



Quarterly Operational Update

28 October 2020

Transport technology services company EROAD today released its quarterly update for the three months ended 30 September 2020. Key points include:

- EROAD continued to grow despite a difficult operating environment due to COVID-19
- EROAD listed on the ASX listing and raised NZ\$53m to accelerate its growth strategies
- EROAD successfully launched its EROAD Day Logbook in New Zealand and EROAD Go mobile workflow application in North America
- EROAD expects to report H1 FY21 financial results at the upper end of its guidance range for Revenue and EBITDA

Growth continued in Q2, despite continuing COVID-19 restrictions

EROAD grew by 3,379 units for the three months ended 30 September 2020, ending the quarter at 122,193. This is slightly higher than the guidance provided at the time of EROAD's capital raise. Across all markets, customers continue to be impacted by COVID-19 operating restrictions, which is continuing to translate into suppressed demand and longer sales lead-times. However, EROAD continues to progress its pipeline of Enterprise opportunities in Australia and North America.

In New Zealand, EROAD's growth was 2,222 units for the quarter. This was driven predominantly by new customers across a range of industries with medium sized fleets as well as further extension into the fleets of several larger existing customers.

The North American business added 1,036 contracted units through new customers in freight & road transport and construction industries, combined with expansion within existing customer fleets.

Growth in Australia continued in the small and medium customer segment through predominantly new customers across a range of industries. Growth in this quarter decreased slightly on the prior quarter due in part due to the lockdown in Victoria.

EROAD's Total Contracted Units* as at 30 September 2020 are as follows:

Quarterly Units	Total at 30 June 2020	Total at 30 September 2020	Units added in quarter
Total Contracted Units*	118,814	122,193	3,379
New Zealand	82,304	84,526	2,222
North America	34,258	35,294	1,036
Australia	2,252	2,373	121

* Total Contracted Units is a non-GAAP measure used by EROAD which represents the total units subject to a customer contract and includes both Units on Depot and units pending instalment.



Accelerating our growth strategies

Launching new innovative products to solve our customers' problems is the cornerstone of growing unit numbers, increasing ARPU and retaining customers.

EROAD launched its new EROAD Day Logbook for New Zealand, which simplifies fatigue management by enabling drivers to capture work and rest hours via a smart phone or tablet. Since the launch in Q1 FY21, EROAD has sold 1,070 logbook subscriptions to 30 September.

In September 2020, 'EROAD Go', a mobile workflow application that connects with customers' transport management systems, was launched. This, together with the Q3 release of EROAD Clarity Dashcam, are considered critical steps in further expanding the North America addressable market and being able to win more Medium and Enterprise customers.

Once uncertainty around the ongoing impacts of COVID-19 subsides, EROAD considers that growth will continue through businesses embracing telematics to reduce costs and improve efficiencies in their business. Accordingly, EROAD considers that now is the time to extend its platform further and increase its focus on growing its market share in particularly in North America and Australia. EROAD raised \$53 million through a capital raise during September to support this ambition.

H1 FY21 Guidance

EROAD remains confident in the guidance provided at the time of the capital raise on the 17 September 2020 of H1 FY21 Revenue between \$43.5m - \$44.5m and EBITDA between \$12.0m - \$14.2m and currently expects to report at the upper end of these ranges. EROAD will release its financial results for the six months ended 30 September 2020, on 26 November 2020.

Ends

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About EROAD

EROAD Limited (ASX: ERD; NZX: ERD) ("EROAD") purpose is safer, more productive roads. EROAD develops and markets technology solutions to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with operating a fleet of vehicles and inventory of assets. EROAD has a proven SaaS business model and is experiencing continuing growth in installed units and revenue. EROAD has operations in New Zealand, North America and Australia with customers ranging in size from small fleets through to large enterprise customers. For more information visit <https://www.eroad.co.nz/global/investors>.