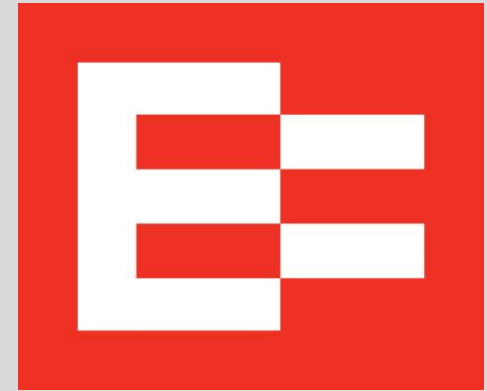


EROAD

Full Year Results Presentation

For the year ended 31 March 2016



26 May 2016

Important information



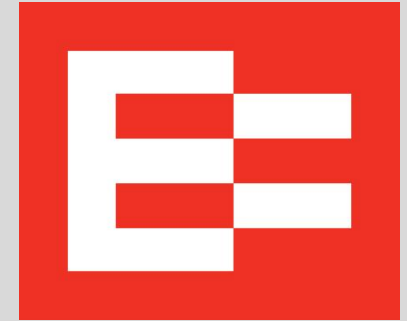
EROAD Limited ("EROAD") registered a prospectus in July 2014 ("Prospectus") in relation to an initial public offering, copies of which can be obtained at www.eroadglobal.com/investors/. You should review the Prospectus and subsequent Financial Statements for a detailed description of EROAD's business and terms including Units on Depot, Total Contracted Units, Future Contracted Income, Annualised Recurring Revenue and Customer Retention Rate, which are non GAAP measures used by EROAD to manage the business.

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.

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Key Dates

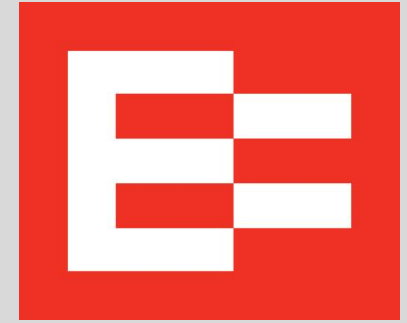


Annual Results – Thursday 26th May

Annual Report – Wednesday 29th June

Annual Meeting – Thursday 4th August

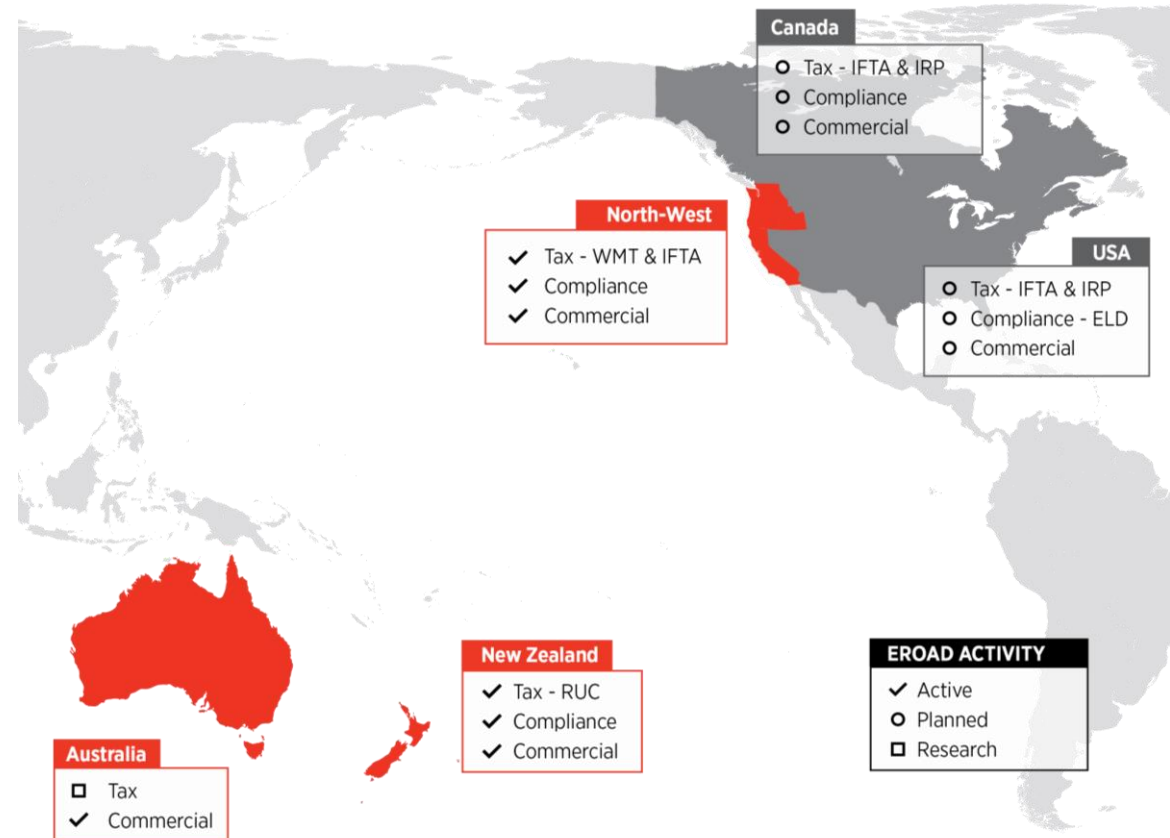
About EROAD



About EROAD



- **World first** GPS based road user charging system in New Zealand
- Operations in **New Zealand, Australia, Oregon, Washington and Idaho**
- Sole heavy vehicle technology supplier for **California** Road User Charge Pilot
- **37,000 units** across three countries
- EROAD's services offered include:
 1. **Tax**
 2. **Compliance services**
 3. **Commercial services**
- EROAD's system consists of:
 - Electronic Distance Recorder (In-cab Hardware)
 - Electronic Logbook application (Mobile Software)
 - Cloud based online applications portal (Software)
 - Bank Grade Payment Gateway





