Fargo

EROAD