EROAD achieves positive free cash flow in FY24

AUCKLAND, 23 May 2024: Transportation technology services company EROAD Limited (NZX/ASX: ERD), with its purpose of 'delivering intelligence you can trust, for a better world tomorrow', today released its financial results for the 12 months ended 31 March 2024.

All numbers are stated in New Zealand dollars (NZ$) and relate to the 12 months ended 31 March 2024 (FY24), unless stated otherwise. Comparisons relate to the twelve months ended 31 March 2023 (FY23).

Financial Highlights[1]

- **Achieved positive Free Cash Flow (to the firm)** of $1.3m in FY24 compared to negative free cash flow (to the firm) of $29.9m in FY23. This improvement is the result of growth in units, price increases and cost control.
- **Revenue increased** to $182.0m for FY24 from reported revenue of $174.9m in FY23 and normalised revenue of $165.3m in FY23. This represents a 10.1% increase against normalised revenue for the prior comparable period, normalising for the one-off acquisition accounting adjustment of $9.6m in FY23 relating to the Coretex merger. Growth in revenue was delivered across all markets.
- **Annualised Monthly Recurring Revenue** increased by $24.1m (15.7%) to $177.8m in FY24 from $153.7m in FY23, reflecting growth across all markets and support by favourable foreign exchange.
- **EBIT** of $0.8m in FY24 compared to $1.7m in FY23. Normalised[2] EBIT increased to $4.4m in FY24 up from $(4.5)m in FY23. Normalised for 4G hardware upgrade costs of $3.6m in FY24 and integration costs of $3.4m and one-off acquisition revenue of $9.6m in FY23.

Operational Highlights

- **Customer Retention of Contracted Units remains high** at 94.8% in FY24 (NZ 95%; AU 96%; NA 95%), same as last year.
- **Key enterprise customer wins and expansions during the period.** Programmed in Australia (+3k connections), renewed and expanded Boral (+1.3k connections) and SkyBitz (+1.5k) in

[1] EROAD has presented certain non-GAAP financial measures as part of its FY24 results, which EROAD's directors and management believe provide useful information as they exclude any impacts of one-offs which can make it difficult to compare and assess EROAD's performance. The non-GAAP financial measures EROAD has used in this document are Annualised Monthly Recurring Revenue (AMRR), EBIT, Normalised EBIT, Normalised Revenue and Free Cash Flow. A detailed reconciliation of non-GAAP measures to EROAD's reported financial information is included on EROAD's website (http://www.eroadglobal.com/global/investors/). General information about EROAD's use of non-GAAP financial information is included on page 2 of the FY24 Investor Presentation.

[2] Normalised for the recognition of costs associated with the 4G hardware upgrade program in FY24 and costs associated with the 4G hardware upgrade program, one-off acquisition revenue, and integration costs in FY23.

Australia and Kinetic (owner of NZ Bus +1k connections) in New Zealand, and expanded US Foods (+1.3k connections) in North America. 68% of new enterprise units were expansions from existing customers, demonstrating strong customer value from EROAD.

- **250,000 units milestone passed.** Globally, EROAD has now hit the 250,000 unit milestone, driving operating scale.

Chair Susan Paterson said, "The FY24 financial and operational results demonstrate the company is on the right track and reinforces the Board's conviction in its strategic direction. The FY24 result met or exceeded all of the guidance metrics set at the start of the year, demonstrating the discipline and progress made as EROAD moves the business to consistently generating cash in the latter part of calendar year 2024."

"Today, EROAD is stronger, leaner, smarter and more sustainable. We believe it has the right skills, capital structure, cost-base, product-set and customer focus to capitalise on growth opportunities ahead to decarbonise transport as government look to sustainable revenue streams."

Co-CEO's Mark Heine and David Kenneson were pleased with the progress EROAD is making, "It's been a year of disciplined delivery. Last year, we made a commitment that we would return the focus of EROAD to our customers, remove non-essential costs, and put the foundations in place to take advantage of growth opportunities, including in our largest market in North America."

"This has provided us with a robust operating platform and the leverage to expand, diversify and grow in coming years. With a renewed focus on customer, in FY24 we have achieved global revenue of $182m – ahead of guidance – with top line growth being delivered in all 3 markets."

Outlook & Guidance

Heine and Kenneson added, "Having executed the operational changes required to realign the business around our enterprise customers, and implement tighter cost controls, we have commenced FY25 with confidence in our strategy, and our ability to execute against our FY26 targets."

"For FY25 and beyond we will remain focused on fiscal and operational discipline, with considered investment in growth, through expansion within key markets, deepening engagement with existing customers, and partnering where appropriate to meet the evolving needs of the market."

"Our FY25 guidance acknowledges that while we have turned the corner on costs and productivity, we are now accelerating our new product introductions and go-to-market strategies in all markets. This work is well underway and expect this will be in-place in mid-to-late Q2."

- **FY25 Revenue guidance** of $190m to $195m
- **FY25 EBIT guidance** of $5m to $10m, normalised for the 4G hardware upgrade program
- **EROAD expects to be free cash flow positive in FY25**

ENDS

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

Webinar details

EROAD's co-Chief Executive Officers, Mark Heine and David Kenneson, and Chief Financial Officer, Margaret Warrington will give a presentation on the company's financial and operational performance for FY24 via webinar, commencing on Thursday 23 May 2024 at 12:00pm NZT.

Register in advance for this webinar:

When:	Thursday 23 May 2024
Time:	12:00pm NZT
Topic:	EROAD FY24 Financial Results Announcement
Link:	https://www.eroad.co.nz/investor-presentation/

After registering, you will receive a confirmation email containing information about joining the webinar. A replay of this webinar will be available once it has been uploaded to the EROAD website under 'presentations' at https://www.eroadglobal.com/global/investors/

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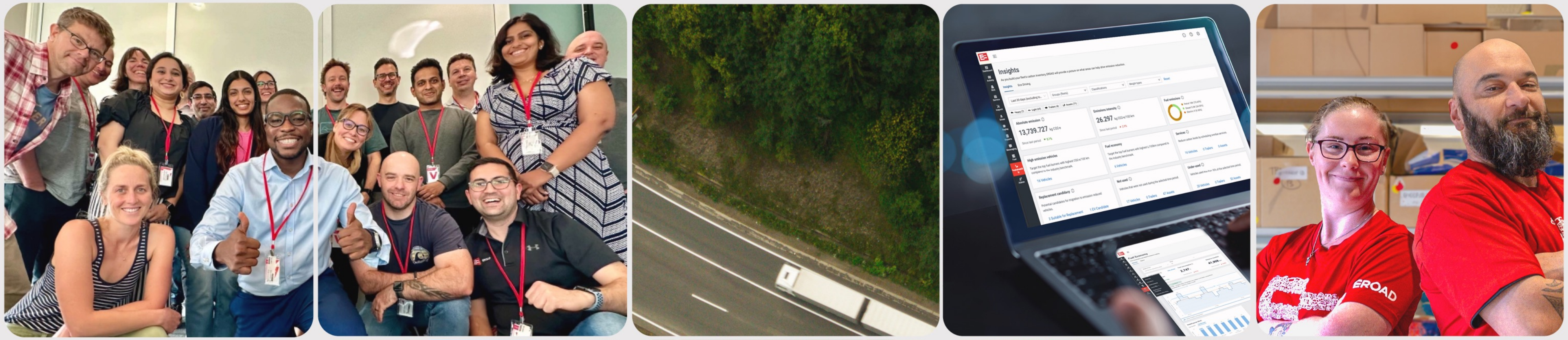
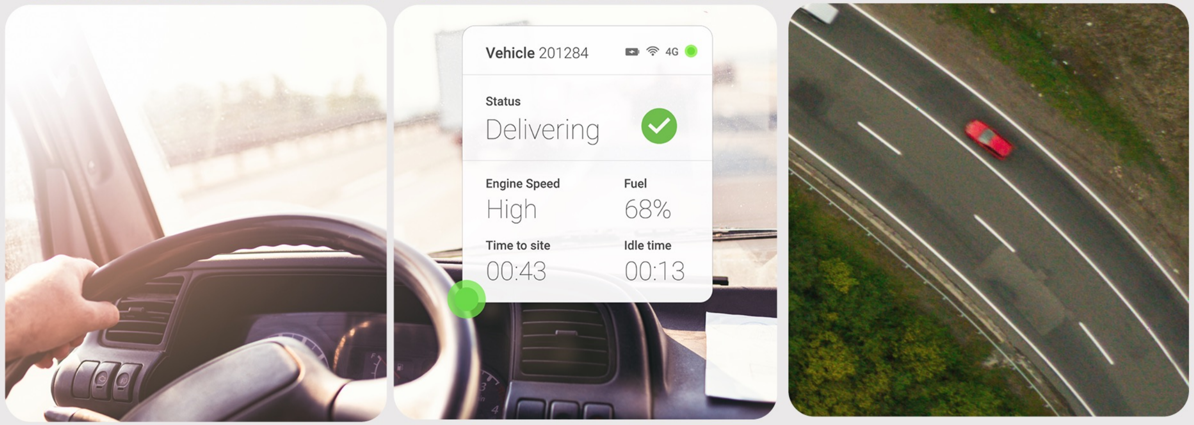
About EROAD

EROAD is a fully integrated technology, tolling and services provider, based in Auckland, New Zealand, and serving customers in New Zealand, Australia and North America. They were the first company in the world to implement a GNSS/cellular-based road charging solution across an entire country. They design and manufacture in-vehicle hardware, operate secure payment and merchant gateways and offer web based value-added services. EROAD modernises road charging and compliance for road transport by replacing paper-based systems with easy-to-use electronic systems. They are the largest provider of road user charges (RUC) compliance in New Zealand, and a leading provider of health and safety compliance and fleet management solutions. EROAD is listed on the New Zealand Stock Exchange (NZX) and Australian Stock Exchange (ASX) under the stock symbol of ERD. www.eroad.co.nz



EROAD



EROAD (NZX: ERD ASX: ERD) Financial Results

For the 12 months ended 31 March 2024 (FY24)

23 May 2024

Important Information

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, uncertainties and assumptions.

All numbers relate to the 12 months ended 31 March 2024 (FY24) and comparisons relate to the 12 months ended 31 March 2023 (FY23), unless otherwise stated. All dollar amounts are in NZD, unless otherwise stated.

There is no assurance that results contemplated in any projections or forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about EROAD.

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Non-GAAP Measures
EROAD has presented certain non-GAAP financial measures as part of its H1 FY24 results, which EROAD's directors and management believe provide useful information as they exclude any impacts of one-offs which can make it difficult to compare and assess EROAD's performance. Non-GAAP financial measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP financial measures reported in this presentation 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. Non-GAAP financial measures are not subject to audit or review.

The non-GAAP financial measures EROAD has used in this presentation are identified and defined in the Glossary on page 42 of this presentation.

A detailed reconciliation of non-GAAP measures to EROAD's reported financial information is included on EROAD's website http://www.eroadglobal.com/global/investors/

Agenda

Result Overview

- Operational Overview & Key Metrics
- Geographic
- Financial
- 4G Hardware Upgrade Program

EROAD Strategy

- Strategy
- Market Opportunity
- Delivering Growth
- New Zealand Transport Tax Regime Changes

Outlook & FY25 Guidance

MARK HEINE
CO-CEO

DAVID KENNESON
CO-CEO

MARGARET WARRINGTON
CFO

OUR PURPOSE:

Delivering intelligence you can **trust** for a better world tomorrow

Delivering

Knowing our customers needs, and meeting them where they are and can benefit.

Embracing flexibility, humility, and ruthless dedication

Intelligence

The best people powered by cutting edge technologies that deliver value to our customers.

Real intelligence to drive change.

Trust

Earned trust through the validity of our data, the way it's collected and processed.

And trust in us, to do what we promise.

Better World

Always taking the wider environmental context into view.

Solving immediate customer problems while thinking about the impact to the world around us.

Tomorrow

We think beyond today and into the future.

What we do now, shapes the people, customers and business we have tomorrow.

EROAD

01

FY24

Result Overview

FY24 FINANCIAL RESULTS

Reported Revenue	Reported EBIT	Normalised EBIT	Free Cash Flow[3]	Guidance
$182.0m	**$0.8m**	**$4.4m**	**$1.3m**	**Guidance met or exceeded on all measures**
+10.1% FY23 of $165.3m[1]	$1.7m FY23	Normalised[2] vs ($4.5m) FY23	**FCF positive in FY25**	

FY Highlights

Revenue Up. Costs Down

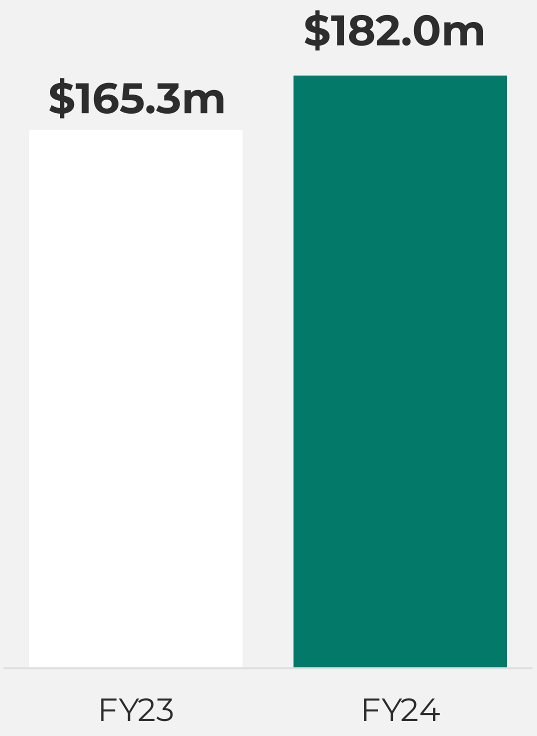
Future Contracted Income	Asset Retention	AMRR	Net Unit Adds	Global Units
$262.7m	**94.83%**	**$177.8m**	**23,741**	**+250k**
+$43.1m on FY23	94.81% in FY23	+15.7% FY23	+10.5% FY23	Unit milestone reached

EXECUTING STRATEGIC PLAN

1. Normalised for $9.6m in FY23 for accounting adjustment related to contingent consideration 2. Normalised for 4G hardware upgrade costs of $3.6m in FY24 and integration costs of $3.4m in FY23 3. Free Cash Flow to the firm excludes financing costs

Normalised Revenue Growth

~10% YoY normalised revenue growth driven by 10.5% increase in connected units and supported by favourable foreign exchange. North America accounted for 50% of unit growth in FY24 as units from Sysco rollout are connected



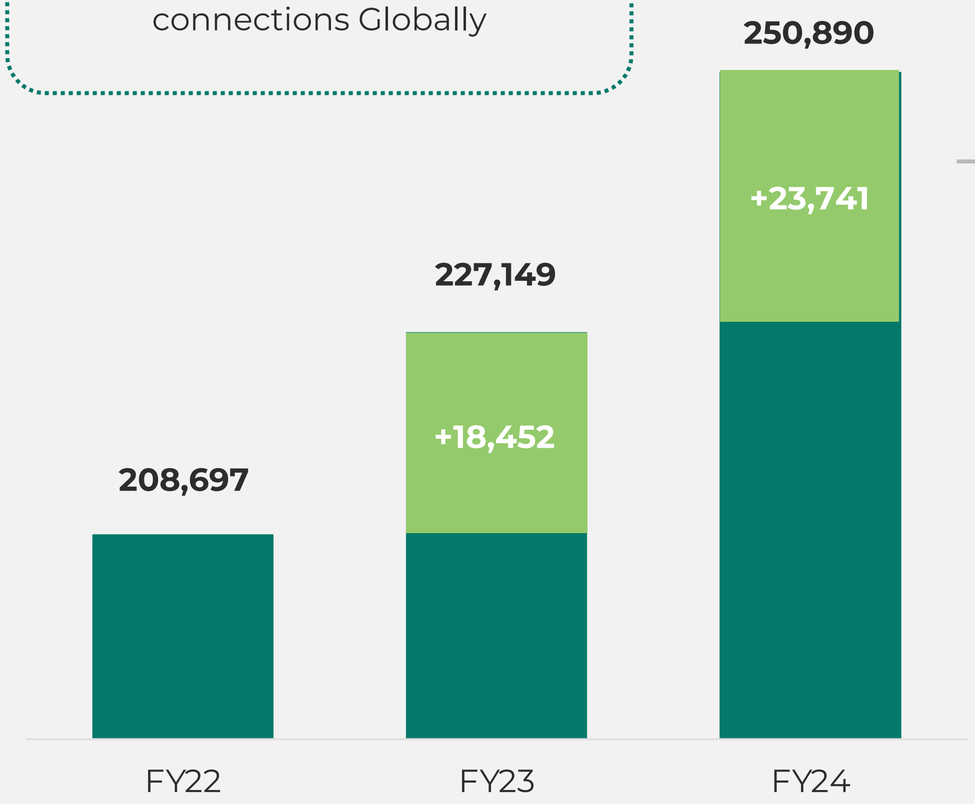
Connection Growth

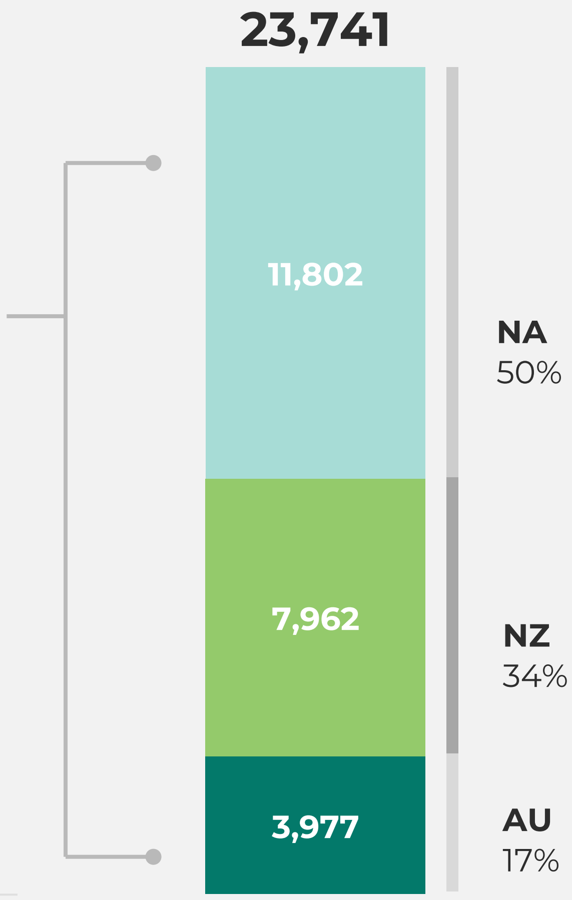
North America boosted by Sysco rollout and Enterprise expansions

MILESTONE

250,000+

connections Globally





Positive Momentum Continues

Strong results affirm our strategic direction

STRONG FOUNDATIONS

Turnaround the business

- FY24 guidance provided in May 2023 was met or exceeded
- Positive free cash flow of $1.3m driven by new customer wins, price increases and cost control
- Grew revenue[1] by 10% in FY24
- Achieved $20m of annualised savings across FY23 and FY24
- Maintained financial headroom to execute on growth opportunity

CONSISTENT EXECUTION OF STRATEGY

Drive operational leverage

- FY25 guidance projects growing profitability, on track to deliver previously announced FY26 targets
- EROAD expects to deliver positive free cash flow in FY25
- Maintaining cost control to leverage optimised structure
- Reached global scale of 250k units in circulation
- Expand penetration into existing customer base

Pathway to growth

- CEO partnership to drive focus on sales and marketing globally, with strong understanding of US market
- Products leveraging latest in AI technology being piloted with core customers
- Enterprise-centric products and features moving from customer pilots to general release
- RUC regulatory changes opening up new opportunities for EROAD
- Partnerships and channel partners enable new and expanded offerings

1. Normalised for $9.6m in FY23 for accounting adjustment related to contingent consideration

Operational Overview

Delivering on Strategy

Driving Operational Leverage

Price Uplift

6%
Australia & New Zealand

3%
North America

Implemented price uplift in North America of 3% and in Australia and New Zealand of 6%

Improved EBITDA margins[1]

29.3%
Up from 21.5% in FY23

$20m of annualized cost savings across FY24 and FY23 while maintaining growth trajectory

Scale Achieved

250k units
Global Milestone

Reduces the fixed cost base for every incremental unit sold.

Growth Pathway

North American Opportunity

$10bn
Total Addressable Market

Complete rollout of 10k+ units to Sysco, adding to a portfolio of referenceable customers for new logo sales. Land and expand by providing additional solutions and growing with our clients

New Zealand Opportunity

$500m+
Total Addressable Market

Opportunity to leverage recognised brand to capture new enterprise accounts

1 Normalised for $9.6m in FY23 for accounting adjustment related to contingent consideration.

Operational Overview

Delivering on Strategy

Strategic Priority:

Win, Retain and Expand Key Enterprise Accounts

23,159 From Existing customers

4,171 Won
- Won Programmed (3,000 for 5 years) in **AU**
- Michael & Sons (972) in **NA**

9,154 Renewed
- Renewed (4,800) Fulton Hogan **NZ**
- Renewed[1] (up to 1,400) Woolworths **AU**
- Renewed (1,400) Hato Hone St John **NZ**
- Renewed (1,150) Vulcan **NA**

8,530 Renewed and Expanded
- Renewed (1,950) **and expanded** (1,000) Kinetic **NZ**
- Renewed (511) **and expanded** (723) Tranzit **NZ**
- Renewed (1,900) **and expanded** (1,345) Boral **AU**

5,475 Expanded
- US Foods expanded (1,264) **NA**
- Skybitz expanded (1,494) **NA**
- Sysco supplied and expanded (~1,400) **NA**

27,330 Enterprise Connections

Value of Enterprise

Net New Enterprise Logo
Onboard new accounts and show value

↓

Renew Contracts
Drive loyalty through benefits to customer

↓

Add-ons to Renewals
New products and solutions increase contract value at renewal

↓

Increase Order Volume
Via customer fleet expansion (organic)
Additional product adoption

*Not a complete list of enterprise customer wins, renewals, and expansions

[1] EROAD is Woolworths' preferred supplier, presently working on renewing up to 1,400 units, with 444 units already ordered

Key Metrics Trend

Focused execution delivers strong results against refreshed strategy

Targeting Free Cash Flow[1] positive fiscal year 2025
Implementation of refreshed strategy provides pathway to sustainable, profitable growth

Goal	Metric	FY22	FY23	FY24	Strategy	FY26 Targets
SaaS Quality	AMRR	$134.6m	$153.7m	**$177.8m***	Grow customer base in-line with estimated market growth[3]	**11% - 13% CAGR**
	Churn	7%	5%	**5%**	Maintain historical churn rate	**5% - 7%[4]**
	Average Lease Duration Remaining (years)	1.4	1.3	**1.4**	Rebalance toward longer-dated enterprise contracts	**1.5 – 2.0[5]**
Investment	R&D as % of revenue	28%	23%	**18%**	Focus on projects with near-term ROI	**13% - 15%[6]**
Return	Free Cash Flow[1] Margin	-39%	-18%	**1%**	Improve cash efficiency and drive NA growth	**9%+[7,8]**

[1] A non-GAAP measure representing operating cash flow and investing cash flow reported in the Statement of Cash Flows (excluding net interest paid).
[2] Based on delivery plan of Project Switch.
[3] Targeted growth in-line with blended market growth in North America and ANZ.; ANZ fleet management unit market is estimated to grow at a 16% CAGR (2019-2024); North America private fleet telematics market is expected to grow by 11% per year until 2030 (Sources: ACT Research, I.H.S., Berg, Expert interviews).
[4] In-line with historical churn rates (based on FY20-22A range).
[5] Assumes that average lease duration remaining (years) increases with weighting to longer dated enterprise contracts.
[6] Decrease in R&D as % of revenue is driven by streamlining of activities towards projects with near-term ROI.
[7] Driven by additional cash efficiencies and growth in North America. Includes effects from roll-off of the switch program, leverage (holding fixed costs as we grow) and the anticipated $20m cost-out.
[8] Normalised for 4G hardware upgrade costs

*Annualised monthly recurring revenue includes positive FX impact of $4.0m in FY24

New Zealand

Strong cash generative market with a focus on multi-product adoption

NZ$91.8m

Revenue ▲ **9%**

7,962

Net unit adds

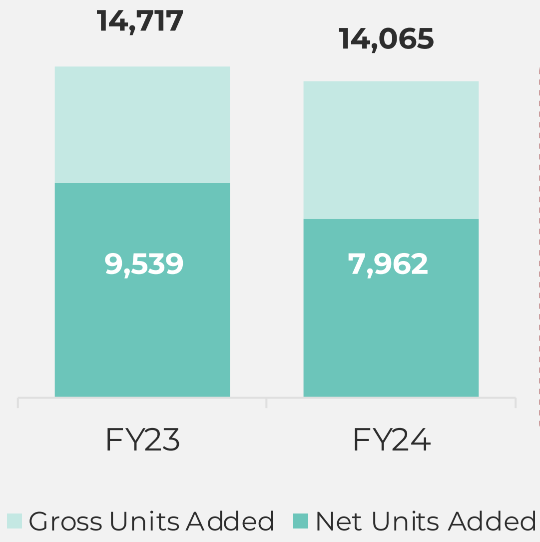
94.77%

Asset Retention Rate

4G Hardware Upgrade Programme slightly elevating churn

NZ$58.30

Monthly SaaS ARPU ▲ **4.7%**



Continued stable growth bringing total connected unit count to 124,417.

Up 7% on FY23

FY24 New Zealand

PRICE UPLIFT

6% price lift implemented 1 July 2023

CUSTOMER LOYALTY

Fulton Hogan renewed (4,800) 3 year term

Tranzit renewed (511) and **expanded** (723) 4 year term

CUSTOMER CHURN

Approximately 725 units relates to two customers who did not renew and the remainder relates to SMB customers or enterprise customer fleet resizes.

11,504

Enterprise connections renewed and expanded, 2,018 are net-new

North America

Solid growth with momentum building in enterprise focus

NZ$79.6m

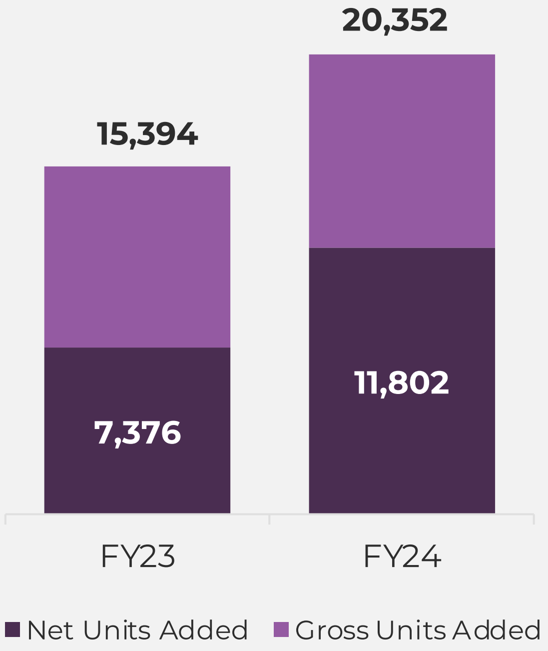
Revenue ▲ **11%**

11,802

Net unit adds

94.78%

Asset Retention Rate



NZ$60.92

Monthly SaaS ARPU ▲ **1.4%**
USD$37.16

Rolled out 9,636 units for Sysco and expanded existing fleets by 7,156 units bringing total connected unit count to 106,860.

Up 12% on FY23

Churn is mostly SMB and dealer network.

FY24 North America

SYSCO ROLLOUT:

Sysco rollout substantially completed

Additional 1,400+ units above initial contract

CUSTOMER LOYALTY

Vulcan renewed (1,151)

US Foods expanded (1,264)

Skybitz increased (1,494)

TEAM

EROAD's new co-CEO based in North America

PRICE UPLIFT

3% price lift implemented 1 July 2023

Australia

Solid growth with momentum building in enterprise focus

NZ$10.6m

Revenue ▲ **14%**

3,977

Net unit adds

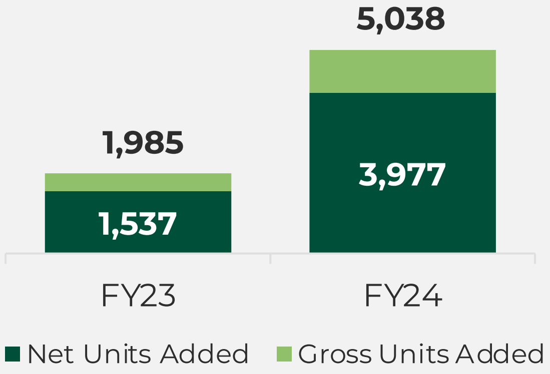
95.51%

Asset Retention Rate

Focused sales efforts lead to strong unit growth of 25% in overall Australian unit count from FY23

NZ$45.44

Monthly SaaS ARPU AU$42.12 ▼ **0.3%**



FY24 Australia

NEW ENTERPRISE

Programmed Australia (3,000) 5 year term

CUSTOMER LOYALTY

Boral renewed (1,900) and expanded (1,345)

Received confirmation (subject to contract) of renewal (up to 1,400) Woolworths AU[1]

PRICE UPLIFT

6% price lift implemented July 1 2023

7,645

Enterprise connections won, expanded or renewed. 4,345 are **net new** units

[1] EROAD is Woolworths' preferred supplier, presently working on renewing up to 1,400 units, with 444 units already ordered

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FY24
Financials

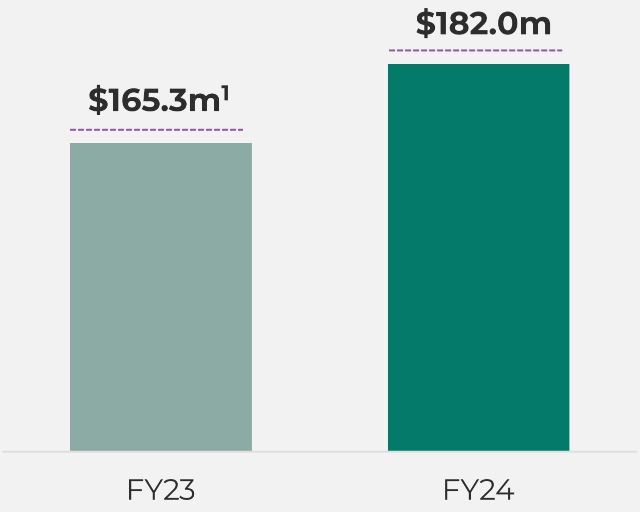
EROAD

Mātanga Projects
Reduced emissions by 28%
within 6 months of using EROAD

Revenue & EBIT

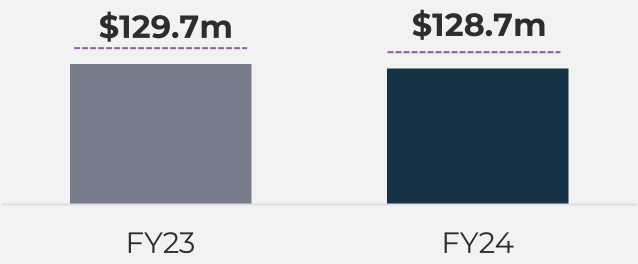
Financial results delivered above guidance, demonstrating our commitment to deliver on our promises

Reported Revenue



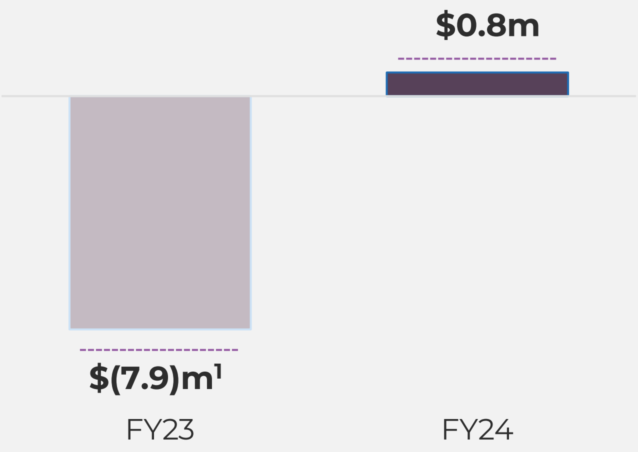
Revenue of $182.0m is up 10.1% on normalised FY23 revenue[1] reflecting unit growth, price increases and foreign exchange.

Reported Operating Costs



Executed $10m (annualised) of cost savings in FY24, following $10m of cost-out in FY23.

Reported EBIT



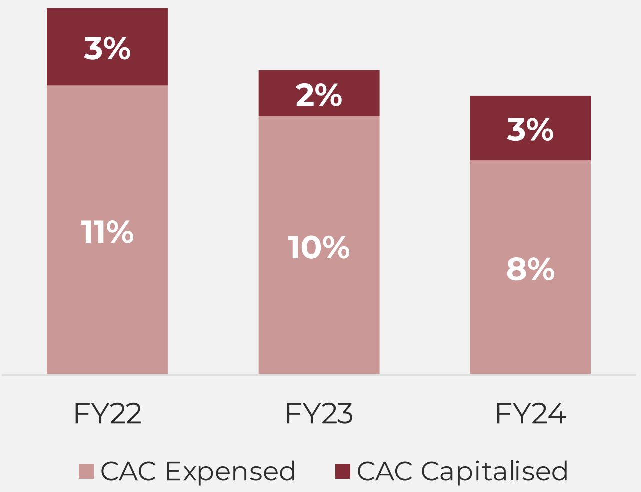
EBIT of $0.8m reflects positive revenue growth and impact of cost-out program over FY23 and FY24.

[1] Revenue normalised for $9.6m relating to accounting adjustment for contingent consideration

Operational Efficiency

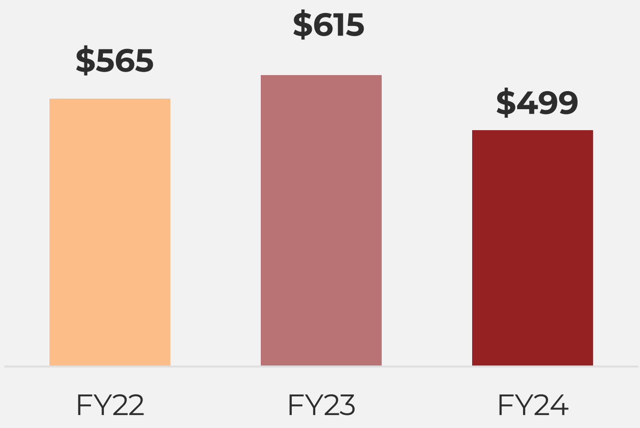
Management focus on gaining efficiency across all cost measures

Cost to acquire customers as a % of revenue



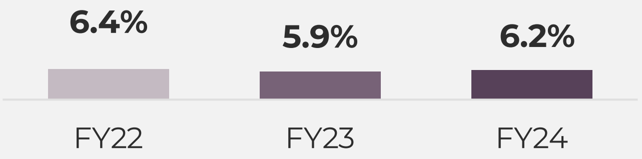
Expansions from existing customers, and measured sales and marketing spend show positive trends in CAC.

Customer acquisition cost (CAC) per unit[1]



Lower cost per unit in FY24 reflects the lag between the costs spent to acquire a customer and the recognition of a new unit added following installation.

Cost to support & service as a % of revenue



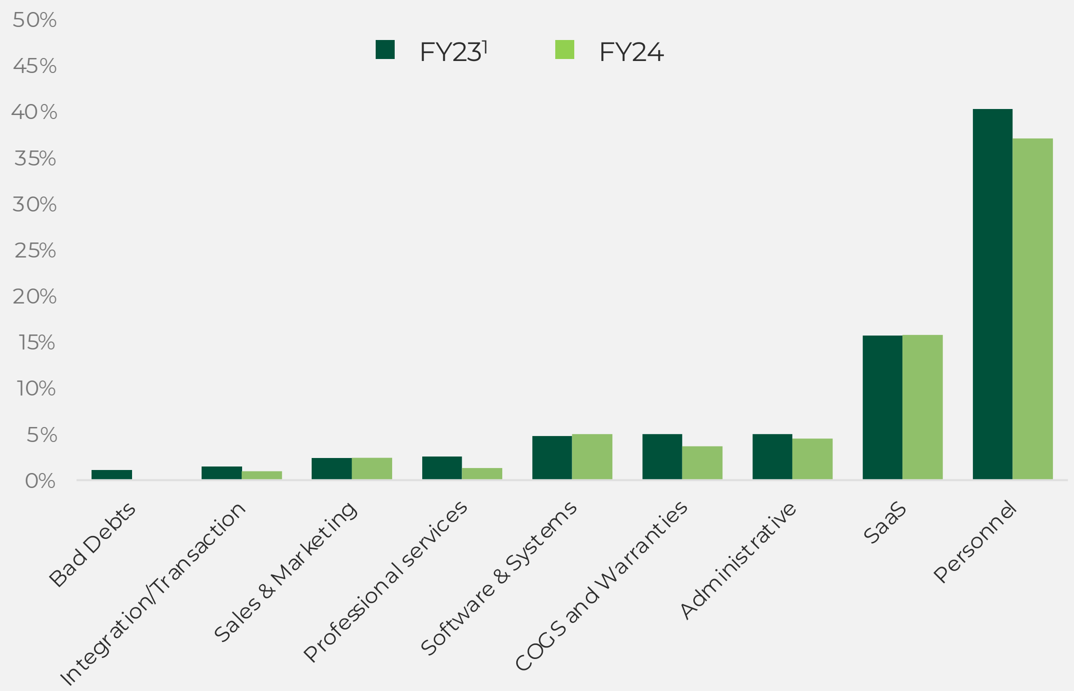
The decline over the prior years reflects savings from driving efficiencies partially offset in the current period by additional resources to service large enterprise customers in North America.

[1] Historical figures have been restated to exclude bad debt expense.

Operating Costs

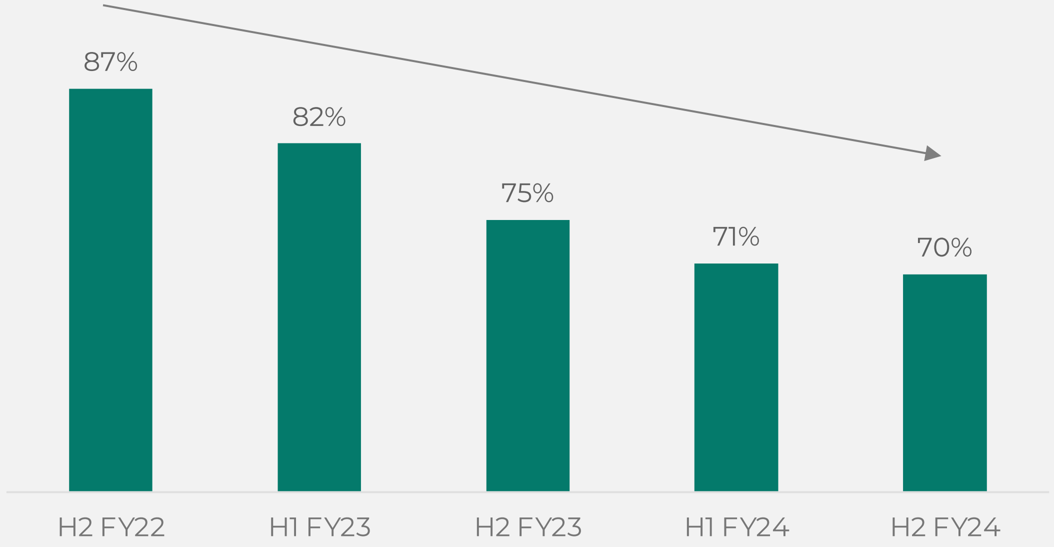
Cost-out program to deliver cost base for profitable growth

Operating cost as a % of revenue



Operating costs have decreased to 70.7% as a percentage of revenue versus 78.5% in the prior period following the $10m of cost-out in FY23 and FY24.