Regulations drive EROAD's business

New Zealand

Tax

Road User Charges
(RUC)

Compliance

Health and Safety

Oregon

Tax

Weight Mile Tax
(WMT)

North America

Tax

International Fuel Tax
(IFTA)

Compliance

Electronic Logging Device
(ELD)

About EROAD



Changing landscape: North America

- Finalised **ELD regulations** require over 3 million trucks to be fitted with an Electronic Logging Device by December 2017
- Focus shifting beyond Oregon beachhead to wider North America as IFTA and ELD, built on same platform as WMT, open new opportunities for EROAD solution
- EROAD's ELD solution in development, building on driver-centric functionality & tax capability, providing strong point of difference
- Many US competitors do not have ability to develop ELD, hence likely to see consolidation in industry
- Recent **Federal FAST Act** funding encouraging states to evaluate Road User Charges to address States road funding deficit

Changing landscape: New Zealand

- Changes in **health and safety regulations** offer EROAD new opportunities in fleets that have not had need or ROI for telematics until now
- Ehubo2 release provides operators with access to multiple applications on single, **approved device**

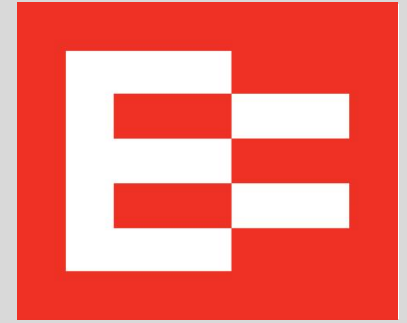
FAST Act

- Federal government passed the FAST (Fixing America's Surface Transportation) Act, providing US\$95m to states to explore user-based alternative revenue mechanisms.
- Number of states area already investigating road charging pilots.
- Current Federal Fuel Efficiency Standards require efficiency to nearly double to 54.5mpg by 2030. This will negatively impact state fuel tax revenues which is levied per gallon.

California Department of Transportation running largest road charging pilot to date, from July 2016. Selected EROAD as sole technology provider to heavy vehicles.



FY16 Results Overview





EROAD building a sustainable high growth business

STRONG GROWTH OVER LAST YEAR

- Increased revenue by **49%** over last year
- Total Contracted Units increased by **43%** from 25,862 to 36,953
 - Future Contracted Income up by **47%** to \$48million
- Invested **\$11.5** million in R&D on significant new opportunities
- Selected as sole supplier for heavy vehicles in California RUC pilot
 - Released electronic logbook to North American market
 - Second generation “eHubo2” received NZTA approval

DRIVEN BY MULTIPLE FACTORS

- Strong growth in New Zealand in multiple markets
- Leading market position in New Zealand, collecting **34%** of all Heavy Vehicle RUC
- Maintained high Customer Retention Rate at **97%**
- Slower than anticipated growth in North America
- Leading “driver centric” services meeting our customers’ focus on Health and Safety in all markets
- Increased penetration into existing customers’ fleets

Progress since Half Year (September 2015)



Expectation at Half Year

Progress made in second half

Deliver Total Contracted Units – 38,000* (47% annual growth)

Achieved 37,000 (43% annual growth)

Deliver Future Contracted Income - \$54 million

Achieved \$48 million

Investment of executive time and sales training in North America

Delivered, with CEO & Sales Manager US based

Significant investment in R&D focused on US ELD and IFTA opportunities

On track, with eHubo2 approved by NZTA

EROAD team to level out at 200 staff

Achieved 196 as at March 2016

Footprint of four sales teams in North America

Achieved three, with one work in progress

North American sales pipeline and run-rate on track

Work in progress, impacted by ELD

** Updated in market announcement on 29 January 2016*

FY16 Full Year Results



Strong growth over last year

	Actual	Last Year	% change
Revenue (\$000)	26,165	17,550	49%
EBITDA* (\$000)	5,687	5,039	13%
<i>EBITDA* margin</i>	22%	29%	-7%
Net Profit Before Tax (\$000)	(1,311)	1,096	N/A
Units on Depot	35,390	23,915	48%
Total Contracted Units**	36,953	25,862	43%
Future Contracted Income(FCI) (\$000)	48,010	32,600	47%
Retention Rate	97%	99%	-2%

* Earnings before interest, tax, depreciation and amortisation and Non Operating Costs

