



EROAD (NZX: ERD ASX: ERD) ANNUAL SHAREHOLDERS MEETING

28 July 2023

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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 2023 (FY23) and comparisons relate to the 12 months ended 31 March 2022 (FY22), unless otherwise stated. All dollar amounts are in NZD, unless otherwise stated.

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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 are not subject to audit or review. Definitions can be found in the Glossary on page 32 of this presentation.

HOW TO PARTICIPATE ONLINE

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

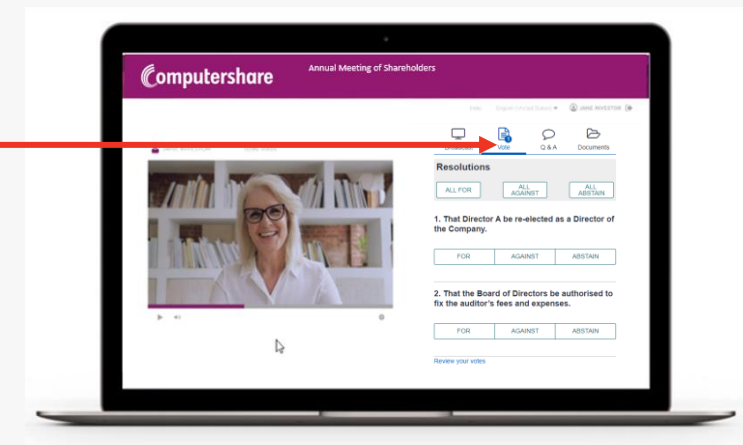
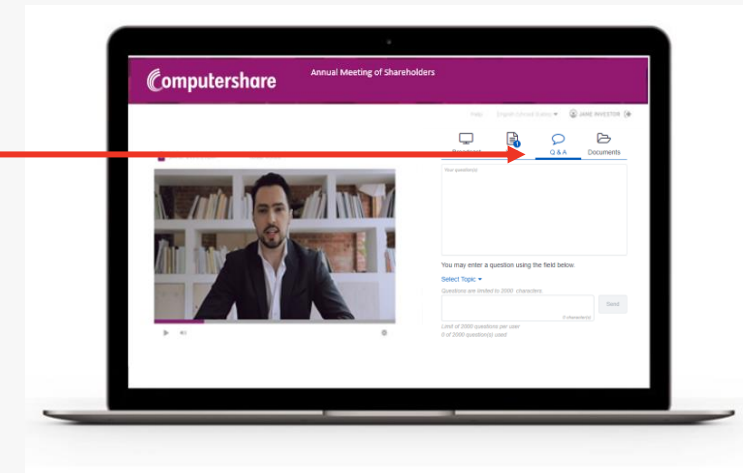
Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select **'Change Your Vote'**.



AGENDA

PAVING A PATH TO SUSTAINABLE & PROFITABLE GROWTH

1. Chair's Address
2. CEO and CFO Address
3. Resolutions
4. Q&A



SUSAN PATERSON, **CHAIR**



MARK HEINE, **CEO**



MARGARET WARRINGTON, **CFO**



EROAD

01

CHAIR'S ADDRESS

INTRODUCTION

PROVIDING CUSTOMERS WITH INNOVATIVE SOLUTIONS WITH AN INTEGRATED ESG FOCUS



CHAIR
SUSAN PATERSON

Our Purpose:

“Delivering intelligence you can trust, for a better world tomorrow”



Goals and aspirations

- Support **decarbonisation** and **air pollution reduction** efforts to create healthier and more sustainable communities
- Enhance operational safety and **reduce the occurrence of serious injuries and deaths on roads**
- Improve **survivability of crashes** by supporting our customers to ensure vehicles are fit for purpose
- Advocate for regulatory solutions that are **sensible, cost effective and future proof**
- Advocate for **data led decision making in the transport industry** to achieve a sustainable supply chain and efficient transportation network
- Support **community** initiatives and give back to our local communities

BOARD RENEWAL

RIGHT SKILLSET TO SUPPORT THE NEXT PHASE IN OUR JOURNEY



SUSAN PATERSON, CHAIR

- Professional Director with 25 years of governance experience, based in Auckland
- Senior executive and consultant to several companies in New Zealand, the US and Europe
- Chair of Steel & Tube Holdings Ltd, Theta Systems and Evolution Healthcare, Director of Reserve Bank of New Zealand



SELWYN PELLETT, NON-EXECUTIVE DIRECTOR

- Founder and CEO of Coretex
- Previously co-founder, CEO and Chairman of Endace Ltd
- Based in Auckland



DAVID GREEN, INDEPENDENT DIRECTOR

- Chair of BT Funds Management (NZ) Ltd and MyFarm UFI GP Ltd
- Independent Director of Westpac New Zealand
- Previously held senior executive roles at ANZ and Deutsche Bank
- Based in Auckland
- **Commences role on 1 August 2023**