Operating costs as a % of revenue[1] have continued to decline



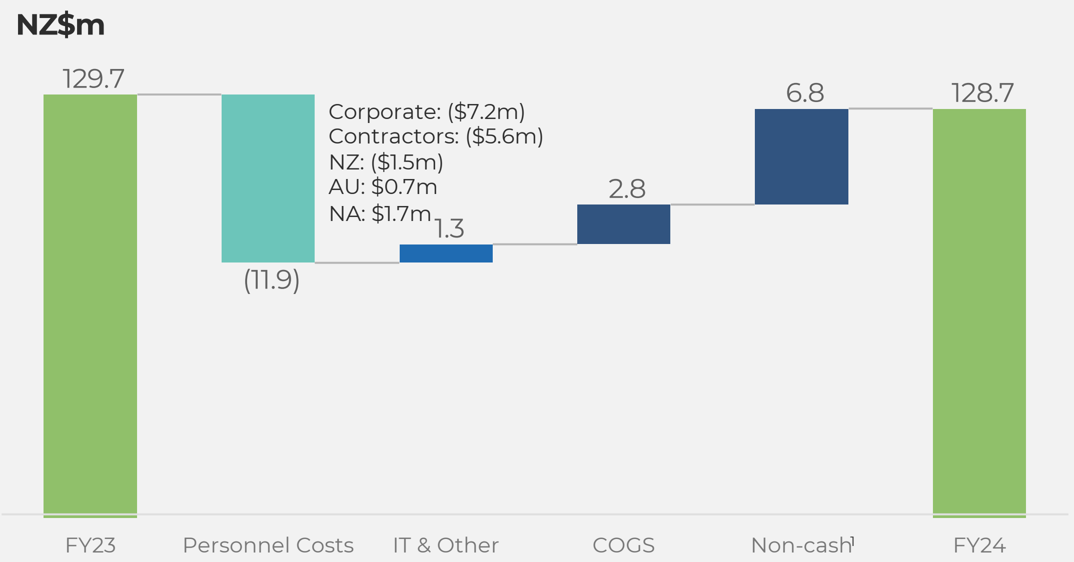
Operating costs as a % of revenue continues to decline reflecting the cost out program over FY23 and FY24 and operating leverage from unit growth

[1] Revenue normalised for $9.6m in FY23 relating to accounting adjustment for contingent consideration

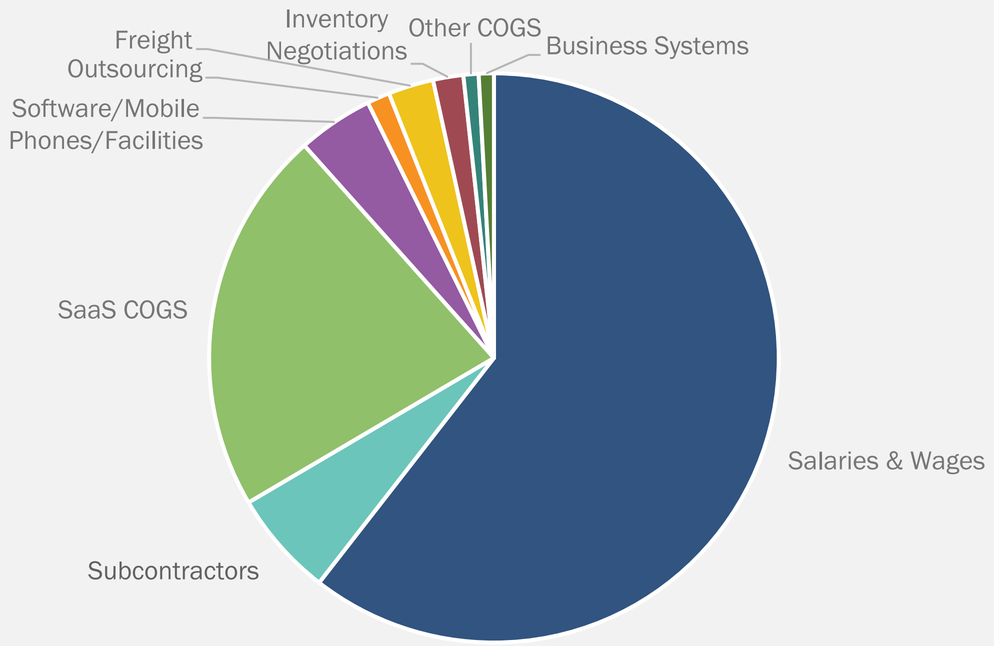
Cost Management program

Savings delivered over FY23 and FY24

Operating costs have been reduced while growing the unit base



Composition of total savings



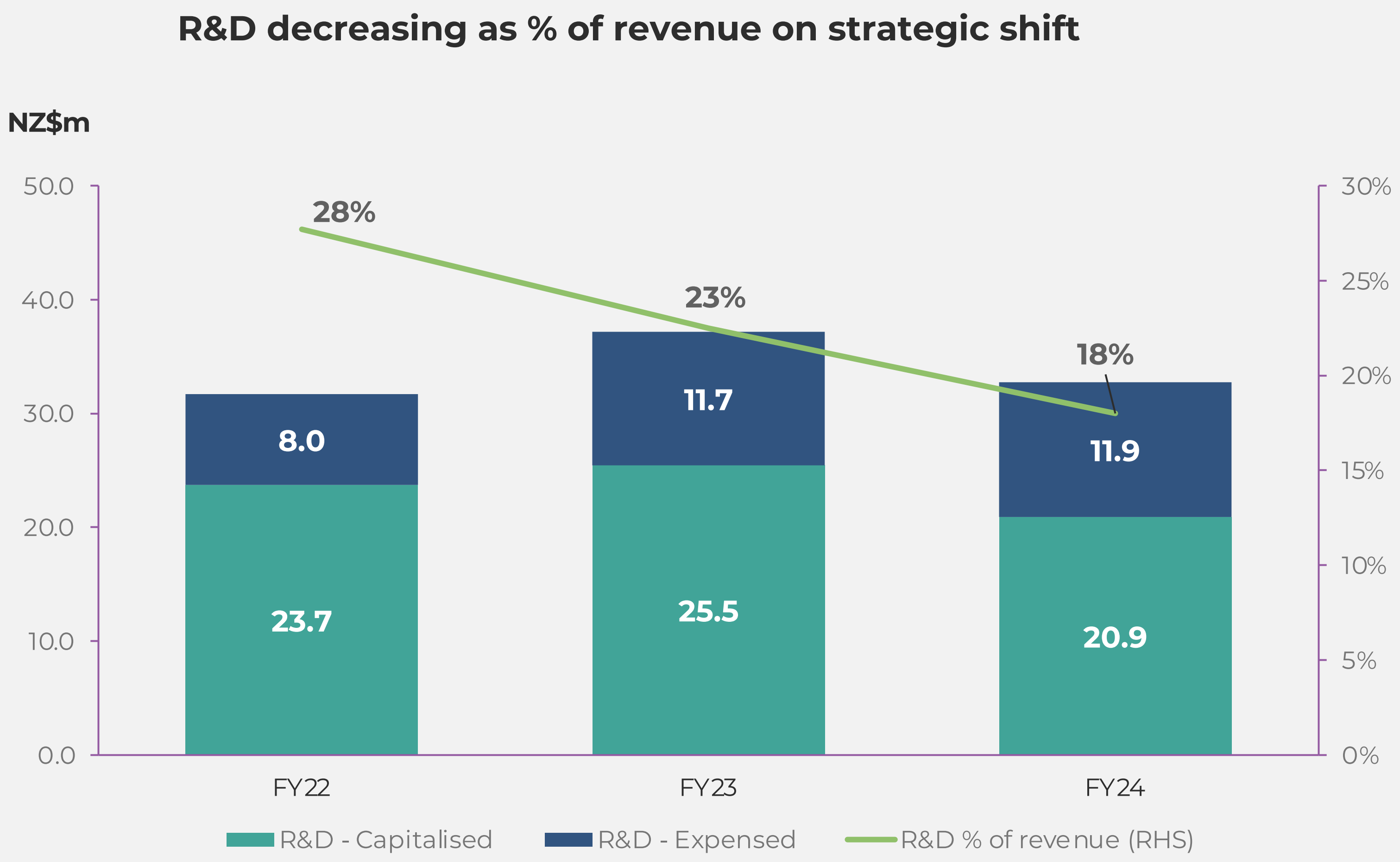
Stable operating cost base reflecting cost out program will allow EROAD to increase profitability by growing revenue

Resetting the cost structure achieved through permanent reductions in headcount and renegotiation of supplier contracts

[1] Includes reduction in R&D capitalized, incentive-based remuneration and annual leave liability

Research & Development

R&D % of revenue decreases as re-focusing initiatives drive ROI and speed to market

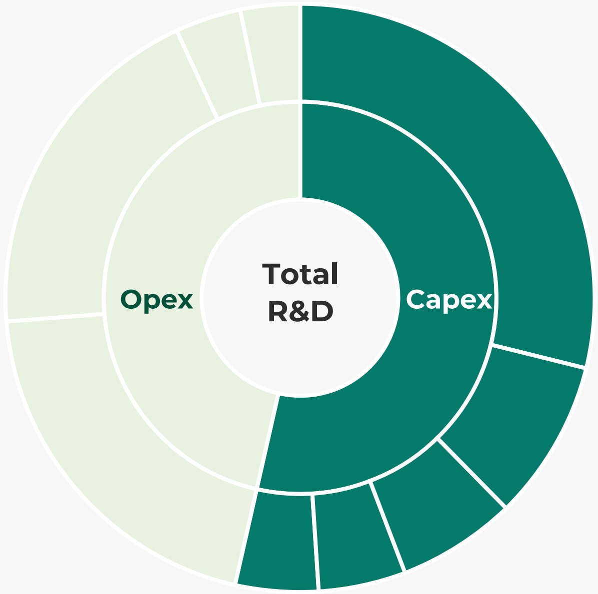


- Total R&D spend of $32.8m in FY24, 18% of revenue.
- Compares to $37.2m, or 23% of revenue, in FY23.
- Target R&D of $32m in FY25 equates to 17% of the mid-point of FY25 revenue guidance ($190-195m).

R&D Investments for Growth

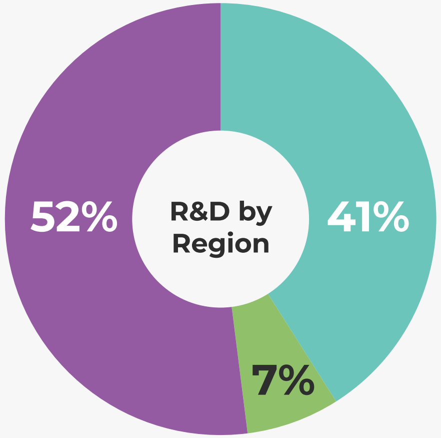
Strategic R&D allocations across retention and growth areas globally

- Ongoing maintenance spend in platforms and systems for existing customers for retention.
- Targeted investment in new offerings increases value by opening new customer opportunities and expansion within existing.
- Our R&D priorities vary from period to period in response to customer and market needs.
- Appointed highly experienced NZ-based CTO to start in June 2024.



54%

Total R&D investment is for net new growth



41%
New Zealand
Includes new gen trailer tracker, decarbonisation tool and 4G swap out

7%
Australia
Includes features to retain existing enterprise customers including AU fatigue management tool

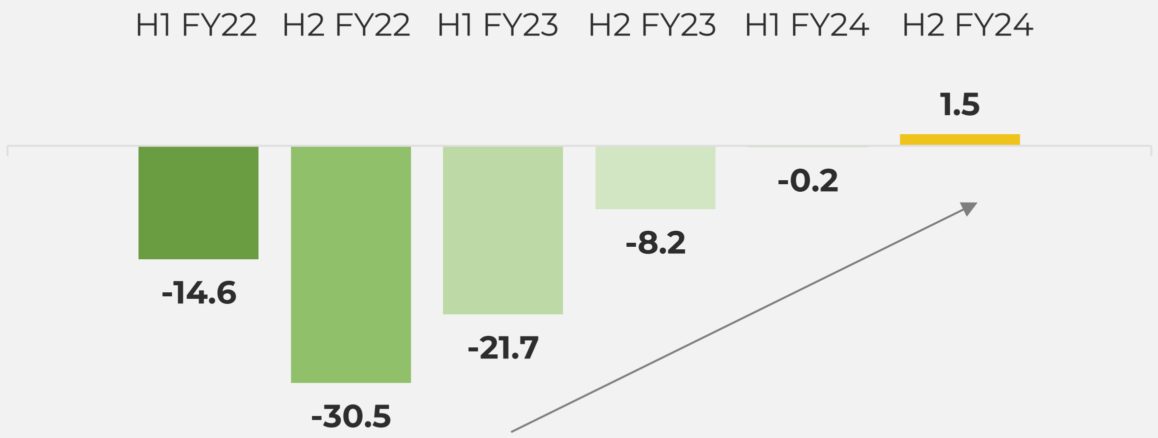
52%
North America
Includes expanding capabilities to support new enterprise customers, and support enhancements for US tax and fatigue products

Opex Breakdown				Capex Breakdown			
43%	42%	8%	7%	64%	16%	12%	8%
Reliability, availability, serviceability and scalability	Quality/bugs	Planned enhancements	Other	New to EROAD	Learnings & Future	Planned enhancements	Reliability, availability, serviceability and scalability

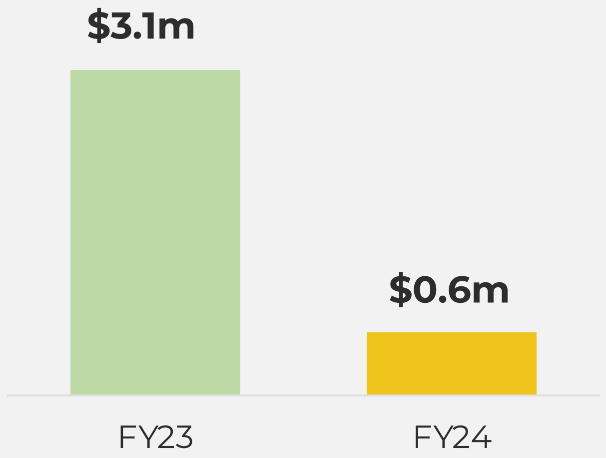
Cash Flow Trend

Cash flow continues to improve through execution

Positive free cash flow to the firm trajectory



Average monthly cash burn continues to reduce



Free cash flow to the firm expected to be positive in fiscal year 2025 based on current forecasts, price uplifts, achievable cost savings, and profile of 4G hardware upgrade program.

EROAD would have delivered higher positive free cash flow to the firm excluding the one-time 4G hardware upgrade program

Cash burn decreased due to cost-out program

4G Hardware Upgrade Program ANZ

Unit replacement program progressing to plan and on budget, 55% of all units in ANZ already 4G compatible

Upgrades to ANZ network

- One NZ recently announced it would postpone shutdown of the 3G network to March 2025.

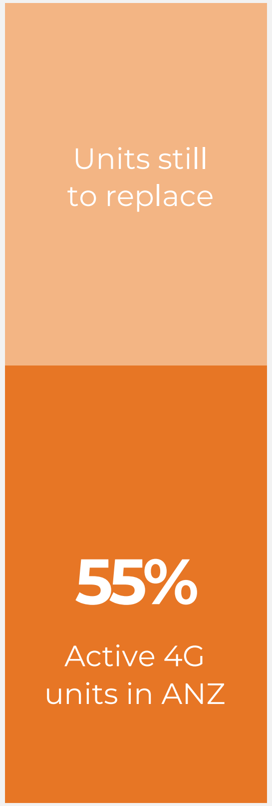
Program costs

- Total program costs remains in-line with previously announced expectations of $24m-$30m.
- Lower spending was incurred in FY24, due to customer behaviour following One NZ's postponed 3G shutdown date. Expect that this spending will occur over the coming years.

NZ$m	FY25	FY26
Expected investment *(Hardware + Program costs)*	**$7–$9m**	**$8–$10m**

One-off accelerated replacement program costs relate specifically to the 3G Network shutdown

Rollout progress



Key dates

- **June, 2024** Telstra 3G Shut Off - AU
- **March, 2025 (postponed)** One NZ 3G Shut Off Starts - NZ
- 2G back up connectivity
- **December 2025** One NZ 2G Shut Off - NZ

Liquidity

Strong balance sheet for strategic execution

Bank Facilities

$80m Bank Facility	Secured new 3-year $80m bank facility in October in conjunction with capital raise. Amortisation will reduce the facility limit to $60m at end of the 3-year commitment
3 NZ bank lenders	Added NZ domestic bank (Kiwibank) in addition to two existing lenders (ANZ, BNZ) New facility provides added duration and flexibility, with headroom to covenants Net leverage ≤ 1.50x reducing to 1.25x by September 2025 and 1.00x by June 2026. Interest coverage ratio ≥ 4.00x
$57.9m Total liquidity	Provides company with total liquidity of $57.9m. Sufficient liquidity to grow and achieve free cash flow positive without the need for further capital

Sufficient liquidity to fund strategic plan

[1] Under new refinanced facility agreement executed on 29 September 2023

EROAD

02

Strategy Update

Strategy Timeframe

Optimising business operations underway, clearing the way for scaleable growth

WE ARE HERE

Turnaround the core

Future Growth

Approach	**Corporate overhead reduction**	**Efficiency in ANZ / Growth in NA**	*Growth in NA Verticals*
Timing	**FY23**	**FY24**	**~3-5 years**
Value focus and selected achievements	• Headcount reduction • Overhead expense reduction • Asset tracking solution expanded • CoreHub Xtreme launched in NA • Dashcam enhancements	• Accelerated 3G replacement program • Ongoing cost-out for SaaS costs • Supplier negotiations • Customer self service portal launched • Reefer Predictive Maintenance launched • Pivoted and recruiting enterprise sales team in NA • Established new marketing strategy in NA • CoreHub Xtreme launch planned in AU • Sustainability Module launched in ANZ	• Growth in large enterprise customer base • Capitalise on sales and product improvements made • Rationalisation of cost base • Economies of scale on development and other functions
Annualised savings	• $10m completed	• $10m completed	• Continued focus on cost efficiency

The value we deliver

EROAD's strength is in providing the stable core foundations fleets need, with the additional innovations, integrations, and service required to deliver for enterprise.

Compliance	Safety	Efficiency	Sustainability
• RUC compliance • HOS logs • Fuel tax reporting	• Driver tools • Vehicle maintenance • Driver behaviour	• Route management • Predictive maintenance • Asset utilisation	• Fuel & Idling reports • Decarbonisation & emissions reporting tools • EV support

We are at the intersection of our customers' physical and digital operations

Optimising efficiency for | Vehicles | Drivers | Roads | Loads | Operations

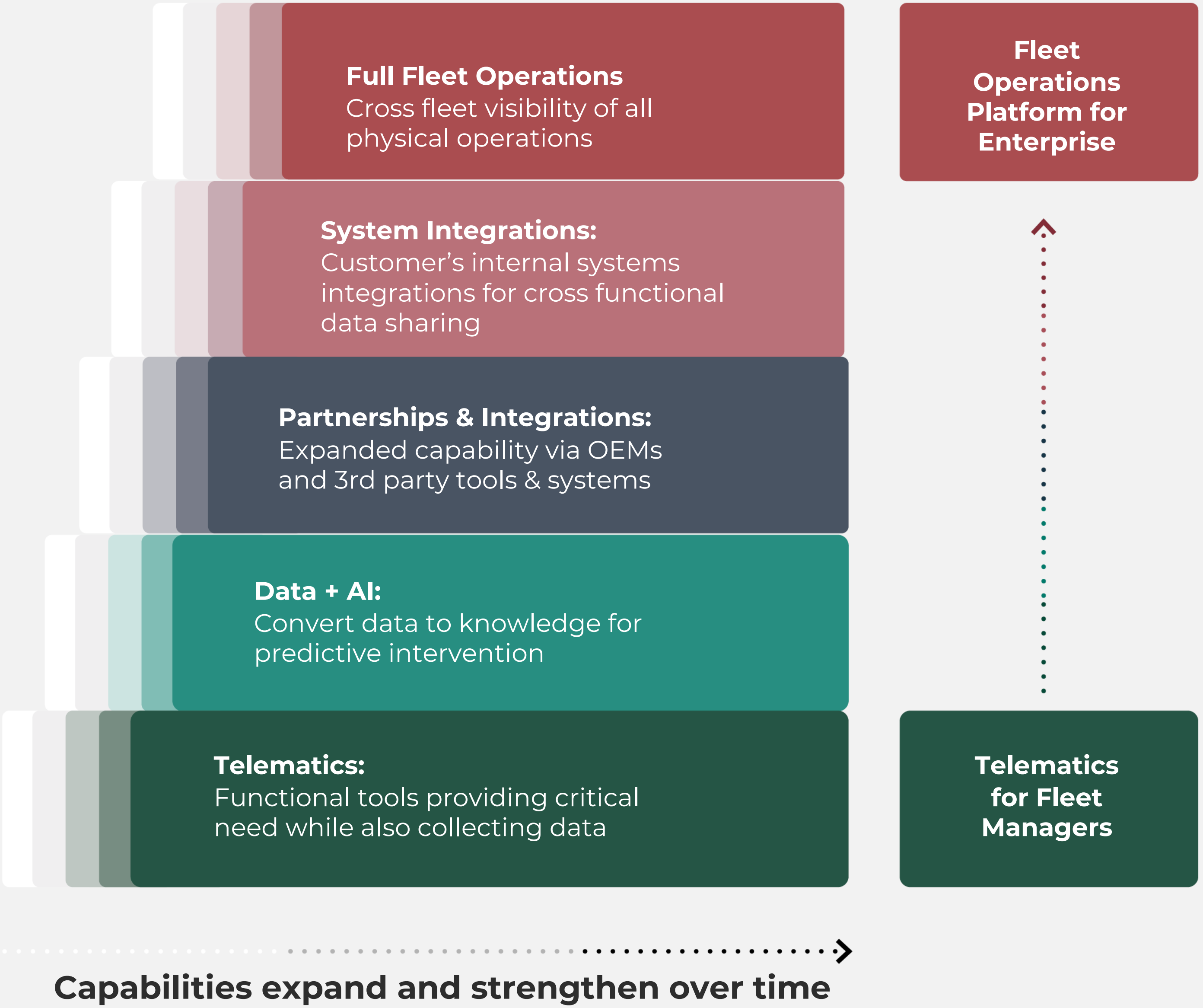
Full Stack:
The EROAD difference

Enterprise needs are complex in size, scope and scale. Standard off the shelf telematics can't meet their requirements.

EROAD's difference is in the breadth and depth of our platform and experience. Our enterprise offering is aimed at full fleet operations and was built from the lessons of working with our customers.

When new functionality is required for enterprise, it is then rolled out to our general customer base and benefits all.

If the need is not core to our customers, we lean on our partner network to deliver the solutions.



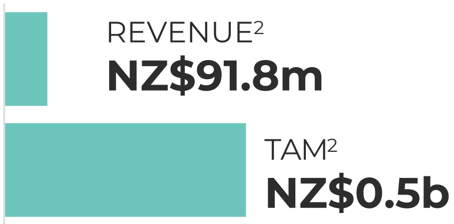
Market Opportunity

Significant growth achievable through market share gain

NEW ZEALAND

Cash generative geography with leading market position in target verticals

8.5% CAGR[1] since Nov-21



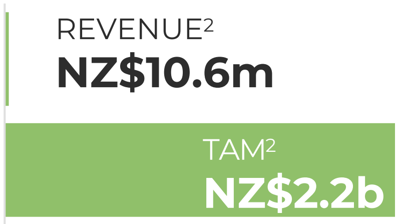
Trusted by:
Largest operator in NZ

Value proposition
New Zealand's leading transport technology platform for compliance, productivity, health & safety, logistics and sustainability.

AUSTRALIA

Opportunity to leverage leading New Zealand market position for trans-Tasman fleets

18.0% CAGR[1] since Nov-21



Trusted by:
#1 Integrated Construction Material Co

Value proposition
Trusted transport technology platform for health & safety, cold chain and construction assurance.

NORTH AMERICA

Largest market with significant long-term growth prospects

Opportunity to drive revenue in North America through market share gains from referenceable customers such as Sysco

11.2% CAGR[1] since Nov-21

Trusted by:
Top 2 food shippers in North America

Value proposition
Insights, workflow and productivity solutions help enterprise customers manage complexity through complete integration and vertical specialisation.

[1] Growth of contracted units since acquisition of Coretex
2 Total addressable market, inclusive of light vehicle market in NZ and AU source: ACT Research, I.H.S, Berg, Expert interviews, Fleet manager interviews, reported financials

Changes to New Zealand Transport Tax Regime

Government has introduced RUC for light electric vehicles, plans to move all vehicles onto RUC

New Zealand's Transport Tax Regime

- New Zealand employs two taxes systems to fund its roads
  - Road User Charges ('RUC') applied to diesel and heavy vehicles by class and distance driven, and
  - Fuel Excise Duty applied to petrol vehicles
- Electric Vehicles ('EV') have been exempt from paying transport taxes since 2009.

Recent Legislation

- Legislation was recently passed moving EV and Hybrid-EVs into the RUC system as of 1 April 2024.
- EVs and hybrid-EVs currently represent over 2% of light vehicles on New Zealand roads or 100k+ vehicles[1].

Future policy

- Multiple governments have supported the current transport tax changes.
- The recent change is in keeping with the coalition agreement between National and ACT "to work **to replace fuel excise taxes with electronic road user charging for all vehicles**, starting with electronic vehicles"
- The draft Government Policy Statement on land transport notes, "..road pricing alternatives, time of use charging and transition of all vehicles to RUC.." to address a reduction in government top-ups from 2027.
- There are currently 3.6m light passenger vehicles[1] in New Zealand

[1] Source: New Zealand Ministry of Transport Fleet Statistics

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03

Outlook & Guidance

Outlook & Guidance

On track to delivering a path to sustainable, profitable growth

Introducing FY25 Guidance

- Revenue growth reflects targeting large enterprise customers with long sales cycle
- EBIT of $5m to $10m normalised for 4G hardware upgrade programme
- Free cash flow positive

On-track to achieve FY26 Targets

New product introductions, and a refreshed go-to-market strategy under new leadership, will be fully in-place by mid-year. Accordingly, we are on-track to achieve our FY26 targets.

Outlook

Grow our existing customer base in North America utilising dedicated North American sales teams focused on new logo acquisition and expansion of existing relationships.

Continued growth in New Zealand with increased opportunity to leverage brand recognition to capture new enterprise accounts. Proposed government policies for eRUC represent significant medium/long-term opportunity.

Building on momentum gained in Australia and launching expanded product suite beyond existing customers.

FY25 Guidance

Revenue	$190m – $195m
Normalised EBIT	$5m to $10m
Free cash flow	Positive
R&D spend	$32m

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04

Appendix

Statement of Income

NZ$m	FY24	FY23	Change ($)
Revenue	182.0	174.9	7.1
Operating expenses	(128.7)	(129.7)	1.0
Earnings before interest, taxation, depreciation and amortisation	**53.3**	**45.2**	**8.1**
Depreciation of property, plant and equipment	(23.2)	(17.2)	(6.0)
Amortisation of intangible assets	(19.0)	(17.9)	(1.1)
Amortisation of contract and customer aquisition assets	(10.3)	(8.4)	(1.9)
Earnings/(loss) before interest and taxation	**0.8**	**1.7**	**(0.9)**
Net financing costs	(7.8)	(6.8)	(1.0)
Profit/(loss) before tax	**(7.0)**	**(5.1)**	**(1.9)**
Income tax benefit/(expense)	6.7	2.1	4.6
Profit(loss) after tax for the period attributable to the shareholders	**(0.3)**	**(3.0)**	**2.7**
Items that are or may be reclassified subsequently to profit or loss	**3.1**	**2.7**	0.4
Total comprehensive income / (loss) for the period	**2.8**	**(0.3)**	**3.1**

Reported Revenue increased $7.1m primarily due to unit growth of approximately 24,000 units since 31 Mar 2023. The prior year included $9.6m of accounting adjustment related to contingent consideration. Normalised for the contingent consideration, revenue growth was $16.7m.

Strength of the USD has resulted in increased revenue of approximately $1.8m.

EBITDA increased $8.1m reflecting cost reductions with operating expenses decreasing year on year due to the cost-out programme delivered in FY23 and FY24.

D&A increased $9.0m on the additional unit growth since 31 Mar 2023 as well as accelerated depreciation on the units impacted by the 4G hardware upgrade program.

Interest increased $1.0m in line with increased borrowing in the period as well as movements in borrowing rates.

Cash Flow Statement

NZ$m	FY24	FY23	Change ($)
Cash received from customers	186.3	165.2	21.1
Payments to suppliers and employees	(117.0)	(128.9)	11.9
Investment in contract fulfilment assets	(10.0)	(7.6)	(2.4)
Net interest	(5.8)	(4.6)	(1.2)
Income taxes paid	(0.6)	-	(0.6)
Cash flows from operating activities	**52.9**	**24.1**	**28.8**
Property, plant & equipment	(32.2)	(27.5)	(4.7)
Investment in intangible assets	(21.3)	(28.2)	6.9
Contract fulfilment and customer acquisition assets	(3.9)	(2.9)	(1.0)
Investment in subsidiary, net of cash acquired	-	(8.5)	8.5
Cash flows from investing activities	**(57.4)**	**(67.1)**	**9.7**
Bank loans	(33.9)	38.5	(72.4)
Payment of lease liability	(2.1)	(1.3)	(0.8)
Issue of equity	50.0	-	50.0
Cost of raising capital	(3.2)	-	(3.2)
Cash flows from financing activities	**10.8**	**37.2**	**(26.4)**
Net increase (decrease) in cash held	6.3	(5.8)	12.1
Cash at the beginning of the financial period	8.1	13.9	(5.8)
Effects of exchange rate changes on cash	0.1	-	0.1
Closing cash and cash equivalents	**14.5**	**8.1**	**6.4**

Operating Cash Flow increased $28.8m primarily due to the unit growth and cost savings.

Investing Cash Flow decreased $9.7m primarily due to lower capitalised R&D and integration activity versus the prior year as well as the impact of the contingent consideration payment in the prior year.

Financing Cash Flow decreased $26.4m on new capital raised partially offset by the pay down of borrowings.

Balance Sheet

NZ$m	FY24	FY23	Change ($)
Cash	14.5	8.1	6.4
Restricted bank accounts	17.8	11.6	6.2
Costs to acquire and contract fulfilment costs	8.2	7.6	0.6
Other	33.2	34.4	(1.2)
Total current assets	**73.7**	**61.7**	**12.0**
Property, plant and equipment	88.8	77.8	11.0
Intangible assets	244.4	242.1	2.3
Costs to acquire and contract fulfillments costs	8.9	5.8	3.1
Other	17.7	15.4	2.3
Total non-current assets	**359.8**	**341.1**	**18.7**
Total assets	**433.5**	**402.8**	**30.7**
Payable to transport agencies	17.8	11.9	5.9
Contract liabilities	23.6	19.4	4.2
Borrowings	36.6	70.6	(34.0)
Other liabilities	52.5	52.1	0.4
Total liabilities	**130.5**	**154.0**	**(23.5)**
Net assets	**303.0**	**248.8**	**54.2**

Cash increased $6.4m following partial proceeds received from the capital raise (final $15m of proceeds were received post balance date) and pay down of debt.

Property, plant and equipment increased $11.0m due to the ongoing growth from new hardware leasing and the 4G hardware upgrade program.

Inventory balance at 31 March 2024 was $33.2m.

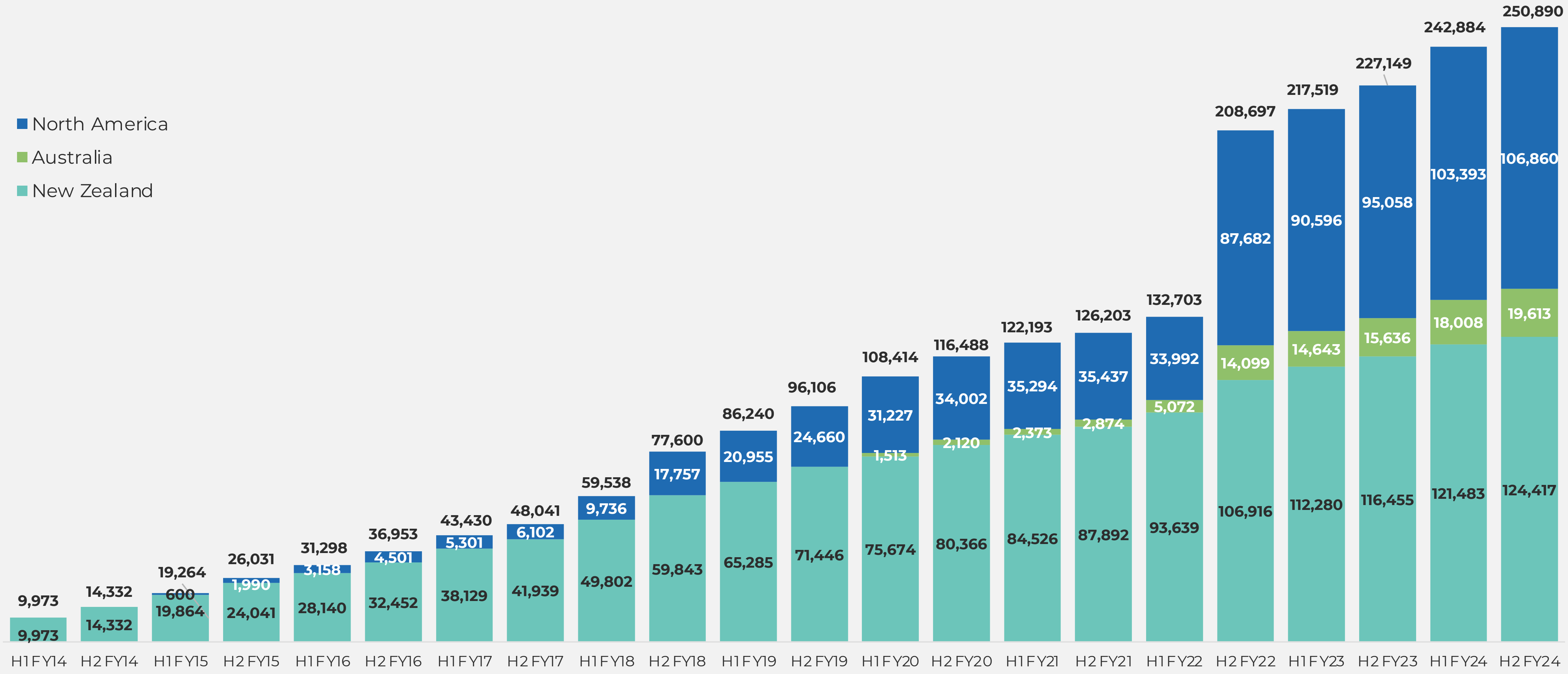
Costs to acquire and contract fulfillment costs increased $3.1m reflecting growth and renewals.

Borrowings decreased by $34.0m since 31 March 2023 largely due to the equity raise and the concurrent pay down of debt.

ARPU Trend

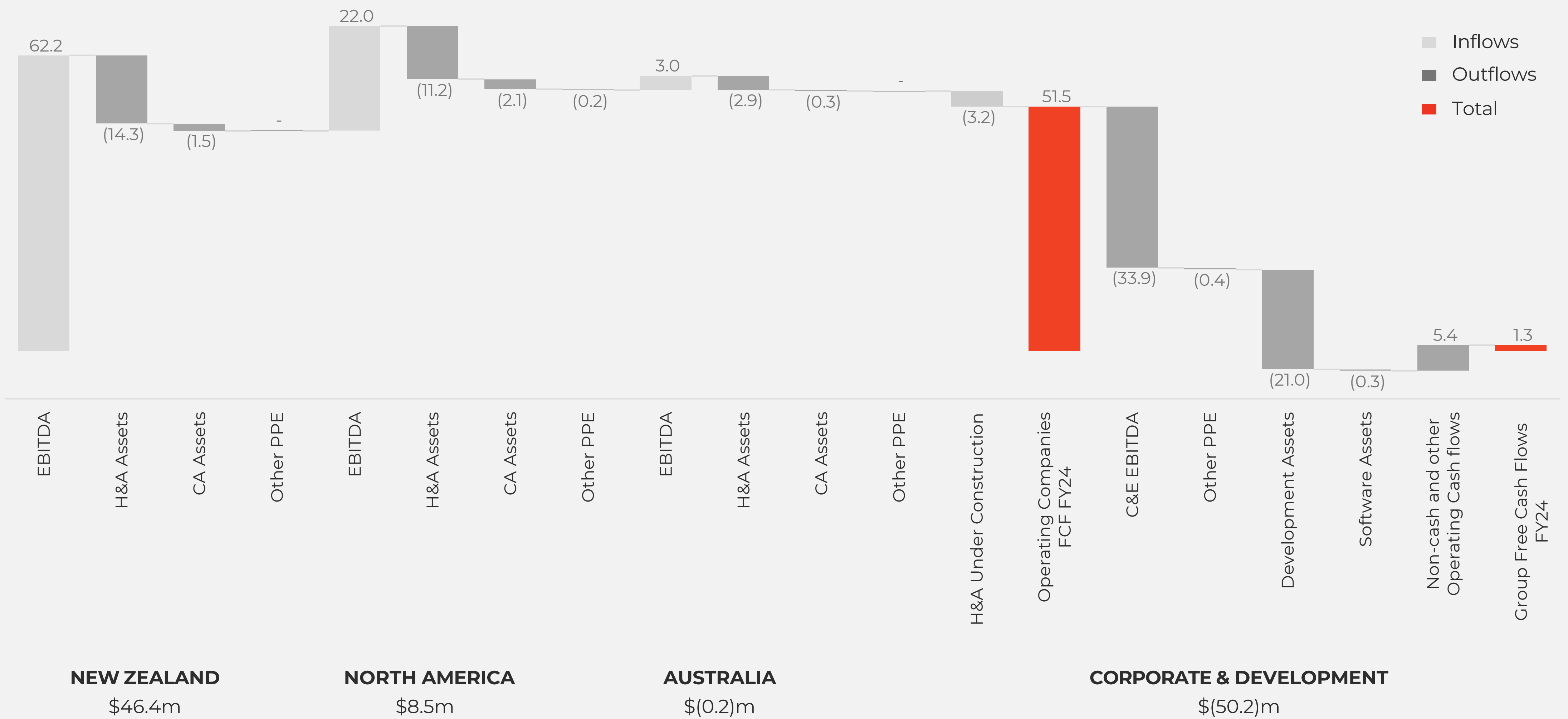
NZ$m	NZ$		Local $	
	FY23	FY24	FY23	FY24
North American ARPU	NZ$58.77	NZ$60.92	US$36.65	US$37.16
New Zealand ARPU	NZ$55.70	NZ$58.30	NZ$55.70	NZ$58.30
Australian ARPU	NZ$46.35	NZ$45.44	A$42.27	A$42.12

Unit Count



North America
Australia
New Zealand
H1 FY14: 9,973 (New Zealand 9,973)
H2 FY14: 14,332 (New Zealand 14,332)
H1 FY15: 19,264 (New Zealand 19,864; North America 600)
H2 FY15: 26,031 (New Zealand 24,041; North America 1,990)
H1 FY16: 31,298 (New Zealand 28,140; North America 3,158)
H2 FY16: 36,953 (New Zealand 32,452; North America 4,501)
H1 FY17: 43,430 (New Zealand 38,129; North America 5,301)
H2 FY17: 48,041 (New Zealand 41,939; North America 6,102)
H1 FY18: 59,538 (New Zealand 49,802; North America 9,736)
H2 FY18: 77,600 (New Zealand 59,843; North America 17,757)
H1 FY19: 86,240 (New Zealand 65,285; North America 20,955)
H2 FY19: 96,106 (New Zealand 71,446; North America 24,660)
H1 FY20: 108,414 (New Zealand 75,674; Australia 1,513; North America 31,227)
H2 FY20: 116,488 (New Zealand 80,366; Australia 2,120; North America 34,002)
H1 FY21: 122,193 (New Zealand 84,526; Australia 2,373; North America 35,294)
H2 FY21: 126,203 (New Zealand 87,892; Australia 2,874; North America 35,437)
H1 FY22: 132,703 (New Zealand 93,639; Australia 5,072; North America 33,992)
H2 FY22: 208,697 (New Zealand 106,916; Australia 14,099; North America 87,682)
H1 FY23: 217,519 (New Zealand 112,280; Australia 14,643; North America 90,596)
H2 FY23: 227,149 (New Zealand 116,455; Australia 15,636; North America 95,058)
H1 FY24: 242,884 (New Zealand 121,483; Australia 18,008; North America 103,393)
H2 FY24: 250,890 (New Zealand 124,417; Australia 19,613; North America 106,860)

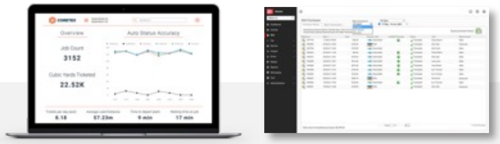
Free Cash Flow to the Firm By Region



H&A Assets - Hardware & Accessory Assets • CA Assets - Customer Acquisition Assets • CE EBITDA – Corporate and Elimination EBITDA • H&A under Construction - Hardware & Accessories +/_ Inventories

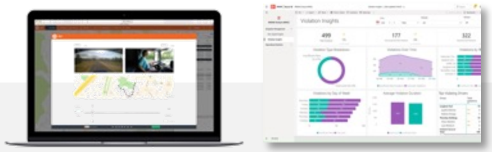
Integrated solutions overview

EROAD provides a **complete connected network** that turns disparate customer data into action



Compliance and assurance

- **RUC and fuel tax compliance**
  - Electronic, automated RUC purchases and claims
  - Fuel tax reporting and IRP1 registration
- **Industry-specific solutions**
  - Cold chain assurance
  - Construction assurance
  - Waste and recycling assurance

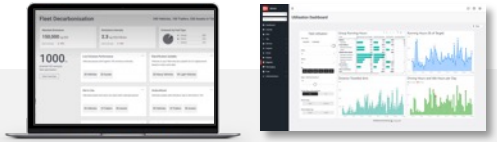


Health & Safety

- Driver behaviour monitoring and feedback
- Electronic logbook
- Vehicle inspections
- Speed monitoring
- Incident detection, alerting and replay

Productivity

- GPS tracking and geofencing
- Fleet maintenance
- Fuel management and idling reports
- Vehicle inspections



Sustainability

- Fuel management and idling reports
- Fleet utilisation
- Decarbonisation assessment & insights[1]

Powered by[2]

Iot hubs

Trackers and sensors

Dashcams

[2] Proprietary and 3rd party hardware

Sustainability

Positioned for emerging social and environmental trends

Market Trend

Despite increasing pressure to reduce environmental impact, sustainability efforts across our markets are limited by:

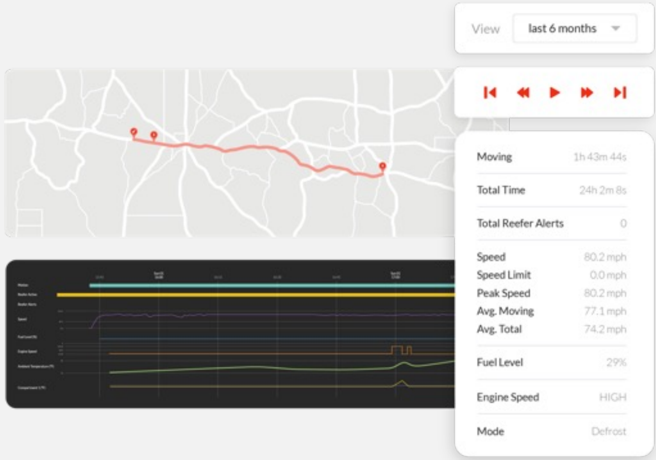
- Lack of EV charging infrastructure
- Price and supply chain limitations on EV fleets
- Limited range in current EVs

Immediate and meaningful emission and footprint reductions within their existing control include:

- Fuel usage
- Driver behaviour
- Vehicle performance
- Reduced product waste

EROAD Intelligence

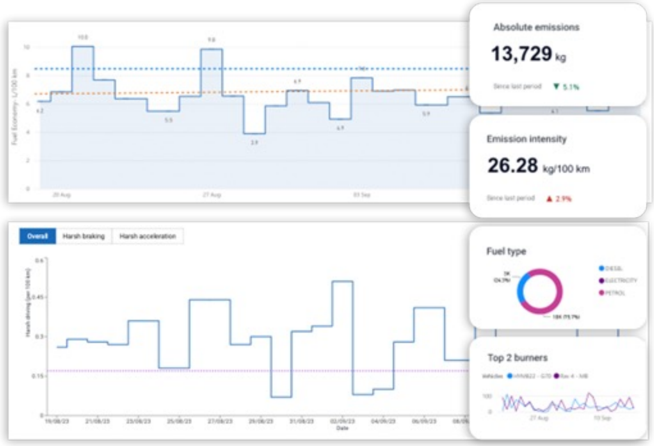
EROAD core products already track, measure and control leading indicators for key areas of carbon emissions.