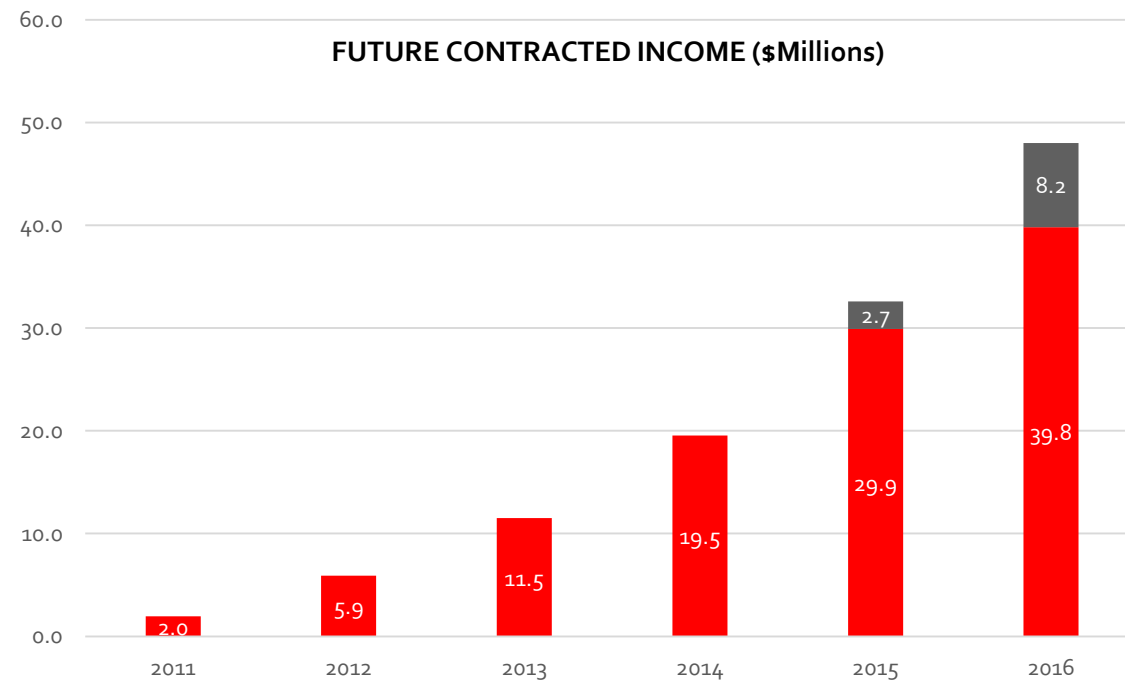
** Total Contracted Units is a non-GAAP measure used by EROAD which represents the total units subject to a customer contract and includes both Units on Depot and Units pending installment

For full description of other non-GAAP measures including Units on Depot, Total Contracted Units, Future Contracted Income and Retention Rate, see website <http://www.eroadglobal.com/global/investors/>

Future Contracted Income* (FCI)



Grew FCI by 47%, creating \$48m of future income for EROAD



* Future Contracted Income is a non-GAAP measure used by EROAD which represents future hardware and SAAS income under non-cancellable long term agreements, for installed units as at 31 March.

■ Established market ■ Commercial market

EROAD's Six Strategies: Unchanged



1. Grow existing Markets

FY16 Grew units by 43% across all markets
FY17 Expect continued growth in all markets

2. Expand Oregon operations to Northwest & North America

FY16 Established in Northwest (Washington & Idaho)
FY17 Likely California presence and building ELD market execution strategy

3. Identify, foster and develop new opportunities

FY16 Won California Pilot and launched Electronic Logbook
FY17 US Government "FAST Act" funding driving new state opportunities

4. Consider accelerated market entry through acquisitions

FY16 Watching brief, no acquisitions in FY16
FY17 ELD market activity in US may create opportunity, watching brief

5. Further develop commercial services to support core offer

FY16 Launched Health & Safety in NZ and enhanced IFTA for US
FY17 Complete ELD development as planned, and deliver California Pilot

6. Validate new product markets and business models

FY16 Partnered with insurer & light vehicle lease companies in NZ
FY17 Developing indirect channels as part of ELD market execution strategy

OUTLOOK – FY17



Established Market (New Zealand & Australia)

Continued strong growth driven by:

- Customer focus on Health and Safety
- Expansion into light vehicles
- Upgrades to EROAD's NZTA approved Ehubo2

Commercial Market (North America)

Modest growth driven by:

- Customer uncertainty arising from ELD mandate
- EROAD completion of ELD enabling release to market
- Development of indirect channel in parallel with ELD release

Development of ELD US wide market execution strategy:

- External market research and strategy project underway
- Recruitment of US President to execute ELD strategy

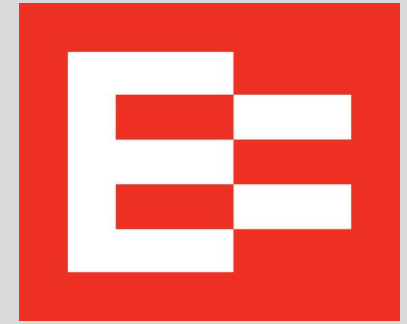
Development Markets

Participation in California RUC Pilot

Engagement with US states considering undertaking RUC pilots, funded by FAST Act



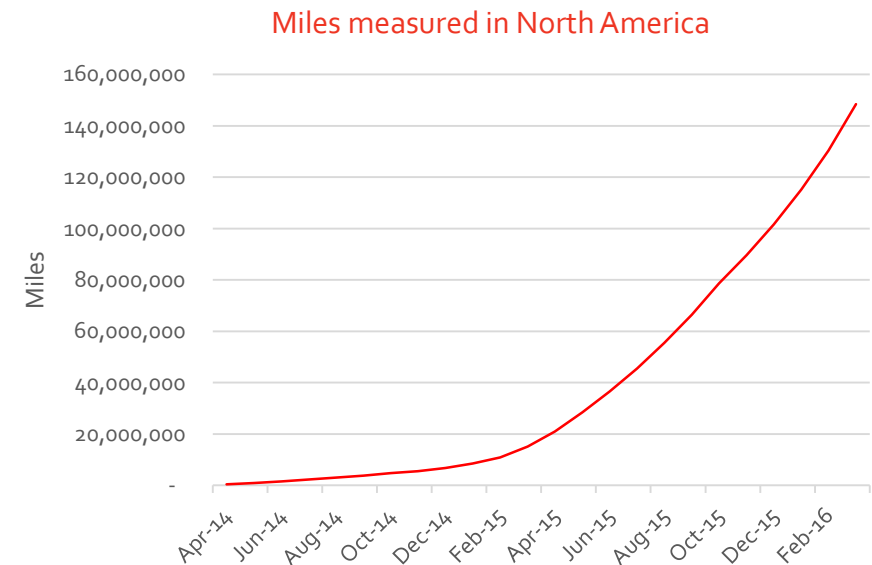
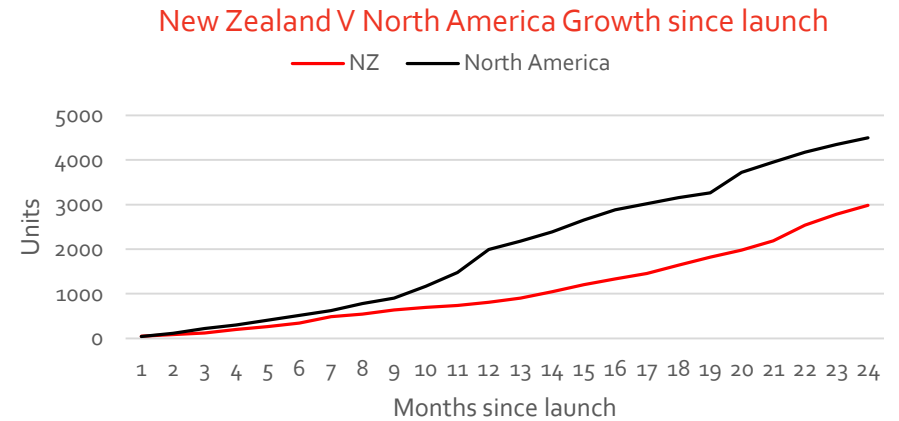
Market Overview