SARA GIFFORD, INDEPENDENT DIRECTOR

- Director of Spiro, co-founder and Director of Activote (both based in NA)
- Previously Chief Solutions Officer and executive board member of Quintiq
- Based in Boston, Massachusetts



BARRY EINSIG, INDEPENDENT DIRECTOR

- Advisor to companies on Transportation, Business, Technology and ESG
- Previous advised Singapore Ministry of Transportation on Highly Automated Vehicle Program and created technology used in Public Safety Networks
- Based in Pennsylvania



GRAHAM STUART, INDEPENDENT DIRECTOR

- Previously CEO of Sealord Group
- CFO, then Director of Strategy & Growth at Fonterra
- On Boards of Metro Performance Glass (MPG-NZX), the manager of Vital Healthcare (VHP-NZX), and Tower Insurance (TWR-NZX)
- Based in Auckland
- **Former Chair, retiring at an appropriate date after the ASM to ensure an orderly transition**

Former Independent Director Tony Gibson retired from the board at the 2023 ASM

FY23 PROGRESS AND FY24 FOCUS AREAS

PATH TO SUSTAINABLE & PROFITABLE GROWTH

Refreshed strategy

- Turning around the core
- Growing North America

Strategic Partnerships

- Contribute expertise; market access; capital
- Discussions with various parties ongoing

Management executing well

- Strong customer renewals and new wins
- Winning key enterprise customers

Key milestones set

- FY24 guidance for revenue, EBIT, cost out program and R&D
- FCF neutral by FY25 and FCF positive by FY26
- Funded by existing debt facilities



GOVERNANCE

WE HAVE REACHED AN INFLECTION POINT IN DELIVERING VALUE FOR SHAREHOLDERS

Approach from Volaris

- Volaris recently acquired 18.7% of EROAD shares on issue
- On 22 June 2023, Volaris submitted a Non-Binding Indicative Offer (NBIO) at NZ\$1.30 per share
- The Board undertook a thorough review process assisted by its advisers Goldman Sachs and Chapman Tripp
- **The review concluded that the NBIO materially undervalues EROAD**
- The Board remains committed to acting in the best interests of EROAD and maximizing value for shareholders





EROAD

02

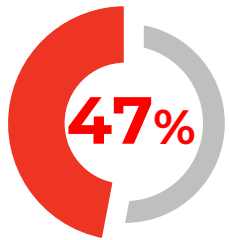
CEO & CFO ADDRESS

EROAD AT A GLANCE

DELIVERING INTELLIGENCE YOU CAN TRUST, FOR A BETTER WORLD TOMORROW

EROADers

470



CUSTOMERS USE
2+ PRODUCT
CATEGORIES



10,260

CUSTOMERS



227,149

UNITS



116,599

ACTIVE
PLATFORM USERS



256,805

ACTIVE DRIVERS

63%

CUSTOMERS WITH
EROAD >3YRS

94.8%

ASSET RETENTION RATE

33.7bn+

DATA POINTS

9.2bn+

KM TRAVELLED

\$536m+

RUC PURCHASED
(NZ)

205m+

API CALLS

352k+

TRIGGERED EVENTS
CAPTURED ON
VIDEO

Our Values



WE DO WHAT'S RIGHT



WE PLAY AS A TEAM



WE LEARN & GROW



WE GET IT DONE

STABILISED FOUNDATIONS

DELIVERING AGAINST OUR STRATEGY

Achieving FY23 priorities

- Build growth momentum in North America and New Zealand
- Build engaged culture aligned to vision of merged EROAD
- Deliver on key product and platform integration

Sysco case study

- Pivoting to Enterprise

FY23 Financial Highlights

- Delivered in line with guidance

Focused execution

- Platform integration launched
- Performance against key metrics



GROWTH MOMENTUM – NEW ZEALAND

SOLID GROWTH & PROFITABLE BUSINESS WITH A FOCUS ON MULTI-PRODUCT ADOPTION

Net unit adds 9,539

Growth of 8.9% YoY

EBITDA NZ\$53.7m

Growth of 18.8% YoY

FY23 RESULTS

FY23 Highlights

- 1,556 customers added services (13,387 subscriptions)
- 1,092 customers renewed their contracts (28,631 units)
- Fonterra win; whole-of-fleet solutions (500+ units)

95.9%

Asset Retention rate

4.8

Avg Customer tenure (years)

6%

CPI uplift implemented
July 1

33%

New Revenue from
New Customers



67%

New Revenue from
Existing Customers



FLEET DAY

INDUSTRY THOUGHT LEADERSHIP IN NZ

Focused on road safety, sustainability and fleet efficiency.