- Idle controls
- Vehicle maintenance
- Routing – fuel usage, fresh delivery
- Optimised pre-cool for cold-chain
- Temperature control (food quality)
- Speed governors - fuel usage

EROAD Better World

Layering carbon reduction targets into existing efficiency and cost saving benefits adds value to customers, and the planet.



Developed in conjunction with EECA MyEROAD Sustainability Module is just one step in making emissions reduction as commonplace for our customers as safety measures and cost improvements.

Glossary

ANNUALISED MONTHLY RECURRING REVENUE (AMRR)
A non-GAAP measure representing monthly Recurring Revenue for the last month of the period, 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.

CHURN
The inverse of the asset retention rate.

COREHUB
EROAD's next generation telematics hardware that collects rich data, meets electronic logging device certification.

COSTS TO ACQUIRE CUSTOMERS (CAC)
A non-GAAP measure of costs to acquire customers. Total CAC represents all 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)
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.

CY (CALENDAR YEAR)
12 months ended 31 December

EBITDA
A non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA). Refer to Consolidated Statement of Comprehensive Income in Financial Statements.

EBITDA MARGIN
A non-GAAP measure representing EBITDA divided by Revenue.

EHUBO, EHUBO2 and EHUBO 2.2
EROAD's first and second generation telematics hardware. EHUBO is a trade mark registered in New Zealand, Australia and the United States.

ELECTRONIC LOGGING DEVICE (ELD)
An electronic solution that synchronises with a vehicle engine to automatically record driving time and hours of service records

ENTERPRISE
A customer where the $AMRR is more than $100k in NZD for the Financial year reported

FREE CASH FLOW
A non-GAAP measure representing operating cash flow and investing cash flow reported in the Statement of Cash Flows.

FREE CASH FLOW TO THE FIRM
A non-GAAP measure representing operating cash flow and investing cash flow net of interest paid and received. For the purposes of this presentation, payments for the acquisition of Coretex have been excluded.

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 the FY24 Financial Statements.

FY (FINANCIAL YEAR)
Financial year ended 31 March.

H1 (HALF ONE)
For the six months ended 30 September.

H2 (HALF TWO)
For the six months ended 31 March.

LEASE DURATION
Future contracted income as a proportion of reported revenue.

MONTHLY SAAS AVERAGE REVENUE PER UNIT (ARPU)
A non-GAAP measure that is calculated by dividing the total SaaS revenue for the year (as reported in Note 2 of the FY24 Financial Statements) minus the contract liability discounting gain (as reported in the FY24 Reconciliation of Operating Cash Flows) by the TCU balance at the end of each month during the year.

NORMALISED EBIT
Excludes one-off 4G hardware upgrade program costs ($3.6m). FY23 normalisations include acquisition accounting revenue ($9.6m), and integration costs ($3.4m).

NORMALISED EBIT MARGIN
Excludes one-off items, consistent with the definition provided for Normalised EBIT

NORMALISED REVENUE
Excludes the one-off acquisition accounting revenue in FY23 ($9.6m).

ROAD USER CHARGES (RUC)
In New Zealand, RUC is applicable to Heavy Vehicles and all vehicles powered by a fuel not taxed at source. The charges are paid into a fund called the National Land Transport Fund, which is controlled by NZTA, and go towards the cost of repairing the roads.

SAAS
Software as a Service, a method of software delivery in which software is accessed online via a subscription rather than bought and installed on individual computers.

SAAS REVENUE
Software as a service (SaaS) revenue represents revenue earned from customer contracts for the sale or rental of hardware, installation services and provision of software services.

TOTAL CONTRACTED UNITS
Represents EROAD and Coretex branded units subject to a customer contract both on Depot and pending instalment and Coretex branded units currently billed.

UNIT
A communication device fitted in-cab or on a trailer. Where there is more than one unit fitted in-cab or on a trailer, it is counted as one unit (excluding Philips Connect).

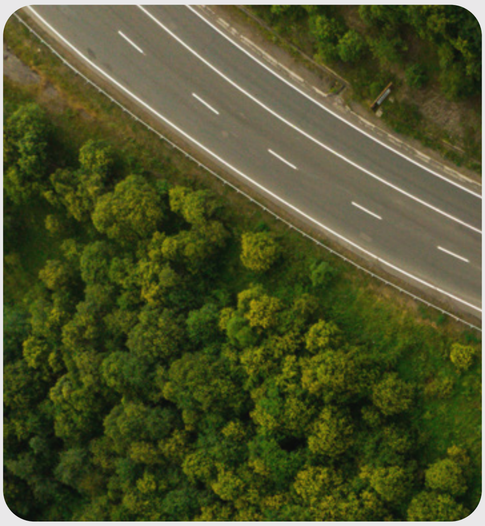
360
A web-based platform that allows customers to access data collected by CoreHub and the associated reports.

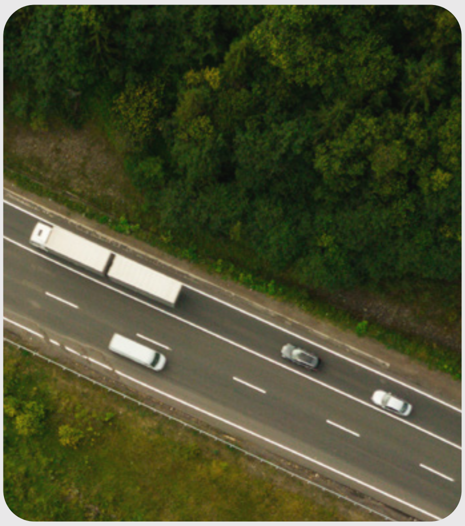
EROAD

EROAD acknowledges the Tangata Whenua of New Zealand, the Indigenous Nations and First Peoples of Australia, and the Custodians of the lands and waterways in the United States of America where our offices are located. We express our gratitude and appreciation to these peoples for sharing their culture and traditions and for their stewardship of these lands. We recognise and pay respect to their Elders, past, present, and emerging..

ASX & NZX: ERD
investors@eroad.com | eroadglobal.com/investors

EROAD





Annual Report 2024

EROAD acknowledges the Tangata Whenua of New Zealand, the Indigenous Nations and First Peoples of Australia, and the Custodians of the lands and waterways in the United States of America where our offices are located. We express our gratitude and appreciation to these peoples for sharing their culture and traditions and for their stewardship of these lands. We recognise and pay respect to their Elders, past, present, and emerging.

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).

A detailed reconciliation of non-GAAP measures to EROAD's reported financial information is included on EROAD's website http://www.eroadglobal.com/global/investors/

About this Report

The 2024 Annual Report describes EROAD's strategy, financial performance and includes the Corporate Governance Statement, Sustainability Report and the Remuneration Report. All numbers relate to the 12 months ended 31 March 2024 (FY24) and comparisons relate to the 12 months ended 31 March 2023 (FY23), unless stated otherwise. All dollar amounts are in NZD, unless otherwise stated. This report covers the 12 months ended 31 March 2024 and is dated 23 May 2024.

This report has been approved by the Board and is signed on behalf of EROAD Limited by Susan Paterson, Chairman and David Green, Chair of the Finance Risk and Audit Committee.

Susan Paterson

Chair

David Green

Chair of the Finance, Risk and Audit Committee

Contents

Chair Letter

Dear Shareholders,

As I reflect on this fiscal year—my first as Chair of EROAD—it is my pleasure to address you through our comprehensive annual report. FY24 has been one of significant strategic delivery and excellent performance, as EROAD executed to plan, continued to add value to customers and, ultimately, to shareholders.

In considering an eventful year, the company is now much better positioned for the future than it was 12 months ago. From responding to an unsolicited, non binding indicative offer, a recapitalisation to give us more strategic flexibility, through to the appointment of David Kenneson as Co-CEO in March, EROAD has maintained a firm focus on turning around the core of the business and laying foundations for growth.

Today, EROAD is stronger, leaner, smarter and more sustainable. It has the right skills, capital structure, cost-base, product-set and customer focus to capitalise on growth opportunities ahead. The encouraging FY24 financial and operational results demonstrate the company is on the right track and reinforces the Board's conviction in its strategic direction.

FINANCIAL OVERVIEW

The FY24 result met or exceeded all of the guidance metrics set at the start of the year, demonstrating the discipline and progress made as EROAD moves the business to being cash flow positive for FY25. This financial health, allied with a more flexible balance sheet, is crucial as EROAD continues to make targeted investments in innovation and market expansion, aimed at delivering long-term success and shareholder value.

This year has reinforced the strength and resilience of EROAD across the three operational markets, with each achieving growth in revenue. EROAD's enduring success in New Zealand continues to be the foundation of its financial strategy, acting as the engine and providing the capital necessary to pursue expansive opportunities in North America.

LEADING FOR GROWTH

As is true in all organisations, success requires having the right people, with the right skills and experience, at the right time. Accordingly EROAD regularly reviews the make-up of its teams to address any gaps, and ensure it has the necessary roles in place. To equip the team for the next phase in our strategy the Board agreed we needed to increase our global growth capability, and North American market expertise at an executive level.

Consistent with this focus to continue to invest in building our growth expertise, earlier this year Mark Heine came to the Board with a proposal for a Co-CEO model that enhances our leadership capabilities and addresses the unique challenges and opportunities of each market. In March 2024 the Board approved the model and, appointed David Kenneson as Co-CEO alongside Mark.

David is a highly experienced global executive with more than 25 years of leadership experience across high-tech, manufacturing, and professional services industries. David's expertise in business transformation and operational excellence for growth and scale, combined with his energy and entrepreneurial spirit, complement the solid turnaround in EROAD's financial performance led by Mark. As Co-CEO's, Mark and David are already proving to be a strong team, bringing renewed energy to our North American growth aspirations, while expanding on EROAD's footprint in New Zealand for both staff and customers.

SUSTAINABILITY AND OPERATIONAL EXCELLENCE

As a Board, we are fully committed to ensuring EROAD contributes to the sustainability of its operations and those of its customers. Sustainability is integral to EROAD's decision-making process, ensuring we balance immediate business needs with long-term environmental and societal goals. At EROAD, we are all committed to maintaining ethical practices that benefit our employees, customers, shareholders, and the planet.

In response to the increasing environmental scrutiny facing our customers across transport and construction sectors, EROAD has intensified sustainability initiatives to meet the needs of customers. Several emissions focused products and features were launched this year - with many more currently in test and on our roadmap - the most notable being the Sustainability Module developed in partnership with EECA launched in September 2023. These innovations are pivotal in helping customers actively reduce their carbon emissions, meet climate reporting requirements, and develop a deeper understanding of the impact of their operations as we move toward a more sustainable future for all.

Reflecting our commitment to the importance of sustainability, this year's report brings together financial and sustainability performance in one. We have made significant advancements in our sustainability initiatives and reporting, building on last year's efforts and demonstrating our ongoing resolve to improving our impact on the environment and society.

In addition to ongoing improvements for customers through product innovations, EROAD continues to make significant steps in prioritising sustainability measures across the business.

Changes made to the EROAD fleet in FY23 resulted in a 16% reduction in Scope 1 emissions for FY24. As we returned to more in-person collaboration across our offices, the additional electricity usage increased our Scope 2 emissions by 9% on an absolute basis. For FY25 results we expect to see the emissions reflect the consolidation of physical offices that occurred in late FY24.

In preparation for New Zealand's climate-related disclosures ("CRD"), throughout FY24 we engaged PwC to assist us with understanding our climate change risks and opportunities. This included considering climate change scenarios, and assessing and setting our metrics and targets. Our full CRD report will be available at https://eroadglobal.com/investors/ by 31 July 2024

GOVERNANCE AND BOARD DYNAMICS

As we further expand our presence into North America, we are taking steps to ensure the Board have the appropriate backgrounds to reflect our geographical market mix, and growth priorities.

We are delighted to welcome Cameron Kinloch and David Green to our Board. David, based in Auckland, offers deep leadership experience from the banking and finance sector, enhancing our capabilities in financial oversight and risk management as Chair of the Finance, Risk & Audit Committee. David also serves on the People & Culture Committee, supporting our focus on leadership and organisational development.

Cameron, from California, brings considerable experience in strategic financial management from her global roles in various high-growth companies which she brings as a member of the Finance, Risk & Audit Committee. Their combined expertise will further strengthen our Board's ability to guide our strategic direction and governance.

We also express our gratitude to Graham Stuart for his dedicated leadership and contributions, especially during his tenure as Chair, which have profoundly shaped EROAD's trajectory. Graham officially resigned from the EROAD Board on 31 March 2024.

LOOKING FORWARD

Looking ahead, while pleased with the excellent progress made in FY24, we know that the economic environment and market conditions for EROAD's enterprise customers remains challenging.

For FY25 and beyond the company will remain focused on fiscal and operational discipline, combined with considered investment in growth, through expansion within our key markets, deepening engagement and product adoption with existing customers, while continuing to enhance our product offerings to meet the evolving needs of the market, for example in sustainability management and time of use charging.

Despite the uncertain macroeconomic conditions, EROAD goes into FY25 with solid foundations in place, a laser focus on continuing to deliver to targets, and a growing confidence in the long-term potential of the business. As a result, our guidance for the FY25 year is between $190m to $195m.

Our strategic priorities are clear, leadership is strong, and our governance structure is robust, ensuring that EROAD remains responsive to both opportunities and challenges.

APPRECIATION AND ACKNOWLEDGEMENTS

I extend my sincere gratitude to our team, partners, and you, our shareholders, for your ongoing support and commitment during this period of resetting the foundations of the business.

Thank you for your continued partnership and confidence in our vision.

Susan Paterson
Chair

From the CEOs

Dear Shareholders,

In FY23 we made a commitment to you; that we would return the focus of EROAD to our customers, remove non-essential costs, and put the foundations in place to take advantage of growth opportunities, including in our largest market of North America. It is a privilege to present the annual results to you today that have delivered on exactly that.

With a renewed focus on customer, in FY24 we have achieved global revenue of $182m – slightly ahead of guidance – with top line growth being delivered in all 3 markets. We are also pleased to report that EROAD met or exceeded our guidance targets across all measures set at the start of the year.

This turnaround has provided us with a robust operating platform and with the leverage to expand, diversify and grow in coming years, and with a lower cost to serve per unit than previously.

EFFICIENCY GAINS

In reviewing our costs, we were able to consolidate functions, renegotiate contracts, and simplify our supplier mix. In turn, we removed a further $10m of annualised costs and built a stronger operating model and culture in the process. Combined with the $10m from FY23, we have successfully delivered on our promise in FY23 to remove $20m in annualised costs from the business. This was a companywide effort to achieve, and we are grateful for the way EROADers stepped up, embraced the challenge and celebrated one another throughout as Cost Cutting Heroes.

Importantly, as forecast, our Free Cash Flow continues to improve, reaching FCF positive $1.3m for the financial year and we expect to be FCF positive for FY25.

LEADING AS TWO

During our initial engagement - addressing growth opportunities in North America over the second half of the year - we formed a solid working relationship that highlights the strengths and experiences each of us possess.

Since moving to Co-CEO model in March 2024, we have formalised our ways of working to build on that; with David focused on growth and customer, and Mark on product and operations. While we maintain dedicated focus areas and are physically located between North America and New Zealand, we operate as a collaborative partnership to lead EROAD.

With our customers, partners and teams all in different phases, with differing needs depending on the market, we are now better placed to provide the support, guidance and confidence they need.

ENTERPRISE VALUE

In line with the operational strategy we shared in FY23, we have continued to capitalise on our position as a provider to enterprise and turned our attention to building out the capabilities needed to serve enterprise customers at scale, reduce cost to serve, and create operating leverage.

Across existing enterprise customers who renewed contracts in FY24, more than half signed up for an expanded offering, with an average unit increase of 69% of the original. With operations established to directly target expansions into whole of fleet for enterprise, we are confident these metrics will improve, and be a smoother process to achieve. Specific areas of focus include:

- Refinements to our account management practices
- Increase customer marketing for multi-product awareness and engagement
- Improve cross functional engagement around key accounts
- Shorten implementation and rollout times
- Ensure sales capability is aligned to priority areas

While the above areas are critical for our ability to expand and scale, it is through our product innovation that we maintain an edge for both new and existing customers.

Throughout FY24 we have worked on several products and features that will have a big impact on our future pipeline. Some highlights include:

- Truck Route Manager: Developed through our contract with Sysco, and will be made available to all customers following the conclusion of pilot testing. More than 500,000 trips have used it to date.
- Predictive AI for Reefer Maintenance: Currently being trialled with key customers, we're preventing lost loads and breakdowns via predictive analytics.
- Thermo King OEM Integration: Expanding our eco system by supplying our cold chain products directly to TK refrigerated trailers. In turn increasing time to value for customers, reducing need for additional hardware, and providing higher margin revenue to EROAD.

SUSTAINABILITY & GROWTH

As we move into the next phase of our turnaround strategy, we do so with the understanding that cost base rigour must be maintained. We continue to make targeted and intentional investments that deliver benefits that can scale across our global customer base, and open doors for new deals to be explored. In doing so, we carefully balance growth ambitions with profitability to maintain a sustainable business.

A growing area of interest we continue to invest in is environmental sustainability. Regulations, reporting and target setting across all markets are intensifying and our customers are placing increased interest in ways to minimise their emissions. For our enterprise customers, there is added attention and scrutiny for making meaningful reductions in emissions, and having the data to report on them transparently.

We have made several additions to our products in support of this, and continue to invest in it as a key component of our long term strategy. Some developments for FY24 include:

- Launch of our Sustainability Module for New Zealand customers in September 2023, with adoption far exceeding the targets we set
- Launched a free public facing emissions calculator for New Zealand fleets to benchmark their fleet's emissions profile
- eTRU partnership delivering two-way Reefer features and EV Power System data for battery powered refrigerated trailers connected via Nivalis
- Purchase and manage RUC licences for Electric and Plug-in Hybrid vehicles in MyEROAD

More exploration of our emissions focused products can be found on page 34. We have significant opportunity to provide meaningful interventions for our customers in this space and are committed to ongoing delivery of solutions that have a positive impact on emissions reductions.

PEOPLE

In further strengthening of our foundations, we have made two new key appointments to our executive team; Duanne O'Brien will be joining us in June of this year to lead our platform, application and design teams as Chief Technology Officer in Auckland.

Additionally, Mark Davidson joined us in April to transform our go to market approach in a new position of EVP Sales & Marketing North America.

LOOKING AHEAD

Our New Zealand business remains strong, with emerging opportunity to capitalise on eRUC further as governments everywhere explore options to manage congestion and maximise network efficiency.

North America remains our biggest priority for growth as we look to leverage our credibility and experience in winning new accounts, while increasing penetration into existing customers via whole of fleet solutions to support more of their operations.

Having executed the operational changes required to realign the business around our customers, and implement tighter cost controls, we go into FY25 with renewed confidence in our strategy, and our ability to execute.

Thank you for your ongoing support.

Mark Heine & David Kenneson
Co-CEOs

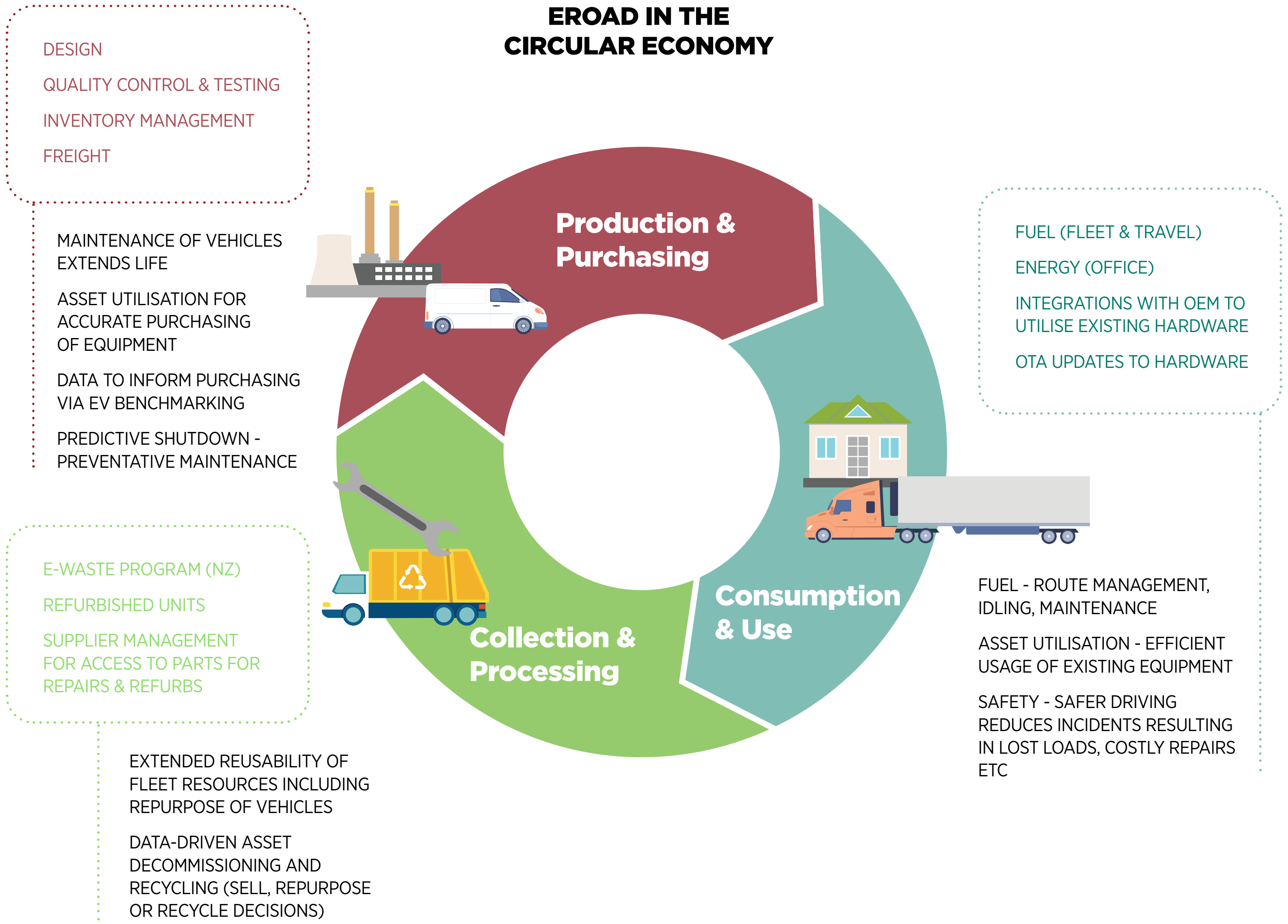
About EROAD

We provide end-to-end technology solutions which connect vehicles, drivers, assets and operations to help businesses make real-time decisions from real-time data. Helping run safer, greener, more productive businesses.

OUR PURPOSE

Delivering intelligence you can trust, for a better world tomorrow

At EROAD, we believe you can't plan where you are going tomorrow, if you don't know where you are today. The businesses we serve are at the heart of their local economies. They don't just need data, they need intelligence. Reliable, accurate and real-time insight enabling them to make decisions which move us all forward towards a safer and more sustainable future.



THIS REPORT

In support of our ongoing commitment to sustainability, EROAD conducts an annual materiality assessment to pinpoint the key sustainability issues, risks, and opportunities that are most relevant to our business and stakeholders. Through stakeholder consultations, product impact reviews, and alignment with global standards such as the UN's Sustainable Development Goals (SDGs) and the GRI standards, we identify our material topics.

In recognition of the link between sustainability and commercial success, we have integrated our material topics into the framework for reporting this year. Accordingly, this report represents a consolidation of our annual financial and sustainability performance, regulatory disclosures, and reporting obligations. By structuring our reporting around these material themes, we aim to provide a comprehensive overview of our company's performance and its impact on both financial and sustainability fronts.

OUR MATERIAL TOPICS

Our Commercial Approach

Sustainable and growing financial returns

Innovative and reliable products to solve customer problems

Maintain high integrity of data and security

Our Customers & Communities

Healthier, safer & more sustainable communities

Sensible, long term cost effective regulatory solutions

Sustainable and efficient supply chain and transportation network

Our Environment

Emissions Reduction and the road to Net Zero for Customers

Divert waste from landfill

Innovative environmentally conscious culture

Our People

Foster a diverse and inclusive culture

Be a desirable place to work

Develop strong, empowered leaders

UN SDGs

Performance Highlights

REVENUE ▲ **$182m** FY23: $165.3m[1]	**EBIT (REPORTED)** ▼ **$0.8m** FY23: $1.7m	**EBIT (NORMALISED)[2]** ▲ **$4.4m** FY23: ($4.5m)	**FREE CASH FLOW[3]** ▲ **$1.3m** FY23: ($29.9m)
FUTURE CONTRACTED INCOME ▲ **$262.7m** FY23: $219.6m	**CONNECTED UNITS** ▲ **250,890** FY23: 227,149	**NET UNIT ADDS** ▲ **23,741** FY23: 18,452	**COST OUT** **$10m** FY23: $10m
ASSET RETENTION **94.8%** FY23: 94.8%	**AMRR** ▲ **$177.8m** FY23: $153.7m	**SCOPE 1 tCO2e** ▼ **140.77** FY23: 167.63	**SCOPE 2 tCO2e** ▲ **89.3** FY23: 82.11

[1] *Normalised for $9.6m in FY23 for accounting adjustment related to contingent consideration.*

[2] *Normalised for 4G hardware upgrade costs of $3.6m in FY24 and integration costs of $3.4m in FY23.*
[3] *Free cash flow to the firm excludes financing costs.*

Regional Highlights

	New Zealand	North America	Australia
UNITS	124,417	106,860	19,613
NET UNIT ADDS	7,962	11,802	3,977
ASSET RETENTION	94.8%	94.8%	95.5%
SaaS ARPU	$58.30 4.7% ▲	$60.92 3.7% ▲	$45.44 2% ▼
EBITDA	$62.2m 15.8% ▲	$22m 21.5% ▲	$3m 36.4% ▲

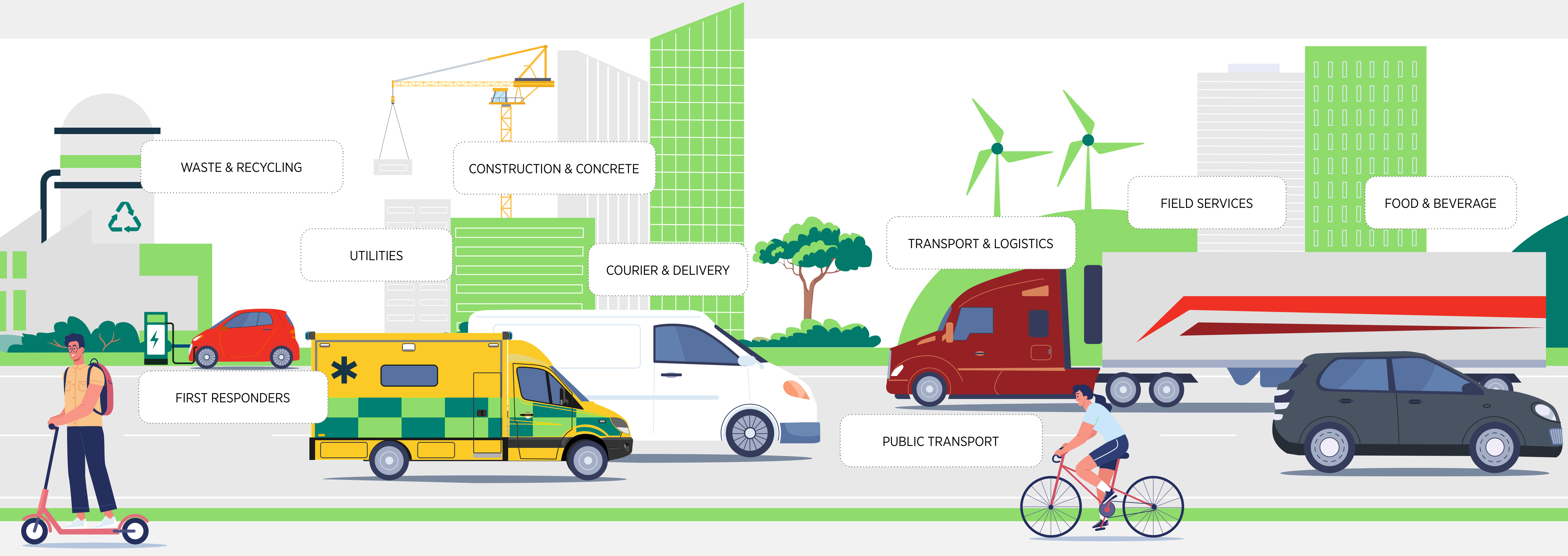
Our Strategy

The value we deliver

EROAD is at the intersection of our customers' physical and digital operations.

We deliver a connected network of tools and support they need to stay compliant and operate safely, efficiently, and sustainably.

Compliance	Safety	Efficiency	Sustainability
RUC compliance Hours of Service logs Fuel tax reporting	Driver tools Vehicle maintenance Driver behaviour	Route management Predictive maintenance Asset utilisation	Fuel & Idling reports Decarbonisation & emissions reporting tools Electric Vehicle support



OPTIMISING EFFICIENCY FOR: VEHICLES DRIVERS ROADS LOADS OPERATIONS

Reflection

Through FY24 we remained resolute in the execution of our operational strategy to turn around the core of the business, renew our focus on customers, and establish the solid foundations for our next stage of growth. Our focus on fiscal control was reflected in our ongoing cost management initiatives, where we achieved substantial operational efficiencies through supplier renegotiations, consolidation of offices, and enhancements in our supply chain processes.

We strengthened our commitment to making intentional investments that offer scalable payoffs. We strategically focused on developing solutions and innovations that, whilst initially tailored to meet the demands of individual key customers, are designed to benefit a broader segment across different markets. This approach ensures that our investments are not just about meeting immediate needs but creating value that extends across our customer base.

Path to Free Cash Flow Positive

9,500+

Sysco rollout units

+50%

Enterprise customers increase orders at contract renewal

Our Strategy

FY25 roadmap & strategy

Our long-term growth strategy is designed to build upon our strengths that pave the way for sustainable scalable growth.

We have distilled our priority areas into five segments; each one delivering a benefit to the next, increasing the value we offer, and driving our momentum.

These strategic priorities focus on:

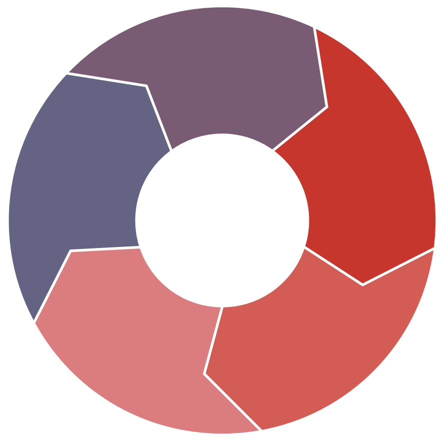
- The value of listening to our customers
- The products we make
- Our eco system of partners
- The richness of our data
- How we sell to and service customers

CUSTOMER-LED

Listening to and innovating for customers

DELIVERY

GTM & implementation aligned to customer types



PRODUCT SUITE

A robust platform of interconnected apps and devices

DATA & AI

Predictive and preventative functionality powered by AI

PARTNERS

A growing network of partnerships and integrations

CUSTOMER-LED

Our value as a company is tied to the customers who choose us, who grow with us, and the lessons we learn with them to inform our roadmap and operations. The trust we earn is a multiplier for being the provider of choice for large fleet operations.

OUR FY25 PRIORITIES:

- Whole fleet expansion
- Customer retention
- Enterprise growth

OUR PRODUCTS

With more than 250,000 connected units globally, our customers rely on us to provide a solid, reliable platform today, while continuously innovating to add more value to their operations for tomorrow. We remain focused on delivering products that improve safety, efficiency and sustainability across fleet operations.

OUR FY25 PRIORITIES:

- Compliance
- Safety
- Sustainability

ECO SYSTEM OF PARTNERS

Our partnership ecosystem is a vital component of our offerings to customers and a key driver of our growth. Technology integrations with third parties offer benefits of contextually rich data, quicker time to value for customers, and ensure EROAD product development is focused on our core offerings. In addition, our network of channel partners increases our growth opportunities and reach to customers.

OUR FY25 PRIORITIES:

- Third Party Systems
- OEM integrations
- Channel partners

RICH DATA

We are focused on having a streamlined, actionable data platform that turns data into true intelligence for customers. AI developments mean that data can be used to empower operators to move from reporting on activity, to predicting, preventing, and controlling outcomes.

OUR FY25 PRIORITIES:

- AI Assistant
- Fleet benchmarking
- Predictive interventions

DELIVERY

In recognition of the varied nature of our customers by industry and size, we have evolved our models to ensure we deliver service levels that meet customer need and increase retention & expansion opportunities. The same approach is applied to our go to market, where messaging, budget allocation and approach is aligned to customer and potential opportunity.

OUR FY25 PRIORITIES:

- Sales and marketing alignment
- Go to market plans
- Tiered service models

Our Strategy

Full Stack: EROAD Enterprise

Enterprise needs are complex in size, scope and scale. Standard off the shelf providers can't meet their requirements.

EROAD's strength is in providing the stable core foundations large fleets need, with the additional innovations, integrations, and services required to deliver for enterprise. We do this using a mix of new builds, and third party integrations.

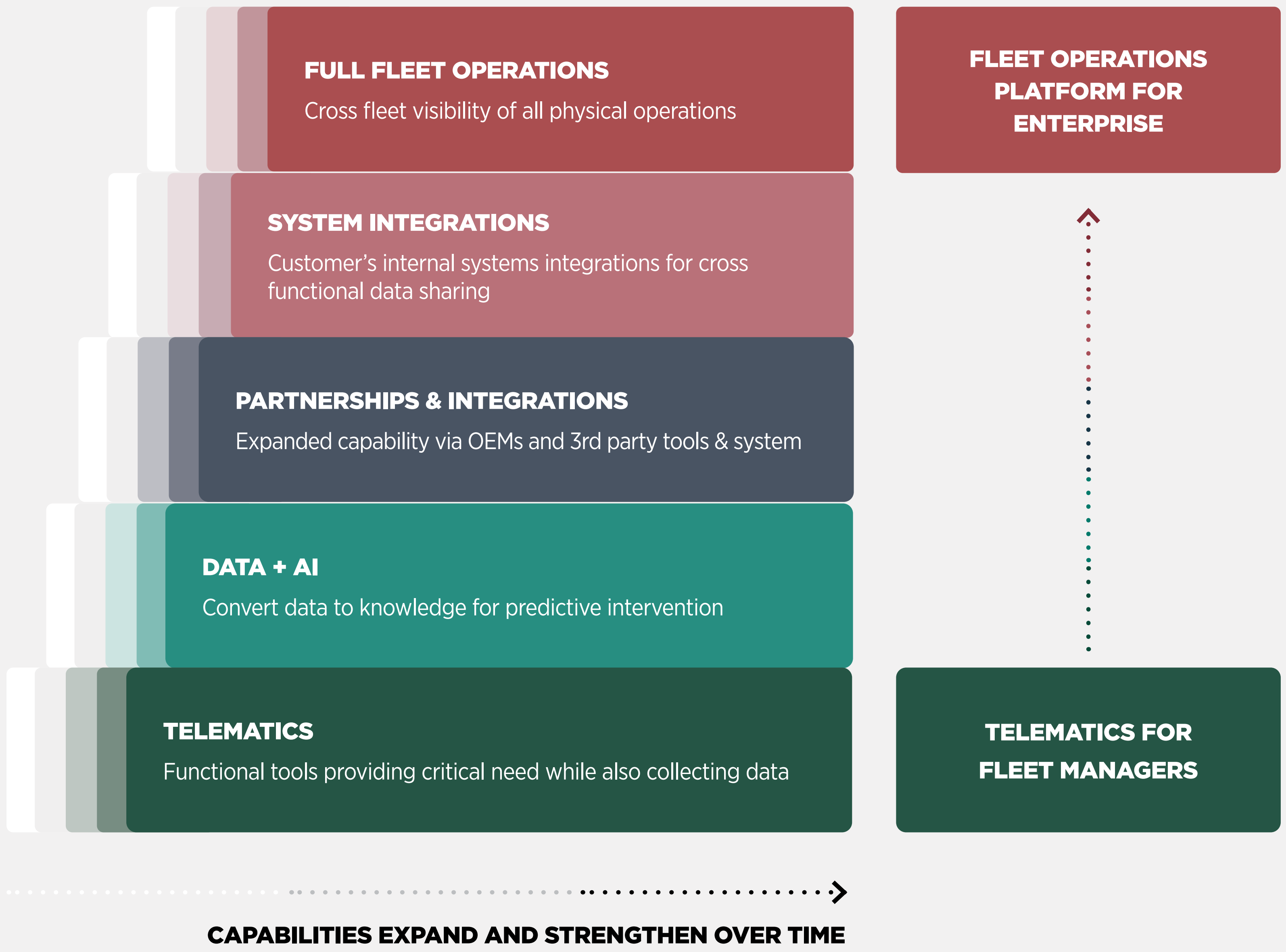
Build or Partner Rationale:

When enterprise customers require specific functionality, we will invest in development if:

- It is core to our business
- Meets needs across our customers
- Aligns to our roadmap

Doing so ensures our product development is consistent with our direction, has broad application and value, and increases scale.

For requests that are not considered to be core to us, we utilise our ever-expanding partner network. This allows us to deliver customer need while remaining focused on our strengths.



Sustainable Growth & Commercial Approach

MAINTAINED

94.8%

Customer retention rate

AVERAGE MONTHLY CASH BURN

$0.6m

Down from $3.1m in FY23

GLOBAL

$10m

Annualised cost savings

Goals & Aspirations

Sustainable and growing financial returns

Innovative and reliable products to solve customer problems

Maintain high integrity of data and security

EROAD's commercial approach is aimed at driving sustainable growth by solving customer problems with innovative and reliable products. This year, we've seen significant progress in expanding our enterprise customer base, with notable successes such as the rollout of 9,500+ units for Sysco and a new 3,000 unit deal with Programmed in Australia. Alongside our growth, we have maintained a retention rate of 94.8% globally as our customers continue to choose EROAD.

Through our commitment to fiscal responsibility, we executed a price increase across our products globally, implemented significant cost cutting measures, and achieved substantial operational efficiencies. Notably we have improved our FCF to the firm from -$29.9m in FY23 to $1.3m in FY24, an improvement of $31.2m.

To bolster product innovation, we align ourselves with partners and collaborators that deliver added services or benefits to customers. Two such examples announced in FY24 are with Microsoft for Generative AI, and our partnership with Thermo King for refrigerated trailers.

Across our product suite we have continued to innovate and deliver features, functionality, and tooling for our customers.

As part of our rollout with Sysco, we released enhanced truck navigation; optimising routes with real-time traffic updates specific to heavy vehicles. In line with our strategy, when we invest in high value functionality for large enterprise, we benefit from rigorous testing with a live customer before taking it to market for all.

As we continue to navigate the complexities of global markets, our commercial approach remains firmly rooted in leveraging these strengths—enterprise growth, fiscal discipline, innovative partnerships, and global expansion—to ensure that EROAD grows in a way that is sustainable and value-creating for all stakeholders.

AI DEVELOPMENTS

EROAD is leveraging the power of generative AI to accelerate our innovation capabilities and deploying increased value to customers. Our collaboration with Microsoft accelerates our vision, enabling us to amplify our product suite with innovations that automate and optimise routine tasks, and provide deep data driven insights that improve decision-making and operational outcomes.

Within our own development teams, AI assists our software development processes, increasing the speed, accuracy, and consistency of code generation. This accelerates our product development cycle while also ensuring that we can quickly deliver high-quality, innovative features to our customers.

Some recent AI developments at EROAD:

- Benchmarking for Electric Vehicle recommendations in the Sustainability Module
- Predictive Shutdown in Reefer Trailers
- AI Assistant for real time decision making (coming soon)

TK PARTNERSHIP

Through our direct partnership with refrigerated trailer manufacturer, Thermo King, we are connecting our cold-chain software directly to the customer's refrigerated trailer and bypassing the need to purchase additional hardware.

Direct OEM integrations provide a more flexible solution that can reduce upfront costs and streamline deployment for customers. In turn, they increase our go to market opportunities as we explore additional channels to market. We are currently piloting with key customers across our cold chain segment and seeing positive results.

Trans-Tasman Growth
Programmed's Journey with EROAD

Programmed New Zealand has been on a journey to optimise fleet management and enhance safety. Since adopting EROAD's advanced technology across their fleet, the team saw benefits within 6 months – reaching significant milestones that are revolutionising the way they operate. Impressed with the results achieved by their New Zealand business, Programmed Australia implemented EROAD across its entire fleet of 3,000 vehicles and assets.

BENEFITS DELIVERED:

After six months, the team say they already began seeing real business benefits, including:

Increased fleet efficiency

Streamlined compliance management

Reduced operating costs

Improved safety

Data analytics

Detailed fuel consumption reporting

PROGRAMMED NZ

550 fleet

PROGRAMMED AU

3000 fleet

PRODUCTS USED

Ehubo2 + EROAD Where asset tracking tags

It's essential for businesses with substantial vehicle fleets. For us, it translates to enhanced fleet efficiency, streamlined compliance management, reduced operating costs, improved safety, data analytics, and detailed reporting.