Commercial Market (North America)



- Total Contracted Units increased to **4,501**
- Have customer contracts in Oregon with future value of **\$8.2m**
- Annual growth rate in Total Contracted Units of **126%**
- Continue to follow growth experienced in New Zealand from launch
- Focused on smaller fleets, following New Zealand experience
- Achieving healthy units per customer of **14** compared to **2.5** for New Zealand, at the same stage in market
- EROAD has measured **148,000,000** miles to support customers tax compliance
- Grew business development & customer support teams for growth
- Drivers of customer demand for EROAD include:
 1. Confidence in the accuracy of EROAD system
 2. Reduction in administration of WMT and IFTA
 3. Confidence in EROAD's ability to deliver compliant ELD
- Challenges to sales growth for EROAD include:
 1. ELD mandate, customers waiting until EROAD has compliant ELD
 2. Direct sales model requires re-alignment to address ELD
 3. Indirect model takes time to develop volume, particularly with ELD uncertainty



North America - Market focus



The **ELD mandate** is biggest change in US transport sector in 60 years and represents significant opportunity for EROAD:

- ELD is driving engagement with our developing indirect channel
- Operators are deferring technology decisions until there is more certainty around ELD landscape
- Many US competitors do not have ELD development capability
- EROAD's FMCSA-compliant electronic logbook, is the first step towards our compliant ELD solution

Being selected as technology provider in **California pilot** based on secure, proven technology platform, represents opportunity for EROAD:

- Post pilot EROAD may have market opportunity in California, albeit with a 3 to 5 year time horizon
- Meeting California's standards validates to other states and customers EROAD's pedigree
- Other states are watching and/or following California closely
- Enables EROAD to build commercial presence in California for WMT, IFTA and ELD services
- EROAD's profile in California, and beyond, is enhanced given the California's significance in US

EROAD's **single platform** delivering ELD, WMT and IFTA puts it in a strong position in what is expected to be a competitive ELD market



North America - ELD is impacting customer demand



While the ELD mandate is law companies are cautiously considering their approach to adoption

Werner's Leathers tells truck supply chain to suck it up and live with ELD mandate

DC Velocity 16/4/2016

Truck Drivers are being told to change the way they track and log their hours

Siouxland matters.com 17/5/2016

73-hour cap could be confusing, counterproductive

FleetOwner 3/5/2016

TruckStop.com survey reveals truckers are delaying ELD purchases

LandLine Magazine 29/3/2016

OOIDA Sues FMCSA Over ELD Mandate

Transport Topics 15/12/2015

Logging court hours

Long-awaited ELD rule could get bogged down in litigation

OOIDA takes challenge of ELD mandate back to court

LandLine Magazine 31/3/2016

Logging in: The ins and outs of the ELD mandate

Fleet Equipment Magazine Oct 2015

How trustworthy is ELD self-certification?

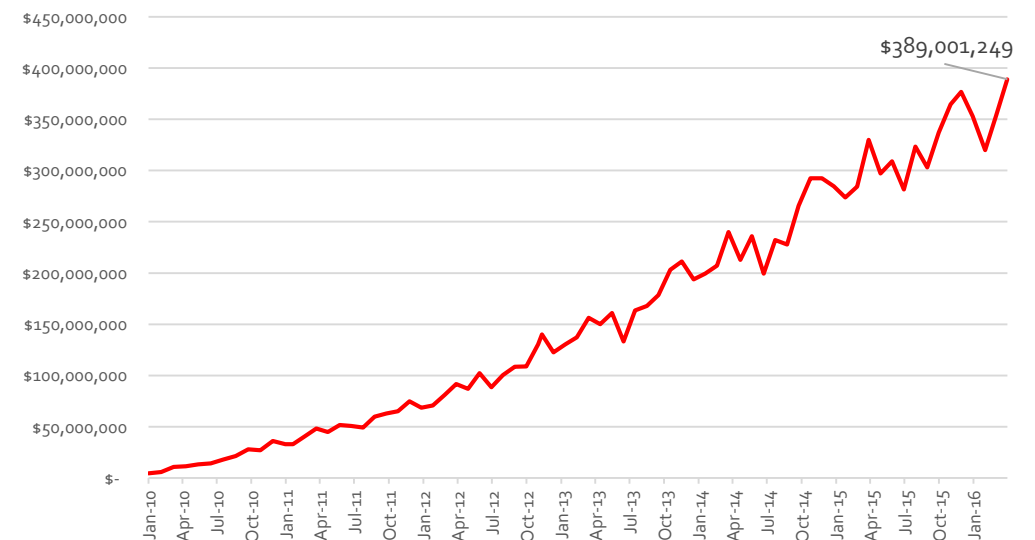
FleetOwner 29/4/2016

Established Markets (New Zealand and Australia)