800+

Attendees

50+

Exhibitors

20+

Speakers

100%

of surveyed attendees
would recommend



GROWTH MOMENTUM – NORTH AMERICA

SOLID GROWTH; WITH MOMENTUM BUILDING IN THE WORLD'S LARGEST MARKET

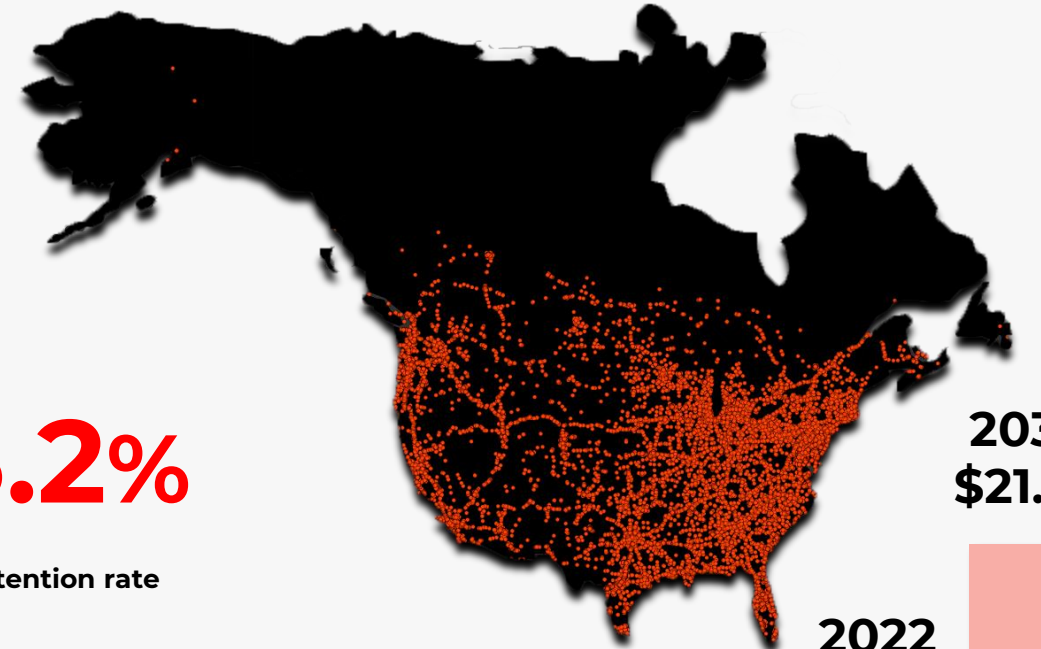
Net unit adds 7,376

Growth of 8.4% YoY

EBITDA NZ\$18.1m

Growth of 93% YoY following acquisition of Coretex in FY22

FY23 RESULTS



FY23 Highlights

- Gross unit sales of 15,394 (69% growth)
- 404 customers added services (2,625 subscriptions)
- 110 customers renewed their contracts (7,185 units)
- Won Sysco (9,000+ units): 1,038 units installed

93.2%

Asset Retention rate

3.9

Avg Customer tenure (years)

51%

New Revenue from New Customers



49%

New Revenue from Existing Customers

2022
\$10.3b

2030
\$21.7b

TAM

Total telematics revenue pool NA¹

SYSCO | PIVOTING TO ENTERPRISE

ACCELERATED ROADMAP & STRENGTHENED SOLUTION ALLOWING FASTER PIVOT TOWARDS ENTERPRISE SALES

- Major North American food service operator with 15,000 delivery vehicles
- 5-year agreement for fully-integrated CoreHub SaaS solutions to over 9,000 trucks
- 18-month procurement process; upcoming 12-month planned rollout
- Growth potential beyond existing contract

“EROAD is more than just a technology provider. The team really took the time to **understand our challenges as well as our dedication to corporate social responsibility and sustainability.**

As a result, they presented a solution that not only addressed those challenges and unique needs but is **completely transforming our approach to fleet management.**

They’re helping us create an entirely new digital experience, and we’re excited to see all of the **benefits that will come from working with EROAD.**”

**Daniel T. Purefoy, Chief Supply Chain
Operations Officer, Sysco Corporation**



GROWTH MOMENTUM - AUSTRALIA

OPPORTUNITIES TO LEVERAGE TRANS-TASMAN FLEETS

Net unit adds 1,537
Growth of 10.9% YoY

EBITDA NZ\$2.2m
Up from \$0.1m in FY22

FY23 RESULTS

FY23 Highlights

- 290 customers added services (1,699 subscriptions)
- 51 customers renewed their contracts (1,166 units)
- Jim Pearson Transport renewed (600+ units)