Paula Thompson, Group Senior Fleet Coordinator at Programmed NZ

COST CUTTING HEROES

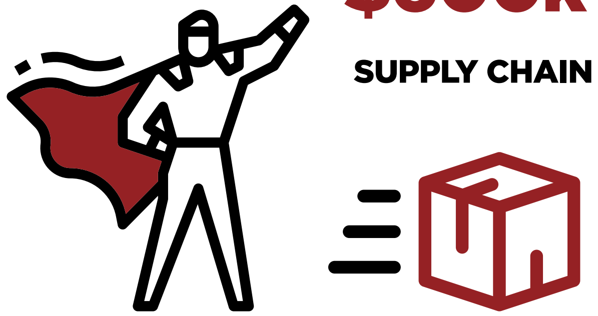
As we removed a further $10m from the budget in FY24, we recognised that to deliver long term benefits of cost cutting measures, a shift in the culture toward spend was needed.

Cost Cutting Heroes is an initiative to acknowledge and celebrate individuals and teams who implement meaningful reductions in spend. In some cases, we not only removed cost, but made gains elsewhere via things like improved contract terms, and reductions in our emissions profile.

One such example is through changes to our own supply chain in the manufacture and delivery of hardware. To date we have saved in excess of $600k annually through a mix of improved supplier management, freight profile refinements, and product packaging optimisations. In turn, by streamlining our packaging we reduced the freight bill and subsequently halved the emissions associated with the shipping of 15,000 units and counting.

$600k

SUPPLY CHAIN



PRODUCT QUALITY TESTING

Consistent with our **Do what's right** value, every layer of our value chain is subject to appropriate checks and balances to ensure what we bring to market is a consistently high standard. Each function adheres to requirements that are relevant to that business area, all designed to maintain our position as trustworthy to customers.

When it comes to our product quality, all hardware undergoes extreme levels of testing to verify we are shipping safe, functioning products. In addition to testing, we maintain strict monitoring and tracking databases which aid in product quality prediction, and allow us to respond swiftly in the event of a faulty product. Customers need to trust that when they buy from EROAD, they get a solution they can rely on.

-300+

individual tests each unit for CoreHub and Ehubo

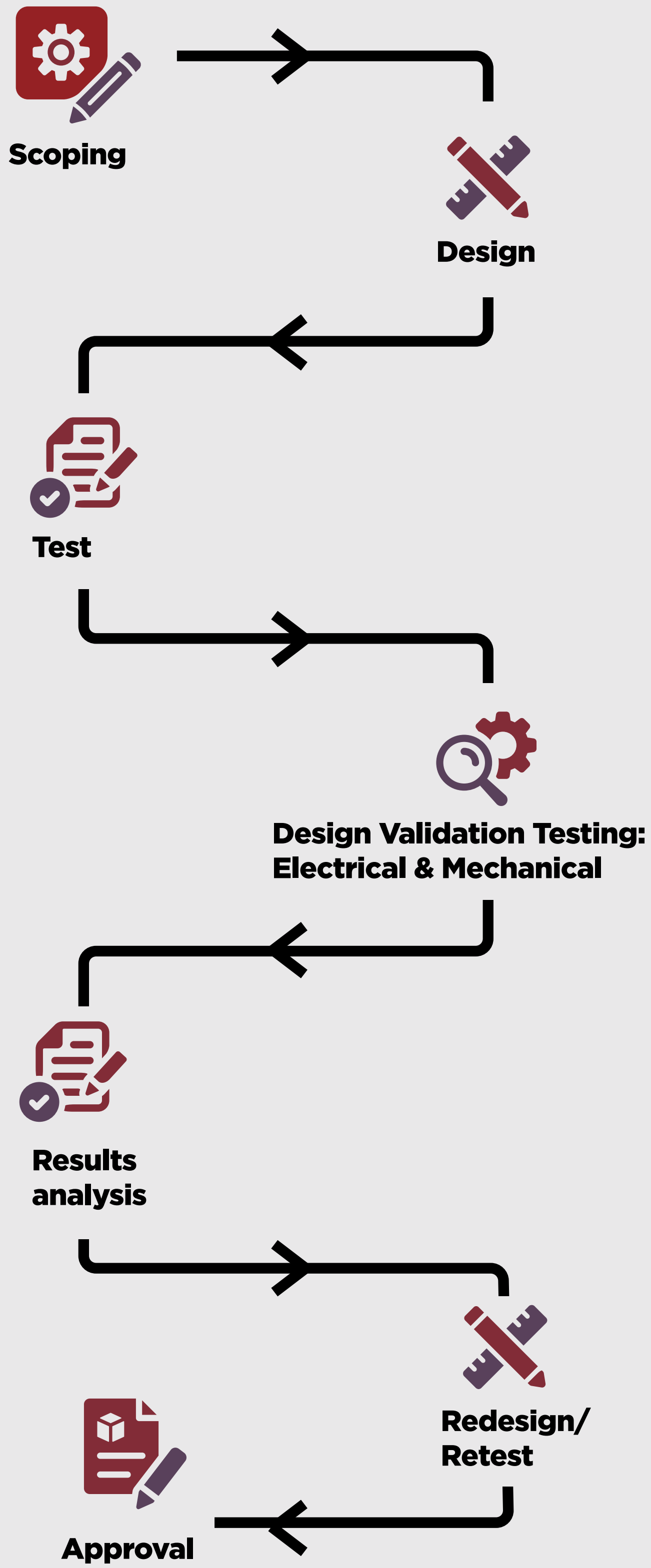
100k+

individual data points tested

-40°C +120°C

temperature stress tests

PRODUCT DEVELOPMENT TESTING PROCESS



RELIABLE AND SECURE DATA

Delivering reliable and high-performing technology platforms is a fundamental part of our business. We understand that the security and uninterrupted performance of our platforms are crucial for our customers. To this end, we implement rigorous security measures that protect against cyberattacks, data loss, and other potential disruptions, ensuring our systems remain secure, private, and continuously operational.

In collaboration with leading technology partners such as AWS, Microsoft, HERE Maps, and Vodafone, we ensure our frameworks and platform architectures adhere to the highest standards. This aligns us with best practices while leveraging the latest advancements in technology to improve our service offerings. Our focus areas include:

Operational Excellence
Security
Reliability
Performance Efficiency
Cost Optimisation

Built on world-class cloud infrastructure, our platforms utilise a globally distributed network of data centres with isolated availability zones and regional redundancy, designed to deliver low latency, high resilience, and scalable solutions.

From the outset, we incorporate stringent security measures, starting from the design phase and extending through operational controls. We undertake annual third-party penetration testing to validate our defences and use a privacy impact assessment tool to further safeguard user data.

We regularly refine and strengthen IT and cybersecurity policies to make sure our platforms are safeguarded against evolving threats. Comprehensive training programmes equip our employees with the knowledge to understand and mitigate privacy risks and security threats effectively.

99.92%

System Uptime on all platforms

MyEROAD 99.94%
EROAD 360 99.90%

Our Customers & Communities

165
Enterprise Customers

1.2b
Taxable Miles Reported in North America

$806m
RUC Collected[4]

Goals & Aspirations

Healthier, safer & more sustainable communities

Sensible, long term cost effective regulatory solutions

Sustainable and efficient supply chain and transportation network

We take a dual lensed view to our impact at EROAD; what we are directly responsible for, and how the products we make influence the outcomes of our customers. Our customers are integral to the communities they serve, providing essential services such as transport, construction, food, medical, logistics, and maintenance.

Accordingly, we take a considered approach to how we help our customers, and how their operations impact communities. Owing to a combination of regulatory requirements and societal pressures, customers are increasingly focused on delivering meaningful improvements in their wider sustainability targets. This aligns with our suite of products designed to support:

Safer driver behaviour through fleet management solutions that minimise road incidents and enhance driver training.

Smart temperature control for food in transit, ensuring quality standards and compliance with health regulations.

Efficient traffic and road management via intelligent routing that reduces congestion and environmental impact.

Fair and simplified funding of infrastructure through usage-based charges and taxes, reflecting a more equitable system for road funding.

Reduction of waste in operations, contributing to environmental sustainability.

In addition to our products, EROAD actively supports our customers and communities through educational initiatives, industry engagement, and advocacy. Events like the annual Fleet Day provide a platform for knowledge sharing and networking, while our sponsorship of the ARC initiative showcases our dedication to advancing road safety and infrastructure development.

[4] *Including GST and associated fees.*

800+

Industry stakeholders

50+

Industry partners

414k

Triggered events captured on video

BUILDING A COMMUNITY: FLEET DAY, NZ

With more than 800 industry members in attendance, our annual Fleet Day has grown to be a truly important event in the industry calendar.

In line with our purpose, the themes are focused on safety, efficiency and sustainability. Speakers and topics are carefully curated to be uplifting, informative, and thought provoking to ensure everyone gets the most out of the experience.

Highlights of this year include a keynote from ex All Blacks Coach Sir Graham Henry, and our own customer Josh Hedley of Downer NZ joined by Brian Yanko of NZ Police discussing the value of partnerships and relationships in Fleet Management.

Importantly, Fleet Day serves as more than just a networking opportunity; it's a forum for us to strengthen relationships with our customers and partners while also facilitating connections between them. It provides a platform to build valuable relationships, share best practices, and collectively contribute to advancing industry's goals of safety, efficiency, and sustainability.

> **The event delivered far more than I expected. Really enjoyed the whole day. Engaging, interactive and informative.**
>
> **Compared to auto events in NZ and overseas, FLEET DAY has to be one of the best.**
>
> **It's NZ's equivalent of AFMA. It's the must-attend fleet management event.**
>
> **Fleet Day attendees**

"EROAD LIVES" AT AUSTRALIAN RALLY CHAMPIONSHIP

Now in our fourth year as a named supporter of ARC, we levelled up our commitment in FY24 with the addition of Clarity Solo Dashcams providing increased safety and assisting with judicial procedures.

On competition weekends, rally cars typically drive 75% of their mileage on public roads between the Service Park and the stages. Our Clarity Solo tracks the competitor's driving behaviour and speed limit adherence on public roads.

The harsh off-road racing conditions provide the ultimate test of the quality, stability and reliability of our hardware as it withstands intense g-force, dust, and temperatures. We are proud to support the ARC in a way that is true to our purpose and increases safety within the community.

DASHCAM & SAFETY

Enhancing road safety is crucial, both for our customers and the wider community. Our technologies play a vital role in addressing critical driver safety concerns that lead to road incidents and crashes.

In FY24, our dashcam data revealed that **56.2% of tagged dashcam events recorded critical safety concerns** that are widely recognised as leading contributors to road accidents:

- **Mobile Phone Usage**
  Distraction from mobile phone use while driving is a significant risk factor for accidents. Our systems help identify and alert fleet managers to such behaviour, allowing for timely interventions.
- **Fatigue**
  Driver fatigue is another critical safety issue, particularly for long-haul operations. Our solutions monitor patterns that may indicate fatigue, enabling proactive management of drivers' schedules and rest periods.
- **No Seatbelt Usage**
  Our dashcams effectively detect and record instances of non-compliance with seatbelt usage, a simple yet crucial measure that significantly reduces the risk of injury in accidents.

EROAD supporting our local communities

Aligned with our dedication to fostering thriving communities, everyone at EROAD is offered one paid day to volunteer with a charity or organisation in their local community. In many cases we find teams come together to support a cause as a group and increase the impact they have.

$1,510

Raised for Starship Children Hospital

50km

Walked between AU & NZ teams

ALEX'S LEMONADE STAND WALK (AU)

The Australian team used their volunteer day to raise funds and awareness for Alex's Lemonade Stand, a charity supporting childhood cancer, their families and cancer research. The team gathered together to walk Sydney's Royal Coastal walk in a single day, which was 28km long.

PLANTING DAYS

EROAD partnered with Restore Hibiscus Bays to organise a volunteer planting day in North Auckland at Ōkoromai-Clansman Reserve. The team of 11 dug in to remove invasive weeds from native bush and collect litter.

AUCKLAND CITY MISSION

The Auckland City Mission requires volunteers all year round, and we had an eager group of EROADers that donated their time to help out. They spent the day packing food parcels for some of our most vulnerable people in the community.

WALK FOR STARSHIP

Inspired by their Australian counterparts, the Marketing team in New Zealand organised a coastal walk of their own to raise money for NZ's childrens hospital, Starship. They opened up the opportunity to all Auckland based staff to join them as they trekked along the coast of the North Shore, a total of 32km's from Long Bay to Takapuna and return.

Our Environment

	FY24 tCO2e	FY23 tCO2e	FY24 vs FY23 tCO2e
Scope 1	140.77	167.63	16% ↓
Scope 2	89.30	82.11	9% ↑

Goals & Aspirations

Emissions Reduction and the road to Net Zero for Customers

Divert waste from landfill

Innovative environmentally conscious culture

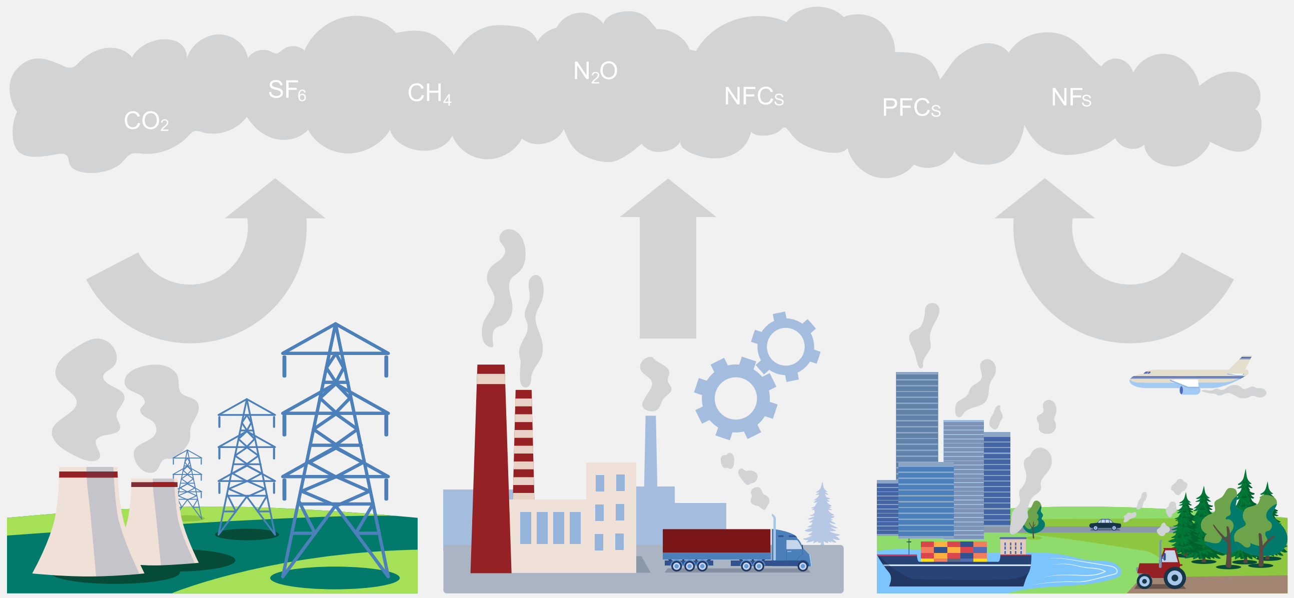
At EROAD, we integrate sustainability into our core operations and product design to mitigate environmental impact while driving business efficiency. This commitment is evident in our targeted efforts to reduce fuel use, enhance waste management, and improve the recyclability of our products.

Over the past year, we have developed specific technologies and processes that conserve resources and reduce emissions for us, and our customers. Some of these initiatives are outlined here and demonstrate our progress and ongoing commitment to environmental stewardship.

DELIVERING ENVIRONMENTAL SUSTAINABILITY

Across our customer base, the regulatory landscape is rapidly evolving to impose stricter emissions standards and sustainability benchmarks. In the U.S., federal and state mandates, such as the Advanced Clean Trucks Rule in California, require fleets to reduce emissions and transition to zero-emission vehicles (ZEVs). Australia and New Zealand also promote similar policies aimed at reducing carbon footprints, such as the Climate Change Response (Carbon Zero) Amendment Act 2019 in New Zealand and incentives for electric vehicle (EV) adoption in Australia.

Additionally, consumers and investors are exerting considerable pressure on companies to demonstrate environmental responsibility. EROAD is enhancing our product suite with features and functionality that enable companies to meet both regulatory measures and stakeholder expectations with tools and insights aimed at emissions reduction and reporting ability for fleets.



SCOPE 2
INDIRECT EMISSIONS FROM IMPORTED ENERGY

SCOPE 1
DIRECT EMISSIONS AND REMOVALS

SCOPE 3
INDIRECT EMISSIONS OF THE CHAIN SUPPLY OR SERVICE

With reported greenhouse gas emissions of 17%, the New Zealand government has a goal to reduce transport emissions by 41% by 2035, with the ultimate goal of Net Zero Emissions by 2050 across the board.

In September, in partnership with the Energy Efficiency and Conservation Authority (EECA), EROAD released 2 new tools aimed at empowering fleets to reduce their emissions.

Spotlight on Product

999
Accounts to date exceeding launch goal by 333%

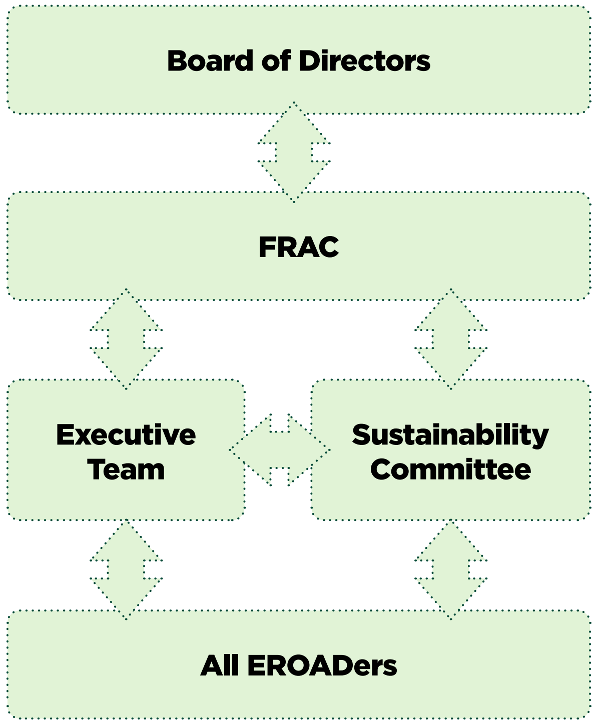
102%
increase of EV's registered in fleets YoY

240%
increase in distance travelled by EV's

GOVERNANCE MODEL FOR SUSTAINABILITY

EROAD maintains a comprehensive Sustainability Policy, which focuses on environmental, social, and governance concerns. Our Board oversees climate responsibilities and delegates specific tasks to the management team, who consistently report on our progress. Sustainability is integral to our decision-making and aligns closely with our operational strategy.

We actively manage both the risks and opportunities presented by climate change through our Sustainability Committee, who meet monthly to discuss climate issues and develop practical strategies to achieve our sustainability goals. This focused approach ensures that EROAD is well-prepared to navigate the changing climate landscape and successfully meet our objectives.



SUSTAINABILITY MODULE IN MYEROAD

Leveraging connected fleet data to offer comprehensive emissions reporting and actionable insights, assisting businesses in their pursuit of sustainability. The MyEROAD Sustainability Module equips fleet operators with critical emissions data and empowers them with the tools to implement effective and measurable sustainability strategies. By providing a clear picture of both current performance and future opportunities, EROAD is helping businesses reduce their environmental footprint while enhancing operational efficiency.

At a glance

Comprehensive Emissions Reporting View emissions data for an entire fleet, specific vehicle groups, or individual vehicles, enabling managers to identify particular areas or vehicles that require interventions.

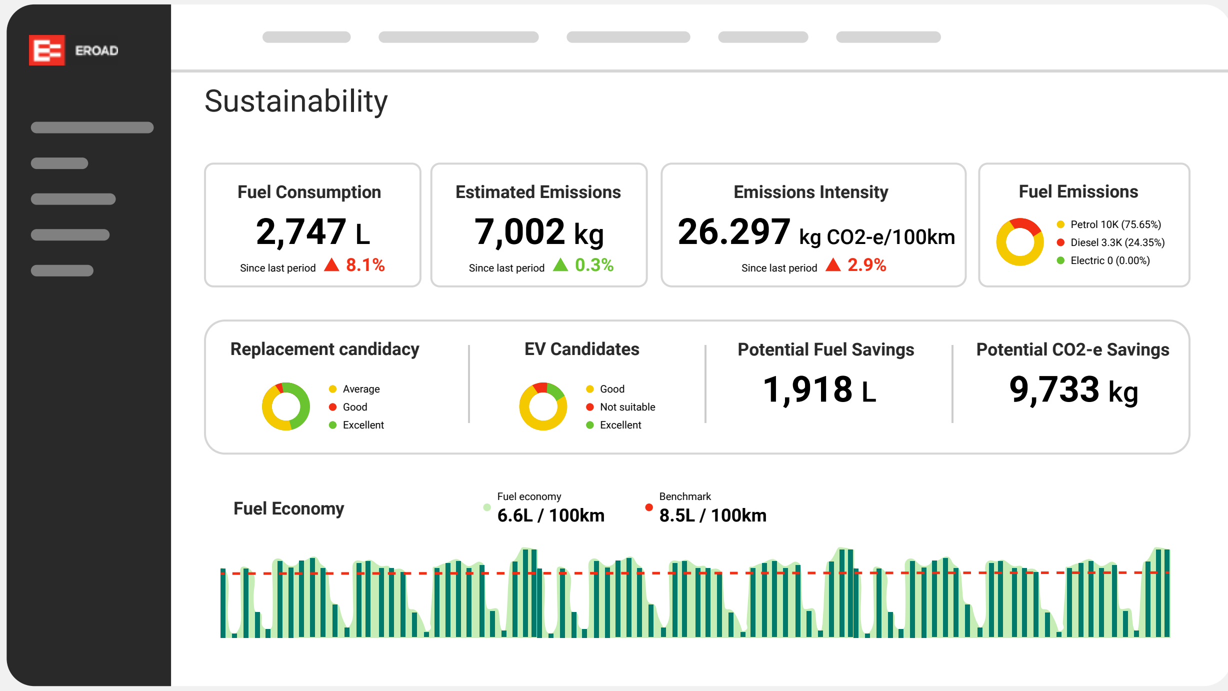
Advanced Analytics Sort vehicles by various metrics and receive AI-driven recommendations tailored to vehicle type, usage patterns, and emissions intensity. This ensures that each decision is informed by accurate, data-driven insights.

Cost Savings Calculate the potential cost savings from reduced emissions, offering a clear financial incentive for adopting more sustainable practices.

Customisable With adjustable settings for fuel prices and idling parameters, businesses can fine-tune the system to reflect their specific operations for more precise data and recommendations.

Emissions Predictions By analysing current trends and usage patterns, the module offers predictions on future emissions intensity, helping businesses plan and implement proactive strategies.

Benchmarking Tools New to the industry, the benchmarking feature allows companies to compare their emissions performance against similar fleets, providing a broader context for evaluating their environmental impact.



Reports available

Overview Dashboard

Displays total emissions, comparative analytics, and summarises key fleet efficiency insights and recommended actions— all ready to be presented to stakeholders without the need for additional data processing.

Detailed Emissions and Fuel Economy Reports

These reports offer deep dives into emissions trends, fuel usage, and potential savings, highlighting areas for improvement and the impact of practices like unproductive idling.

Vehicle Replacement Suitability Report

This tool helps identify which vehicles could be replaced with low or zero-emission models, estimating potential fuel and emissions savings.

Idling and Harsh Driving Reports

These reports provide insights into idling times and harsh driving behaviours, pinpointing opportunities for driver coaching to reduce emissions and improve safety.

PUBLIC FACING EMISSIONS CALCULATOR

Powered by EROAD's AI technology and data monitored from over 100,000 connected vehicles and assets, the EROAD Emissions Calculator provides users with an overview of their fleet's emissions profile, and offers suggestions for emissions reduction, alongside potential savings. The calculator is offered free as a web tool reflecting our broader commitment to reducing emissions in the community.

SUSTAINABILITY ENHANCEMENTS FOR POOL BOOKING - SUSTAINABILITY DASHBOARD

- Enabling customers to understand how their electrification journey compares to other organisations – including a Electrifcation Leaderboard Ranking
- Advising customers how close they are to government goals of 30% electrification
- Within organisation we help branches understand who leads in both EV adoption and EV utilisation – and identifies where EVs are not being taken on journeys that are particularly suitable (Low KM ones)

EV PROMOTION

- Enable customers to recommend EVs as the first booking option
- We are currently building a solution that estimates a users trip distance, then promotes the most suitable journey/ vehicle type – ebike, public transport, short range EV, long range EV, or petrol/diesel.

CASE STUDY: MĀTANGA PROJECTS

Mātanga Projects approached EROAD to help them manage their fleet safely, efficiently, and sustainably. "We're trying to get our technology in place early so we can be ahead of the game," states Brad McKenzie, Director of Mātanga Projects.

Managing civil projects across different terrains and customer sites, the team need vehicles and technology they can rely on. When Mātanga Projects chose EROAD as their fleet management partner, Brad says there were four key things they needed, which EROAD delivered on:

- **Tracking the fleet's carbon emission footprint**
- **Tracking where vehicles are for safety reasons**
- **Calculating accurate mileage for invoicing purposes, and**
- **Improving driver behaviour**

By monitoring their fleet with EROAD, Mātanga Projects are able to track and measure their fleet emissions easily through EROAD's Sustainability Module. The tool is helping them to understand their fleet's total emissions and emissions intensity, and how they stack up against others in their industry.

28%

emissions reduction within 6 months of using EROAD

E-WASTE & RECYCLING

In line with our commitment to sustainable lifecycle management, we are intensifying our focus on the environmental impact of our hardware devices, from their manufacture through to end-of-life. While these efforts continue to evolve, our e-waste program for our New Zealand business has achieved significant milestones. Currently, 100% of returned devices, are directed to recycling through our partnership with Echo Tech.

Through this initiative, every device we retrieve is processed responsibly, minimising environmental impact and reinforcing our dedication to sustainable practices. Looking forward, we are exploring options for similar solutions in both our Australian and North American markets.

11,230kg

Weight recycled

3,220kg

Green House Gas Emissions Reduced

Climate Related Disclosures

During FY24, EROAD took proactive steps towards ensuring transparency and accountability in our reporting practices by collaborating with PwC for the requirements of mandatory climate-related disclosures implemented for FY24. In doing so, we assessed the evolving regulatory landscape and best practices for climate-related reporting, positioning us to meet our obligations effectively.

Our Climate Related Disclosures report will provide stakeholders with comprehensive and accurate information regarding our climate-related risks and opportunities. EROAD reaffirms its dedication to sustainability, responsible corporate governance, and transparency in our operations. Our Climate Related Disclosures will outline progress to date and will be available at https://eroadglobal.com/investors by 31 July 2024.

AREA	ACTION	FY23	FY24	FY25+
Governance	Review and confirm governance and management roles and responsibilities	DONE	DONE	
	Set-up Sustainability Committee for operational oversight		DONE	
	Educating the business on climate-related areas		ONGOING	ONGOING
	Consider system changes to monitor our performance against targets on a more regular basis			ONGOING
	Consider how climate-related matters including targets and included into remuneration policies		ONGOING	ONGOING
Strategy	Define sustainability strategy	DONE	DONE	ONGOING
	Develop climate-related risks and opportunities register		DONE	
	Develop and perform climate-related scenario analysis		DONE	
	Development of transition plan			ONGOING
	Identify anticipated financial impacts of climate-related risks and opportunities			ONGOING

AREA	ACTION	FY23	FY24	FY25+
Risk Management	Embed climate-related risks and opportunities into our risk framework		DONE	ONGOING
	Document processes for identifying climate-related risks and the assessment and management of those risks		DONE	
Metrics and Targets	Measure and set Scope 1, 2 and selected Scope 3 GHG emissions base year	DONE		
	Maintain Toitu carbonreduce certification	DONE	DONE	ONGOING
	Set initial reduction targets for Scope 1 and 2 GHG emissions	DONE	DONE	
	Set interim and longer-term targets for Scope 1 and 2 GHG emissions		DONE	ONGOING
	Confirm commitment to Net Zero target for 2050		DONE	ONGOING
	Set reduction targets for selected Scope 3 emission categories			ONGOING
	Measure and set reduction targets across remaining Scope 3 categories			ONGOING
	Reduce Scope 1, 2 and 3 measured emissions in line with science-aligned targets			ONGOING
	Introduction of the Sustainability Module in myEROAD for customer use		DONE	ONGOING
	Explore how we can influence our customer's GHG emissions from use of our product		ONGOING	ONGOING

Our People

We do what's right

We put customers at the heart of what we do.

We look after our people and put their safety & wellbeing first.

We focus on delivering quality outcomes.

We play as a team

We all play for the same team and that includes our customers and partners.

We value and respect diverse opinions and we work together to overcome challenges.

We embrace our differences and celebrate what makes us unique.

We learn & grow

We listen to learn.

We own and learn from mistakes, choosing to hold a growth mindset.

We believe that curiosity fuels successful innovation.

We get it done

We do what we say we will.

We prioritise to deliver the most important outcomes.

We take ownership and work together to get to a solution.

Goals & Aspirations

Foster a diverse and inclusive culture

Be a desirable place to work

Develop strong, empowered leaders

We understand that our success is driven by our people, and are dedicated to fostering an environment where all employees feel valued and have opportunities for personal and professional growth. By prioritising development and engagement, we aim to ensure that every team member has the opportunity to thrive.

True to living our values, a key component of our people strategy is grounded in listen to learn – ensuring we provide opportunities for people to feel heard. Through channels such as our regular employee engagement surveys, EROADers have a regular touchpoint to influence change through voicing concerns. It is thanks to feedback like this we are able to develop targeted programmes such as the Leadership Programme for team leads in FY24.

Initiatives like leadership development, gender pay equity, and comprehensive awards and recognition programs demonstrate our dedication to nurturing an inclusive and engaged culture. Our summer internships and regular employee engagement surveys help us stay connected with our employees' aspirations and feedback and guide our continuous improvement.

Rewards & Recognition

Feeling appreciated and connected is crucial to fostering a positive workplace culture. Our reward and recognition initiatives, including the online Bonusly platform and the quarterly EROAD Awards program, are designed to encourage peer-to-peer appreciation and celebrate team achievements.

This year, we also introduced Long Service Awards to acknowledge the many EROADers who have continued employment for 5 or more years. It was an opportunity to celebrate their contributions, learn more about their stories, and thank them for choosing EROAD.

IN THE NUMBERS

(as at 31 December 2023)

25%

of EROADers received awards

750+

years of collective knowledge

20 years	**2**
15 years	**3**
10 years	**22**
5 years	**89**

Training and Development

DEVELOPING OUR LEADERS

97% of leaders completed the newly launched Leadership Essentials Programme. The 11 modules cover topics like recruitment, managing difficult conversations, giving effective feedback, leading through change, finance management, and performance management – all essential skills for any leader.

FY24 COURSES

- Introduced Meet the SME Elearning Courses
- Added 25 Project Management elearning modules to Open Sesame
- Introduced AWS learning: AWS Cloud Practitioner Essentials & AWS Skills Builder
- Redelivered mandatory courses
  - Privacy at EROAD
  - Working at a listed company
  - Data Privacy (including Cyber Security)
  - Health and Safety
  - MYEROAD product training

CAREER DEVELOPMENT

93%

development plans completed globally (up from 71% FY23)

13%

Increase in employee score "I feel that I'm growing professionally"

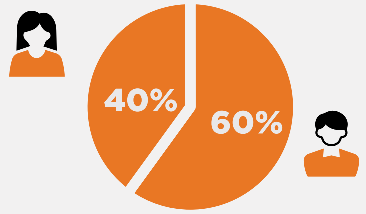
ATTRACTING NEW TALENT

Attracting new talent is a priority at EROAD. We use several initiatives to encourage EROAD as a top choice of employer to attract a variety of future staff.

SUMMER INTERNS

200 **applicants**

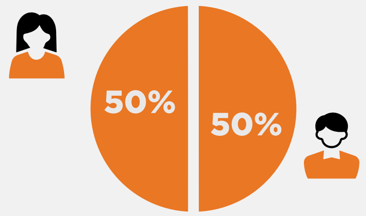
10 **interns**



2024 GRADUATES

4

graduates



SCHOLARSHIP

EROAD's 2024 Scholarship Award recipient, Zach Celona. Zach is in his second year at University of Auckland studying a Bachelor of Engineering majoring in software engineering.

Our scholarship selection panel were impressed with his academic achievements, the glowing recommendations from his lecturers and his community work.
(Announced November 2023)

MEET CAITLIN FISHER

Software Engineer, Provisioning Team

From intern to leader, and the importance of a bright green blazer.

The Summer Intern programme of 2021-2022 was set to be a vibrant and social experience working at EROAD HQ; shared lunches, stand ups, mixing with different teams, and of course, all the celebrations for the merger with Coretex! Sadly, the last wave of COVID lockdowns sent everyone home instead.

Thankfully, this didn't deter Caitlin, who embraced the opportunity, appreciated the way everyone adapted, and felt the effort and kindness from her team, her mentor and buddy even from a distance.

> **"You could see how close the team was, and the effort they put in to keep that culture, which is something that was really important for me—to not just learn and get better at what I do, but also have fun and actually enjoy what I do."**

After completing her studies and a stint of travelling, Caitlin returned to EROAD as a graduate, and is a pivotal member of the provisioning team, responsible for improvements for the vehicle install process.

Caitlin's commitment and leadership potential were evident from day one, where she stood out in the interview process for being the only one in bright green against 20-30 in shades of black, and volunteering to go first in the ice breaker activities. What really stands out about this, though, is they were intentional decisions Caitlin made to help her secure her internship. And while it no doubt helped, it's the work she's done since that makes her memorable.

Opting for the management career path, Caitlin has stepped up as Scrum Master for her team and enjoys making improvements to workflow, communication, and shared learning.

Diversity & Equality

35

countries EROADers are from
increase from 29 in FY23

41%

of EROAD's Senior Leadership Team is female
higher than industry average

+48

eNPS for EROAD's efforts to support diversity and inclusion
(+7 points ahead of the tech industry benchmark)

As part of our ongoing commitment to create a diverse and inclusive workplace, a new Diversity and Inclusion strategy aimed at reducing the gender pay gap was approved by the board and will be adopted in FY25.

It includes initiatives such as:

40:40:20 gender ratio amongst short listed job applicants by 2026

Developing diversity initiatives that support progression of women into leadership positions

Gender neutral job descriptions

Education about gender bias, discrimination and unconscious bias

„The company respects and values differences in gender, ethnicity, disability, and socio-economic status, which creates a welcoming and inclusive work environment."
Staff comment,
eNPS Survey March 2024

Health, Safety & Wellness

WISH COMMITTEE

WISH' stands for Wellbeing, Inclusion, Social, and Health & Safety. It's an intiative run by a group of volunteers within EROAD who are passionate about making our workplace the best it can be. In practice it's a series of global and local events that bring these areas to life.

ROAD SAFETY WEEK

During our annual Road Safety Week presentation, we were joined by Fit for Duty (Sleep research and support) and Brake – The Road Safety Charity, in which they both addressed their concerns around driver safety and the impact of fatigue. This is a global event we host annually and is a significant safety event.

Road Safety Week

BEING WELL PORTAL

In association with Southern Cross Health Insurance, all EROADers have access to the BeingWell Portal. It is a hub full of resources centred around four main topics: Sleeping Well, Moving Well, Eating Well and Thinking Well.

MOVEMBER

A month long global campaign bringing awareness to men's physical health, mental health, prostate & testicular cancer. 12 men took on the challenge of growing a moustache through out the month of November and raised money for the Movember charity.

WALKATHON

Our much anticipated and highly participated wellbeing event is the annual Walkathon. 90 staff members completed a total of 31.3 million steps over six weeks. That's 21,516 km's!

PINK SHIRT DAY

Pink Shirt Day is an opportunity to promote inclusion, diversity, and kindness to all. Staff wore pink shirts across the business in support of anti-bullying in schools, in the community and in workplaces.

Leadership

Board

SUSAN PATERSON

Chair, Independent Director,
Auckland
Appointed: March 2019,
Appointed Chair: July 2023

Board Committees:
Nominations, Finance, Risk and Audit, People & Culture

Susan is a professional director with more than 25 years Board/Chair experience in NZX/ASX listed companies, private companies, government entities and not for profits. With a pharmaceutical and management background and MBA (London Business School) she has worked in a range of consulting and management positions throughout New Zealand and internationally. Susan is an appointed Officer of New Zealand Order of Merit (services to governance) and was awarded Chartered Fellow status by the Council of the Institute of Directors.

BARRY EINSIG

Independent Director
Pennsylvania
Appointed: January 2020

Board Committees:
Technology (Chair), Nominations

Located in Pennsylvania, Barry brings considerable transport knowledge of the North American market as well as global automated and connected vehicle expertise. He held a position of Vice President at Econolite and he has also held a number of leadership positions within the transport industry and advised Singapore's Ministry of Transportation on their Highly Automated Vehicle Programme. In addition, Barry reviewed work undertaken by the Transportation Research Board and created patent-approved technology used in Public Safety Networks. He holds a Bachelor of Science (Environmental Biology).

SARA GIFFORD

Independent Director
Massachusetts
Appointed: April 2022

Board Committees:
People & Culture (Chair), Nominations, Technology

Based in Boston, Sara brings extensive experience in fast-growing software companies, logistics, transportation, large scale product implementation, and sales. She has business experience in North America, Europe, Southeast Asia, Australia, and NZ. Sara served as the Chief Solutions Officer and executive board member of Quintiq and is a director of North American company Spiro, a customer relationship management and sales enablement company, and is the co-founder and director of Activote, a non-partisan application enabling voting in North America.

DAVID GREEN

Independent Director
Auckland
Appointed: July 2023

Board Committees:
Finance, Risk and Audit (Chair), Nominations, People & Culture

David is a professional director, investor and former executive in the banking and finance sector with extensive business management, leadership and governance experience. Throughout his executive career he led large teams delivering complex solutions for large enterprise customers across a wide range of industry sectors in Asia, Australia and New Zealand and the Middle East. David has considerable experience leading change programmes, digital transformation strategies, building positions of market leadership and working with regulators. He has been awarded fellowships by the Chartered Accountants Australia and New Zealand (CA ANZ) and the Institute of Finance Professionals in New Zealand (INFINZ).

CAMERON KINLOCH

Independent Director
California
Appointed: March 2024

Board Committees:
Finance, Risk and Audit, Nominations

Based in California, Cameron has deep experience in Board governance as well as an extensive executive management career as a Chief Financial Officer and Chief Operating Officer in high-growth companies. In these roles, she has driven strategic and scalable growth and has led numerous successful capital raises, M&A and IPO processes across a wide range of industries. She is currently Chief Financial Officer at Weights & Biases, an enterprise software company, and is a Director at Copper Cow Coffee, a sustainably sourced coffee producer. Cameron is a member of EROAD's Finance, Risk & Audit Committee.

SELWYN PELLETT

Non-Executive Director
Auckland
Appointed: December 2021

Board Committees:
Finance, Risk and Audit, Nominations, Technology

Selwyn brings more than 40 years' experience in electronics supply chains, enterprise level network security and telematics in Asia, Australia, NZ, North America and Europe. He has extensive experience in international sales, marketing, strategic planning and supply chain management in small start-ups to multi-billion-dollar corporations. He was the founder and CEO of Coretex before the merger with EROAD and the previous co-founder, CEO and Chairman of Endace Ltd. In 2008 Selwyn was recognised as a 'Flying Kiwi' by the New Zealand Hi Tech Association.