- Total Contracted Units increased to **32,452**
- Increased Annualised RUC collection to near **\$390 million** and collected over **\$1 Billion** of RUC since 2010
- Grew market share in New Zealand with RUC collected growing from **29%** in March 2015 to **34%** in March 2016
- Expanded further into existing customer fleets with average units per customer growing to **12**, from **8** in FY15
- Built partnerships with some of New Zealand's largest fleet managers, FleetPartners and Custom Fleet
- Partnered with New Zealand's largest commercial vehicle Insurer, NZI
- Continued to expand in the competitive light commercial vehicle market, a market of 500,000 vehicles in New Zealand
- Exceeded expectations growing Rentals to **92%** of total units
- Focussed on health and safety compliance to drive demand
- Created strong pipeline of demand to support continued growth in FY17

EROAD ANNUALISED RUC COLLECTION

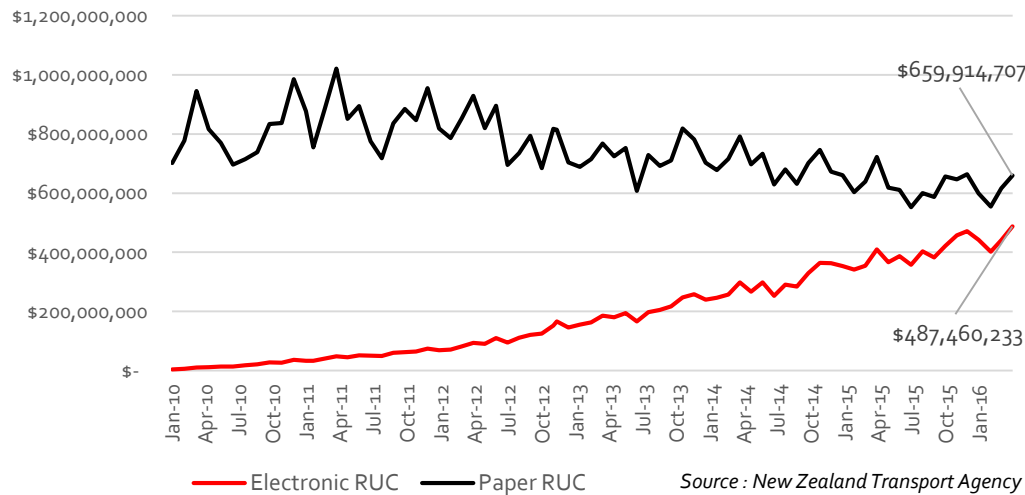


New Zealand - Heavy Vehicle RUC Market and Market share

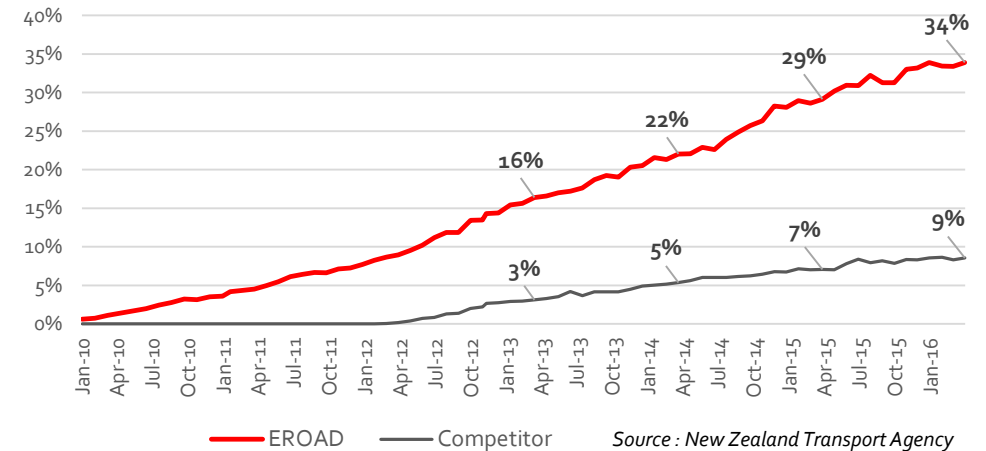


EROAD continued to grow its market share in the Heavy Vehicle (>3,500kg) market

**TOTAL HEAVY VEHICLE RUC COLLECTIONS
(ANNUALISED)**



HEAVY VEHICLE ELECTRONIC RUC MONTHLY MARKET SHARE



- Electronic RUC now 43% of Total Heavy Vehicle RUC
- Manual RUC dropped from \$900 million to \$660 million
- Growth opportunities remain strong with \$660 million of Heavy Vehicle RUC still collected manually
- There remain two electronic RUC providers in New Zealand

New Zealand - Market focus



NZTA approval of Ehubo2 combined with **Health and Safety at Work Act (H&SA)** enables EROAD to actively target new markets:

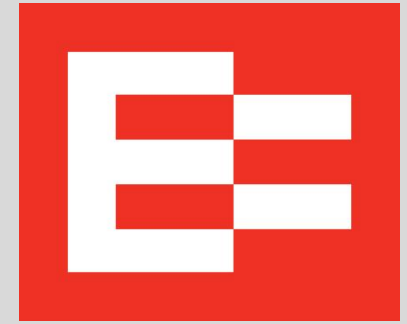
- Ehubo2 is the only device of its kind to support multiple applications on a single device, giving EROAD a competitive advantage in both light and heavy fleets
- EROAD now has dual offer with Ehubo1 and 2, with Ehubo1 enabling a lower-cost option to attract new customers
- H&SA is driving demand, particularly in lighter vehicle fleets where ROI was historically challenging
- EROAD's driver behaviour products and services are meeting customers H&SA needs : Driver Leaderboard, Driver Insight and Drive Buddy

Primary markets remain small businesses and heavy vehicles. Small business market continues to grow steadily.