19%

New Revenue from
New Customers



81%

New Revenue from
Existing Customers

97%

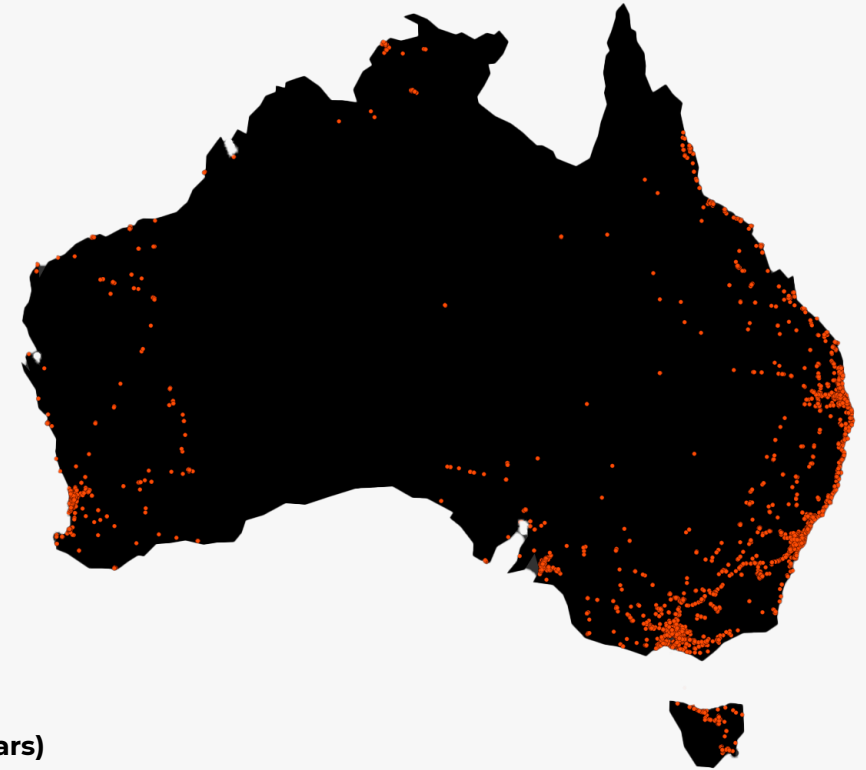
Asset Retention rate

3.5

Avg Customer tenure (years)

6%

CPI uplift implemented
July 1



ENGAGED CULTURE

HIGHLY ENGAGED TEAM WITH SIGNIFICANT CAPABILITY IN THEIR RESPECTIVE FIELDS



MARK HEINE
CEO



MARGARET WARRINGTON
CFO



AKINYEMI KOYI
PRESIDENT NA, CHIEF
INNOVATION OFFICER



KONRAD STEMPIAK
EXECUTIVE GENERAL
MANAGER ANZ



STEEN ANDERSEN
CHIEF
TRANSFORMATION
OFFICER



AARON LATIMER
CHIEF OPERATING
OFFICER



SHELLEY PRENTICE
CHIEF PEOPLE
OFFICER

GLOBAL EXECUTIVE TEAM



DEAN MARRIS
CHIEF DATA
SCIENCE OFFICER,
EVP CONSTRUCTION



JEREMY WILTON
VP PRODUCT AND
ENGINEERING



TIM MOLE
DIRECTOR OF
TECHNOLOGY



CRAIG MARRIS
CHIEF SUSTAINABILITY
OFFICER,
EVP MIXED FLEETS

PLATFORM INTEGRATION

INTEGRATED PLATFORM PROVIDES BEST OF BOTH SIDES THROUGH SINGLE INTERFACE

Launched our integration platform. 3 early benefits:

IFTA (NA)