Leadership

Executive Team

MARK HEINE
CO-CHIEF EXECUTIVE OFFICER

DAVID KENNESON
CO-CHIEF EXECUTIVE OFFICER

MARGARET WARRINGTON
CHIEF FINANCIAL OFFICER

MARK DAVIDSON
EVP SALES & MARKETING[5]

AKINYEMI KOYI
PRESIDENT PRODUCT & STRATEGY

AARON LATIMER
CHIEF OPERATING OFFICER

DUANNE O'BRIEN
CHIEF TECHNOLOGY OFFICER[6]

SHELLEY PRENTICE
CHIEF PEOPLE OFFICER

KONRAD STEMPNIAK
EGM SALES & MARKETING ANZ

JEREMY WILTON
EVP PRODUCT & ENGINEERING-DEVICES

[5] Joined April 2024
[6] Starting June 2024

Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 $M's	2023 $M's
Revenue	2	182.0	174.9
Operating expenses	5	(128.7)	(129.7)
Earnings before interest, taxation, depreciation and amortisation		**53.3**	**45.2**
Depreciation of property, plant and equipment	10	(23.2)	(17.2)
Amortisation of intangible assets	11	(19.0)	(17.9)
Amortisation of contract and customer aquisition assets	3	(10.3)	(8.4)
Earnings before interest and tax (EBIT)		**0.8**	**1.7**
Finance expense		(8.5)	(7.1)
Finance income		(0.7)	0.3
Net financing costs	14	**(7.8)**	**(6.8)**
Loss before tax		**(7.0)**	**(5.1)**
Income tax benefit	20	6.7	2.1
Loss after tax for the year attributable to the shareholders		**(0.3)**	**(3.0)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges		(0.6)	0.4
Currency translation differences		3.7	2.3
		3.1	**2.7**
Total comprehensive loss for the year		**2.8**	**(0.3)**
Loss per share - Basic (cents)	15	(0.25)	2.69
Loss per share - Diluted (cents)	15	(0.25)	2.68

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

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 $M's	2023 $M's
Current assets			
Cash and cash equivalents	7	14.5	8.1
Restricted bank accounts	7	17.8	11.6
Trade and other receivables	8	33.2	34.4
Contract fulfilment costs	3	5.8	5.3
Costs to obtain contracts	3	2.4	2.3
Total Current Assets		**73.7**	**61.7**
Non-current assets			
Property, plant and equipment	10	88.8	77.8
Intangible assets	11	244.4	242.1
Derivative financial asset	18	-	0.2
Contract fulfilment costs	3	6.2	4.0
Costs to obtain contracts	3	2.7	1.8
Deferred tax assets	21	17.7	15.2
Total Non-Current Assets		**359.8**	**341.1**
Total Assets		**433.5**	**402.8**

Consolidated Statement of Financial Position (continued)

As at 31 March 2024

	Notes	2024 $M's	2023 $M's
Current liabilities			
Borrowings	13	2.5	1.4
Trade payables and accruals	9	30.3	23.0
Payables to transport agencies	7	17.8	11.9
Contract liabilities	4	10.9	7.4
Lease liabilities	12	1.2	1.7
Employee entitlements		4.1	3.7
Derivative financial liabilities	18	0.3	-
Total Current Liabilities		**67.1**	**49.1**
Non-current liabilities			
Borrowings	13	34.1	69.2
Contract liabilities	4	12.7	12.0
Lease liabilities	12	5.1	5.8
Derivative financial liabilities	18	0.1	-
Deferred tax liabilities	21	11.4	17.9
Total non-current liabilities		**63.4**	**104.9**
Total Liabilities		**130.5**	**154.0**
Net Assets		**303.0**	**248.8**
Equity			
Share Capital	15	353.5	305.7
Share capital premium/discount		(19.9)	(19.9)
Other reserves		2.1	(1.0)
Accumulated losses		(32.7)	(36.0)
Total Shareholders' Equity		**303.0**	**248.8**

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

Chair, 23 May 24

Chair of the Finance, Risk and Audit Committee, 23 May 24

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

Consolidated	Notes	Share Capital	Share Premium / Discount	Accumulated losses	Translation Reserve	Hedging Reserve	Total
		$M's	$M's	$M's	$M's	$M's	$M's
Balance as at 1 April 2022		293.3	(6.5)	(35.4)	(3.5)	(0.2)	247.7
Loss for the year		-	-	(3.0)	-	-	(3.0)
Other comprehensive loss		-	-	-	2.3	0.4	2.7
Total comprehensive loss		**-**	**-**	**(3.0)**	**2.3**	**0.4**	**(0.3)**
Transactions with owners of the Company							
Equity settled share-based payments	16	1.4	-	(1.3)	-	-	0.1
Share capital issued relating to business combination		11.0	(9.7)	-	-	-	1.3
Contingent shares forfeited reclassification		-	(3.7)	3.7	-	-	-
Balance as at 31 March 2023		**305.7**	**(19.9)**	**(36.0)**	**(1.2)**	**0.2**	**248.8**
Balance as at 1 April 2023		305.7	(19.9)	(36.0)	(1.2)	0.2	248.8
Loss for the year		-	-	(0.3)	-	-	(0.3)
Other comprehensive income		-	-	-	3.7	(0.6)	3.1
Total comprehensive income/ (loss)		**-**	**-**	**(0.3)**	**3.7**	**(0.6)**	**2.8**
Transactions with owners of the Company							
Equity settled share-based payments	16	1.0	-	3.6	-	-	4.6
Share capital issued - net of costs	15	46.8	-	-	-	-	46.8
Balance at 31 March 2024		**353.5**	**(19.9)**	**(32.7)**	**2.5**	**(0.4)**	**303.0**

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 $M's	2023 $M's
Cash flows from operating activities			
Cash received from customers		186.3	165.2
Payments to suppliers and employees		(117.0)	(128.9)
Payments for contract fulfilment assets	3	(10.0)	(7.6)
Interest received		0.7	0.3
Interest paid		(6.5)	(4.9)
Tax (paid)/received		(0.6)	-
Net cash inflow from operating activities		**52.9**	**24.1**
Cash flows from investing activities			
Payments for investment in property, plant & equipment	10	(32.2)	(27.5)
Payments for investment in intangible assets	11	(21.3)	(28.2)
Payments for investment in costs to obtain contracts	3	(3.9)	(2.9)
Payments for investment in subsidiary (including contingent consideration), net of cash acquired		-	(8.5)
Net cash outflow from investing activities		**(57.4)**	**(67.1)**
Cash flows from financing activities			
Receipts from bank loans	13	2.0	52.7
Repayments of bank loans	13	(35.9)	(14.2)
Payment of lease liability	12	(2.1)	(1.3)
Receipts from issue of equity		50.0	-
Payments for costs of raising equity		(3.2)	-
Net cash inflow from financing activities		**10.8**	**37.2**
Net increase/(decrease) in cash held		**6.3**	**(5.8)**
Cash at beginning of the financial period		**8.1**	**13.9**
Effects of exchange rate changes on cash and cash equivalents		0.1	-
Closing cash and cash equivalents		**14.5**	**8.1**

The above 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 year ended 31 March 2024

	Notes	2024 $M's	2023 $M's
Reconciliation of operating cash flows with reported loss after tax			
Loss after tax for the year attributable to the shareholders		(0.3)	(3.0)
Add/(less) non-cash items			
Tax asset recognised		(7.6)	(3.9)
Depreciation and amortisation		52.5	43.5
Other non-cash expenses/(income)		4.7	(1.3)
Contingent consideration and revaluation		-	(9.6)
Unwinding of interest expense for discounted contract liabilities and contingent consideration		1.1	1.7
		50.7	**30.4**
Movements in other working capital items			
(Increase)/decrease in trade and other receivables		1.7	(6.1)
(Decrease)/increase in current tax payables		(1.4)	2.1
Increase in contract liabilities		3.8	7.9
Increase in contract fulfillment costs		(10.0)	(7.6)
Increase in trade payables, interest payable and accruals		8.4	0.4
		2.5	**(3.3)**
Net cash from operating activities		**52.9**	**24.1**

Notes to the consolidated financial statements

For the year ended 31 March 2024

REPORTING ENTITY

The consolidated financial statements for the year ended 31 March 2024 are for EROAD Limited (the "Company") 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 is a company domiciled in New Zealand registered under the Companies Act 1993 and is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Company is listed on the New Zealand Stock Exchange (NZX) Main Board and the Australian Stock Exchange (ASX).

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities and other New Zealand accounting standards, and authoritative notices that are applicable to entities that apply NZ IFRS. These financial statements also comply with International Financial Reporting Standards and the requirements of the Financial Markets Conduct Act 2013.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities including the mandatory repayment terms of the banking facilities as disclosed in Note 13.

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.

All amounts are shown exclusive of goods and services tax (GST) except for trade receivables and trade payables, and except where the amount of GST incurred is not recoverable. When this occurs, GST is recognised as part of the cost of the asset or as an expense as applicable.

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

BASIS OF CONSOLIDATION

Subsidiaries are fully consolidated at the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group transactions and balances arising within the Group are eliminated in full.

ACCOUNTING POLICIES

Accounting policies that summarise the measurement basis used and that are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

The Group adopted all mandatory new and amended NZ IFRS Standards and Interpretations and there has been no material impact on the Group's financial statements.

There are no other new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the Group.

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:

- Taxation - Recognition and utilisation of tax losses
- Intangible assets - assumptions used in the impairment tests; capitalisation of development costs
- Property, plant and equipment - determining residual values and useful lives

PERFORMANCE

This section focuses on the Group's financial performance. This section includes the following notes:

NOTE 1 SEGMENT REPORTING

EROAD operating segments are based on geographic location for operating companies and corporate and development costs. These operating segments equate to the Group's strategic divisions and are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers ("CEOs"). The CEOs are considered to be the chief operating decision makers ("CODM").

The four segments/strategic divisions offer different services and are managed separately because they require different technology, services and marketing strategies. For each strategic division, the CODM reviews internal management reports.

The following summary describes the operations in each of the Group's segments.

- *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

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, derivative financial instruments, finance income and expenses.

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

NOTE 1 SEGMENT REPORTING *(CONTINUED)*

Reportable segment information

Key information related to each reportable segment as provided to the CODM is set out below.

	Corporate & Development		North America		New Zealand		Australia	
	2024	2023	2024	2023	2024	2023	2024	2023
	$M's	$M's	$M's	$M's	$M's	$M's	$M's	$M's
Revenue								
Software as a Service (Saas) revenue	-	-	76.0	65.3	85.5	75.8	10.0	8.3
Hardware revenue	0.2	0.6	2.6	5.4	0.2	0.2	0.5	0.7
Transaction fee revenue	-	-	-	-	3.3	3.7	-	-
Other revenue [1]	74.8	61.7	1.4	1.9	3.0	4.0	0.2	0.3
Total revenue	**75.0**	**62.3**	**80.0**	**72.6**	**92.0**	**83.7**	**10.7**	**9.3**
Earnings before interest, taxation, depreciation & amortisation	(33.6)	(28.5)	22.0	18.1	62.2	53.7	3.0	2.2
Other segment information								
Total assets	287.2	277.3	97.2	100.4	89.2	69.5	19.8	15.4
Depreciation of property, plant & equipment	(1.9)	(2.1)	(10.7)	(7.8)	(9.1)	(6.9)	(1.3)	(0.6)
Amortisation of intangible assets	(12.4)	(10.2)	(5.1)	(5.1)	(0.9)	(0.9)	(0.6)	(1.7)
Amortisation of contract and customer acquisition assets	-	-	(2.0)	(2.3)	(6.4)	(5.4)	(0.8)	(0.6)

[1] Revenue from Corporate & Development Markets includes R&D Grant Income of $1.7M (31 March 2023: $1.6M and reassessment of contingent consideration of $9.6M).

NOTE 1 SEGMENT REPORTING *(CONTINUED)*

Reconciliation of information on reportable segments

	2024	2023
	$M's	$M's
Revenue		
Total revenue for reportable segments	257.7	227.9
Elimination of inter-segment revenue	(75.7)	(53.0)
Consolidated Revenue	**182.0**	**174.9**
EBITDA		
Total EBITDA for reportable segments	53.6	45.5
Elimination of inter-segment EBITDA	(0.3)	(0.3)
Consolidated EBITDA	**53.3**	**45.2**
Depreciation		
Total depreciation for reportable segments	(23.0)	(17.4)
Elimination of inter-segment depreciation	(0.2)	0.2
Consolidated Depreciation	**(23.2)**	**(17.2)**
Amortisation of intangible assets		
Total amortisation for reportable segments	(19.0)	(17.9)
Elimination of inter-segment amortisation	-	-
Consolidated Amortisation	**(19.0)**	**(17.9)**
Total assets		
Total assets for reportable segments	493.4	462.6
Elimination of inter-segment balances	(59.9)	(59.8)
Consolidated Total Assets	**433.5**	**402.8**

Allocation of goodwill, property plant and equipment and other intangible assets

Included within Total Assets are Development Assets of $106.0M (31 March 2023: $100.4M) 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. Property plant and equipment and other finite intangible assets are also included and tested as part of impairment testing of repective CGU's.

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 respective cash-generating units has been done based on valuation expert advice as part of acquisition accounting during the period ended 31 March 2022.

NOTE 1 SEGMENT REPORTING *(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:

	Development Assets	Goodwill	Brand	Customer relationships
	$M's	$M's	$M's	$M's
31 MARCH 2024				
North America	49.8	88.8	1.7	19.2
New Zealand	50.3	5.7	-	1.0
Australia	5.9	13.6	-	3.2
	106.0	**108.1**	**1.7**	**23.4**
31 MARCH 2023				
North America	46.3	88.8	2.4	20.7
New Zealand	48.3	5.7	-	1.1
Australia	5.8	13.6	-	3.5
	100.4	**108.1**	**2.4**	**25.3**

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 revenue has been based on the geographic location of customers and assets were based on the geographic location of the assets. These allocations are not aligned with the Group's reportable segments.

	2024	2023
	$M's	$M's
Revenue		
New Zealand	91.8	94.0
All foreign countries:		
USA	79.6	71.6
Australia	10.6	9.3
Total revenue	**182.0**	**174.9**
Non-current assets		
New Zealand	247.7	230.4
All foreign countries:		
USA	79.4	84.6
Australia	15.0	10.7
Total non-current assets	**342.1**	**325.7**

NOTE 1 SEGMENT REPORTING *(CONTINUED)*

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

	2024	2023
	$M's	$M's
Reconciliation of geographical non-current assets to total non-current assets		
Geographical non-current assets	342.1	325.7
Deferred tax assets	17.7	15.2
Derivative financial instruments	-	0.2
Total non-current assets	**359.8**	**341.1**

NOTE 2 REVENUE

	2024	2023
	$M's	$M's
Revenue from contracts with customers		
Software as a service (Saas) revenue	171.5	149.4
Hardware revenue (subscription basis)	3.5	6.9
Other		
Transaction fee revenue	3.3	3.7
Other revenue and income	2.0	13.3
Grant income	1.7	1.6
Total Revenues	**182.0**	**174.9**

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.

Revenue recognition
Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or a service to a customer.

The Group provides electronic on-board units to its customers, which comprise the provision of hardware and the rendering of services.

The supply of electronic on-board units (leased or purchased outright), installation of the units and providing services are not distinct and have one single performance obligation (linked to the service contract). Consequently, the Group does not recognise revenue separately for these goods and services but recognises this revenue together as the provision of software as a service (SAAS) revenue.

Each of the Group's main sources of revenue are described in detail below:

Software as a service revenue
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.

As noted above, the Group has determined that for the majority of customers the supply and installation of units and the services are not distinct and treated as one single performance obligation. That is, EROAD's customers do not have the right to direct the use of EROAD's assets (such as the Ehubo, Corehub and TMU units) 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.

NOTE 2 REVENUE *(CONTINUED)*

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. 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.

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.

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 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 recognise as a finance cost when consideration is received in advance.

Hardware revenue (Subscription-basis)

Hardware revenue purchased with a subscription is recognized over the first month's subscription. Hardware revenue reflects hardware sales where a subscription must be separately purchased to utilise the hardware and obtain access to services. The hardware together with the monthly subscription is considered a single performance obligation. A receivable is recognised by the Group when the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The installation revenue associated with uncontracted hardware units is included in the hardware revenue line and recognised when the installation is completed.

The services revenue associated with the uncontracted hardware units is included in the software as a service revenue line and is recognised when the performance obligation is completed.

Transaction fees

Transaction fee revenue relates to the collection of Road User Charges (RUC) 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 in 31 March 2023 is $9.6M related to the reassessment of contingent consideration related to the acquisition of Coretex Limited.

Future contracted income

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 below aligns with the Future Contracted Income reported by the Group.

NOTE 2 REVENUE *(CONTINUED)*

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 31 March 2024 are expected to be recognised by EROAD based on the time bands disclosed below.

	2024	2023
	$M's	$M's
Software as a Service (SaaS) revenue		
No later than one year	93.6	88.1
Later than one year, no later than five years	169.1	131.5
Total price allocated to remaining performance obligations	**262.7**	**219.6**

NOTE 3 CONTRACT FULFILMENT AND COSTS TO OBTAIN CONTRACTS

Capitalised contract fulfilment costs

The Group capitalises incremental costs of fulfilling customer contracts, typically distribution and installation costs. Contract fulfilment costs are amortised evenly over the period of the contract. The majority of contracts are for 3 years and can be for a term of up to 5 years. Customers who do not sign up to a term have contract fulfilment costs expensed up-front.

Capitalised contract acquisition costs

The Group has applied a policy of capitalising only costs that are incremental in obtaining contracts with customers, typically sales commissions. Contract acquisition costs are amortised evenly over the period of the contract. The majority of contracts are for 3 years and can be for a term of up to 5 years. Customers who do not sign up to a term have contract acquisition costs expensed up-front.

The following table provides information about contract fulfilment and costs to obtain contracts with customers:

	Contract fulfilment		Costs to obtain contracts	
	2024	2023	2024	2023
	$M's	$M's	$M's	$M's
Opening net book value	9.3	6.9	4.1	4.0
Additions	10.0	7.8	3.9	3.1
Amortisation	(7.3)	(5.4)	(2.9)	(3.0)
Closing net book value	**12.0**	**9.3**	**5.1**	**4.1**
Current	5.8	5.3	2.4	2.3
Non-current	6.2	4.0	2.7	1.8

NOTE 4 CONTRACT LIABILITIES

The Group enters into contracts with customers for the provision of software services over a contracted period. As stated in the accounting policies, this revenue is recognised over time as the customer simultaneously receives and consumes the benefit of the service. The Group has determined that the benefit of the services provided is consumed evenly over the period of the contract, and thus the performance obligations are satisfied evenly over the period. Where the Group receives a portion of the transaction price of a contract in advance, this is recognised as a contract liability and released over the contract period as the Group satisfies its performance obligations.

	2024	2023
	$M's	$M's
Opening balance	19.4	11.9
Amounts deferred during the period	18.8	16.9
Amount recognised in the statement of comprehensive income	(14.6)	(9.4)
	23.6	**19.4**
Current	10.9	7.4
Non-current	12.7	12.0

NOTE 5 EXPENSES

		2024	2023
	Notes	$M's	$M's
Personnel expenses - net of capitalised employee remuneration	6	61.8	57.5
Administrative and other operating expenses		36.5	41.1
SaaS platform costs		28.7	26.0
Directors fees		0.8	0.8
Integration-related expenses		-	3.4
Auditor's remuneration - KPMG		0.5	0.5
Other assurance services - KPMG		0.1	0.1
Tax compliance and advisory services - KPMG		0.3	0.3
Total operating expenses		**128.7**	**129.7**

Other assurance services include half year review and procedures over RDTI claim and NZTA reasonable assurance.

During the year the costs expensed for Research and Development was $32.8M (31 March 2023: $37.2M including integration costs).

The integration related expenses in the prior year include internal staff time.

NOTE 6 PERSONNEL EXPENSES

	2024	2023
	$M's	$M's
Salaries and wages - excluding capitalised commission costs	69.7	74.1
Annual leave	0.5	(1.1)
Performance bonus	0.4	1.4
Share-based payments	4.1	0.1
Salaries and wages capitalised to development and software assets	(12.9)	(17.0)
	61.8	**57.5**

WORKING CAPITAL

This section provides information about the primary elements of the Group's working capital. This section includes the following notes:

NOTE 7 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PAYABLES TO TRANSPORT AGENCIES

	2024	2023
	$M's	$M's
Cash and cash equivalents	14.5	8.1
Restricted bank accounts	17.8	11.6
	32.3	**19.7**

Cash and cash equivalents exclude restricted bank accounts. Restricted bank accounts are presented separately from cash and cash equivalents on the face of the Statement of Financial Position and movements in restricted bank accounts are excluded from the Statement of Cash Flows. The restricted bank accounts relate to Road Users tax collected from clients due for payment to the appropriate government agency.

Payables to transport agencies	(17.8)	(11.9)

NOTE 8 TRADE AND OTHER RECEIVABLES

	2024	2023
	$M's	$M's
Trade receivables	25.3	22.5
Allowance for expected credit losses on trade receivables	(4.6)	(3.5)
	20.7	**19.0**
Prepayments and other receivables	12.5	15.4
	33.2	**34.4**

In addition to the movement in the expected credit losses, the Group has written off $0.9M (2023: $1.7M) of bad debts to the statement of comprehensive income.

Trade receivables are amounts due from customers for products sold and services provided. Trade receivables are recognised initially at their transaction price and subsequently measured at the amount to be collected. Due to the short term nature of these debtors, their carrying value is assumed to approximate fair value.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through

NOTE 8 TRADE AND OTHER RECEIVABLES *(CONTINUED)*

profit or loss. The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. That is, to measure the expected credit losses, trade receivables have been grouped based on customer industry risk characteristics and the days past due. The expected loss rates are based on recent payment profiles, historical customer behaviour, age of debt and individual customer circumstances.

NOTE 9 TRADE PAYABLES AND ACCRUALS

	2024	2023
	$M's	$M's
Trade payables	12.9	7.6
Tax payable	1.2	2.6
Sundry accruals	16.2	12.8
	30.3	**23.0**

Trade payables are carried at amortised cost. Due to their short-term nature, they are not discounted.

LONG-TERM ASSETS

This section provides information about the investment the Group has made in long-term assets to operate the business. This section includes the following notes:

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	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 2024								
Opening net book amount	5.7	68.7	0.1	1.6	0.2	0.6	0.9	77.8
Additions	0.3	33.0	-	-	-	-	0.5	33.8
Disposals	-	(1.3)	-	-	-	-	-	(1.3)
Depreciation charge	(1.5)	(20.3)	-	(0.4)	(0.1)	(0.2)	(0.7)	(23.2)
Effect of movement in exchange rates	0.2	1.5	-	-	-	-	-	1.7
Closing net book amount	**4.7**	**81.6**	**0.1**	**1.2**	**0.1**	**0.4**	**0.7**	**88.8**
AT 31 MARCH 2024								
Cost	8.6	135.2	0.8	2.9	0.4	2.0	5.3	155.2
Accumulated depreciation	(3.9)	(53.6)	(0.7)	(1.7)	(0.3)	(1.6)	(4.6)	(66.4)
Net book amount	**4.7**	**81.6**	**0.1**	**1.2**	**0.1**	**0.4**	**0.7**	**88.8**

NOTE 10 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

	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 2023								
Opening net book amount	4.5	54.1	0.1	1.2	0.3	0.6	0.9	61.7
Additions	3.1	27.1	0.1	0.7	-	0.2	0.6	31.8
Disposals	-	(1.2)	-	-	-	-	-	(1.2)
Depreciation charge	(1.9)	(14.0)	(0.1)	(0.3)	(0.1)	(0.2)	(0.6)	(17.2)
Effect of movement in exchange rates	-	2.7	-	-	-	-	-	2.7
Closing net book amount	**5.7**	**68.7**	**0.1**	**1.6**	**0.2**	**0.6**	**0.9**	**77.8**
AT 31 MARCH 2023								
Cost	9.8	106.1	0.8	3.1	0.8	2.0	4.9	127.5
Accumulated depreciation	(4.1)	(37.4)	(0.7)	(1.5)	(0.6)	(1.4)	(4.0)	(49.7)
Net book amount	**5.7**	**68.7**	**0.1**	**1.6**	**0.2**	**0.6**	**0.9**	**77.8**

Included in the Hardware Assets is equipment under construction to be leased or sold of $33.2M (2023: $27.8M). Due to the majority of the equipment under construction being ultimately sold under contract and forming part of hardware assets on the Group's fixed asset register it has been accordingly classified under hardware assets.

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.

Impairment
Property plant and equipment is tested for impairment when there are indicators of impairment. It is not possible to identify separately identifiable cash flows for property, plant and equipment as hardware assets are sold together with various SAAS services as a package. Property plant and equipment is allocated to the Group's CGU's as described in note 1 for the purposes of impairment testing.

NOTE 10 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

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 11 INTANGIBLE ASSETS

	Development	Software	Goodwill	Brand	Customer relationships	Patents, trademarks and other rights	Total
	$M's	$M's	$M's	$M's	$M's	$M's	$M's
YEAR ENDED 31 MARCH 2024							
Opening net book amount	100.4	5.8	108.1	2.4	25.3	0.1	242.1
Additions	21.0	0.3	-	-	-	-	21.3
Disposals	-	-	-	-	-	-	-
Amortisation charge	(15.4)	(1.0)	-	(0.7)	(1.9)	-	(19.0)
Closing net book amount	**106.0**	**5.1**	**108.1**	**1.7**	**23.4**	**0.1**	**244.4**
AT 31 MARCH 2024							
Cost	175.6	12.4	108.1	3.3	28.8	0.1	328.3
Accumulated amortisation	(69.6)	(7.3)	-	(1.6)	(5.4)	-	(83.9)
Net book amount	**106.0**	**5.1**	**108.1**	**1.7**	**23.4**	**0.1**	**244.4**

NOTE 11 INTANGIBLE ASSETS *(CONTINUED)*

	Development	Software	Goodwill	Brand	Customer relationships	Patents, trademarks and other rights	Total
	$M's	$M's	$M's	$M's	$M's	$M's	$M's
YEAR ENDED 31 MARCH 2023							
Opening net book amount	88.3	3.9	108.1	3.1	28.0	-	231.4
Additions	25.5	2.6	-	-	-	0.1	28.2
Disposals	-	-	-	-	-	-	-
Effect of movement in foreign exchange rate	0.2	-	-	-	0.2	-	0.4
Amortisation charge	(13.6)	(0.7)	-	(0.7)	(2.9)	-	(17.9)
Closing net book amount	**100.4**	**5.8**	**108.1**	**2.4**	**25.3**	**0.1**	**242.1**
AT 31 MARCH 2023							
Cost	154.6	12.1	108.1	3.3	28.8	0.1	307.0
Accumulated amortisation	(54.2)	(6.3)	-	(0.9)	(3.5)	-	-64.9
Net book amount	**100.4**	**5.8**	**108.1**	**2.4**	**25.3**	**0.1**	**242.1**

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.

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 11 INTANGIBLE ASSETS *(CONTINUED)*

Amortisation

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

The acquisition of Coretex on 1 December 2021, meant goodwill was recognised for the excess between the fair value consideration paid and the fair value of the net assets acquired. Net assets acquired included finite life intangibles assets such as customer relationships, brands, software and development assets. The goodwill and finite life intangibles were then allocated to the cash generating units of the business with the assistance of external specialists. When goodwill is 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 has 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 1 for the allocation of goodwill, property plant and equipment and other finite life intangible assets to cash generating units (CGUs). The CGU's are considered the lowest level for which there are separately identifiable cashflows. Corporate costs attributable to the CGUs are allocated to the respective CGUs as part of impairment testing. Unallocated corporate costs and assets are also tested for impairment using a top down approach.

Impairment testing of CGU's

To complete the annual impairment testing management assessed the recoverable amount of each of the cash-generating units ('CGU') of which goodwill, property plant and equipment and finite life 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 CGUs were estimated based on the following significant assumptions:

	Amount the VIU exceeds the carrying value	Connected unit CAGR	ARPU CAGR	WACC
	$M's			
New Zealand	195.0	5.77%	(0.09)%	12.50%
North America	67.3	15.84%	(0.41)%	12.50%
Australia	16.3	21.47%	(0.98)%	12.50%

The inputs used for the growth in connected units and ARPU in the CGUs reflect past experience and the forecast performance of the group.

- Terminal growth rate of 2.0% applied to 2029 and thereafter

Sensitivity analysis was undertaken which concluded that New Zealand results are not particularly sensitive to changes in the underlying assumptions. Australia and North America are sensitive to the achievement of forecast unit growth, ARPU and changes in the discount rate.

NOTE 11 INTANGIBLE ASSETS *(CONTINUED)*

Change in individual assumptions, while keeping all other assumptions constant which results in the recoverable value to equate to the carrying value is shown in the sensitivity analysis below:

	Input required for the VIU to equate to the carrying value		
	Connected unit CAGR	ARPU CAGR	WACC
New Zealand	Not sensitive	Not sensitive	Not sensitive
North America	13.95%	(2.90)%	15.45%
Australia	18.39%	(4.49)%	15.80%

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 31 March 2024.

NOTE 12 LEASES AS LESSEE

	2024	2023
	$M's	$M's
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1.5	2.0
One to five years	4.9	5.5
More than five years	0.9	1.3
Total undiscounted lease liabilities	**7.3**	**8.8**
Current	1.2	1.7
Non-current	5.1	5.8
Lease liabilities included in the statement of financial position	**6.3**	**7.5**

Amounts recognised in Statement of Comprehensive Income

	2024	2023
	$M's	$M's
Interest expense on lease liabilities	0.2	0.3
Depreciation on right of use assets	1.5	1.9

Amounts recognised in Statement of Cash Flows

	2024	2023
	$M's	$M's
Total cash outflow for leases	(2.1)	(1.3)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

NOTE 12 LEASES AS LESSEE *(CONTINUED)*

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee;
- the exercise priced under a purchase option that the Group is reasonably certain to exercise;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

DEBT AND EQUITY

This section outlines the Group's capital structure and the related financing costs. This section includes the following notes:

NOTE 13 BORROWINGS

	2024 $M's	2023 $M's
Current borrowings		
Term Loans	2.5	-
Bank overdraft	-	1.4
	2.5	**1.4**
Non-current borrowings		
Term loans	22.5	30.0
Revolving credit facility	12.3	39.7
Capitalised borrowings costs	(0.7)	(0.5)
	34.1	**69.2**

Terms and debt repayment schedule

	Nominal Interest	Year of Maturity	2024 Face Value $M's	2024 Carrying amount $M's	2023 Face Value $M's	2023 Carrying amount $M's
Term Loans	8.10%	2026	25.0	25.0	30.0	30.0
Capex facility/bank overdraft	8.10%	2026	-	-	1.4	1.4
Revolving credit facility	8.10%	2026	12.3	12.3	39.7	39.7
Capitalised borrowing costs			-	(0.7)	-	(0.5)
			37.3	**36.6**	**71.1**	**70.6**

The above nominal interest rate represents the weighted average rate of the entire facility.

NOTE 13 BORROWINGS *(CONTINUED)*

On 29 September 2023, the Group amended its syndicated debt facility with the Bank of New Zealand (BNZ) and the Australia and New Zealand Banking Group (ANZ) and added Kiwibank Limited (Kiwibank). The effective date of the amendment is 4 October 2023.

At 31 March 2024, EROAD had the following facilities in place:

$25.0M (NZD) Term Loan Facility A – to refinance debt from the prior facility. The Term Loan has a term of 36 months with the maturity date in October 2026. The interest rate is variable with reference to a base rate (BKBM bid rate) for the selected interest period plus a margin of 3.75%. EROAD may select an interest period of 1,2,3 or 6 months. On 31 December 2024, total facility commitments will reduce $1.25m on a quarterly basis until the maturity of the facility. Accordingly, $2.5M of debt has been classified as current. The full outstanding balance is payable on the termination date.

$50.0M (NZD) Revolving Credit Facility B – to refinanace debt from the prior facility and for general corporate purposes. The Revolving Credit Facility has a term of 36 months from 4 October 2023 effective 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 October 2026. 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 2.25% where the company's net leverage ratio is below 1.0x and 2.45% where the company's net leverage ratio is above 1.0x . EROAD may select an interest period of 1,2,3 or 6 months. In addition, a Commitment Fee of 2.25% per annum is payable where the company's net leverage ratio is below 1.0x, and 2.45% per annum is payable where the company's net leverage ratio is above 1.0x, is payable on the committed balance of the facility quarterly in arrears. On 31 December 2024, total facility commitments will reduce $1.25m on a quarterly basis until the maturity of the facility. The full outstanding balance is payable on the termination date.

$5.0M Multi-option working capital facility – for capital expenditure and 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 2.25%. In addition, a Commitment Fee of 2.25% 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 covenants during the period and at 31 March 2024.
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 14 FINANCE INCOME AND FINANCE EXPENSES

	2024	2023
	$M's	$M's
Finance expenses		
Interest expense	(6.7)	(4.6)
Interest expense - lease liabilities	(0.2)	(0.3)
Interest expense - contract liabilities	(1.1)	(0.9)
Unwinding of interest for contingent consideration	-	(0.8)
Foreign exchange losses	(0.5)	(0.5)
Total finance expenses	**(8.5)**	**(7.1)**
Finance income		
Interest income	(0.7)	(0.3)

NOTE 15 EQUITY

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.

	Number of ordinary shares	Issue price $	Issued Capital $
1 APRIL 2023	**112,628,412**		**305.7**
Shares issued to employees	700,982	1.55	1.0
Shares issued in September 2023 equity placement	41,742,072	0.70	29.2
Shares issued in October 2023 equity placement	29,749,556	0.70	20.8
Costs of raising capital	-	-	(3.2)
31 MARCH 2024	**184,821,022**		**353.5**

At 31 March 2024 there was 184,821,022 authorised and issued ordinary shares (31 March 2023: 112,628,412). 386,166 (31 March 2023: 386,166) 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 31 March 2024 was based on the loss attributable to ordinary shareholders of $0.3M (2023: loss of $3.0M). The weighted number of ordinary shares on 31 March 2024 was 149,705,877 (2023: 110,798,841) for basic earnings per share and 150,215,917 for diluted earnings per share (2023: 111,108,924).

NOTE 15 EQUITY *(CONTINUED)*

Share capital premium/discount

This account is for the difference between the issued share price and the trading share price (or fair value share price) on date of issue and includes contingent consideration portion classified as equity related to the acquisition of Coretex.

	2024	2023
	$M's	$M's
Opening balance	19.9	6.5
Contingent Shares issued	-	9.7
Contingent shares forfeited	-	3.7
	19.9	**19.9**

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.

NOTE 16 SHARE-BASED PAYMENTS

At 31 March 2024, the Group had the following share-based payment arrangements.

FY20 Long Term Incentive Grant

Under the FY20 long term Incentive (LTI) Grant, 56,949 performance share rights (PSRs) remain outstanding as at 31 March 2024. PSRs were issued (for nil consideration) to participants which convert to shares (for nil consideration) if targets are met. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares, although under the terms of the plan an additional number of shares will be issued on conversion of fully vested PSRs to reflect dividends paid to EROAD Limited shares prior to exercise. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares. For the FY20 LTI plan, the award is linked to growth in EROAD's total contracted units (TCUs) between 1 April 2019 and 31 March 2022. Participants bear the tax liability of the LTI plan. The Board retains discretion over the final outcome of PSR payments, to allow appropriate adjustments where unanticipated circumstances may impact performance over the measurement period.

FY22 Share Retention Grant

Under the FY22 Share Retention Grant, 145,671 performance share rights (PSRs) were issued (for nil consideration) to participants which convert to shares (for nil consideration) if targets are met. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares.

For the FY22 LTI plan, the award is linked to the participant completing remaining employed for two years following the completion date. This scheme had a vesting date of 30 November 2023 and ultimately vested on 07 December 2023. 84,693 PSRs vested with the remaining balance having lapsed due to performance criteria not being met or surrendered to meet tax obligations.

FY23 Long Term Incentive Grant #1

Under the FY23 Long Term Incentive (LTI) Grant #1, 467,651 performance share rights (PSRs) were issued (for nil consideration) to participants which convert to shares (for nil consideration) if targets are met. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares.

The FY23 LTI Plan had a vesting date of 31 March 2023 and ultimately vested on 06 April 2023. 290,672 PSRs vested with the remaining balance having lapsed due to performance criteria not being met or surrendered to meet tax obligations.

NOTE 16 SHARE-BASED PAYMENTS *(CONTINUED)*

FY23 Share Retention Grant #1

Under the FY23 Share Retention Grant #1, 403,691 performance share rights (PSRs) were issued (for nil consideration) to participants which convert to shares (for nil consideration) if targets are met. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares.

For the FY23 Share Retention Grant #1, the award is linked to the participant remaining employed by Eroad on the vesting date of 30 May 2024.

FY23 Share Retention Grant #2

Under the FY23 Share Retention Grant #2, 70,000 performance share rights (PSRs) were issued (for nil consideration) to participants which convert to shares (for nil consideration) if targets are met. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares.

For the FY23 Share Retention Grant #2, the award is linked to the participants remaining employed by Eroad on the vesting date of 30 September 2023. The grant ultimately vested on 22 November 2023. 43,372 PSRs vested with the remaining balance having lapsed due to performance criteria not being met or surrendered to meet tax obligations.

FY24 Share Retention Grant #1

Under the FY24 Share Retention Grant, 661,386 performance share rights (PSRs) were issued (for nil consideration) to a participant which convert to shares (for nil consideration) if targets are met. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares.

The FY24 Share Retention Grant #1 had three vesting dates aligned to performance hurdles. The first two of these hurdles have been met with 281,975 PSRs vesting and 156,964 surrendered to meet tax obligations. One further hurdle will vest (subject to performance hurdles being met) after 30 Septermber 2024.

FY24 Long Term Incentive Grant #1

Under the FY24 Long Term Incentive (LTI) Grant #1, entitlements equating to $3.5m have been offered to participants subject to performance hurdles being met. Participants may be paid in cash or shares. Under the FY24 grant, life to date we have issued 1,493,098 performance share rights (PSRs) for nil consideration. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares.

The FY24 LTI Grant vests after determining financial results for 31 March 2026.

FY24 Long Term Incentive Grant #2

Under the FY24 Long Term Incentive Grant #2, 278,437 performance share rights (PSRs) were issued (for nil consideration) to a participant which convert to shares (for nil consideration) if targets are met. PSRs do not entitle the holder to receive dividends or other distributions, or vote in respect of EROAD Limited ordinary shares. On becoming exercisable, each PSR entitles the holder to one fully paid ordinary EROAD Limited share, subject to adjustment in accordance with the plan rules and the performance hurdles, ranking equally with all other EROAD Limited ordinary shares.

The FY24 LTI Grant vests after determining financial results for 31 March 2024.

NOTE 16 SHARE-BASED PAYMENTS *(CONTINUED)*

Grant date/employees entitled	Shares granted					Vesting conditions
	OCT 21	JUL 22	OCT 22	DEC 22	JUL 23	
Shares granted to key management personnel						
FY23 Performance Share Rights	-	52,119	89,983	-	-	• 1 year service from grant date
FY24 Performance Share Rights	-	-	-	-	878,153	• 3 years service from grant date and based on performance and financial results for all 3 years to 31 March 2026
FY24 Performance Share Rights	-	-	-	-	278,437	• Based on financial results for 31 March 2024
FY24 Performance Share Rights	-	-	-	-	661,386	• 1.25 years service from grant date and based on individual performance
Performance Shares Rights granted to other employees						
FY22 Performance Share Rights	145,671	-	-	-	-	• The award is linked to remaining employed for 2 years following the completion date
FY23 Performance Share Rights	-	326,549	-	-	-	• 1 year service from grant date
FY23 Performance Share Rights	-	-	70,000	-	-	• The award is linked to the participant remaining employed by Eroad on the vesting date of 30 September 2023
FY23 Performance Share Rights	-	-	-	403,691	-	• Participants bear the tax liability of the PSR plan. The Board retains discretion over the final outcome of PSR payments, to allow appropriate adjustments where unanticipated circumstances may impact performance over the measurement period. • The award is linked to the participant remaining employed by Eroad on the vesting date of 30 May 2024
FY24 Performance Share Rights	-	-	-	-	614,945	• 3 years service from grant date and based on performance and financial results for all 3 years to 31 March 2026
	145,671	**378,668**	**159,983**	**403,691**	**2,432,921**	

The number of shares granted and forfeited during the period were as follows:

NOTE 16 SHARE-BASED PAYMENTS *(CONTINUED)*

EROAD Performance Share Rights granted October 19	2024	2023
Outstanding at 1 April	56,949	673,488
Granted during the period	-	-
Forfeited during the period	-	(215,414)
Vested during the period	-	(401,125)
Outstanding at 31 March	**56,949**	**56,949**

EROAD Performance Share Rights granted October 21	2024	2023
Outstanding at 1 April	127,338	145,671
Forfeited during the period	-	(18,333)
Surrendered during the period	(42,375)	-
Vested during the period	(84,963)	-
Outstanding at 31 March	**-**	**127,338**

EROAD Performance Share Rights - granted June 22	2024	2023
Outstanding at 1 April	290,672	-
Granted during the period	-	467,651
Forfeited during the period	-	(176,979)
Surrendered during the period	-	-
Vested during the period	(290,672)	-
Outstanding at 31 March	**-**	**290,672**

EROAD Performance Share Rights - granted October 22	2024	2023
Outstanding at 1 April	59,500	-
Granted during the period	-	70,000
Forfeited during the period	(3,500)	(10,500)
Surrendered during the period	(12,628)	-
Vested during the period	(43,372)	-
Outstanding at 31 March	**-**	**59,500**

EROAD Performance Share Rights - granted December 22	2024	2023
Outstanding at 1 April	403,691	-
Granted during the period	-	403,691
Forfeited during the period	(79,919)	-
Surrendered during the period	-	-
Vested during the period	-	-
Outstanding at 31 March	**323,772**	**403,691**

NOTE 16 SHARE-BASED PAYMENTS *(CONTINUED)*

EROAD Performance Share Rights - granted July 23	2024	2023
Outstanding at 1 April	-	-
Granted during the period	1,493,098	-
Forfeited during the period	(135,105)	-
Surrendered during the period	-	-
Vested during the period	-	-
Outstanding at 31 March	**1,357,993**	**-**

EROAD Performance Share Rights - granted July 23	2024	2023
Outstanding at 1 April	-	-
Granted during the period	278,437	-
Forfeited during the period	-	-
Surrendered during the period	-	-
Vested during the period	-	-
Outstanding at 31 March	**278,437**	**-**

EROAD Performance Share Rights - granted July 23	2024	2023
Outstanding at 1 April	-	-
Granted during the period	661,386	-
Forfeited during the period	-	-
Surrendered during the period	(156,964)	-
Vested during the period	(281,975)	-
Outstanding at 31 March	**222,447**	**-**

During the year-ended 31 March 2024 an amount of $4.1M (2023: $0.1M) was recognised as an expense within the statement of comprehensive income in relation to share-based payments for all share plans.

As at 31 March 2024, an amount of $4.6M (2023: $1.0M) is included in share based reserves in equity.

FINANCIAL RISK MANAGEMENT

This section outlines the key risk management activities undertaken to manage the Group's exposure to financial risk. This section includes the following notes:

NOTE 17 FINANCIAL RISK MANAGEMENT

As a result of the Group's operations and sources of finance, it is exposed to credit risk, liquidity risk and market risks which include foreign currency risk, commodity price risk and interest rate risk. These risks are described below. The principles under which these risks are managed are set out in policy documents approved by the Board. The policy documents identify the risks and set out the Group's objectives, policies and processes to measure, manage and report the risks. The policies are reviewed periodically to reflect changes in financial markets and the Group's businesses.

Categories of financial instruments

Financial assets
All financial assets of the Group are classified at amortised cost except for hedging instruments that are recognised at fair value.

Financial liabilities
All financial liabilities of the Group are classified at amortised cost except for hedging instruments that are recognised at fair value.

The Group holds the following financial assets and liabilities, the table below shows their carrying amount and measurement basis.

	2024				2023			
	Amortised cost	Other amortised cost	FVTPL	Fair Value hedging instruments	Amortised cost	Other amortised cost	FVTPL	Fair Value hedging instruments
	$M's	$M's	$M's	$M's	$M's	$M's	$M's	$M's
Financial assets								
Cash and cash equivalents	14.5	-	-	-	8.1	-	-	-
Restricted bank account	17.8	-	-	-	11.6	-	-	-
Trade receivables	25.3	-	-	-	22.5	-	-	-
Derivative financial assets	-	-	-	-	-	-	-	0.2
	57.6	**-**	**-**	**-**	**42.2**	**-**	**-**	**0.2**
Financial liabilities								
Borrowings	-	36.6	-	-	-	70.6	-	-
Employee Entitlements	-	4.1	-	-	-	3.7	-	-
Lease liabilities	-	6.3	-	-	-	7.5	-	-
Trade and other payables	-	30.3	-	-	-	23.0	-	-
Payables to transport agencies	-	17.8	-	-	-	11.9	-	-
Derivative financial liability	-	-	-	0.4	-	-	-	-
	-	**95.1**	**-**	**0.4**	**-**	**116.7**	**-**	**-**

NOTE 17 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

(a) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and it arises principally from the Group's trade receivables from customers in the normal course of business and bank balances. The Group manages its exposure to credit risk.