Partnerships with leasing companies and collaboration with NZI Lumley insurance are expected to deliver volume



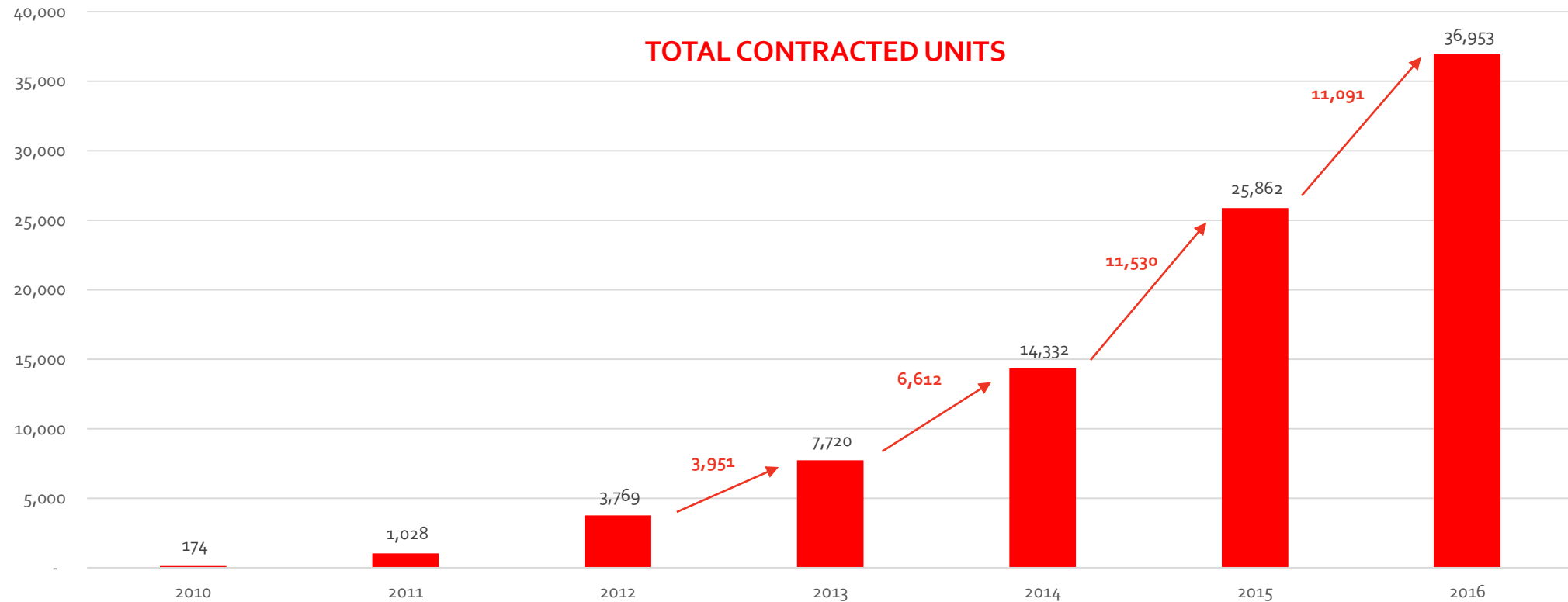
Operational Performance



Total Contracted Units* (TCU)



TCU grew by 43% aided by US growth of 126%

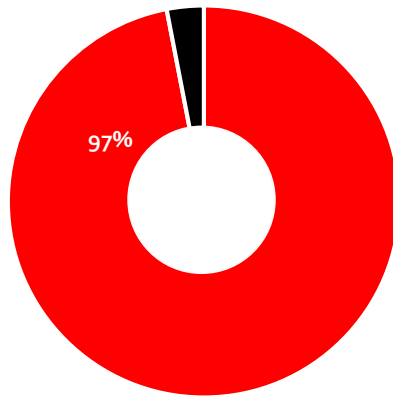


**Total Contracted Units is a non-GAAP measure used by EROAD which represents the total units subject to a customer contract and includes both Units on Depot and Units pending installment.*



Average pricing per unit fell marginally during FY16

CUSTOMER RETENTION RATE

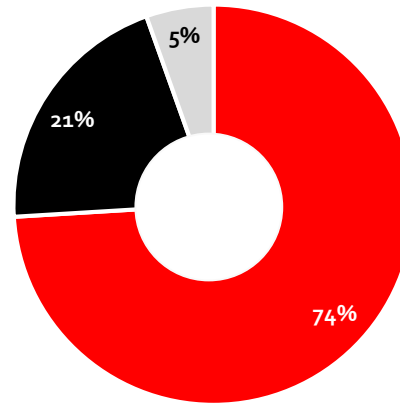


For a full description of Retention Rate see EROAD.com

DOWNWARD DRIVERS OF AVERAGE PRICING

- Increasing penetration into lighter vehicles
- Increasing number of contracts up for renewal
- Large customer and partner contracts
- Increased competition

PRODUCT MIX

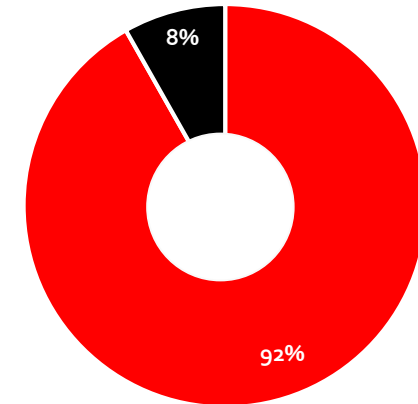


■ Ehubo/Tubo ■ EhuboLITE ■ Elocate

UPWARD DRIVERS OF AVERAGE PRICING

- Customers upgrading service plans
- US dollar translation
- Early adopters of next generation eHubo2
- US is eHubo only market