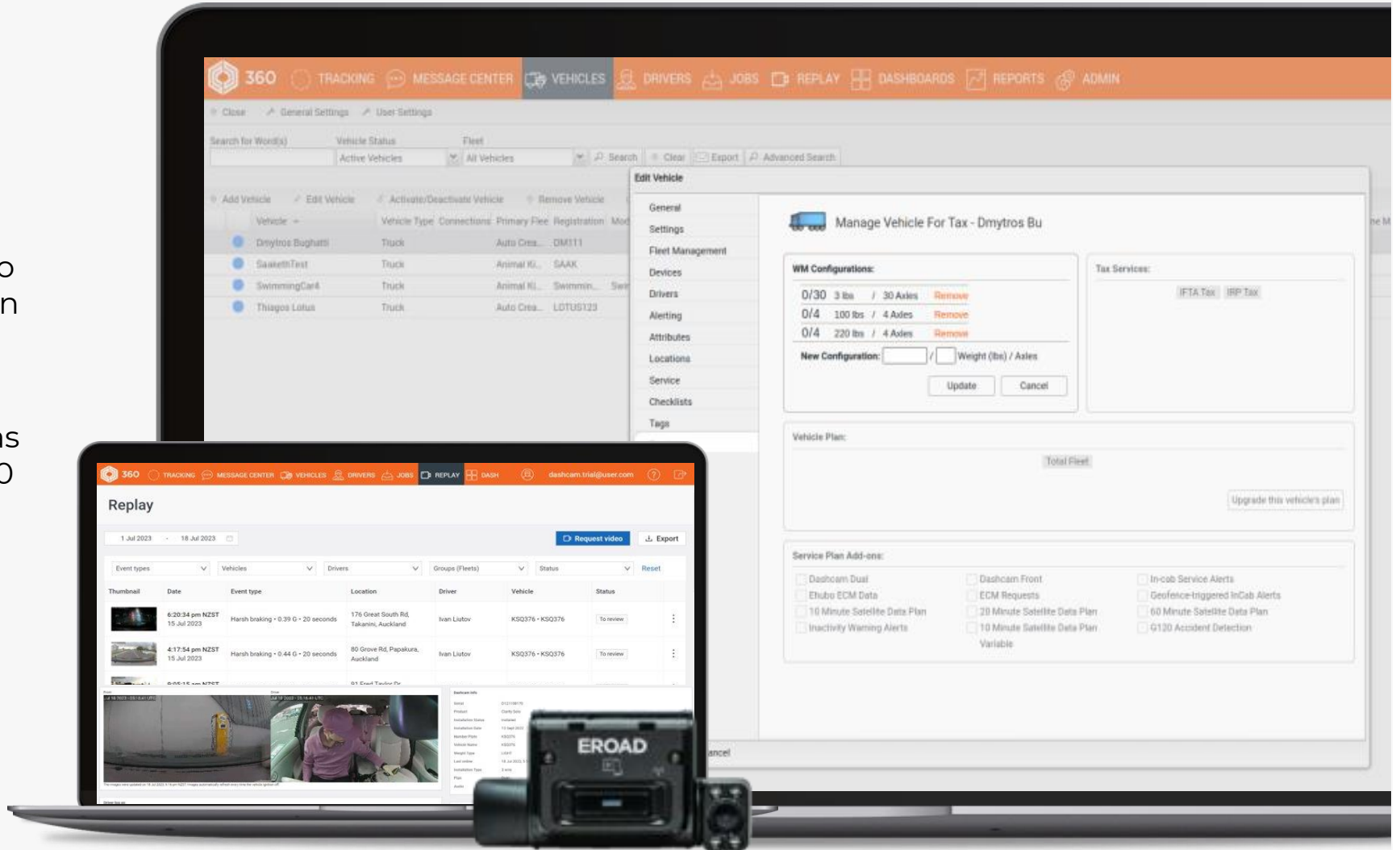
- Sell EROAD tax functionality to Core360 platform customers in NA

Clarity Dashcam (Global)

- Clarity Dashcam compatible as companion or solo for Core360 platform customers

CoreHub RUC certified (NZ)

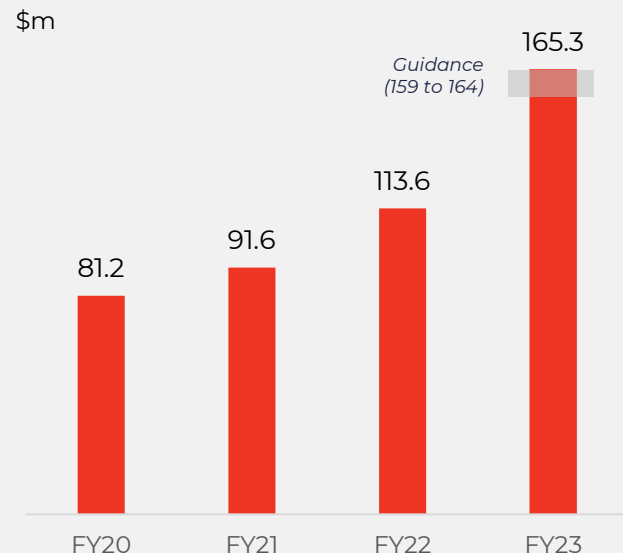
- Leverage our CoreHub technology in NZ



FY23 GUIDANCE ACHIEVED

REVENUE GROWTH ACROSS ALL MARKETS AND PROGRESSING COST OUT PROGRAM

Normalised Revenue¹

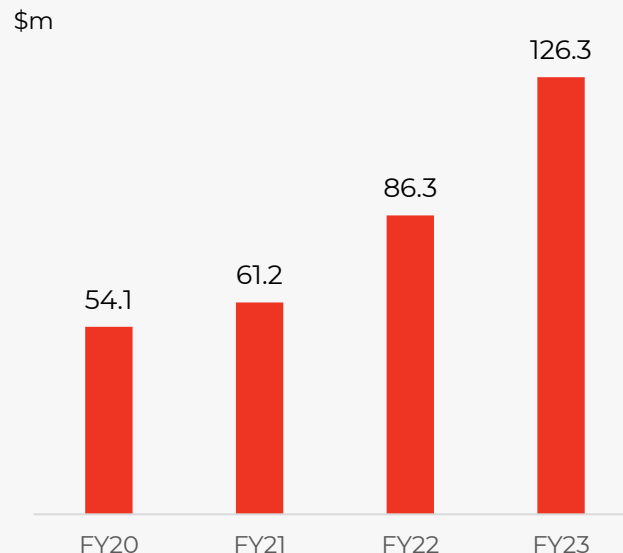


Future contracted income

\$219.6m (up 16%)

Unit net adds 18,452 (up 8.8%)