The Group's cash balances is held with a number of banks with the level of exposure to credit risk considered minimal with low levels of cash held. Trade receivables balances are monitored on an ongoing basis. The Group's exposure to credit risk for trade receivables is influenced mainly by the individual characteristics of each customer. The creditworthiness of a customer or counterparty is determined by a number of qualitative and quantitative factors. Qualitative factors include external credit ratings (where available), payment history and strategic importance of customer or counterparty. Quantitative factors include transaction size, net assets of customer or counterparty, and ratio analysis on liquidity, cash flow and profitability. It is the Group's policy that all customers who wish to trade on terms are subject to credit verification on an ongoing basis with the intention of minimising bad debts. The nature of the Group's trade receivables is represented by regular turnover of product and billing of customers based on the Group's contractual payment terms. In North America, the Group requires that customers under a certain fleet size to purchase the hardware with an upfront payment regardless of credit verification.

The carrying amount of the Group's financial assets represents the maximum credit exposure as summarised below.

The aging of the Group's Trade receivables at the reporting date was as follows:

	Gross	Allowance for doubtful debts	Gross	Allowance for doubtful debts
	2024	2024	2023	2023
	$M's	$M's	$M's	$M's
Not past due	8.4	0.4	7.5	0.2
Past due 1-30 days	6.3	0.4	6.3	0.3
Past due 31-60 days	2.7	0.2	2.2	0.1
Past due over 61 days	7.9	3.6	6.5	2.9
	25.3	**4.6**	**22.5**	**3.5**

b) Market risk
Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Changes in interest rates expose the Group to changes in the fair value of borrowings subject to fixed interest rates (fair value risk), and changes in future interest payments on borrowings subject to floating interest rates (cash flow risk).

The Group is exposed to movements in interest rates on its interest-bearing borrowings.

The Group enters into interest rate swap agreements in order to provide an effective cash flow hedge against the variability in floating interest rates. See note 18 for details of interest rate swap agreements.

To comply with the Group's risk management policy, the hedge ratio is based on the interest rate swap notional amount to hedge the same notional amount of bank loans. This results in a hedge ratio of 1:1. This is the same as used for actual risk management purposes, and such a ratio is appropriate for the purposes of hedge accounting as it does not result in an imbalance that would create hedge ineffectiveness.

NOTE 17 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

In these hedge relationships the main sources of ineffectiveness are:

- a significant change in the credit risk of either party to the hedging relationship;
- where the hedge instrument has been transacted on a date different to the rate set date of the bank loan, interest rates could differ; and
- differences in repricing dates between the swaps and the borrowings.

Other than these sources, due to the alignment of the hedged risk in the hedged item and hedged instrument, hedge ineffectiveness is not expected to arise.

Foreign exchange risk

Foreign exchange risk is the risk that the value of the Group's assets, liabilities and financial performance will fluctuate due to changes in foreign currency rates. The Group is exposed to currency risk on sales transactions that are denominated in a currency other than the respective functional currencies of Group entities, primarily the US Dollar (USD) and Australian Dollar (AUD). The Group is also exposed to currency risk on expense transactions that are denominated in a currency other than the respective functional currencies of Group entities, primarily the US Dollar (USD), Australian Dollar and Euro (EUR). The Group, may on occasion, enter into forward exchange contracts and foreign currency options to hedge the exposure to foreign currency fluctuations on sales receipts and inventory purchases.

The Group reports in New Zealand dollars. Movements in foreign currency exchange rates affect reported financial results, financial position and cash flows. Where practical, the Group attempts to reduce this risk by matching revenues and expenditures, as well as assets and liabilities, by country and by currency. The Group at times will enter into forward exchange contracts and foreign currency options to manage foreign exchange risk on the forecasted foreign currency transactions (namely being the forecasted profits of the foreign currency subsisdiaries). Refer to note 18 for details on foreign currency option agreements.

Foreign exchange rates applied against the New Zealand Dollar, at 31 March are as follows:

	2024	2023
	$M's	$M's
AUD 1	0.92	0.94
USD 1	0.60	0.63

The Group's exposure to foreign currency risk at the reporting date was as follows (all amounts are denominated in New Zealand dollars):

	2024		2023	
	AUD	USD	AUD	USD
	$M's	$M's	$M's	$M's
Cash and cash equivalents	0.8	3.1	1.1	2.7
Trade receivables	3.3	11.3	3.1	10.6
Lease liabilities	0.1	3.0	0.2	3.2

NOTE 17 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate and foreign currency risk:

	Foreign Currency Risk				Interest Risk			
	-10%		+10%		-10BPS		+10BPS	
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	$M's	$M's	$M's	$M's	$M's	$M's	$M's	$M's
2024								
Cash and cash equivalents	(0.3)	(0.3)	0.3	0.3	(0.1)	(0.1)	0.1	0.1
Trade receivables	(1.0)	(1.0)	1.0	1.0	-	-	-	-
Lease liabilities	(0.2)	(0.2)	0.2	0.2	0.1	0.1	(0.1)	(0.1)
Interest rate swap	-	-	-	-	-	(0.2)	-	0.2
Total increase/ (decrease)	**(1.5)**	**(1.5)**	**1.5**	**1.5**	**-**	**(0.2)**	**-**	**0.2**

	-10%		+10%		-10BPS		+10BPS	
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	$M's	$M's	$M's	$M's	$M's	$M's	$M's	$M's
2023								
Cash and cash equivalents	(0.3)	(0.3)	0.3	0.3	(0.1)	(0.1)	0.1	0.1
Trade receivables	(1.0)	(1.0)	1.0	1.0	-	-	-	-
Lease liabilities	(0.2)	(0.2)	0.2	0.2	0.1	0.1	(0.1)	(0.1)
Total increase/ (decrease)	**(1.5)**	**(1.5)**	**1.5**	**1.5**	**-**	**-**	**-**	**-**

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they become due and payable. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they become due and payable, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table details the Group's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, as at the reporting date. Refer to Note 13 for the maturity profile of the Group's borrowings. Also refer to note 12 for the maturity profile of Group's Leases.

NOTE 17 FINANCIAL RISK MANAGEMENT *(CONTINUED)*

	Notes	1 year or less $M's	1 to 5 years $M's	Over 5 years $M's	Total contractual cash flows $M's	Carrying amount of liabilities $M's
2024						
Non-derivative financial liabilities						
Borrowings	13	2.5	34.8	-	37.3	36.6
Employee Entitlements		4.1	-	-	4.1	4.1
Trade and other payables	9	29.1	-	-	29.1	29.1
Payable to transport agencies	7	17.8	-	-	17.8	17.8
		53.5	**34.8**	**-**	**88.3**	**87.6**
Derivative financial liabilities						
Foreign currency options		0.3	0.1	-	0.4	0.4
Total financial liabilities and derivatives		**0.3**	**0.1**	**-**	**0.4**	**0.4**

	Notes	1 year or less $M's	1 to 5 years $M's	Over 5 years $M's	Total contractual cash flows $M's	Carrying amount of liabilities $M's
2023						
Non-derivative financial liabilities						
Borrowings	13	1.4	69.7	-	71.1	70.6
Employee Entitlements		3.7	-	-	3.7	3.7
Trade and other payables	9	20.4	-	-	20.4	20.4
Payable to transport agencies	7	11.9	-	-	11.9	11.9
		37.4	**69.7**	**-**	**107.1**	**106.6**
Derivative financial liabilities						
Interest rate swaps		-	-	-	-	-
Total financial liabilities and derivatives		**-**	**-**	**-**	**-**	**-**

NOTE 18 HEDGE ACCOUNTING

Derivatives are measured at fair value.

Interest rate swaps
The Group uses interest rate swaps to manage its risk associated with interest rate fluctuations. Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair values of the interest rate swaps are determined based on cash flows discounted to present value using current market interest rates.

Cash flow hedges
The Group has entered into interest rate swaps to manage its interest rate risk in relation to its floating rate debt. These interest rate swaps qualify for cash flow hedge accounting. When interest rate swaps meet the criteria for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to reserves are recognised as a reclassification adjustment to profit or loss when the forecast transaction occurs. When interest rate swaps do not meet the criteria for cash flow hedge accounting, all movements in fair value of the hedging instrument are recognised in the income statement.

Under the interest rate swap agreements that qualify for cash flow hedge accounting, the Group has a right to receive interest at variable rates and to pay interest at fixed rates for its New Zealand dollar denominated loans.

At 31 March 2024, the Group had interest rate swap agreements in place with a total notional principal amount of $10.0M (31 March 2023 there were no interest rate swaps in place). The Group applies a hedge ratio of 1:1. These agreements effectively change the Group's interest exposure on the principal covered by the interest rate swaps from a floating rate to fixed rates.

The fair value of these agreements at 31 March 2024 is a $0.4M net liability, comprised of $0.5M of swap liabilities and $0.1M of swap assets (31 March 2023: $0.2M net asset, comprised of $0.3M of swap liabilities and $0.5M of swap assets). Of this, a liability of $0.3M is current (31 March 2023: $0.3M). The agreements cover notional amounts for terms of up to 1 year.

The notional principal amounts and the period of expiry of the cash flow hedge interest rate swap contracts are as follows:

	Nominal amount of the hedging instrument $M's	Carrying amount - derivative assets/ (liabilities) $M's	Change in value used for calculating hedge ineffectiveness $M's	Hedging (gain) or loss recognised in other comprehensive income $M's	Hedging (gain) or loss recognised in income statement $M's
2024					
Cash flow hedging					
Maturity: 12 months	10.0	-	-	-	-

There was no hedge ineffectiveness recognised in profit or loss during the year (31 March 2023: nil).

Foreign currency options
The Group uses forward exchange contracts and foreign currency options to manage its risk associated with exchange rate fluctuations. These are initially recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair values of the forward exchange contracts and foreign currency options is determined using quoted forward exchange rates at the reporting date and present value calculations.

Cash flow hedges
The Group has entered into foreign currency collar options to manage its foreign currency risk in relation to its overseas subsidiaries profits. These foreign currency collar options qualify for cash flow hedge accounting. When foreign currency collar options meet the criteria for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to reserves are transferred out of reserves and included in the measurement of the hedged transaction when the forecast transaction occurs. When foreign currency collar options do not meet the criteria for cash flow hedge accounting, all movements in fair value of the hedging instrument are recognised in the income statement.

NOTE 18 HEDGE ACCOUNTING *(CONTINUED)*

Under the foreign currency collar option agreements that qualify for cash flow hedge accounting, the Group has a right to buy at a cap and sell at a floor on the same notional amount of USD with the same expiration date.

At 31 March 2024, the Group had foreign currency collar option agreements in place with a total notional principal amount of $10.6M USD (31 March 2023: $9.8M USD. The Group applies a hedge ratio of 1:1. These foreign currency collar options limit the Group's exposure to foreign currency exposure within a certain range.

The fair value of these agreements at 31 March 2024 is a $0.4M net liability, comprised of $0.5M of swap liabilities and $0.1M of swap assets (31 March 2023: $0.2M net asset, comprised of $0.3M of swap liabilities and $0.5M of swap assets). Of this, a liability of $0.3M is current (31 March 2023: $0.3M). The agreements cover notional amounts for terms of up to 1 year.

The notional principal amounts and the period of expiry of the cash flow hedge foreign currency collar option contracts are as follows:

	Maturity (months)	Weighted average rate	Nominal amount of the hedging instrument	Derivative assets	Derivative liabilities
			$M's USD	$M's	$M's
2024 Cash flow hedging					
NZD:USD foreign currency collar options	1-22	0.6161	10.6	-	(0.4)

	Maturity (months)	Weighted average rate	Nominal amount of the hedging instrument	Derivative assets	Derivative liabilities
			$M's USD	$M's	$M's
2023 Cash flow hedging					
NZD:USD foreign currency collar options	1-12	0.6124	9.8	0.2	-

There was no hedge ineffectiveness recognised in profit or loss during the year (31 March 2023: nil).

NOTE 19 FAIR VALUE MEASUREMENT

The carrying amounts of the Groups financial assets and liabilities approximate their fair value due to their short maturity periods or variable rate nature, with the exception of interest rate and foreign exchange derivatives. All of the Group's derivatives are in designated hedge relationships and are measured and recognised at fair value. Refer to the Note 18 Hedge accounting for detail on how fair value is determined for the Group's derivatives.

The fair value hierarchy described below is used to provide an indication of the level of estimation or judgement required in determining fair value.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) other than quoted prices included within level 1.

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 19 FAIR VALUE MEASUREMENT *(CONTINUED)*

Financial assets

		Carrying amount	Fair value
		$M's	$M's
31 MARCH 2024			
Foreign currency options - cash flow hedge	Level 2	-	-
		-	**-**

		Carrying amount	Fair value
		$M's	$M's
31 MARCH 2023			
Foreign currency options - cash flow hedge	Level 2	0.2	0.2
		0.2	**0.2**

Financial liabilities

		Carrying amount	Fair value
		$M's	$M's
31 MARCH 2024			
Interest rate swaps and foreign currency options - cash flow hedge	Level 2	(0.4)	(0.4)
		(0.4)	**(0.4)**

		Carrying amount	Fair value
		$M's	$M's
31 MARCH 2023			
Interest rate swaps - cash flow hedge	Level 2	-	-
		-	**-**

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital employed, which the Group defines as reported EBIT (Earnings Before Interest and Tax) divided by capital employed.

OTHER

This section contains additional notes and disclosures that aid in understanding the Group's position and performance but do not form part of the primary sections. This section includes the following notes:

NOTE 20 INCOME TAX EXPENSE

	2024	2023
	$M's	$M's
(a) Reconciliation of effective tax rate		
Loss before income tax	**(7.0)**	**(5.1)**
Income tax using the Company's domestic tax rate of 28%	(2.0)	(1.4)
Non-deductible expense/(non-assessable income)	(0.2)	(2.5)
Adjustment related to prior period	(3.9)	(0.9)
Utilisation of tax losses previously unrecognised	(0.8)	(0.2)
Current-year losses for which no deferred tax asset is recognised	0.2	1.8
Effect of different tax rates of subsidiaries operating overseas	-	(0.1)
Change in tax rates	-	1.2
Income tax benefit	**(6.7)**	**(2.1)**
(b) Current tax expense		
Current year	0.9	1.8
	0.9	**1.8**
(b) Deferred tax expense		
Current year	(3.7)	(4.2)
Adjustments in respect of prior periods	(3.9)	(0.3)
	(7.6)	**(3.9)**
Income tax benefit	**(6.7)**	**(2.1)**

At 31 March 2024 there were no imputation credits available to shareholders (2023: Nil)

NOTE 20 INCOME TAX EXPENSE *(CONTINUED)*

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 21 DEFERRED TAX ASSETS AND LIABILITIES

	2024	2023
	$M's	$M's
Recognised deferred tax assets/(liabilities)		
Deferred tax assets are attributable to the following:		
Tax loss carry forward	23.3	18.4
Property, plant and equipment	(5.9)	(5.5)
Intangibles	(24.6)	(26.6)
Provisions, accruals and other liabilities	2.2	1.3
Equity-settled share-based payments	1.3	0.2
Trade and other receivables including contract assets	8.4	7.4
Lease liability	1.6	2.1
Total deferred tax (liability)/asset	**6.3**	**(2.7)**

The movement in temporary differences has been recognised in profit or loss. Deferred tax assets have been recognised at rates between 26% to 30% to reflect the tax rates applicable for our foreign subsidiaries.

NOTE 21 DEFERRED TAX ASSETS AND LIABILITIES *(CONTINUED)*

Movement in temporary differences during the year:

Movements - Consolidated	Balance 2023	Recognised in Profit or Loss	Under/(Over) from prior periods	Currency Translations	Effective tax rate change	Balance 2024
	$M's	$M's	$M's	$M's	$M's	$M's
Tax loss carry forward	18.4	2.5	2.4	-	-	23.3
Property, plant and equipment	(5.5)	1.4	(1.6)	(0.2)	-	(5.9)
Intangibles	(26.6)	(1.2)	1.8	1.4	-	(24.6)
Provision, accruals and other liabilities	1.3	(0.4)	1.3	-	-	2.2
Equity-settled share-based payments	0.2	1.0	-	0.1	-	1.3
Trade and other receivables including contracts assets	7.4	0.9	0.1	-	-	8.4
Lease liability	2.1	(0.5)	(0.1)	0.1	-	1.6
Total	**(2.7)**	**3.7**	**3.9**	**1.4**	**-**	**6.3**

Movements - Consolidated	Balance 2022	Recognised in Profit or Loss	Under/(Over) from prior periods	Acquired in Business combinations	Currency Translations	Balance 2023
	$M's	$M's	$M's	$M's	$M's	$M's
Tax loss carry forward	13.0	3.1	2.3	-	-	18.4
Property, plant and equipment	(3.9)	(0.9)	(0.3)	(0.1)	(0.3)	(5.5)
Intangibles	(23.9)	2.3	(2.2)	(1.4)	(1.4)	(26.6)
Provision, accruals and other liabilities	1.7	(1.0)	0.5	-	0.1	1.3
Equity-settled share-based payments	0.7	(0.3)	(0.2)	-	-	0.2
Trade and other receivables including contracts assets	5.5	0.6	0.8	0.2	0.3	7.4
Lease liability	1.6	0.4	-	-	0.1	2.1
Total	**(5.3)**	**4.2**	**0.9**	**(1.3)**	**(1.2)**	**(2.7)**

The New Zealand EROAD tax group consists of EROAD Limited, EROAD New Zealand Limited and EROAD Financial Services Limited. Losses incurred within this group are transferred within the group with no compensation being recognised. Deferred tax assets have been recognised in respect of these items as based on the expected profitability of the New Zealand Tax Group as it is considered that future taxable profit will be available for utilisation against the carried forward losses. Coretex New Zealand Limited are currently not part of the tax group however it will be considered for inclusion in the New Zealand tax group in the future.

Determining the extent to which losses will be utilised requires judgement. The Group has forecast expected utilisation of tax losses taking into account Group's tax planning strategy. Key assumptions included total contracted units, revenue and expense forecasts in line with Group budget and three-year forecast supported by a robust strategic and business planning process.

NOTE 21 DEFERRED TAX ASSETS AND LIABILITIES *(CONTINUED)*

The results of the forecasting indicate that there will be sufficient profitability within the New Zealand tax group and Coretex New Zealand to utilise the existing tax losses taking into account the Group's tax planning strategies. Losses incurred in recent years have been the result of a large investment creating the North American market. The Group expect to be able to report significant improvements in profitability over the next three years as the business reaches a sufficiently large subscriber base to self-fund operating and corporate costs. Due to the cumulative subscription nature of our business model as well as certain operating expenses that do not scale at the same rate of unit and revenue growth, the business is expected to be able to achieve its forecast growth in profitability.

As at 31 March 2024 the Group has tax losses of $82.9M (2023: $90.2M) that are available indefinitely for offsetting against future taxable profits of the entity in which they arose, subject to meeting the relevant tax rules. $8.6M (2023:$25.5M) of tax losses are unrecognised due to lack of certainty of recovery.

NOTE 22 RELATED PARTY TRANSACTIONS

The subsidiaries of the Company are:

Company	Country of Incorporation	Principal activity	Ownership interest	
			2024	2023
EROAD Financial Services Ltd	New Zealand	Financing activities within group	100%	100%
EROAD LTI Trustee Limited	New Zealand	LTI Scheme Trustee	100%	100%
EROAD (Australia) Pty Limited	Australia	Transport Technology & SaaS	100%	100%
EROAD Inc	United States of America	Transport Technology & SaaS	100%	100%
Coretex NZ Limited	New Zealand	Transport Technology & SaaS	100%	100%
Coretex Australia Pty Limited	Australia	Transport Technology & SaaS	100%	100%
Coretex USA Inc	United States of America	Transport Technology & SaaS	100%	100%
Coretex Telematics Limited	Canada	Transport Technology & SaaS	100%	100%
Coretex Limited	New Zealand	Transport Technology & SaaS	100%	100%
Imarda Pty Limited	Australia	Not Trading	100%	100%
Imarda Asia Pte Limited	Singapore	Not Trading	100%	100%
Coretex Telematics Limited	British Columbia	Not Trading	100%	100%
International Telematics Corporation	United States of America	Not Trading	100%	100%
International Telematics Holdings Limited	New Zealand	Not Trading	100%	100%

Other interests of the Company are:

Company	Country of Incorporation	Principal activity	Ownership interest	
			2024	2023
Beyond The Square Ventures Limited	New Zealand	Not Trading	50%	50%

NOTE 22 RELATED PARTY TRANSACTIONS *(CONTINUED)*

Key management personnel compensation comprised:

	2024	2023
	$M's	$M's
Short-term employee benefits	1.6	2.3
Share-based payments	0.1	0.8
	1.7	**3.1**

(a) Loans to key management personnel
There have been no loans to management personnel.

(b) Other transactions with key management personnel
There were no other transactions with key management personnel during the period. From time to time, key management personnel of the Group may purchase goods from the Group.

(c) Remuneration of Non-executive Directors

	2024	2023
	$M's	$M's
Susan Paterson (Chair)	0.14	0.11
Barry Einsig	0.18	0.16
Sara Gifford	0.17	0.15
Selwyn Pellett	0.09	0.10
David Green (appointed 1 August 2023)	0.06	-
Cameron Kinloch (appointed 28 March 2024)	-	-
Anthony Gibson (retired 28 July 2023)	0.04	0.11
Graham Stuart (retired 31 March 2024)	0.12	0.15
	0.80	**0.78**

No additional fees were paid to any Directors for consultancy work provided to the Company (2023: None paid).

(d) Remuneration of Executive Directors

	2024	2023
	$M's	$M's
Salary and bonus	-	-
Share-based payments	-	-
	-	**-**

No additional fees were paid to an executive director for consultancy work provided to the Company (2023: None paid).

NOTE 22 RELATED PARTY TRANSACTIONS *(CONTINUED)*

(e) Transactions with related parties

	2024	2023
	$M's	$M's
Streamline Business NZ Limited	0.7	0.8
Kylie Jay	-	-
Admin Army Limited (related party of Streamline Business NZ Limited)	-	0.1
Swaytech Limited	0.1	0.1
	0.8	**1.0**

EROAD Group contracts with Swaytech Limited for marketing services and Streamline Business NZ Limited and Admin Army for outsourcing work, the companies have a common director with EROAD.

NOTE 23 CAPITAL COMMITMENTS

As at 31 March 2024 the Group had confirmed purchase orders open with its third party manufacturer of hardware units amounting to $12.2M (2023: $18.4M).

NOTE 24 CONTINGENT LIABILITIES

As at 31 March 2024 the Company had no contingent liabilities or assets (2023:$Nil).

NOTE 25 NET TANGIBLE ASSETS PER SHARE

	2024	2023
	$M's	$M's
Net assets (equity)	303.0	248.8
Less Intangibles	(244.4)	(242.1)
Total net tangible assets	**58.6**	**6.7**
Net tangible assets per share ($)	**0.32**	**0.06**

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

26 EVENTS SUBSEQUENT TO BALANCE DATE

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

Independent Auditors Report

KPMG

Independent Auditor's Report

To the shareholders of EROAD Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of EROAD Limited (the 'company') and its subsidiaries (the 'group') on pages 51 to 99 present fairly, in all material respects:

i. the Group's financial position as at 31 March 2024 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2024;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has also provided other services to the group in relation to tax compliance, tax advisory and other assurance 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 auditor of the group. The firm has no other relationship with, or interest in, the group.

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Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $1.8 million determined with reference to a benchmark of group's revenue. We chose the benchmark because, in our view, this is a key measure of the group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Revenue recognition	
Refer to Note 2 of the consolidated financial statements. The Group's contracts are accounted for as a service contract and the associated revenues are recognised over the contract term. We focused on this area because the accounting determination of whether or not the contract contains a lease is a significant judgement and the outcome has a significant impact on the recognition of profit and loss and the financial position.	We assessed the judgement in revenue recognition by performing the following procedures: — Obtaining Group's customer contracts and trading terms and evaluating whether management's revenue recognition assessment is appropriate and in accordance with relevant financial reporting standards; — Assessing whether the Group's customer contract terms and conditions meet the definition of service contracts to be recognised over time; — Reviewing any changes or new contractual terms and conditions entered into with new customers during the period to identify any potential impact on performance obligations required to satisfy the contract; — Testing the operating effectiveness of controls in relation to customer billings; — Selecting a sample of customer contracts to compare the revenue recognised to the contractual terms; — Checking a sample of customer invoices immediately prior to and after year end to ensure revenue is recognised in the correct period; and — Challenging management's assumptions used to determine the recoverability of revenue and associated debtor balances. We did not identify any matters that indicated that the reported revenue is materially misstated.

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The key audit matter	How the matter was addressed in our audit
Capitalisation of Development costs	
Refer to Note 11 of the consolidated financial statements. The Group has reported development assets of $106.0 million (2023: $100.4 million). The establishment of the development asset requires significant judgement as to whether a project meets the capitalisation criteria, and which expenditure is directly attributable to the development of such projects. In assessing whether a project meets the capitalisation criteria we consider its technical and economic feasibility, intention and ability to develop, use or sell the asset. Roles of employees and the nature of overhead costs are considered in assessing whether they are directly attributable to a qualifying project. Projects that do not continue to meet the capitalisation criteria are written off. We focused on this area due to the quantum of the development costs capitalised and judgement involved.	We assessed the judgements related to capitalised expenditure by performing the following procedures: — Understanding the nature and background of the activities that are capitalised through inquiry of key management personnel; — Selecting a sample of projects ensuring they meet the capitalisation criteria; — Challenging whether costs capitalised during the year were directly attributable to development projects; and — Selecting a sample of timesheets and recalculating the amount of internal costs capitalised based on the hours which staff spent developing the asset. We did not identify any factors that were materially inconsistent with management's overall conclusions.
Impairment of non-current assets	
Refer to Note 11 of the consolidated financial statements. The non-current assets are allocated to three cash generating units ('CGUs') representing the three core markets the Group develops and markets its products for (New Zealand, Australia and North America). Goodwill has been allocated to each of these CGUs, and as a result the carrying value of each CGU must be tested for impairment annually. The recoverable amounts of the CGUs, which have been determined based on their value in use, have been derived from discounted forecast cash flow models. These	We assessed management's impairment testing of non-current assets by performing the following procedures: — Identifying the level at which non-current assets should be tested for impairment and assessed the appropriateness of the CGUs determined by the Group; — Enquiring of the executive management to corroborate an understanding of the Group's products, markets and strategic opportunities; — Obtaining a value-in-use model for the CGUs and assessing the methodology, underlying cash flows and key assumptions made including: - Using our corporate finance specialists to challenge the reasonableness of the weighted average cost of capital and terminal growth rates; - Challenging management's future cash flow forecasts. This included comparing previous forecasts to actual results and other relevant supporting documentation to evidence the

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The key audit matter	How the matter was addressed in our audit
models use several key assumptions, including estimates of future contracted units and average rate per unit ('ARPU'), operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate) relevant to each market. The impairment testing of non-current assets is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions used to estimate the recoverability of these assets. In addition to the above, the carrying amount of the Group's net assets as at 31 March 2024 of $293.6 million exceeds its market capitalisation of $151.6 million and is considered an indicator of impairment.	feasibility of the forecasts and to assess the reliability of historical forecasting; — Challenging management's forecasts by performing sensitivity analysis of the forecast unit sales growth, ARPU, and discount rates; and — Evaluating the estimate of the recoverable amount of the Group as a whole, including all corporate costs and related corporate assets. We did not identify any factors that were materially inconsistent with management's overall conclusions.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the Chairman's and Chief Executive's report, disclosures relating to corporate governance and other statutory disclosures. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's 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 audit work, this independent auditor's report, or any of the opinions we have formed.

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Responsibilities of the Directors for the consolidated financial statements

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

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a consolidated set of 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 audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Aaron Woolsey.

For and on behalf of

KPMG

KPMG Auckland
23 May 2024

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Governance Report

EROAD's board of directors ("Board") and management are committed to responsible governance as we strive to deliver intelligence you can trust, for a better world tomorrow. We do this by ensuring that the Company adheres to best practice governance principles and maintains the highest ethical standards.

In this Corporate Governance Statement we describe how the Board goes about governing EROAD, key actions and work-streams undertaken during the year, our approach to the alignment of purpose, values, culture and strategy, and our engagement with stakeholders. It is structured to follow the NZX Corporate Governance Code dated 1 April 2023 (NZX Code) and discloses the Company's practices for each of the NZX Code's eight governance principles. The Board considers that, during the financial year ended 31 March 2024, EROAD's corporate governance structures, practices and processes have followed all recommendations in the NZX Code. We have also set goals for FY25, reflecting matters that are a priority to the Board and will be reflected in the work programme we undertake during the new financial year.

The Company complies with the corporate governance requirements of the NZX Listing Rules ("NZX Listing Rules") and with our obligations as a foreign-exempt issuer on the ASX ("ASX Listing Rules"). EROAD is incorporated in New Zealand. As an ASX foreign exempt issuer, EROAD needs to comply with the NZX Listing Rules (other than as waived by the NZX) but does not need to comply with the vast majority of the ASX Listing Rule obligations. EROAD's corporate governance policies, practices and procedures can be found on our public investor website at http://www.eroadglobal.com/global/investors/ ("Investor Website").

This Corporate Governance Statement was approved by the Board on 22 May 2024.

PRINCIPLE 1: ETHICAL STANDARDS

Grounded in our core values of "we do what's right", "we play as a team", "we learn & grow" and "we get it done", the Board recognises the importance of upholding high ethical standards and behaviours for sound corporate governance. To achieve this, EROAD has a number of corporate governance policies that set out our standards and expectations for ethical behaviour. These are explained in further detail below and are available via our Investor Website.

Code of Ethics

The Company's **Code of Ethics** sets out the core ethical principles by which the directors, employees, independent contractors, and advisers of EROAD and our related companies ("EROADers") are expected to conduct themselves.

These principles drive a vibrant EROAD culture: full commitment to success, fostering constructive relationships, offering career growth, consulting on important matters and embracing EROAD's values to achieve its purpose. The Code of Ethics also covers, amongst other things: confidentiality; conflicts of interest; receipt of gifts and personal benefits; expected conduct; whistleblowing; anti-bribery; reporting breaches of the code of ethics, other policies, or the law.

All staff receive training on EROAD's Code of Ethics as part of the onboarding process and thereafter, training is provided periodically on key aspects of the Code through company-wide campaigns and within team projects. In FY24, EROAD has delivered annual listed business training, privacy, security and health & safety. EROAD provides training on the Company's whistleblower policy every 2-3 years to ensure everyone understands the expected standard of behaviours and the avenues that are available should a concern arise. Significant emphasis was placed on ensuring clear and consistent communication across all regions while updates to the Company's learning management system are made as part of an extensive policy review initiative. The approach reinforces the Code of Ethics as an integral part of EROAD's corporate culture, beyond a periodic training exercise. The Board expects the immediate reporting of any incidents related to the Code , underscoring its commitment to ethical conduct at all levels within the organisation.

Our in-house legal team provide advice and assistance to the business globally on how to comply with our various legal obligations. Engagement with external legal counsel is sought as and when required.

Code of Conduct

Several other policies and documents are regarded as being important in ensuring high ethical standards are maintained. This includes **EROAD's Code of Conduct** which sets out EROAD's purpose, values, and culture. Our Code of Conduct further discusses, amongst other things, personal behaviour, workplace stress, responsibilities and privacy matters.

Financial product dealing policies

EROAD's **Market Disclosure Policy** sets out the Company's commitment to the promotion of investor confidence by ensuring that the trading of EROAD shares takes place in an efficient, competitive and informed market. This is supported by EROAD's **Securities Trading Policy**. Our Securities Trading Policy clearly sets out when directors and employees of EROAD may buy or sell the Company's shares, and the approvals that are required prior to trading. The underlying principle of the Policy is that EROAD is committed to ensuring our directors, officers, employees and advisers do not trade EROAD shares while in possession of inside information.

Conflict of interest policies

An **Interests Register** is kept in accordance with the requirements of the Companies Act 1993 ("Companies Act") and the Financial Markets Conduct Act 2013 ("FMC Act") to ensure all relevant transactions and matters involving the Directors and Senior Managers are recorded. EROAD's **Related Party Transactions Policy** governs any proposed or actual related party transactions.

Whistle-blower Policy

The Company's **Whistle-Blower Policy** complements the Code of Ethics and Code of Conduct by providing a clear process for reporting any serious issues, aligning with the relevant legislation such as the Protected Disclosures (Protection of Whistleblowers) Act 2022 (New Zealand), Corporations Act 2001 (Australia) and the Whistleblower Protection Act of 1989 (United States).

EROADers can report concerns with their manager or any member of the executive team, with major issues escalated to the Board. An independent whistle-blower service, managed by Deloitte, offers another avenue for reporting, ensuring anonymity through webform, email or toll-free phone lines. Should any serious concern be raised, the Board and management will work with the appropriate parties to swiftly resolve the issue.

Modern Slavery Policy

EROAD's FY24 **Modern Slavery Statement** will be available on our Investor Website and is lodged annually in the Australian Modern Slavery Statements Register. Sustainability is key to our ethical business practices, and we are fully committed to our sustainability goals.

PRINCIPLE 2: BOARD COMPOSITION AND PERFORMANCE

Responsibilities of the Board and Executive Management

The business and affairs of EROAD are managed under the direction of the Board, who are elected by shareholders to protect and enhance the value of EROAD's assets in the best interests of shareholders.

The Board is responsible for corporate governance and operates under a written Board Charter detailing its authority, responsibilities, membership and protocols. The key responsibilities of the Board include setting the overall direction and strategy of the Company (in consultation with Co-CEOs), reviewing and approving budgets and business plans, establishing appropriate policies and guiding and monitoring performance of management. The Board Charter also sets out, amongst other things, the following Board responsibilities:

- appointment or reappointment of a Chair or director;
- appointing or removing either or both of the Co-CEOs and other key senior management appointments;
- advancing major strategies for achieving EROAD's objectives,
- overseeing implementation of EROAD's sustainability strategy;
- setting risk framework for the management of risks;
- reviewing and approving remuneration policies;
- specific responsibilities for safety and wellbeing matters as set out in the Charter.

The Board uses committees to address certain issues that require detailed consideration by members of the Board who have specialist knowledge and experience. If circumstances arise where a director needs to obtain independent advice, that director is, as a matter of practice, able to seek such advice at the expense of EROAD.

Management of the day-to-day operations and responsibilities of EROAD together with delivery of the strategic direction and goals is delegated to the executive management team under the leadership of the Co-CEOs. The Board holds management accountable for the performance of our delegated functions. In doing so the Board constructively challenges management's proposals and decisions and seeks to instil a culture of accountability throughout the Group. This is achieved by monitoring management's performance by receiving reports and plans, maintaining an active programme of engagement with senior management and through the Board's annual work programme.

The Board regularly reviews and assesses EROAD's governance structures, policies, and procedures to ensure these are in line with best practice and legal requirements, safeguarding the interests of shareholders while maximising value. The Board Charter was last updated in March 2024 to reflect the Co-CEO arrangement and to acknowledge Board's responsibility for overseeing EROAD's sustainability strategy.

In FY25 EROAD intends to continue its efforts and focus on repositioning the business, driving operational leverage and a pathway to growth. With a refreshed Board, new Co-CEO partnership model, and a revised committee structure, the Board will continue to focus its efforts on ensuring performance outcomes are achieved.

Board Composition

EROAD is committed to ensuring that the Board comprises directors who collectively bring an appropriate mix of skills, commitment, experience, expertise, and diversity to Board decision-making.

As at 31 March 2024, EROAD's Board comprised 7 directors, all of whom were non-executive directors. Selwyn Pellett was the only non-independent director. A brief biography of each current Board member, including experience, length of service, expertise, role, and the term of office is set out in the "The Board" section of this report. Disclosure on director shareholdings and other directorships is included on pages 143 of this report. During FY24, the Board underwent a process of renewal, marked by the addition of two new independent non-executive directors. David Green, based in New Zealand, joined the Board in August 2023, while Cameron Kinloch, based in California, joined the Board on 28 March 2024. Conversely, Graham Stuart resigned from the Board at the end of the fiscal year, aligning with his earlier indications in July 2023. Additionally, Tony Gibson retired following the 2023 Annual Shareholders' Meeting, in accordance with the EROAD Board guidelines on director rotation. The Board thanks Tony and Graham for their invaluable service to EROAD and its shareholders.

With completion of the recent Board renewal, the Board believes that its membership remains diverse, well-informed, and equipped to guide the Company towards achieving its strategic goals.

Director Evaluation, Appointment, and Re-Election

The procedure for the appointment and removal of directors is ultimately governed by the Company's Constitution and relevant NZX Listing Rules. A director may be appointed by the Board, nomination and appointment at an annual or special shareholders' meeting, or as an alternate director. EROAD's Board may appoint a director to fill a vacancy or as an addition to the existing directors. Any director appointed by the Board must submit himself or herself for appointment by shareholders at the next annual meeting following his or her appointment by the Board. Directors are subject to the rotation requirements set out in the NZX Listing Rules.

The Board plays an active role in appointing new directors and, during FY24, has established a Nominations Committee to assist in the selection, appointment, and reappointment of directors to the Board. For the purposes of Recommendation 3.4 of the Code, the Board has determined that the whole Board will carry out the functions of the Nominations Committee due to the small size of the Board.

The **Appointment and Selection of New Directors Policy** outlines the criteria and procedures for selecting and recommending new or reappointed directors and is available on the Investor Website. Additionally, the Committee oversees EROAD's broader human resources strategy. Detailed responsibilities of the Committee are set out in the Nominations Committee Charter, accessible via the Investor Website.

In line with the NZX Code Recommendations, checks are made for any material adverse information before a candidate is recommended to the Board for election or re-election. Where appropriate, external consultants are engaged to assist in searching for candidates. Where a candidate is recommended by the Nominations Committee, the Board assesses that candidate against a range of criteria including background, experience, professional qualifications, personal qualities, the potential for the candidate's skills to augment the existing Board (board skills matrix) and the candidate's availability to commit to the Board's activities. The Board includes in the Notice of Meeting for annual meetings all material information that is considered relevant to a decision on whether shareholders should elect or re-elect a director. At EROAD's FY23 Annual Shareholders' Meeting, Barry Einsig retired by rotation and being eligible, offered himself for re-election and was re-elected to the Board.

All new directors enter into a written agreement with EROAD, which sets out the terms of their appointment. New directors complete a comprehensive induction programme that enables them to meet with the Chair, other directors and the senior management team to gain insight into EROAD's values and culture, our business operations, key risks and regulatory and legal framework. The program also includes site visits. Each director's induction program is tailored based on the director's existing skills, knowledge, and experience.

The Board's commitment to identifying suitable candidates with the right skillset led to the appointment of David Green in August 2023 and Cameron Kinloch in March 2024. David has extensive strategic and governance experience in the finance and banking sectors and Cameron brings deep Board governance experience, as well as targeted expertise and experience with high growth companies.

Board Skills

All directors are expected to maintain the skills required to discharge their obligations to the Company. On an ongoing basis, directors are provided with papers, presentations and briefings on matters which may affect EROAD's business or operations to assist the directors regarding understanding key developments in the industry in which EROAD operates. Directors are also encouraged to undertake continuing education and training relevant to the discharge of their obligations as directors of the Company.

The Board considers that Barry Einsig and Selwyn Pellett have transport industry specific experience. Susan Paterson, David Green and Cameron Kinloch bring listed company and financial/risk experience. Sara Gifford, Barry Einsig, Selwyn Pellett and Cameron Kinloch have extensive experience in technology solutions. Overall, the Board's skill set is as set out in the following table.

BUSINESS CONTEXT	CAPABILITY	KEY ELEMENT	CURRENT BOARD
A depth of industry experience and awareness of sector trends	***Executive industry experience***	Modern executive telematic hardware experience Hardware R&D	●●○
	Product software	Fleet management or adjacent software development Data-driven innovation and growth Deep software development experience	●●○
	Transport and supply chain	Strong insight into transport – systems, trends Fleet management Supply Chain Regulation Sustainability Customer perspective	●●○○
Driving long-term value creation through serving customer needs	***Modern technologist***	SaaS businesses Data analytics / AI Strong scale tech networks Modern cloud expertise Cybersecurity Key trends in tech sector	●●●○○○
	Tech go-to-market strategy and sales	Sales channel leadership experience – digital and enterprise selling Customer-centric strategies identifying new growth opportunities Building world-class sales capability Go-to-market strategy Driving revenue growth – beyond $1bn	●●●●○
	Digital product marketing	Tech sector marketing Building customer insight Brand development	●●●○
	Key customer segment insight	New Zealand	●●○○○
		North America	●●●
		Australia	●○○○

BUSINESS CONTEXT	CAPABILITY	KEY ELEMENT	CURRENT BOARD
Scaling experience to guide EROAD growth towards a $1b company	***Scale software Company***	Scaling a technology or SaaS organisation – beyond $1b Growth strategy development and execution Capital market leadership	●●○○○
	Investment	Direct exposure to investments in technology companies that have successfully scaled M&A / takeovers Long-term value creation Finance / investment community insight	●●○○○
	Technology infrastructure	Scale IT infrastructure Technology trends Technology risk	●●○○○○
Supporting financial and culture growth as scale and complexity builds	***Finance***	Former CFO / CA / ARC Chair expertise Financial strategy (tech) Financial reporting and regulations Risk management	●●●○
	People and compensation	Corporate culture and diversity & inclusion Executive compensation experience Employee engagement Performance and talent H&S	●●●●○
Driving best practice in governance and strategic leadership	***Listed governance***	Scale public company governance experience - NZX, ASX, NASDAQ ESG Shareholder engagement and partnering Chair succession potential	●○○○
	Demographic diversity	Gender, ethnicity, age	●●●●○

Key ● High capability ○ Moderate capability

The Board also believes that the tenure of each of its members is important as it seeks to balance independent, institutional knowledge gained through length of service and the importance of fresh perspectives in decision-making. The Board does not have a tenure policy, but it is of the view that the profile, represented by the length of service of each of our directors and as set out in the following table, is appropriately balanced such that Board succession and renewal planning is managed over the medium to longer term. As at 31 March 2024, the Board's tenure was as follows:

Director tenure as at 31 March 2024	**0-3 years**	**3-9 years**[1]
Number of directors	4	3

[1] Includes Graham Stuart who has since stepped down from the Board.