RENTAL VERSUS SALE



■ Rented ■ Sold

EROAD team



Expanded EROAD R&D team by 44% to help deliver on ELD opportunity

	FY16	FY15	Increase
In-market Delivery (Sales and customer operations)	82	69	+13
Business development, manufacturing, HR and corporate	32	29	+3
R&D	82	57	+25
Total	196	155	+41

DEVELOPMENTS DURING THE YEAR

- Increased total staff numbers by 26%.
- Implemented graduate program to secure pipeline of high quality R&D staff, hiring 6 graduates.
- Introduced training program to develop internal capability in key roles
- Built experience with 15% increase in average tenure.
- Focused on strong team culture in New Zealand & Oregon
- Reached required R&D and Corporate team sizes

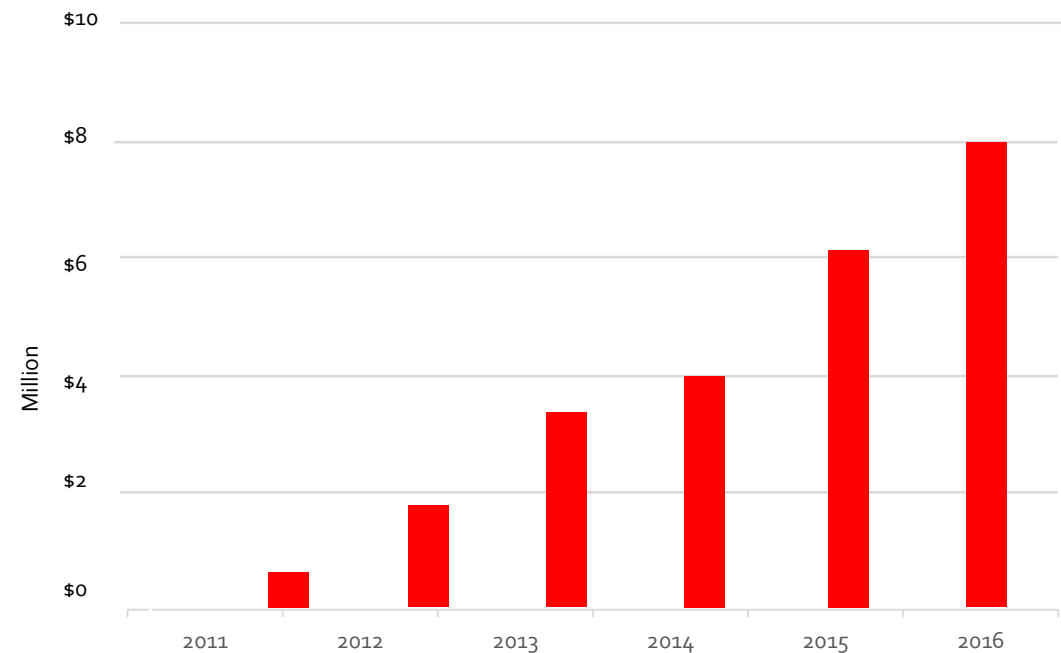
Research and Development in FY16



R&D investment targeted Health & Safety and the North American service suite including IFTA and ELD

- R&D program on track having:
 - Received NZTA approval for eHubo2
 - Launched “Drive Buddy” Health & Safety solution in New Zealand
 - Launched enhanced IFTA for North America
 - Progressed ELD development for North America
- Expensed a further **\$3.5m** of R&D directly to the Income Statement
- Received Callaghan R&D Growth Grant funding of **\$0.7m**