Operating Costs²

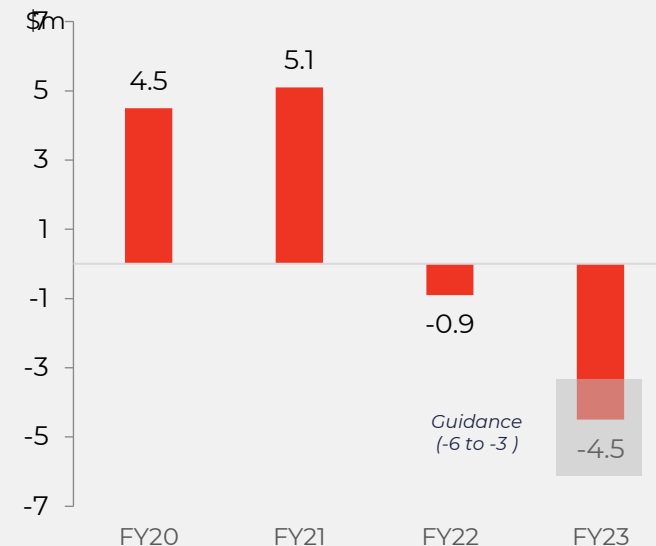


\$20m Cost-out

\$10m (annualised) completed in FY23
\$10m (annualised) targeted for FY24

**\$27.5m of available liquidity
at the end of March 2023**

Normalised EBIT³



FCF³ \$(29.9)m

Cash burn reduced from \$4.2m per month in H1 to \$1.8m per month in H2

R&D \$37.2m (23% of normalised revenue)

¹ Revenue normalised for \$9.6m in FY23 and \$1.3m in FY22, respectively, relating to accounting adjustment for contingent consideration

² Operating costs normalised for transaction and integration costs of \$3.4 in FY23 and \$7.6m in FY22, respectively

³ EBIT normalised for contingent consideration of \$9.6m in FY23 and \$1.3m in FY22 respectively, and integration costs of \$3.4m in FY23 and \$7.6m in FY22 respectively

FOCUS FOR FY24 – EXECUTION OF STRATEGY


2 KEY LIMBS TO OUR STRATEGY: TURN AROUND THE CORE | BUILDING ON FY23 COST EFFICIENCY PROGRAM

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	<ul style="list-style-type: none"> Headcount reduction Overhead expense reduction 	<ul style="list-style-type: none"> Accelerated 3G replacement program Ongoing cost-out for SaaS costs Supplier negotiations Overhead expense reduction Customer self service portal launched 	
Annualised savings	<ul style="list-style-type: none"> \$10m completed 	<ul style="list-style-type: none"> \$10m targeted ~\$7.5m (annualised) delivered year-to-date 	

FOCUS FOR FY24 – EXECUTION OF STRATEGY

2 KEY LIMBS TO OUR STRATEGY: FUTURE GROWTH | STRENGTHENING FOR SCALE

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

- Customer service segmentation
- Product stabilisation and simplification
- Rollout Sysco and retain North American enterprise customers
- Strategic Partner Review Process

- Growth in large enterprise customer base
- Capitalise on sales and product improvements made
- Rationalisation of cost base
- Economies of scale on development, other functions

Q1 TRADING UPDATE

POSITIVE MOMENTUM INTO FY24 THANKS TO DISCIPLINED EXECUTION

Pricing

Implemented 6% CPI increase across most customers in ANZ and started Global pricing review

6%

CPI increase (ANZ)

Enterprise Customer Growth

FY24 HAS STARTED STRONG WITH SUCCESS ACROSS KEY ENTERPRISE CUSTOMERS

5,300

Anticipated New Units

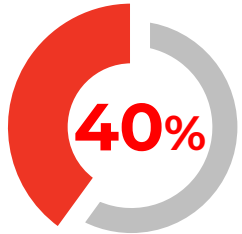
5,250

Anticipated Renewed Units

4,596

Installed Units

- Sysco delivered key new functionality + c. 4K installs in Q1 (NA)
- Fonterra install complete 450 in Q1 (NZ)
- Go Bus x 1950 upgraded units + 1000 new units | 60 mth (NZ)



Of all units across ANZ are 4G compatible

To date, upgrades have occurred as part of renewal process. From August, mid contract upgrades commence at volume

FY23 TRENDS HAVE CONTINUED INTO FY24, WITH VERY POSITIVE PROGRESS ON CASH & DEBT

\$1.5m

Cash burn per month for Q1

A 16% reduction vs \$1.8m per month cash burn for H2 FY23

\$0

Draw down on debt in Q1

\$7.5m

Cost savings (annualised) identified

Identified and being implemented. Remaining \$2.5m target being scoped

3G Hardware Upgrade

Financial Discipline

FOCUS FOR FY24 – OUTLOOK

EXECUTION AGAINST STRATEGIC PLAN DELIVERING
RETURN TO PROFITABILITY

Guidance reiterated

- On track for FY24 guidance:
 - Revenue growth of between 6 – 9%
 - Cost-out program to continue
 - EBIT of \$0m to \$5m normalised for accelerated 3G replacement program