Independence of Directors

The factors that are considered by the Board when assessing the independence of our directors are set out in the Board Charter read together with the NZX Code. The guidance provided in the ASX Corporate Governance Principles and Recommendations is also considered.

As set out in the Board Charter, read together with the NZX Code, factors that may impact a director's independence include:

1. Is currently, or was within the last three years, employed in an executive role by the issuer, or any of its subsidiaries;
2. Is currently deriving, or within the last 12 months derived a substantial portion of his, her or their annual revenue from the issuer;
3. Is currently or was within the last 12 months, in a senior role in a provider of material professional services (other than an external auditor) to the issuer or any of its subsidiaries;
4. Is currently, or was within the last three years, employed by the external auditor to the issuer, or any of its subsidiaries;
5. Currently has, or did have within the last three years, a material business relationship (e.g. as a supplier or customer) with the issuer or any of its subsidiaries;
6. Is a substantial product holder of the issuer, or a senior manager of, or person otherwise associated with, a substantial product holder of the issuer;
7. Is currently, or was within the last three years, in a material contractual relationship with the issuer or any of its subsidiaries, other than as a director;
8. Has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above;
9. Has been a director of the entity for a period of 12 years or more.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgment to bear on issues before the Board, to act in the best interests of EROAD, and to represent the interests of our financial product holders generally. The Board reviews the independence of each Director considering interests that each director is required to disclose in relation to the factors set out above.

Based on these factors, as well as the guidance provided in the relevant Codes, EROAD considers that, as at 31 March 2024, Susan Paterson (Chair), Graham Stuart, Barry Einsig, David Green, Sara Gifford and Cameron Kinloch were independent directors.

While the Board considers Selwyn Pellett to be a Non-Independent Director, primarily given his former position as CEO of Coretex (and associated relationships with Coretex-related subsidiaries), EROAD believes Selwyn's position on the Board is essential for execution on our technology strategy.

There is a comprehensive conflict management framework in place to ensure that Selwyn's actions do not compromise the interests of the Company or its shareholders. The framework includes measures such as disclosure requirements, recusal from decision-making processes and regular evaluations.

The Board considers that both Mr Heine and Mr Kenneson as Co-CEOs are both sufficiently independent of the Chair.

Diversity and Inclusion

EROAD is committed to ensuring that we have a diverse and inclusive organisation. The Board recognises that diversity and inclusion lead to a better experience at work for EROAD's employees, makes teams stronger, leads to greater creativity and performance, contributes to a more meaningful relationship with customers and stakeholders, and, ultimately, increases value to shareholders. When there is a variety of thinking styles, backgrounds, experiences, perspectives and abilities, employees are more able to understand customers' needs and to respond effectively to them.

As at the time of publication of this report, the Board is pleased to have female representation of 50% on the Board with 3 directors based in New Zealand and 3 directors based in the United States.

To ensure continued focus and prioritisation, the **Diversity and Inclusion Policy**, available on the Investor Website, requires the Board to set, review and report on measurable objectives for achieving and promoting diversity across EROAD's business. Implementation of actions to achieve the objectives is the responsibility of the Co-CEOs and Chief People Officer.

The Company considers age, cultural background and geographic location as diversity metrics and we continue to build on our internal reporting capabilities to provide greater visibility to inform and promote effective change. Diversity and Inclusion efforts are governed by the People & Culture Committee and are explained in more detail in the 'Our People' section of this report.

Gender composition

The table below shows the respective number of men and women on the Board, in executive management positions (as "Officers") and across the whole organisation, including both full time and part time employees, as at 31 March 2023 and 31 March 2024.

2023	Women	Men	Gender diverse/ gender not declared
Board	2 (33%)	4 (66%)	-
Officers	3 (33%)	6 (66%)	-
Other employees	170 (35%)	307 (63%)	7(1%)
2024	**Women**	**Men**	**Gender diverse/ gender not declared**
Board	3 (43%)	4 (57%)	-
Officers	2 (22%)	7 (78%)	-
Other employees	164 (35%)	294 (62%)	13(3%)

"Officers" are the Co-CEOs and senior executives reporting directly to either or both of the Co-CEOs.

Board Performance

Performance evaluations for the Board, the Board's committees, individual directors, and executives are undertaken regularly.

The Board Charter requires the Board to undertake a regular performance evaluation of itself that:

- compares the performance of the Board with the requirements of our Charter;
- reviews the performance of the Board's committees and individual directors; and
- makes improvements to the Board Charter where considered appropriate.

As part of the Board review process, an independent third party is appointed to review the Board performance periodically. The review conducted in FY22 included, for the first time, an ESG component. Key areas of focus include supporting the onboarding of a new CEO and two new directors, execution of EROAD's strategic plan, and ensuring Board materials are focused at the right strategic level. Self-assessments are undertaken by the Board from time to time as an alternative to the independent evaluation.

Following the successful completion of the Board's renewal in FY24, the Board plans to conduct another performance evaluation in FY25.

Company Secretary

Ksenija Chobanovich is EROAD's Company Secretary. She was accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board throughout FY24. Ms. Chobanovich had regular discussions with the Chair to manage the flow of information between EROAD's Board, our committees, and senior executives. She was responsible for all aspects of legal and regulatory compliance at EROAD.

EROAD has been a party to one employment-related legal action in FY24. Ms. Chobanovich is not aware of any pending actions regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation. EROAD has not identified any non-compliance with any laws and/or regulations, nor has the Company been subject to any significant fines or non-monetary sanctions for non-compliance with any laws and/or regulations in the social and economic area.

PRINCIPLE 3: BOARD COMMITTEES

The Board has established four key committees:

- Finance, Risk and Audit;
- Nominations;
- People & Culture; and
- Technology.

In FY24, EROAD's Remuneration, Talent and Nomination Committee ("RTNC") was split into the newly formed Nominations Committee and People & Culture Committee.

These focused committees were established to enhance efficiency in addressing Board matters. EROAD's Board committees collaborate closely with management and advisers, providing detailed insights and recommendations to the Board. The committees' charters, accessible on the Investor Website, set out their objectives, procedures, composition, and responsibilities.

All directors have a standing invitation to attend committee meetings where there is no conflict of interest. The purpose and composition of each committee is described below:

Finance, Risk and Audit Committee ("FRAC")

The Finance, Risk and Audit Committee plays a pivotal role in overseeing EROAD's risk management, internal controls, financial reporting integrity and the auditing processes and activities. Four meetings of the Finance, Risk and Audit Committee were held during the year ended 31 March 2024.

According to the committee's Charter, it must be comprised of non-executive directors, the majority of whom must be independent. Further, the Chair of the committee must be an independent director and cannot be the Chair of the Board.

Employees only attend the Finance, Risk and Audit Committee meetings at the invitation of the committee. In the year ended 31 March 2024, Co-CEO, Mark Heine, the Chief Financial Officer ("CFO") and General Counsel were invited to attend each of the four meetings of the Finance, Risk and Audit Committee. Co-CEO David Kenneson was invited to attend the one meeting that took place during FY24 following his appointment in March 2024.

The members of the Finance, Risk and Audit Committee as at 31 March 2024 were David Green (Chair), Susan Paterson, Graham Stuart, Selwyn Pellett and Cameron Kinloch. At the beginning of FY24, Susan Paterson chaired the Finance, Risk and Audit Committee until her appointment as Board Chair on 10 July 2023, at which point Graham Stuart assumed the role of Finance, Risk and Audit Committee Chair. David Green was the Finance, Risk and Audit Committee Chair from 20 February 2024. The majority of members of the Finance, Risk and Audit Committee are independent non-executive directors. Qualifications and experience of the Committee members is outlined on page 46 of this Annual Report.

The Chair of the Committee reported to the Board on the Committee's proceedings following each meeting.

Nominations Committee ("NC")

The Nominations Committee assists the Board in fulfilling its responsibilities to shareholders with respect to Board performance, Board composition, Board succession planning and the selection and appointment of Directors. For the purposes of Recommendation 3.4 of the Code, the Board has determined that the whole Board will carry out the functions of the Nominations Committee due to the small size of the Board, with the Board Chair chairing this Committee. A quorum of four directors is required in accordance with the Nominations Committee Charter. Two meetings of the Nominations Committee were held during the year following its formation in September 2023.

The majority of members of the Nominations Committee are independent, non-executive directors.

People & Culture Committee ("PCC")

As stated above, in FY24, the RTNC was split into the newly formed Nominations Committee and People & Culture Committee. The members of RTNC were Tony Gibson (Chair), Susan Paterson, Barry Einsig, Sara Gifford and Selwyn Pellett. There were no RTNC meetings held during FY24, due to its bifurcation.

The People & Culture Committee was established to assist the Board in overseeing EROAD's culture, values and leadership; health, safety, environment and wellbeing maters; remuneration and organisational matters; and setting clear remuneration policies and practices.

The current members of the People & Culture Committee are Sara Gifford (Chair), David Green and Susan Paterson. Qualifications and experience of the Committee members is outlined on page 46 of this Annual Report. A quorum for the meeting is two directors. The Chair of the Committee reports to the Board on the Committee's proceedings following each meeting. All members of the People & Culture Committee are independent directors.

While the Committee met only once since its inception in September 2023, to ensure seamless continuity and effectiveness, the entire Board convened a dedicated meeting during FY24 to carry out the functions of the People & Culture Committee. Management only attends the People & Culture Committee meetings at the invitation of the Committee.

Technology Committee ("TC")

The Technology Committee assists the Board in its obligations to oversee EROAD's digital transformation. The Technology Committee assists with product management, technology and innovation strategies, technology execution plans, and necessary workforce development. The Technology Committee also oversees operations relating to hardware, product and platform innovation, as well as information security, cyber security, data privacy and third party technology risk management. Key product and ecosystem partners also form part of the Technology Committee's workstream. The members of EROAD's Technology Committee are Barry Einsig (Chair), Sara Gifford and Selwyn Pellett. Qualifications and experience of the Committee members is outlined on page 46 of this Annual Report.

The Committee met 7 times during the year. A quorum for the meeting is two independent directors. The Chairperson of the Committee reported to the Board on the Committee's proceedings following each meeting.

Attendance and Board and Committee Meetings

The Board held 7 meetings during the year ended 31 March 2024.

In addition to the below scheduled Board meetings, the Board also had nine calls during the year.

	Board	FRAC	NC[2]	PCC	TC
Susan Paterson[3]	7	4	3	1	-
Graham Stuart[4]	6	3	2	1	-
Barry Einsig[5]	7	-	3	-	7
Sara Gifford[6]	7	-	3	1	7
Selwyn Pellett[7]	7	3	3	-	7
David Green[8]	5	3	3	-	-
Tony Gibson[9]	2	1	-	-	-
Cameron Kinloch[10]	-	-	-	-	-

[2] All Board members are members of the NC.

[3] Susan Paterson attended Board, FRAC, NC and PCC meetings as a member for FY24. Susan Paterson was the Chair of FRAC until 10 July 2023 when she assumed the role of Board Chair.

[4] Graham Stuart attended Board, FRAC, NC and PCC meetings as a member for FY24. Mr Stuart was the Chair of FRAC from 10 July 2023 until 20 February 2024.

[5] Barry Einsig attended Board, NC, PCC and TC meetings as a member for FY24. Mr Einsig was the Chair of TC.

[6] Sara Gifford attended Board, NC, PCC and TC meetings as a member for FY24. Ms Gifford was the Chair of PCC from 19 September 2023.

[7] Selwyn Pellett attended Board, NC and TC meetings as a member for FY24. Mr Pellett joined the FRAC from September 2023 and attended meetings as a member for the remainder of FY24.

[8] David Green joined the Board on 1 August 2023. Mr Green attended NC and FRAC meetings as a member from the date of his appointment to the Board. Mr Green was the Chair of FRAC from 20 February 2024.

[9] Tony Gibson attended Board and FRAC meetings as a member prior to his retirement following the 2023 Annual Shareholders' Meeting on 28 July 2024.

[10] Cameron Kinloch was appointed to the Board on 28 March 2024 and was therefore not eligible to attend any meetings of the Board or its Committees during FY24.

Takeover Protocol

The Board has a formal written protocol that sets out the procedure to be followed in the event that a takeover offer is received by EROAD ("Protocol"). The Protocol summarises key aspects of takeover preparation, and sets out governance, conflict and communications protocols for takeover response. This Protocol provides that in the event of a takeover offer, the Board Takeover Committee would manage EROAD's response obligations and make a recommendation to the full board.

During FY24, the Board resolved to appoint a Takeover Committee in response to the unsolicited, non-binding indicative proposal received from Brillian APAC Pty Ltd („Volaris") in June 2023 to acquire 100% of EROAD's shares. The Committee operated in accordance with the Independent Directors' Sub-Committee Charter and was Chaired by Graham Stuart. Susan Paterson, Barry Einsig and Tony Gibson were the other members of EROAD's Takeover Committee in FY24. The Takeover Committee met twice during FY24.

PRINCIPLE 4: REPORTING & DISCLOSURE

Marking Timely and Balanced Disclosure

EROAD is committed to promoting shareholder confidence through open, timely and accurate market communication. The Company has procedures in place to ensure compliance with our disclosure obligations under the NZX Listing Rules and the ASX Listing Rules. The Board has a Continuous Disclosure Committee that comprises the CEO, CFO ("the Disclosure Officers") and one Independent Director. In the absence of either the CEO or CFO then market disclosure can be approved by either: 1) two Independent Directors and either the CEO or CFO; or 2) one Independent Director, the General Counsel and either the CEO or CFO.

The Continuous Disclosure Committee is responsible for administering EROAD's compliance with our **Market Disclosure Policy** which includes our NZX and ASX continuous disclosure obligations. The Disclosure Officers will recommend to the Continuous Disclosure Committee whether a market disclosure should be made. The Disclosure Officers are ultimately responsible for all communications with NZX and ASX market regulators.

Financial Reporting

EROAD's Finance, Risk and Audit Committee Charter directs the oversight of the quality and integrity of external financial reporting including the accuracy, completeness, balance and timeliness of financial statements. The FRAC reviews interim and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with financial reporting standards, NZX, ASX and legal requirements, and the results of the external audit. All matters required to be addressed and for which the Committee has responsibility were addressed during the period under review.

All interim and full-year financial statements are prepared in accordance with relevant financial standards.

Non-Financial Reporting

Environmental, social and governance factors ("ESG") are at the heart of EROAD's culture. EROAD's Chief People Officer has formal responsibility for environmental and social topics and EROAD's General Counsel and CFO have an informal responsibility for economic, governance related topics. The General Counsel and CFO inform the Board of any material factors that come to light and keep the Board up to date with current market trends and processes in this space. The directors are committed to progressing ESG matters and consider these at every board meeting. Members of the Executive Team report directly to the FRAC on sustainability matters as and when they see fit. The Board also takes advice from the FRAC, General Counsel, Sustainability Committee (lead by the Chief Sustainability Officer), and EROAD's Engineering Teams.

As noted in the Remuneration Report, for FY24, up to 25% of the short term incentive scheme targets for the executive team are based on the achievement of strategic (non-financial) program targets from the annual plan.

Our ESG philosophy is set out in our Sustainability Policy and our achievements in the sustainability space are further detailed in this Annual Report.

Climate-related disclosures

EROAD is a climate-reporting entity under the FMC Act. EROAD has undertaken significant work in FY24 to understand the Company's climate-related risks and opportunities, and set metrics and targets in accordance with our obligations as a climate-related entity. EROAD will publish its first climate-related disclosures for the year ended 31 March 2024 in compliance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board (XRB) as required by the FMC Act. EROAD's climate-related disclosures for the year ended 31 March 2024 will be accessible on our Investor Website on 31 July 2024.

Global Reporting Initiative

As in previous reporting years, we have continued to report against the Global Reporting Initiative ("GRI") Framework. In FY24 we have taken a more targeted approach to reporting against the standards material to EROAD. EROAD intends to include a GRI index together with it's climate related disclosures to be released on 31 July 2024.

EROAD is pleased to provide reporting on sustainability factors throughout this Annual Report.

PRINCIPLE 5: REMUNERATION

See the Remuneration Report on page 122of this Annual Report which outlines our compliance with Principle 5.

PRINCIPLE 6: RISK MANAGEMENT

Risk Management Framework

EROAD is committed to the identification, monitoring and management of material financial and non-financial risks associated with our business activities. The Board ultimately has responsibility for internal compliance and control. It recognises that a sound culture is fundamental to an effective risk management framework. The Company's purpose, values and Code of Ethics are important contributors to instilling effective risk management and awareness, and to support appropriate behaviours and judgements about risk taking within the parameters. EROAD's risk management framework provides for the oversight and management of financial and non- financial material business risks, as well as related internal systems. The framework is designed to:

- optimise the return to, and protect the interests of, stakeholders;
- safeguard EROAD's assets and maintain our reputation;
- improve EROAD's operating performance; and
- support EROAD's strategic objectives.

EROAD's **Risk Management Policy** is available via the Investor Website.

EROAD's risk management strategy enhances strategic planning and prioritisation, as well as assisting in the achievement of key objectives. The strategy also strengthens EROAD's ability to be agile when responding to challenges that may be faced. The risk management framework requires senior executives and the wider leadership team to review risks against the risk limits and triggers in the risk appetite statement ("Risk Appetite") and to update risk registers on a periodic basis ("Risk Registers"). The registers identify all known risks, including those that are key to EROAD's strategy and business priorities. The Risk Registers record risks by impact and probability, and records the controls and mitigations for those risks. Risk mitigation for high-risk projects must be addressed from inception and be supervised by the appropriate executive team members. The executive team reviews the Risk Register in setting EROAD's strategy and budgets.

The Finance, Risk and Audit Committee periodically reviews EROAD's Risk Appetite, the Risk Registers and other relevant aspects of the risk management framework. In addition, a review is undertaken, with the external auditors and management, of the policies and procedures in relation to material business risks. The Finance, Risk and Audit Committee, in conjunction with management, reports to the Board on the effectiveness of EROAD's management of our material business risks and whether the risk management framework is operating effectively in all material respects.

In FY24 EROAD identified the following material risks to the Company:

Risk	Risk description and management
Competition and new technologies	EROAD operates in a competitive telematics industry, especially in North America, facing challenges from larger companies and rapid tech advancements. The potential entry of global operators into new markets like New Zealand adds complexity, especially in light of potential regulatory changes to road user charges in New Zealand. New competitors and technologies could disrupt EROAD's existing business model and/or underlying technology. Risk mitigation includes: • Recent Equity Raise providing EROAD financial flexibility for investments. • Investment in AI, partnerships and emerging innovative technologies. • Active involvement in the regulatory change process and focus on opportunities this presents
North America strategy execution	EROAD's growth in North America is crucial to execution of its strategy. If EROAD is less successful than anticipated, this could materially impact EROAD's financial performance and/or share price. Risk management involves: • adjusting sales strategy by appointing a Co-CEO and EVP of Sales, upskilling team, and hiring experienced salespeople throughout FY24-FY26. • focusing on securing and retaining referenceable enterprise customers.
Product and platform reliability and scalability	Platform and product stability is crucial for customer satisfaction. Also, as EROAD grows it needs to ensure that its platforms and products are scalable to be able to service many customers, including large enterprises. Risk mitigation involves: • prioritising R&D for reliability and scalability • investing in third-party providers' products for scalability and improved functionality. • North American engineering team in place to respond quickly to customer needs.
Supply chain efficiency and working capital management	EROAD relies on the strength of its relationships with a limited number of suppliers for product and service delivery. Due to its modest scale, EROAD has limited negotiating leverage. Balancing inventory to meet customer demand without excess stock and ensuring timely customer payments is crucial for management of cash flow. Risk mitigation includes: • Maintaining strong relationships with suppliers. • Focus on improved demand forecasting and debt recovery.
Cybersecurity	EROAD faces exposure to hacking, cyber-attack or similar due to its online software hosting, Cloud/SaaS services revenue model and role as a data processor. This could lead to substantial disruption in EROAD's operations. Risk mitigation involves: • Business continuity and disaster recovery planning; • Continuous investment in strengthening the security and resilience of EROAD's platforms and business systems; • Data security awareness training, independent testing, incident management programme, vulnerability management, and the like; • Governance and oversight by the Technology Committee.
Large enterprise customer relationships	Given EROAD's size and strategic focus on referenceable enterprise customers, the departure of a key marquee or enterprise customer could affect revenue and reputation. Risk management involves: • Strengthening relationships through proactive engagement and support. • Updating the sales strategy to attract more enterprise customers, including adjusting the sales team for targeted acquisitions.
Operational complexity	EROAD has operations in New Zealand, Australia and North America. As EROAD grows in these markets, the complexity of its business increases. Risk management involves: • Initiatives to ensure alignment of processes and customer journeys globally • Enhanced service level objectives, well defined product delivery operating model, and leveraging new technologies to drive efficiencies.
Network shut down and hardware replacement	New Zealand's 3G network shut down, delayed to 31 March 2025, requires EROAD (and other telematics providers) to replace components in telematics solutions for certain customers. While EROAD products can function on the 2G network, it's expected this network will also shut down eventually. This replacement process can disrupt customers, potentially leading to contract non-renewals or delayed upgrades to 4G. Costs for replacement and installations may exceed initial estimates. Risk management involves: • EROAD has a dedicated project ("Project Sunrise") to manage the transition, swapping out end-of-life units with 4G-enabled ones. • The project is under careful management and regular review, aiming for completion by the end of FY25.
Key people	EROAD's business strategy requires us to attract and retain highly skilled talent in a competitive labour market globally. Due to EROAD's size, reliance on a few highly skilled individuals poses a risk of disruption to operations due to critical dependencies. Risk management involves: • Succession planning, focus on career development pathways, alternative resourcing options through outsourcing and clear organisational processes.
General economic conditions	EROAD's financial performance is closely tied to economic conditions both locally and globally. An economic downturn or recession could lead customers to reduce spending, impacting EROAD's financial results. Risk mitigation includes: • Leveraging benefits of EROAD's products to help customers optimise vehicle-relating expenses. • Maintaining sufficient capital reserves.
Climate change	EROAD's climate change risks will be disclosed in the company's climate-related disclosures to be released on the Investor Website by 31 July 2024

Risk Appetite

In FY24 the EROAD Board and Executive implemented the revised Risk Appetite Statement. In light of the Company's renewed strategy, the Risk Appetite Statement was revised to ensure a clear focus on generating positive free cash flow, whilst maintaining the ability for agile and sustainable growth. The Risk Appetite Statement provides guidance to, and monitoring of employees, contractors, and suppliers as it sets out the amount and type of risk that EROAD is willing to accept to meet our strategic objectives and create value for our customers and stakeholders. EROAD is strategically focused and risk aware, but is not a risk-averse organisation. Risks are taken in alignment with EROAD's strategy, purpose and in accordance with the company's values. EROAD has no appetite for risks that do not align with these.

EROAD has five key risk categories and adopts a different risk appetite for each identifiable risk within these categories. The five risk categories are:

- Strategy Execution;
- Financial;
- Customer Expectations;
- People; and
- Regulatory & Environmental, Social and Governance

A summary of EROAD's risk appetite is set out below.

	RISK APPETITE CATEGORIES					
	Risk Appetite Level	**Strategy Execution**	**Financial**	**Customer Expectations**	**People**	**Regulatory and ESG**
RISK APPETITE LEVELS	**Very high**					
	High	Partnerships		Innovation	Learning / knowledge	
	Medium				Capability	Regulatory environment
	Low	• Strategic risk • Strategic execution	• Free cash flow • Funding model		Key roles & single point of failure	
	Very low		• Working capital • Supply chain and inventory	• Customer interactions • Quality and resilience • Product delivery • Information and cyber security • Privacy		• Governance • Environmental and Social
	No appetite		Covenants	Product compliance	Health & Safety	Legal & regulatory risk

In managing the Company's business risks, the Board approves and monitors policy and procedures in areas such as treasury management, financial performance, taxation and delegated authorities.

The Company regularly reports to the Board on any risks that exceed EROAD's Risk Appetite with mitigation plans and updates on how exceeded risks are managed and resolved.

EROAD has assessed its risk appetite categories, metrics, triggers, and limits, considering our operational landscape and accomplishments thus far. This review is ongoing, and a revised Risk Appetite Statement will be developed and rolled out during FY25.

Insurance

EROAD has insurance policies in place covering areas where risk to our assets and business can be insured at a reasonable cost.

Health and Safety Risk Management

Safety and wellbeing is a top priority for the Board, and our specific responsibilities are set out in the Board Charter. The Board is committed to ensuring that safety and wellbeing is embedded into every aspect of EROAD's business. In line with this, EROAD appointed a new Health and Safety Manager in FY24. EROAD's Safety and Wellbeing Policy is a management policy that provides for the oversight and management of health and safety risks on behalf of the Board.

EROAD's Safety and Wellbeing Management Framework outlines safety and wellbeing activities at EROAD and articulates safety and wellbeing responsibilities for the Board, the executive team and the people performing work for EROAD. The framework requires objectives and key results to be established and incorporated into business planning processes to enable the Safety and Wellbeing Policy's intent and related strategies and procedures to be achieved. The framework also requires the safety and wellbeing strategy to be reviewed every three years to ensure alignment with EROAD's values, the overall business strategy and the safety and wellbeing vision.

At each Board meeting, members of the Board are provided with a safety and wellbeing report summarising EROAD's risk profile and management actions, the current safety and wellbeing focus, lead and lag indicators and updates from the Safety and Wellbeing staff committee. In the year ended 31 March 2024, there have been no notifiable events to report to WorkSafe NZ or WorkSafe Australia and no notifiable events reported to US authorities.

In FY25 EROAD will roll out a revised safety plan with a particular focus on consolidating our data, enhancing contractor management and health monitoring programmes for anyone exposed to health risks.

PRINCIPLE 7: AUDITORS

Oversight of the Company's external audit arrangements to safeguard the integrity of financial reporting is the responsibility of the Finance, Risk and Audit Committee. The FRAC Charter sets out the procedure for communication with the external auditors. The External Auditor Independence Policy ensures that audit independence is maintained, both in fact and appearance. It covers:

- the selection and appointment process for the external auditor;
- rotation of external audit partners;
- policy to ensure external auditors' independence;
- provision of non-audit services; and
- reporting to the Finance, Risk and Audit Committee.

The role of the external auditor is to audit the financial statements of the Company in accordance with applicable auditing standards in New Zealand and to report on their findings to the Board and answer questions from the shareholders of the Company.

EROAD's key external audit partner is Aaron Woolsey from KPMG. Mr Woolsey became the engagement partner in 2020 following the completion of the audit for the 2020 financial year. Mr Woolsey has provided an independence attestation to the Board. He will attend the annual shareholder's meeting to answer questions from shareholders in relation to audits. In accordance with EROAD's **External Auditor Independence Policy**, following the final audit for FY24 the key audit partner will rotate.

EROAD does not have an internal audit function. The Finance, Risk & Audit Committee pays particular attention to matters raised by the Company's auditor. It also requires the Executive Team to report periodically on areas identified as most sensitive to risk together with recommendations for improvements and changes to internal controls. Through the steps outlined under the Risk Management section, the Board ensures EROAD is reviewing, evaluating and continually improving the effectiveness of our risk management framework.

The Chief Financial Officer has a direct line of communication with the Chair of the Finance, Audit and Risk Committee and the external auditor.

PRINCIPLE 8: SHAREHOLDER RIGHTS AND INTERESTS

EROAD recognises the importance of providing our shareholders and the broader investment community with access to up to date, high-quality information to enable them to: monitor the Company's performance; participate in decisions required to be put to owners; and provide avenues for two-way communication between the Company, the Board and shareholders. The Shareholder Communication Policy sets out how EROAD engages with shareholders and other stakeholders to provide them with written communications, electronic communications and access to the Board, management and auditors. It is one of the corporate governance policies included on the Investor Website.

EROAD's Investor Website is an important information portal and is kept up to date with relevant information, including copies of shareholder reports, presentations and market announcements. Releases and reports are published to the website once they have been provided to and publicly released to both the NZX and ASX. The website also contains Board and management profiles together with information on EROAD's history, awards and a library of product information.

Shareholders can easily communicate with EROAD, including by way of email to the address investors@eroad.com.

EROAD's major communications with shareholders during the financial year include our annual and half-year results, integrated Annual Reports and the annual meeting of shareholders. The Annual Report is available in electronic and hard-copy formats. Shareholders have the option to receive communications from EROAD electronically. In FY24 EROAD introduced its 'Shareholder Newsletter' that is periodically released to provide a digestible summary of the Company's performance to our retail shareholders.

Shareholders have the right to vote on major decisions as required by the NZX Listing Rules. The Notice of Meeting is sent to shareholders and published on EROAD's website at least 20 working days prior to the annual shareholders' meeting each year. EROAD offers this meeting in a hybrid format and so also includes a Virtual Meeting Guide which sets out information to help investors understand and participate in hybrid meetings. Physical meetings will not take place if there exists a risk to public health and safety (such as with COVID-19 restrictions). In any instance where health and safety is a concern, EROAD may determine that virtual only meetings are most appropriate.

The Board notes the recommendation in the NZX Corporate Governance Code that boards of issuers are responsible for considering the interests of all existing financial product holders when assessing their capital raising options. When practical, issuers should favour capital raising methods that provide existing equity security holders with an opportunity to avoid dilution by participating in the offer. Recommendation 8.4 states that shares should first be offered pro rata, and on no less favourable terms, to existing shareholders before further equity securities are offered to other investors. In September 2023 EROAD conducted a successful NZ$50 million capital raise via an Institutional Placement and a Pro Rata Accelerated Renounceable Entitlement Offer ("AREO"). A placement offer is typically the most common institutional capital raising structure used in New Zealand and an AREO structure was preferred by the Board to provide greater protection to shareholders.

Remuneration Report

LETTER FROM THE PEOPLE AND CULTURE COMMITTEE CHAIR

Dear Shareholders,

Financial year 2024 represented a significant turning point for EROAD. In March, the company adopted a dual CEO model and appointed David Kenneson to work alongside Mark Heine as Co-CEO. With their complementary skill sets, the Board is confident Mark and David will together lead the company in its next phase of growth.

Co-CEO appointment

With the goal to grow in North America, and innovate and enhance EROAD's market position in New Zealand, we determined that we required executive presence in both markets to achieve results for our shareholders. EROAD's current position within each market necessitates a combination of skills and a significant time commitment across multiple time zones. The shared CEO structure provides focus and alignment with the company's ambitious growth plans. With David and Mark leading the charge, we have a fully committed and highly capable CEO partnership with global reach and the shared skillset to achieve success.

Remuneration governance

In September 2023 the Board split the Remuneration, Talent and Nomination Committee into the People and Culture Committee and the Nominations Committee. This change was made to enable a more focused approach to people related matters going forward. Remuneration falls within the People and Culture Committee's ambit.

EROAD's remuneration objectives

Following an independent remuneration review by Haigh & Company in FY23, EROAD's top priority for FY24 was to ensure the retention of key talent with a future-proof compensation structure. FY24 saw the roll out of a new and improved remuneration strategy aimed at attracting top talent globally, with a specific focus on North America as our growth market. Our future-focused FY24 remuneration strategy aligns employee and shareholder interests and maintains a prudent approach to cash management.

EROAD's remuneration structure and rationale

EROAD's remuneration framework is an essential aspect of the company's strategy to attract, retain and motivate its employees. The company's remuneration framework consists of fixed remuneration and variable remuneration outcomes for select senior employees, including the Co-CEOs. Variable remuneration components may include a short-term incentive plan ("STI Plan") payment, a long-term incentive plan ("LTI Plan") payment or sales commissions (for the Company's sales staff). Variable remuneration components are a critical tool for aligning the interests of employees with EROAD's goals and objectives, including both financial and non-financial targets. The company intends to maintain this current structure in FY25.

Remuneration Changes in FY24

Fixed Remuneration

Fixed remuneration rates were reviewed in May 2023, leading to an average increase of 4.4% across all employees[1]. Employees earning $200,000 or more in local currencies did not receive an increase to fixed remuneration. The decision to freeze remuneration for employees earning over $200,000 was taken in light of EROAD's ongoing commitment to prudent financial management. The freeze enabled us to achieve greater cost savings and allowed us to allocate resources more effectively, whilst also ensuring that our remuneration policies remained fair, transparent and aligned with our company values and objectives. Even with a payment increase freeze in place, we believe we are still offering competitive, performance-based compensation for our employees. The company acknowledges the ongoing skill shortages in the industry and the rising cost of living affecting our workforce. EROAD is confident our remuneration packages are set at a suitable level for our global operations.

[1] Not all EROAD employees received an increase in fixed remuneration following the annual remuneration review.

Variable Remuneration Outcomes

STI Plan

In FY24 the STI Plan moved from a biannual cycle to an annual cycle. The shift to an annual cycle was made to correspond with the company's key targets for FY24 and beyond. To enhance performance outcomes whilst maintaining cash flow, the FY24 STI Plan also provides the option for payments to be issued in shares instead of cash.

LTI Plan

EROAD's LTI Plan was modified in FY24 to reflect the findings of the independent compensation review and to ensure EROAD is appropriately positioned in the market. In FY24, performance share rights ("PSRs") under the EROAD LTI Plan were issued as part of a 3-year incentive programme that incorporates a third of the award based on relative total shareholder return ("rTSR"), a third on absolute financial performance, and a third based on 3-year tenure. The compensation review confirmed that rTSR is a common measure used by our peers, and the company has followed the recommendation to adopt the technology-focused S&P ASX All Technologies Index (XTX). Aligning incentives with long term financial targets is naturally key to driving performance outcomes so absolute performance measures are based on revenue, free cash flow and EBIT. Tenure is a common component of remuneration in North America and is a crucial component for us as we look to attract and retain top talent. EROAD's FY24 LTI Plan grants allow for payments to be made in cash or shares.

CEO Remuneration

Mark Heine's fixed remuneration remained unchanged from FY23, in accordance with the company's freeze on fixed remuneration for senior managers. Mark Heine's variable remuneration recently underwent a change with his appointment as Co-CEO, increasing his STI Plan award from 40% to 50% of his base salary. David Kenneson's remuneration package is aligned with Mr Heine's to ensure consistency between the Co-CEO's, despite typically higher CEO rates seen in the United States. Mr Kenneson's salary is paid in local currency.

ESG and Remuneration

Sustainability is core to our business operations and EROAD's People and Culture Committee is dedicated to furthering ESG objectives. As an equal opportunity employer, EROAD is committed to closing the pay differential between male and female staff, which currently stands at 14% (weighted mean value across all regions in local currencies) and 17% (median value) .

Director Remuneration

The annual non-executive director remuneration pool was fixed at $850,000 following approval of an ordinary resolution by shareholders at the 2021 Annual Shareholder Meeting. No further increase is proposed to be sought at the 2024 Annual Shareholders Meeting. However, pursuant to NZX Listing Rule 2.11.3, the Board increased the remuneration payable to all directors in aggregate, from $850,000 to NZD$900,000 to facilitate the current board composition, which is explained in more detail in this report. The Board elected to only increase the fee pool to the extent necessary to facilitate the increase in the number of directors from the number when the remuneration pool was approved in 2021.

Say On Pay Vote

During FY24, the NZX issued guidance on remuneration reporting by publishing its NZX Remuneration Reporting Template. EROAD has adopted the new template for FY24, which we expect to be the approach taken by many other NZX listed issuers.

Consequently, EROAD will not present a non-binding Say on Pay resolution vote to shareholders at its 2024 Annual Shareholders' Meeting. As a New Zealand registered company, EROAD will adhere to the NZX guidance. It is notable that the NZX Corporate Governance Institute, responsible for the development and recommendation to NZX of the Remuneration Reporting Template, did not recommend that an equivalent to the Australian Say on Pay regime be introduced for NZX listed issuers.

EROAD remains dedicated to upholding a fair and merit-based approach to incentivising and rewarding our employees, executives, and directors. This commitment aligns with our vision and strategic objectives, ensuring continued shareholder value and trust.

Personal note

2024 marks my first year as Chair of EROAD's People & Culture Committee. I am honoured to hold this position and wish to thank my fellow directors, EROAD's leadership team and the shareholders for their unwavering support.

Feedback

EROAD is committed to upholding the highest standards of corporate governance that help ensure our remuneration practices are transparent and align with the interests of all our stakeholders. We welcome your feedback on this report via investors@eroad.com.

Sara Gifford

Chair, People and Culture Committee

STRUCTURE OF THIS REMUNERATION REPORT

This Report provides:

- Remuneration Governance;
- Executive Remuneration Policy;
- FY24 Key Performance Summary;
- Remuneration arrangements and outcomes for Mark Heine, CEO (Co-CEO from March 2024) and David Kenneson, Co-CEO from March 2024;
- ESG disclosures;
- Remuneration Bands (in accordance with the Companies Act 1993 (NZ));
- Director Remuneration

REMUNERATION GOVERNANCE

EROAD has a People and Culture Committee that comprises of the following members: Sara Gifford (Chair), Susan Paterson and David Green. All Committee members have served on the Committee since its inception in September 2023. A description of the skills and experience of each Committee member is detailed on page 46. Attendance at FY24 Committee meetings is detailed on page 115 of the Annual Report.

Prior to the formation of the People and Culture Committee, remuneration matters were overseen by the Remuneration, Talent and Nominations Committee comprised of Anthony Gibson[2] , Sara Gifford[3] , Graham Stuart, Susan Paterson and Barry Einsig. No meetings were held by the Remuneration, Talent and Nominations Committee in FY24.

All members of the People and Culture Committee are independent directors. Management only attends Committee meetings by invitation.

The People and Culture Committee offers recommendations to the Board regarding company-wide remuneration, benefits, and policies. The Committee also oversees performance objectives, remuneration packages, succession planning, and development programmes for the senior management team. Company culture and values, together with health, safety, environmental and wellbeing matters are key considerations for the Committee alongside remuneration matters. The Committee is not responsible for director selection, appointment, reappointment or succession planning, this is now overseen by the Nominations Committee.

EROAD's People and Culture Committee operates under a written charter which is available to view at https://eroadglobal.com/investors/. The objectives and activities are periodically reviewed, and any changes in the duties and responsibilities of the Committee, or changes to the terms of its Charter, are made as a recommendation to the Board. No changes were made since the Committee's creation in September 2023.

The Committee has no decision-making powers except where expressly provided by the Board.

The internal governance policies that provide context for the remuneration outcomes are described below:

- No Dealing or Protection Arrangements: All directors, employees, contractors and advisers of EROAD are subject to the company's Securities Trading Policy, available via the investor website. In addition to this policy, parties are expressly prohibited from entering into any arrangements designed to hedge or otherwise mitigate the economic risk of EROAD securities. It is important to note that all securities become subject to the Securities Trading Policy rules once they have vested and that prior to vesting those securities cannot be transferred or encumbered by the holders.
- Minimum Shareholding Requirements: The EROAD Board encourages but does not require senior leadership team members or directors to hold shares in EROAD.

Further information on the People and Culture Committee, including the broader responsibilities of the People and Culture Committee and meeting attendance during FY24 can be found on pages 114-115 of the Annual Report.

[2] Committee Chair until 31 July 2023.

[3] Committee Chair from 1 August 2023.

Executive Remuneration Policy

EROAD's Director and Executive Remuneration Policy FY24 ensures fair and competitive remuneration that attracts, motivates and retains high-performing employees. Our revised remuneration policy clearly aligns with our company purpose and values. We have also developed a set of principles to guide our remuneration strategy to ensure that our compensation practices are consistent with the company culture, values, and business strategy.

Principle	Description
Alignment	EROAD aims to ensure that a significant portion of the senior leadership team's remuneration is contingent on EROAD meeting its financial and strategic objectives, and the individual acting in accordance with EROAD's values
Balance	Market competitive fixed remuneration is balanced with affordability
Flexibility	EROAD's STI Plan and LTI Plan performance measures provided flexibility for EROAD to recognise and reward individuals for outstanding contribution and respond appropriately to business objectives and needs
Fairness	EROAD's remuneration structure ensures there is a direct link between performance and pay
Reward	Ensure achievement of strategic objectives and shareholder value creation is rewarded accordingly
Transparency	There are no complicated performance measures that require extensive explanation. The remuneration structure is clear, transparent, consistent, easy to understand and simple to administer
Competitiveness	EROAD's remuneration structure helps attract, motivate and retain directors and executives who contribute to EROAD's business outcomes

You can read more about EROAD's culture and values on page 40.

Executive Remuneration Components

EROAD uses a total remuneration package approach in setting salary and rewards for executives. Remuneration of executives is linked to 3 components: Total Fixed remuneration, STI Plan awards and LTI Plan grants. For executives, Total Fixed Remuneration makes up 56% of the total remuneration package, with STI and LTI making up 17% and 28% respectively.

Total Fixed Remuneration

Total Fixed Remuneration is a combination of base salary and benefits. The total is benchmarked against independent remuneration survey data, with the median level of pay being used as the basis for EROAD's remuneration approach. This approach allows EROAD to implement a non-discriminatory pay structure that offers equal pay for equal work value across EROAD employees globally. Contractual and discretionary benefits vary between our regions of operation.
The co-CEOs and executive team members must participate in periodic performance reviews measuring their achievement against operational and strategic objectives. The results of any performance review inform the basis of any review of fixed remuneration.

Variable Remuneration

STI Plan

EROAD's STI Plan is designed to motivate, encourage and reward positive behaviours in the near-term. In FY24, the company's STI Plan was structured to link share incentives to achievement of specific annual performance targets, with the amount based on a percentage of a participant's fixed base salary. The People and Culture Committee reviews and approves executive and key senior role objectives, promoting alignment between shareholder value creation and employee rewards. STI Plan awards for FY24 were based on an annual performance period (commencing 1 April each year), aligned to investor cycles and key outcomes. STI Plan awards are determined by group performance against shared team goals. The annual review of STI Plan objectives takes into account group, business unit and individual executive performance. STI Plan payments are always at the discretion of the Board and receipt of an STI Plan payment is not guaranteed, even where performance criteria have been met. EROAD's FY24 STI Plan provides for payments to be made in cash or shares, at the Board's discretion. Historically, STI Plans have typically been paid in cash however for FY24 the award may be made in shares (if awarded). FY24 STI Plan payments have not yet been assessed and will be assessed within 3 months of the date of the FY24 financial statements.