Free Cash Flow neutral by FY25, positive by FY26

- Implementation of refreshed strategy will provide pathway to sustainable, profitable growth

FY24 Guidance

Revenue	\$175m – \$180m
Normalised EBIT	\$0m to \$5m
R&D spend	\$30m

FINANCIALS – KEY METRICS AND TARGETS

GOOD PROGRESS WAS MADE IN FY23, WHICH HAS CONTINUED INTO FY24

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

* Annualised monthly recurring revenue includes positive FX impact of \$8.6m



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04 RESOLUTIONS

RESOLUTIONS

Resolution #1

RE-ELECTION OF BARRY EINSIG



EROAD

That Barry Einsig, having retired in accordance with NZX Listing Rule 2.7.1, be re-elected as a Director of EROAD



BARRY EINSIG – INDEPENDENT DIRECTOR

- Adviser to companies on Transportation, Business, Technology and ESG
- Previously advised Singapore's Ministry of Transportation on their Highly Automated Vehicle Program and created technology used in Public Safety Networks
- Based in Pennsylvania

RESOLUTIONS

Resolution #2

AUDITOR RENUMERATION

That the Directors be authorised to fix the fees and expenses of KPMG as the auditor of EROAD.



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RESOLUTIONS

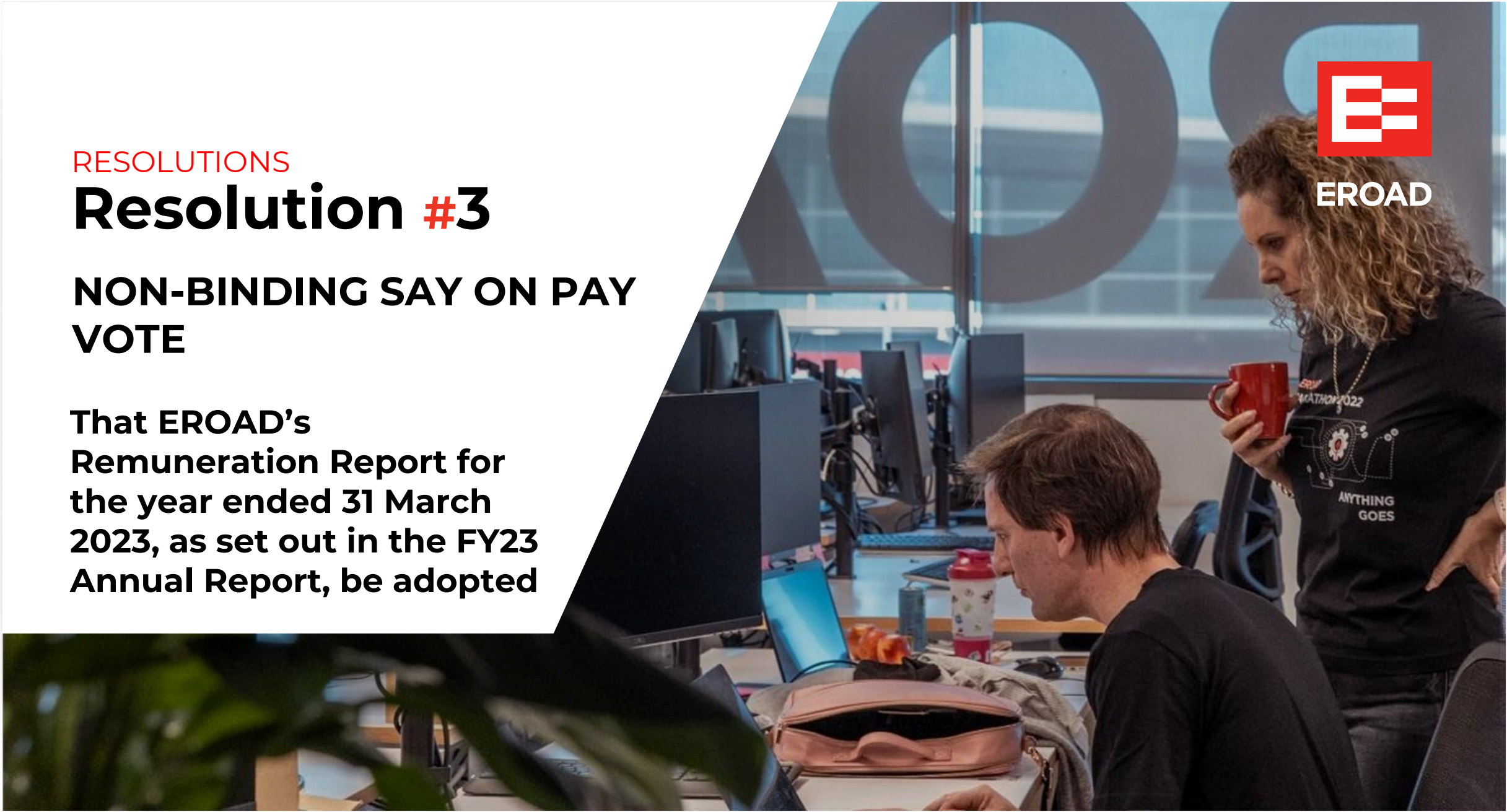
Resolution #3

NON-BINDING SAY ON PAY VOTE

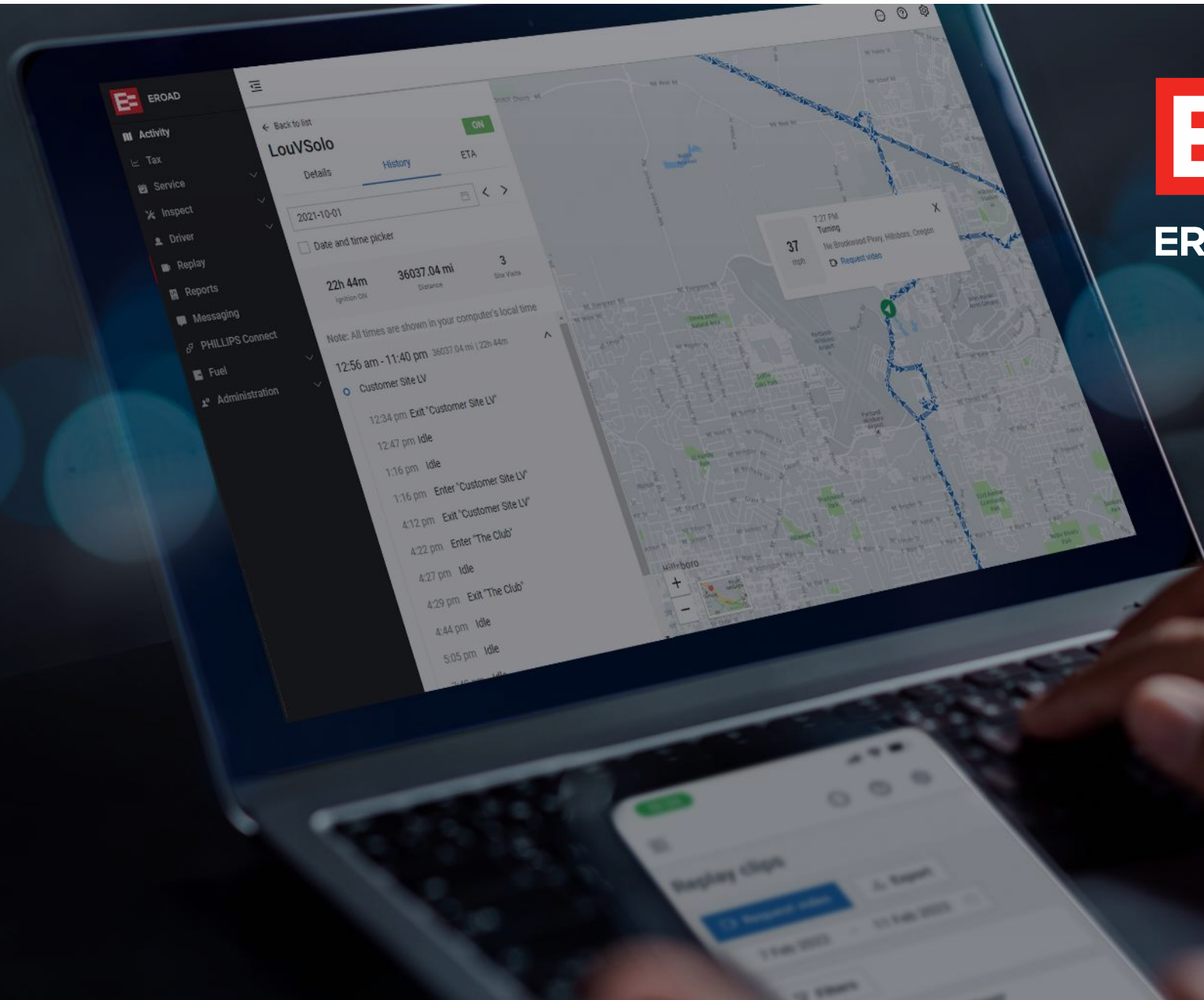
That EROAD's
Remuneration Report for
the year ended 31 March
2023, as set out in the FY23
Annual Report, be adopted



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04 Q&A



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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 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 (FCF)

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 FY23 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 reported in Note 2 of the FY23 Financial Statements, by the TCU balance at the end of each month during the year.

NBIO

Non-Binding Indicative Offer

NORMALISED EBITDA

Excludes one-off items including acquisition accounting revenue (\$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 acknowledges the Indigenous Nations, First Peoples, Tangata Whenua and Custodians of the lands and waterways on which our offices reside in New Zealand, Australia and the United States of America. We express gratitude and appreciation to these peoples for sharing their culture and traditions and stewarding these lands. We recognise and pay respect to their elders, past, present and emerging.

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



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