The CEO and Executive Team STI Plans are described in detail in the table below:

Element	Details	
	FY24 CEO STI Plan[4]	**FY24 Executive STI Plan**
Purpose	Rewards achievement of Board-set KPIs.	
Target opportunity	Share award of up to 40% of base salary.	Share award of up to 30% of base salary
Performance and pay out leverage	The aggregated threshold for the financial metrics needs to be over 85% (i.e. the combination of revenue, EBIT and FCF). Non-financial metrics must achieve a minimum threshold of 85%, and capped at 130% **Performance Level / Performance as % Target / Award as % Target** Threshold: 75% / 50% ↕ Ratable Straight Line Basis Target: 100% / 100% ↕ Ratable Straight Line Basis Overachievement: 150% / 150%	The aggregated threshold for the financial metrics needs to be over 85% (i.e. the combination of revenue, EBIT and FCF). Performance and Award set at a minimum threshold 75% and capped at 130%. **Performance Level / Performance as % Target / Award as % Target** Threshold: 75% / 50% ↕ Ratable Straight Line Basis Target: 100% / 100% ↕ Ratable Straight Line Basis Overachievement: 150% / 150%
Performance period	Full financial year 1 April 2023 to 31 March 2024.	
Objectives	***Financial:*** 75% based on EROAD's performance against the metrics of Reported Revenue, Group EBIT and Free Cash Flow. ***Non-Financial:*** 25% based on achievement of selected strategic objectives. Each objective has a specific target and stretch level of performance, as described under the "Performance and pay out leverage" section above. Each objective has a specific target and stretch level of performance, as described under the "Performance and pay out leverage" section above.	***Financial:*** 75% based on EROAD's performance against the metrics of Reported Revenue, Group EBIT and Free Cash Flow. ***Non-Financial:*** 25% based on achievement of selected strategic objectives. Each objective has a specific target and stretch level of performance, as described under the "Performance and pay out leverage" section above.
Objectives set	Following completion of financial year budgets.	
Objectives	In relation to the CEO's performance, the People and Culture Committee makes a recommendation to the Board.	The Co-CEOs review executive performance and make a payment recommendation to the People and Culture Committee. The Board will, in its sole discretion, assess whether the performance targets have been met within 2 months of the external auditor's confirmation of the accuracy of the fiscal year end results.
STI payment	The Board will, in its sole discretion, assess whether the performance targets have been met within 3 months of the external auditor's confirmation of the accuracy of the fiscal year end results.	The FY24 STI Plan stipulates that payments, if any, are made on an annual basis upon determination of the STI Plan payment by the People & Culture Committee and by the Co-CEOs for senior executives. However, such payments are subject to the Board's approval and at its sole discretion. If payment is to be made, STI Plan payments will be paid within 2 months of the external auditor's confirmation of the accuracy of the fiscal year end results and approval of the Board.

[4] Co-CEO Mark Heine was under the CEO STI Plan in FY24. Co-CEO David Kenneson was not under this Plan as he joined near the end of FY24.

LTI Plan

EROAD's LTI Plan was modified in FY24 to reflect the findings of the independent compensation review and to ensure EROAD is appropriately positioned in the market. Under the modified LTI Plan, performance share rights ("PSRs") are issued to the CEO and other senior executives which gives them the right to receive ordinary shares in the Company after a specified period, subject to achieving certain performance hurdles.

EROAD's LTI Plan is designed to motivate and retain key executive and senior employees who can influence the company's performance by offering performance-based incentives that align with EROAD's strategic objectives and long-term value creation. The Board retains discretion over the terms of a participant's participation in the Plan (with the agreement of the participant) or to amend the Plan Rules or the terms of any grant if it considers the interests of the participants are not materially affected. EROAD's FY24 LTI Grant provides for participants to be paid in shares or cash. Historically, LTI Plan payments have typically been paid in shares. In FY24, EROAD issued 1,493,098 PSRs to participants under the FY24 LTI Grant.[5]

The FY24 LTI Grant is described below.

[5] $2,226,156 remains as liability under the same Grant, subject to performance criteria being met. The Board intends to issue the FY24 LTI award as shares.

[6] The Board intends to issue the FY24 LTI award as shares.

Element	Details					
Purpose	Reward and retain key EROAD executives and senior leadership members for FY24 in order to deliver on FY24 goals, drive longer-term performance, align incentives of the CEO with the interests of EROAD's shareholders and encourage longer term decision-making by Plan participants.					
Mechanism and performance period	PSRs were issued in FY24 as part of a 3-year incentive programme that incorporates award types as described below. Awards may be paid in either shares or cash, at the Board's discretion.[6]					
Performance Metrics	**Award type**	**Portion of total**	**Vesting mechanics intentions**	**Rationale**	**Weightings**	**Performance range**
	Time Vested Units	1/3	Vests 100% at the end of 3 years	Supports retention and continuity of key employees while EROAD implements and executes its new long-term strategy	100%	0% if not achieved
	Performance-Relative Shareholder Return (rTSR)[7]	1/3	Vests at the end of 3 years based on EROAD's rTSR against the peers on the ASX Technology Index (XTX) over 3 years of the plan	Focuses management and key employees on building and maintaining long-term shareholder value and outperforming relevant market benchmarks	100%	From 0% - 200% of rTSR shares vested, as follows: • Under 40th percentile of XTX = 0% rTSR shares vested • 40th percentile of XTX = 50% rTSR shares vested • 60th percentile of XTX = 100% rTSR shares vested • 80th percentile of XTX = 150% rTSR shares vested • 100th percentile of XTX = 200% rTSR shares vested
	Performance – Absolute EROAD Performance (Revenue, EBIT, FCF)	1/3	Vests at the end of 3 years but assessed as follows: 20% per annum performance segments based on the 3-year budget set at the beginning of the LTI Plan and 40% 3-year cumulative segment	Focuses on execution of the long-term strategy delivering revenue growth, profitable performance and positive free cashflow.	20% each year and 40% cumulative at the end of the 3-year period.	From 85% - 130% depending on achievement. Failure to meet minimum threshold of 85% means zero pay-out.
Opportunity	CEO: 100% of base salary Executive Team: 50% of base salary					
Eligibility Requirements	Participants remain employed by EROAD and are not serving out a notice period at the date any payment is scheduled to be paid. A participant not been suspended, or subject to any disciplinary action or performance management process, during the Performance Period. Neither the participant, nor EROAD Limited or any of its related companies have been subject to any investigation, prosecution or other action by a regulatory body, including in respect of non-compliance with health and safety legislation, civil rights legislation, or holiday and leave legislation during the Performance Period.					
Board Discretion	Any payment by the Board is entirely discretionary. Even where Performance Metrics and Eligibility Requirements are met, the Chair and/or EROAD Limited's Board of Directors retain the sole discretion as to whether to pay an incentive and, if so, how much.					

[7] rTSR or relative total shareholder return means EROAD's total shareholder return compared to the peer companies' total shareholder return on a relative basis. rTSR is a measure of financial performance.

Incentivising appropriate risk-taking and risk management also underpins our remuneration principles and our approach is demonstrated in several ways:

- The People and Culture Committee has discretion to adjust Variable Remuneration for STI Plan awards based on EROAD's financial performance and individual behaviour, including adherence to the Code of Conduct and Risk Appetite Statement.
- The Board administers all aspects of EROAD's LTI Plan, including the making of Grants and the exercise of Eligible Share Rights.
- The Board retains sole discretion to issue shares relating to the Performance Share Rights granted to employees upon cessation of employment.

Variation of Terms

The Board may from time to time vary any terms of a Participant's participation in the company STI Plan or LTI Plan, with the agreement of the participant.

EROAD's Director and Executive Remuneration Policy FY24 is available via EROAD's investor website at https://eroadglobal.com/investors/.

The number of executives to whom the Director and Executive Remuneration Policy applies is 9 as at 31 March 2024. You can read more about our executive team on page 48.

External and Independent Advice

During the year the People and Culture Committee sought external and independent advice from Haigh & Company to review and make recommendations on EROAD's existing remuneration framework for both staff and executive employees for FY24 and beyond. In addition, EROAD obtained guidance on employee remuneration for those based in Australia and New Zealand from Strategic Pay and sought advice from Insperity for employees based in North America.

CEO AND CO-CEO REMUNERATION ARRANGEMENTS AND OUTCOMES

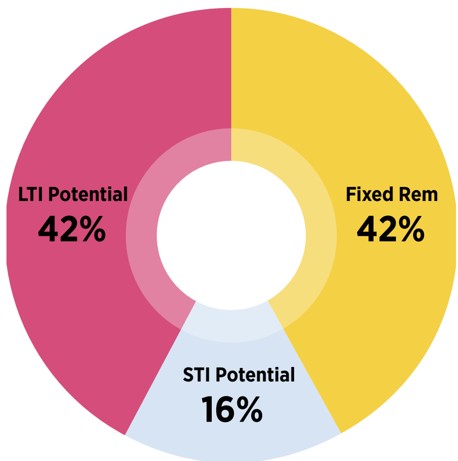
CEO and Co-CEO Remuneration Arrangements

Mr Heine's fixed remuneration remained at $700,000 for FY24. In New Zealand, EROAD provides its employees with subsidised healthcare and 3% employer contributions to Kiwisaver, to which Mr Heine is entitled to receive. Mr Heine is also eligible to receive up to 40% of his base salary as a cash payment or share based payment under EROAD's FY24 STI Plan, and up to 100% of his base salary under EROAD's 3-year FY24 LTI Grant.

From March 2024 the Co-CEO's salaries comprises of fixed remuneration of NZD$700,000 per annum for Mr Heine and USD$450,000 for Mr Kenneson. Variable remuneration will comprise of STI Plan eligibility of up to 50% of fixed remuneration per Co-CEO (NZD$350,000/USD$225,000) in cash or shares, and LTI Plan eligibility of up to NZD$700,000/USD$450,000 in cash or shares respectively under EROAD's FY25 grants. Entitlement under variable remuneration is subject to performance criteria being met (disclosed above) and is at the Board's discretion. Mr Kenneson is entitled to receive employment benefits including including 3% employer contribution to 401K and standard employee insurance covering long term disability and basic life insurance. Mr Kenneson also receives healthcare subsidies, which all employees are entitled to receive.

Co-CEO remuneration mix

The remuneration mix for the Co-CEOs is as follows:



CEO Remuneration Outcomes

The CEO remuneration outcomes for the last 5 years are:

Year	CEO	Gross Fixed Remuneration[8]	STI Plan		LTI Plan			Total Value of Variable Remuneration	Total Remuneration Outcomes
			STI Plan award paid in cash	Amount paid as % of maximum award under STI Plan	Value of LTI Plan grant Vested[9]	Amount paid as % of maximum grant under LTI Plan	Price per share at vesting date		
FY20	Steven Newman	$603,796	$213,048	Not previously disclosed.	-	-	-	$213,048	$816,844
FY21	Steven Newman	$603,044	$133,902	Not previously disclosed.	-	-	-	$133,902	$736,946
FY22	Steven Newman	$677,618	$115,819	Not previously disclosed.	$394,658	Not previously disclosed.	Not previously disclosed.	$510,477	$1,188,095
FY23	Steven Newman[10]	$435,843	-		$351,480	Not previously disclosed.	Not previously disclosed.	$351,480	$787,323
FY23	Mark Heine (Acting CEO)[11]	$147,369	-		$160,846	Not previously disclosed.	Not previously disclosed.	$160,846	$308,215
FY23	Mark Heine (Permanent CEO)[12]	$575,215	-		-	Not previously disclosed.	Not previously disclosed.	-	$575,215
FY24	Mark Heine[13]	$716,838	$331,240[14]	67.6%[15]	$55,169[16]	100%[17]	$0.62	$386,409	$1,103,247
FY24	David Kenneson[18]	USD$34,091	-	-	-	-	-	$0	USD$34,091

[8] Gross Fixed Remuneration includes base salary payments and other benefits such as Kiwisaver contribution paid at 3%, annual leave entitlements, backpay due to pay increases and additional allowances e.g. "higher duties allowance".

[9] All LTI Plan grants were made by issuing PSRs that upon vesting, resulting in ordinary shares being issued to the CEO on a 1:1 basis.

[10] Steven Newman resigned as CEO on 8 April 2022. Disclosures are made for his remuneration from 1 April to 8 April 2022. Steven Newman's Gross Fixed Remuneration includes holiday pay

[11] Mark Heine was the acting CEO following Steven Newman's resignation. Disclosures are made for Mark Heine's remuneration in his role as acting CEO between 8 April 2022 to 20 June 2022.

[12] Mark Heine was appointed as EROAD's permanent CEO on 21 June 2022. Disclosures are made for Mr Heine's remuneration as permanent CEO from 21 June 2022 to 31 March 2023.

[13] Mark Heine was appointed Co-CEO from 5 March 2024, sharing the CEO duties and responsibilities with David Kenneson.

[14] STI Plan payment relates to the FY23 reporting period and was paid to Mark Heine in FY24 in July 2023. This award relates to H2 FY23. No STI Plan payments were made for H1 FY23.

[15] The amount paid as a percentage reflects an assessment based on performance against targets in H2 FY23. No STI Plan payments were made for H1 FY243.

[16] This award was made under EROAD's FY23 LTI Grant. The FY23 Grant was made by issuing PSRs that upon vesting, resulted in ordinary shares being issued to the CEO on a 1 : 1 basis. The value set out represents the market value of the shares issued to the CEO, calculated as the volume weighted average price ("VWAP") of ordinary shares on the NZX over the 20 day VWAP immediately prior to the issue of shares.

[17] Mark Heine received 100% of PSRs granted to him under EROAD's FY23 LTI Grant which transferred to him as ordinary shares on a 1 : 1 basis.

[18] David Kenneson was appointed Co-CEO from 5 March 2024, sharing the CEO duties and responsibilities with Mark Heine.

CEO STI Outcomes

In FY24 and prior to the appointment of David Kenneson, CEO Mark Heine was under a CEO specific STI Plan. Mr Heine was then newly appointed to the role and the Board wanted to ensure that his performance was evaluated separately from the rest of the executive team. This was done to align his incentives with the specific financial goals he was tasked with achieving.

Mark Heine	STI Target		STI Awarded		Earned	% Earned of Awarded	% of Target Awarded
FY23	Up to 70% of base salary	$490,000	67.6%	$331,240	$331,240	100%	67.6%[19]
FY24	Up to 40% of base salary	$280,000	Not yet determined	Not yet determined	Not yet determined	Not yet determined	Not yet determined

FY24 Performance Hurdles	STI Weighting
Core financial targets – revenue, EBIT and free cash flow	75%
Key strategic and operational goals	25%

CEO STI Outcomes

FY23 LTI Plan Performance Outcomes

Performance hurdles	LTI Plan Weighting	Weighted Outcome	Vesting date	Value
Time Vested Units	100%	100%	6 April 2023	$55,169

FY24 Performance Hurdles

CEO LTI Plan outcomes cannot yet be disclosed as performance will be assessed after 31 March 2026 pursuant to EROAD's 3-year FY24 LTI Grant.

Performance hurdles	Portion of total	Weighted Outcome	Weighted Outcome	Assessed
Time Vested Units	1/3	100%	Not yet determined	At the end of 3 years.[20]
Performance - rTSR	1/3	up to 200%	Not yet determined	At the end of 3 years.[21]
Performance – Absolute EROAD Performance (Revenue, EBIT, FCF)	1/3	85-130%	Not yet determined	At the end of 3 years.[22]

[19] Financial targets were weighted 60% and 27.6% of these were achieved. Non-financial targets were weighted at 40% and 40% achievement was awarded.

[20] After the end of the third financial year, being 31 March 2026.

[21] After the end of the third financial year, being 31 March 2026, EROAD's rTSR is assessed against its peers on the ASX Technology Index (XTX) over the 3 years of the LTI Grant, being FY24, FY25 and FY26.

[22] Absolute performance will be assessed at 20% per annum for each of the 3 financial years contemplated by the Grant. The remaining 40% will be a cumulative assessment made at the end of the 3-year grant period, being after 31 March 2026 pursuant to the FY24 LTI Grant.

PSRs Granted to Co-CEO Mark Heine during FY24

A summary of the outstanding PSRs granted to the CEO under the FY23 LTI Grant and FY24 LTI Grant as at 31 March 2024 is as follows:

PSR grant date	Vesting date	Balance of PSRs at 31 March 2023	Granted during the reporting period		PSRs vested/lapsed in relation to the reporting period		Shares issued in relation to the reporting period			Balance of PSRs at 31 March 20243
			PSRs granted	Market Price per share at grant date	PSRs lapsed	PSRs vested	Shares issued following vesting	Market Price per share at issue date	Issue date	
13 October 2022	31 March 2023	88,983	0	N/A	0	88,983	88,983	$0.62	6 April 2024	0
6 July 2023	31 March 2026	0	295,312	$1.01	N/A	N/A	N/A	N/A	N/A	295,312

Co-CEO Shareholdings as at 31 March 2024

Ordinary Shares	Balance at 1 April 2023	FY23 LTI Grant Vested	Participation in Placement	Participation in Rights Offer	Balance at 31 March 2024
Mark Heine, co-CEO	101,085	88,983	30,000	92,266	312,334
David Kenneson, co-CEO	-	-	-	-	-

Co-CEO employment conditions

Item	Details
Basis of contract	Ongoing (no fixed term)
Notice period	6 months by either party
Termination payment entitlements	For no fault termination or redundancy, the CEO will receive a severance payment equivalent to 6 months base salary and STI Plan awards may be paid out at the Board di scretion.
Base salary	Subject to annual review (but no adjustments to base salary are guaranteed)

Key performance summary - TSR performance

EROAD will include a total shareholder return (rTSR) performance graph in its FY26 Remuneration Report to align with the assessment of performance hurdles pursuant to the FY24 LTI Grant.

ESG Disclosures

EROAD's gender pay gap currently stands at 17% (median) and 14% (weighted mean) when measured across all employees and all regions.[24] EROAD is committed to closing the gender pay gap and has a number of initiatives underway. You can read more about this in the "Our People" section of this Annual Report.

Annual Total compensation ratio (GRI Disclosure 2-21)

Ratio of the annual total compensation for EROAD's highest paid individual to the median annual total compensation for all employees (excluding the highest paid individual).	6:1
Ratio of the percentage increase in annual total compensation for EROAD's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).	The highest paid employee did not receive an increase in FY24. The ratio for all other employees, excluding the highest paid individual was 0 : 4.

Ratio of basic salary and remuneration of women to men (GRI Disclosure 2-21)

New Zealand	1 : 1.2
Australia	1 : 0.9
United Sates of America	1 to 1.1

[24] Calculated by taking a weighted approach to headcount per region to avoid fx fluctuations impacting gender pay gap representations. Regional paygaps were calculated for separately then combined into a global paygap based on the number of employees in each region to remove the potential distortion from different currencies and the regional purchasing power of equivalent salaries.

EMPLOYEE REMUNERATION

The following table sets out the number of current and former employees (other than employees who are directors) whose remuneration and other benefits for FY24 was above NZ$100,000 in value.

EROAD has employees in New Zealand, the United States and Australia with remuneration market levels which differ between the three countries. Of EROAD's 324 employees noted in the table below who received remuneration and other benefits that exceed NZ $100,000 in value, 97 (29.9 %) are employed by EROAD in the United States of America, 13 (4 %) in Australia and 214 (66.05 %) in New Zealand. The overseas remuneration amounts in US dollars and Australian dollars are converted into New Zealand dollars at rates of 0.5967[25] and 0.915324[26] respectively.

NZ$	Total
100,000 - 110,000	35
110,000 - 120,000	23
120,000 - 130,000	22
130,000 - 140,000	33
140,000 - 150,000	30
150,000 - 160,000	28
160,000 - 170,000	26
170,000 - 180,000	16
190,000 - 200,000	16
200,000 - 210,000	17
210,000 - 220,000	13
220,000 - 230,000	1
230,000 - 240,000	7
240,000 - 250,000	7
250,000 - 260,000	3
260,000 - 270,000	5
270,000 - 280,000	4
280,000 - 290,000	5
290,000 - 300,000	3
320,000 - 330,000	4
300,000 - 310,000	6
310,000 - 320,000	1
320,000-330,000	1
330,000-340,000	4
360,000 - 370,000	1
380,000-390,000	1
390,000-400,000	1
430,000 - 440,000	1
440,000-450,000	1
460,000 - 470,000	2
470,000-480,000	1
490,000-500,000	1
530,000-540,000	1
680,000-690,000	1
700,000 – 710,000	1
870,000-880,000	1
1,040,000-1,050,000	1
1,260,000-1,270,000	1
Total	**324**

[25] Australian fx rate as at 31 March 2024.

[26] United States fx rate as at 31 March 2024.

DIRECTOR REMUNERATION

The People and Capability Committee is responsible for establishing and monitoring remuneration policies and guidelines for directors which enable EROAD to attract, motivate and retain a high calibre of directors who will contribute to the successful governing of EROAD and create value for shareholders.

When determining the fees for non-executive directors and Chairs of the Board and our committees, the Board considers the need to maintain appropriately experienced and qualified directors in accordance the fee levels for comparable listed companies in New Zealand, Australia and United States. Independent external advice on director remuneration was obtained from PwC in FY22. EROAD's Director and Executive Remuneration Policy FY24 is available via EROAD's investor website at https://eroadglobal.com/investors/.

The directors who held office during FY24 are as follows:

	Position	Country of residence	Period position was held during FY24
Graham Stuart[27]	Chair Independent Director	New Zealand	Until 10 July 2023 From 10 July 2023
Barry Einsig	Independent Director	United States	Full year
Tony Gibson[28]	Independent Director	New Zealand	Until 1 August 2023
Susan Paterson[29]	Chair Independent Director	New Zealand	Until 10 July 2023 From 10 July 2023
Sara Gifford	Independent Director	United States	Full year
Selwyn Pellett	Non-Executive Director	New Zealand	Full year
David Green	Independent Director	New Zealand	From 1 August 2023
Cameron Kinloch	Independent Director	United States	From 28 March 2024

[27] Graham Stuart resigned from his role as Chair on 10 July 2023. He resigned from the Board on 31 March 2024.
[28] Tony Gibson retired from the Board following EROAD's FY23 Annual Shareholders' Meeting on 28 July 2023.
[29] Susan Paterson assumed the role of Board Chair on 10 July 2023.

In 2021 the total non-executive director remuneration pool was fixed at $850,000. In 2024 the director fee pool was increased to $900,000 in accordance with NZX Listing Rule 2.11.3. The Board approved a small increase to the director fee pool to accommodate the increased number of directors from the number of directors when the director fee pool was approved. Under the company Remuneration Policy, non-executive directors do not receive any performance-based remuneration and no retirement payments are made to directors or executive employees for their service.

Annual fees payable for FY24 to non-executive directors are as follows:

Country of residence	Chair	Director[30]	Finance, Risk and Audit Committee Chair[31]	People and Culture Committee Chair[32]	Nominations Committee Chair[33]	Technology Committee Chair**
New Zealand ($NZD)	150,000	95,000	15,000	12,000	-	
Australia ($AUD)		95,000			-	
United States ($USD)		96,000			-	12,000

EROAD does not intend to increase the base fees for directors over the next year without shareholder approval (unless done so in accordance with NZX Listing Rule 2.11.3 to accommodate the appointment of an additional director).

Any unallocated capacity remaining in the annual director fee pool is reserved to provide flexibility for the remuneration of non-executive directors who assume additional responsibilities throughout the year, such as attending ad hoc Board committee meetings or performing additional services for EROAD in their capacity as directors. No such additional remuneration was paid to directors in FY24.

[30] EROAD's Remuneration Policy allows for additional payments to be made to directors for specific projects they are involved in, including chairing committees.
[31] EROAD does not pay committee members additional fees for their roles on such committees.
[32] EROAD does not pay committee members additional fees for their roles on such committees.
[33] No additional payment made to the Nominations Committee Chair or members

Non-executive directors received the following directors' fees from EROAD in the year ended 31 March 2024. All fees are in NZD unless otherwise indicated:

	Base fee	Chair	Fee for Finance, Risk and Audit Committee Chair	Fee for Remuneration, Talent and Nomination Committee Chair	Fee for People and Culture Committee Chair	Fee for Nominations Committee Chair	Fee for Technology Committee Chair	Total remuneration received for FY24
Graham Stuart	$69,059.20	$41,129.03[34]	$9,249.36[35]		-	-		$119,437.59
Barry Einsig	USD$96,000		-		-	-	USD $12,000	USD$108,000
Tony Gibson	$31,666.68		-	$4,000[36]			-	$35,666.68[37]
Susan Paterson	$25,940.83	$108,870.94[38]	$4,112.91[39]		-	$0[40]	-	$138,924.68
Selwyn Pellett	$94,999.92		-		-		-	$94,999.92
Sara Gifford	USD$96,000		-		USD $6,000		-	USD$102,000
David Green	$63,333.28[41]		$1,661.06[42]					$64,994.34
Cameron Kinloch	USD$1,032.26[43]							USD$1,032.26

Non-executive directors do not take a portion of their remuneration under a share plan. Ownership of EROAD shares by Directors is encouraged rather than a requirement. When Directors are acquiring shares they are encouraged to buy on-market. Their ownership interests are disclosed in the "Directors' Shareholdings" section of this report.

Non-executive directors are entitled to be reimbursed for reasonable costs directly associated with attending the Board meetings. Executive directors do not receive remuneration for their role as a director of EROAD. EROAD does not currently have any executive directors.

No EROAD director or employee receives or retains any remuneration or other benefits in their capacity as a director of that subsidiary.

[34] Graham Stuart held the role of Board Chair from 1 April 2023 – 10 July 2023.
[35] Graham Stuart held the role of FRAC Chair from 10 July 2023.
[36] Tony Gibson held the role of RTNC Chair from 1 April – 28 July 2023. The RTNC was bifurcated on 19 September 2023 into the People and Culture Committee and the Nominations Committee.
[37] Tony Gibson retired from the Board on 28 July 2023.
[38] Susan Paterson held the role of Board Chair from 10 July 2023.
[39] Susan Paterson held the role of FRAC Chair from 1 April 2023 – 10 July 2023.
[40] Susan Paterson assumed the role of Nominations Committee Chair on 19 September 2023. No Chair fee is paid to any director who Chairs the Nominations Committee.
[41] David Green was appointed to the Board on 1 August 2023.
[42] David Green assumed the role of FRAC Chair on 20 February 2024.
[43] Cameron Kinloch was appointed to the Board on 28 March 2024.

Regulatory disclosures

DIRECTORS

The persons who held office as directors of EROAD Limited at any time during the year ended 31 March 2024, are as follows:

Director	Status	Period position was held
Susan Paterson	Non-Executive, Independent Director Chair	Until 10 July 2023 From 10 July 2023
David Green	Non-Executive, Independent Director	From 1 August 2023
Graham Stuart	Chair Non-Executive, Independent Director	Until 10 July 2023 From 10 July 2023
Barry Einsig	Non-Executive, Independent Director	Full year
Selwyn Pellett	Non-Executive Director	Full year
Sara Gifford	Non-Executive, Independent Director	Full year
Cameron Kinloch	Non-Executive, Independent Director	From 28 March 2024
Anthony Gibson	Non-Executive, Independent Director	Until 28 July 2023

SUBSIDIARY COMPANY DIRECTORS

The persons who held office as directors of subsidiary companies at any time during the year ended 31 March 2024 are as follows:

EROAD Financial Services Limited	Margaret Warrington
EROAD Australia Pty Limited	Margaret Warrington, Konrad Stempniak
EROAD Inc.	Margaret Warrington
EROAD LTI Trustee Limited	Margaret Warrington
Coretex Limited	Konrad Stempniak, Margaret Warrington
Coretex NZ Limited	Konrad Stempniak, Margaret Warrington
Coretex Australia Pty Ltd	Konrad Stempniak, Margaret Warrington
Coretex USA Inc	Mark Heine, Margaret Warrington
Imarda Pty Limited	Konrad Stempniak, Margaret Warrington
International Telematics Holdings Limited	Konrad Stempniak, Margaret Warrington

INTERESTS REGISTER

In accordance with section 140(2) of the Companies Act, the directors named below have made a general disclosure of interest by a general notice disclosed to the Board and entered in the Company's interests register. General notices given by directors which remain current as at 31 March 2024 are as follows:

Susan Paterson	
Director	Arvida Group Limited
Director	Les Mills Holdings Limited
Director (Chair)	Steel & Tube Holdings Limited
Director (Chair)	Theta Systems Limited
Director	Lodestone Energy
Member	Leadership Group of the Aotearoa Circle Development an Energy Strategy for NZ
Director	Reserve Bank of New Zealand
Director (Chair)	Evolution Healthcare

Graham Stuart	
Director	Tower Insurance Limited
Director and Shareholder	Leroy Holdings Limited
Director	VinPro Limited
Director	Northwest Healthcare Properties Management Limited (Northwest manages the Vital Healthcare Property Trust)
Director	Comhla Vets Limited
Consultant	FTP Solutions Pty Limited
Director	Nexus Global Limited

David Green

Independent Director and member of the Board Risk and Compliance Committee and Board Audit Committee	Westpac New Zealand Limited
Chair	BT Funds Management (NZ) Limited
Chair and Independent Director	MyFarm UF1 GP Limited
Director and Shareholder	Abner & Hobson Limited
Director and Shareholder	Casa Verde Investments Limited

Barry Einsig

Founder	Barry C. Einsig Advisory Services LLC

Selwyn Pellett

Director and Shareholder	PACE Limited
Director and Shareholder	Storm Distribution Limited
Director and Shareholder	Swaytech Limited
Director and Shareholder	Swayevents Limited
Shareholder	Contex Engineers Limited
Director and Shareholder	Streamline Business NZ Limited
Director and Shareholder	Streamline Business Group Limited
Director and Shareholder	KTX Limited
Director and Shareholder	AIGA Limited
Director	Acume Limited
Director	Ripple 4 Charities Limited
Director	Admin Army Limited
Director and Shareholder	Reyburn Investments Limited
Shareholder	Aegis Ceramic Coatings Ltd*
Director and Shareholder	Functional Coatings Holdings Limited*
Director and Shareholder	Manu Investments Limited *
Director and Shareholder	Bailey Ventures Ltd*
Director and Shareholder	Wonderstay Limited*

Sara Gifford

Director and Shareholder	Spiro
Co-Founder, Director and Shareholder	ActiVote Inc

Cameron Kinloch

Director	Copper Cow Coffee
CFO	Weights and Biases, Inc

SHARE DEALINGS BY DIRECTORS

In accordance with Section 148(2) of the Companies Act, the Board has received disclosures from the directors named below of acquisitions or dispositions of relevant interests in the Company between 1 April 2023 and 31 March 2024, and details of those dealings were entered in the Company's interests register. The particulars of such disclosures are:

Susan Paterson

1. Acquired 142,857 ordinary shares at $0.70 per share on 18 September 2023.
2. Acquired 8,039 ordinary shares at $0.70 per share on 2 October 2023.

David Green

1. Acquired 142,857 ordinary shares at $0.70 per share on 18 September 2023.
2. Acquired 27,143 ordinary shares at $0.70 per share on 20 September 2023.

* Interest added during FY24

Graham Stuart

1. Acquired 15,379 ordinary shares at $0.70 per share on 18 September 2023.
2. Acquired 50,970 ordinary shares at $0.70 per share on 2 October 2023.

Barry Einsig

1. Acquired 73,091 ordinary shares at $0.70 per share on 18 September 2023.

Selwyn Pellett

1. Acquired 340,568 ordinary shares at $0.70 per share on 18 September 2023.
2. Acquired 1,013,826 ordinary shares at $0.70 per share 2 October 2023.

Sara Gifford

1. Acquired 357,142 ordinary shares at $0.70 per share on 18 September 2023.

Use of Company Information

There were no notices from directors of the Company requesting to use Company information received in their capacity as directors that would not otherwise have been available to them.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNITY

EROAD has arranged, as provided for under the Company's constitution, policies of directors' and officers' liability insurance which, with a Deed of Indemnity entered into with all directors, ensures that generally directors will incur no monetary loss as a result of actions undertaken by them as directors. Certain actions are specifically excluded, for example, the incurring of penalties and fines that may be imposed in respect of breaches of the law.

DIRECTORS RELEVANT INTERESTS

The following directors held relevant interests in the following ordinary shares in the Company as at 31 March 2024:

Name	Ordinary shares
Susan Paterson	167,457
David Green	170,000
Graham Stuart	171,349
Barry Einsig	73,091
Selwyn Pellett	3,442,887*
Sara Gifford	357,142
Cameron Kinloch	-

*Includes shares held by Selwyn Pellett and Tracey Herman as trustees of the Selwyn Pellett Family Trust (of which Selwyn Pellett is a beneficiary) and Shares held via Sharesies Nominee Limited as custodian.

ANNUAL SHAREHOLDERS' MEETING

EROAD's 2024 annual shareholders' meeting will be held at 1:00pm NZT at Eden Park, Loyalty Lounge, 42 Reimers Ave, Kingsland, Auckland 1024, New Zealand and virtually via audio visual link on Wednesday 26 June 2024.

Shareholder information

SHAREHOLDER INFORMATION

Holding Range	Number of holders	%	Number of ordinary shares	%
1 to 999	1,318	34.48	513,983	0.28
1,000 to 4,999	1,329	34.77	3,062,155	1.66
5,000 to 9,999	396	10.36	2,728,760	1.48
10,000 to 49,999	566	14.81	11,828,392	6.40
50,000 to 99,999	97	2.54	6,665,905	3.61
100,000 and over	116	3.04	160,021,827	86.59
Total	**3,822**	**100**	**184,821,022**	**100**[44]

The details set out above were as at 31 March 2024. The Company only has one class of shares on issue, ordinary shares, and these shares are quoted on the NZX and ASX Main Boards.

SUBSTANTIAL PRODUCT HOLDERS

According to notices given under the FMC Act, the substantial product holders in ordinary shares (being the only class of quoted voting products) of the Company and their relevant interests according to the substantial product holder noticed filed as at 31 March 2024, were as follows:

Substantial product holder	Date of Notice during FY24	Number of shares	% of shares on issue at 31 March 2024
Brillian APAC Pty Ltd	10/07/2023	21,198,461	18.74
Regal Funds Management Pty Ltd	05/10/2023	16,634,094	9.01
National Nominees Ltd ACF Australian Ethical Investment Limited	05/03/2024	14,623,500	7.91
Steven Newman and NMC Trustees Limited	18/01/2024	13,465,011	7.29

The total number of ordinary shares (being the only class of quoted voting products) on issue in the Company as at 31 March 2024 was 184,821,022.

[44] Rounded to 100% from 100.01%.

PRINCIPAL SHAREHOLDERS

The names and holdings of the 20 largest registered shareholders in the Company as at 31 March 2024 were:

Holder Name	Shares	%
Citibank Nominees (New Zealand) Limited – NZCSD	22,937,022	12.41
Brillian APAC Pty Ltd	21,318,415	11.53
NMC Trustees Limited	13,112,942	7.09
HSBC Custody Nominees (Australia) Limited	10,267,757	5.56
BNP Paribas Nominees (NZ) Limited – NZCSD	9,595,502	5.19
Citicorp Nominees Pty Limited	7,735,564	4.19
Anthony Henry Kandziora	7,000,000	3.79
HSBC Nominees (New Zealand) Limited – NZCSD	6,143,991	3.32
Accident Compensation Corporation- NZCSD	4,892,765	2.65
FNZ Custodians Limited	4,875,591	2.64
National Nominees Limited	4.364,228	2.36
New Zealand Depository Nominee Limited	4,007,305	2.17
Selwyn Pellett & Tracey Herman – Selwyn Pellett Family Trust	3,442,877	1.86
JP Morgan Nominees Australia Limited	2,814,056	1.52
BNP Paribas Nominees Pty Ltd	2,804,601	1.52
J E & A L Marris Trustees Limited	2,368,536	1.28
Custodial Services Limited	2,115,139	1.14
BNP Paribas Noms Pty Ltd	1,947,329	1.05
Movac Fund 4 Custodial Limited	1,760,467	0.95
John Grant Sinclair	1,582,861	0.86

Other information

NZX WAIVERS

In relation to the capital raising announced on 7 September 2023, EROAD was granted a waiver in respect of NZX Listing Rule 4.19.1 to the extent that this Rule would prohibit the allotment of Shares in respect of subscriptions received from Volaris under the Equity Raising later than 10 Business Days after the closing date for the Placement and Institutional Entitlement Offer. A copy of the waiver is available on EROAD's NZX Announcement page.

DISCIPLINARY ACTION TAKEN BY THE NZX

The NZX has not taken any disciplinary action against the Company during the year ended 31 March 2024.

AUDITOR'S FEES

KPMG has continued to act as auditor of EROAD and our subsidiaries. The amount payable by EROAD and our subsidiaries to KPMG as audit fees during the year ended 31 March 2024 was $0.6m. The amount of fees payable to KPMG for non-audit work during the year ended 31 March 2024 was $0.4m. Note 5 in the Financial Statements section of this Annual Report includes a detailed breakdown of auditor's fees for audit and non-audit work.

DONATIONS

EROAD does not make any political donations. We made donations totalling $56,000 during the year ended 31 March 2024.

CREDIT RATING

EROAD does not currently have a credit rating.

Directory

Registered Office in New Zealand

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

Registered Office in North America

15110 Avenue of Science,
Suite 100, San Diego,
United States of America 92128

Registered Office in Australia

1 Link Road, Zetland, New South Wales 2017, Australia

Investor Relations and Sustainability Enquiries

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, PwC Tower, 15 Customs Street West, Auckland 1010
PO Box 2206, Auckland 1140

Bankers

Bank of New Zealand
ANZ Bank New Zealand Ltd
Kiwibank Limited
National Australian Bank
Wells Fargo
HSBC

Glossary

ANNUALISED MONTHLY RECURRING REVENUE (AMRR)
A non-GAAP measure representing monthly Recurring Revenue for the last month of the period, 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.

COREHUB
EROAD's next generation telematics hardware that collects rich data, meets electronic logging device certification.

COSTS TO ACQUIRE CUSTOMERS (CAC)
A non-GAAP measure of costs to acquire customers. Total CAC represents all 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)
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.

CALENDAR YEAR (CY)
12 months ended 31 December.

EBITDA
A non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA). Refer Consolidated Statement of Comprehensive Income in Financial Statements.

EBITDA MARGIN
A non-GAAP measure representing EBITDA divided by Revenue.

EHUBO, EHUBO2 and EHUBO 2.2
EROAD's first and second generation electronic distance recorder which replaces mechanical hubo-dometers. Ehubo is a trade mark registered in New Zealand, Australia and the United States.

ELECTRONIC LOGGING DEVICE (ELD)
An electronic solution that synchronises with a vehicle engine to automatically record driving time and hours of service records.

ENTERPRISE
A fleet of more than 500 vehicles in North America and more than 150 vehicles in Australia or New Zealand.

FREE CASH FLOW
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 the FY23 Financial Statements.

FINANCIAL YEAR (FY)
Financial year ended 31 March.

HALF ONE (H1)
For the six months ended 30 September.

HALF TWO (H2)
For the six months ended 31 March.

MONTHLY SAAS AVERAGE REVENUE PER UNIT (ARPU)
A non-GAAP measure that is calculated by dividing the total SaaS revenue for the year reported in Note 2 of the FY23 Financial Statements, by the TCU balance at the end of each month during the year.

NORMALISED EBITDA
Excludes one-off items including acquisition accounting adjustments ($9.6m) and integration costs ($3.4m). FY22 normalisations include acquisition accounting revenue ($1.3m) , due diligence costs ($2.0m), transaction costs ($1.6m), and integration costs ($4.0m).

NORMALISED EBITDA MARGIN
Excludes one-off items, consistent with the definition provided for Normalised EBITDA

NORMALISED REVENUE
Excludes the one-off acquisition accounting revenue in FY23 ($9.6m).

ROAD USER CHARGES (RUC)
In New Zealand, RUC is applicable to Heavy Vehicles and all vehicles powered by a fuel not taxed at source. The charges are paid into a fund called the National Land Transport Fund, which is controlled by NZTA, and go towards the cost of repairing the roads.

SAAS
Software as a Service, a method of software delivery in which software is accessed online via a subscription rather than bought and installed on individual computers.

SAAS REVENUE
Software as a service (SaaS) revenue represents revenue earned from customer contracts for the sale or rental of hardware, installation services and provision of software services.

TOTAL CONTRACTED UNITS
Represents EROAD and Coretex branded units subject to a customer contract both on Depot and pending instalment and Coretex branded units currently billed.

UNIT
A communication device fitted in-cab or on a trailer. Where there is more than one unit fitted in-cab or on a trailer, it is counted as one unit (excluding Philips Connect).

360
A web-based platform that allows customers to access data collected by CoreHub and the associated reports.

EROAD

EROAD

Results for announcement to the market		
Name of issuer	EROAD Limited	
Reporting Period	12 months to 31 March 2024	
Previous Reporting Period	12 months to 31 March 2023	
Currency	New Zealand Dollars	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$182,012	10%
Total Revenue	$182,012	4%
Net profit/(loss) from continuing operations	$3,227	127%
Total net profit/(loss)	($346)	88%
Interim/Final Dividend		
Amount per Quoted Equity Security	No dividend declared	
Imputed amount per Quoted Equity Security	Not applicable	
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$0.28	$0.08
A brief explanation of any of the figures above necessary to enable the figures to be understood	For commentary on the result, please refer to the investor presentation and annual report for the year ended 31 March 2024.	
Authority for this announcement		
Name of person authorised to make this announcement	Margaret Warrington	
Contact person for this announcement	Margaret Warrington	
Contact phone number	(09) 927 4700	
Contact email address	margaret.warrington@eroad.com	
Date of release through MAP	23 May 2024	

Audited financial statements for the year ended 31 March 2024 accompany this announcement.