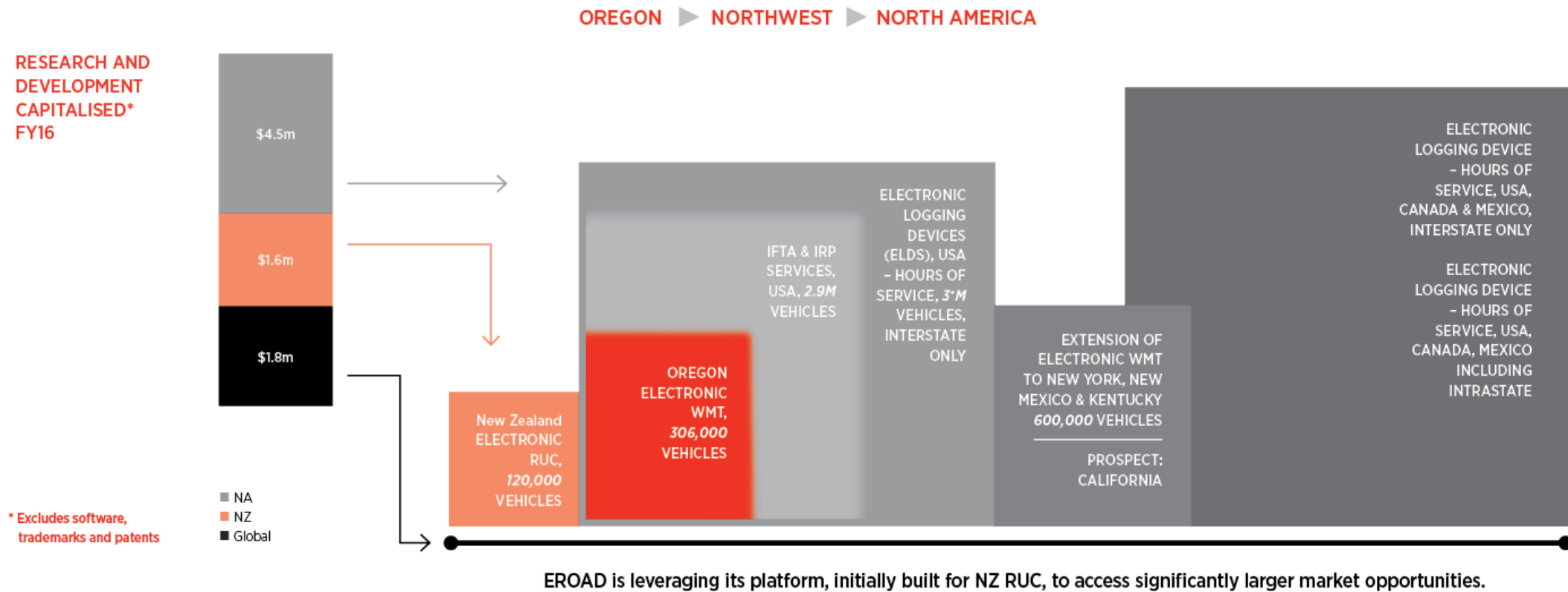
RESEARCH AND DEVELOPMENT CAPITALISED



Research and Development – Market focus



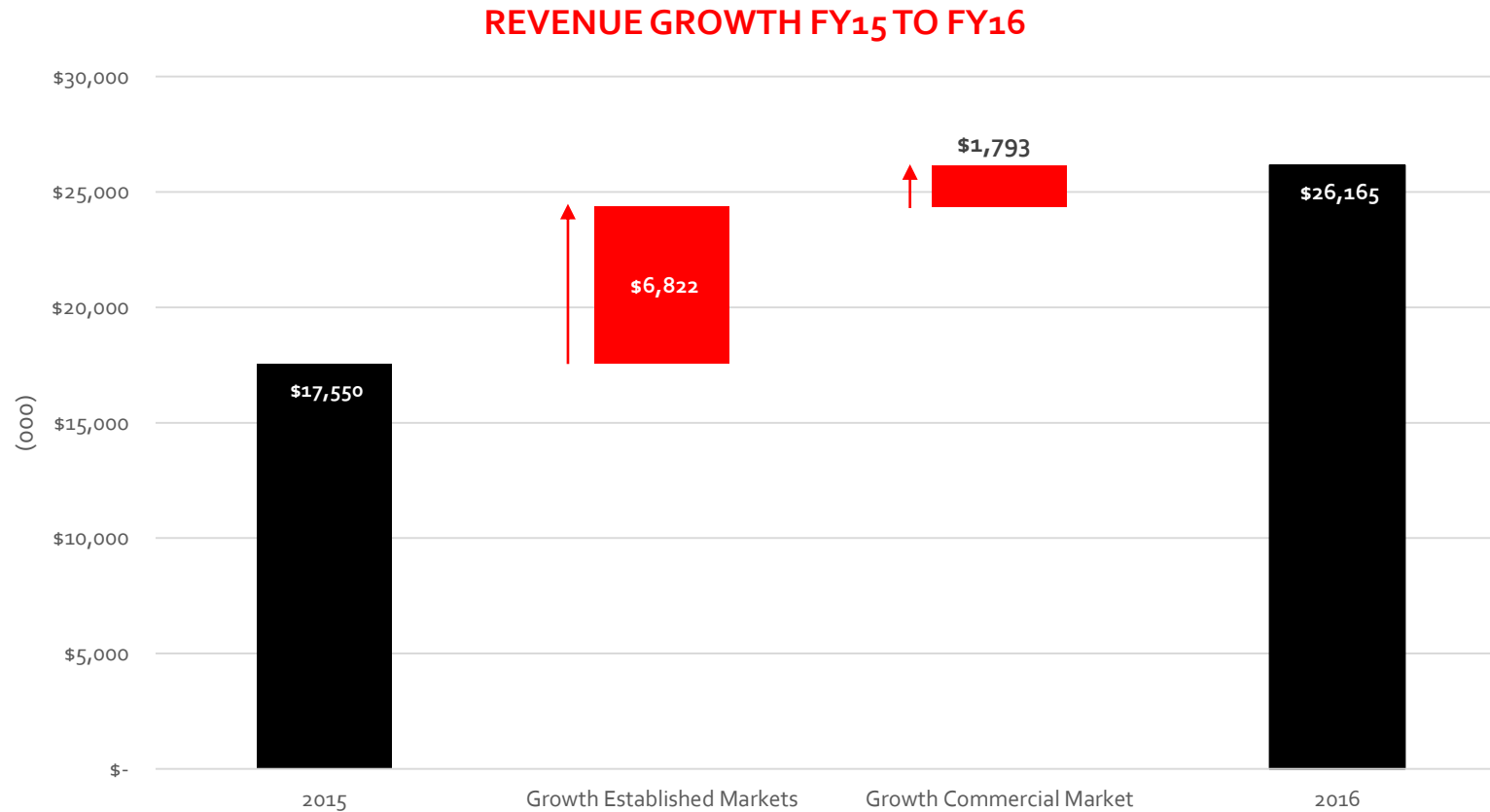
Focus of R&D investment moved toward ELD market opportunities



Financial Performance



FY16 Revenue



- Revenue up **49%** on last year

* Minor reduction in average prices per unit



FY16 Actual results compared to Guidance

	Actual	Guidance*	Variance	Variance %
Total Contracted Units	36,953	38,000	(1,047)	(3%)
Revenue (\$000)	26,165	26,500	(335)	(1%)
Net Profit before Tax (\$000)	(1,311)	500	(1,811)	(362%)

* Guidance issued to market on 28 September 2015 and updated on 29 January 2016

Explanation of variances : Guidance to Actual results

Total Contracted Units

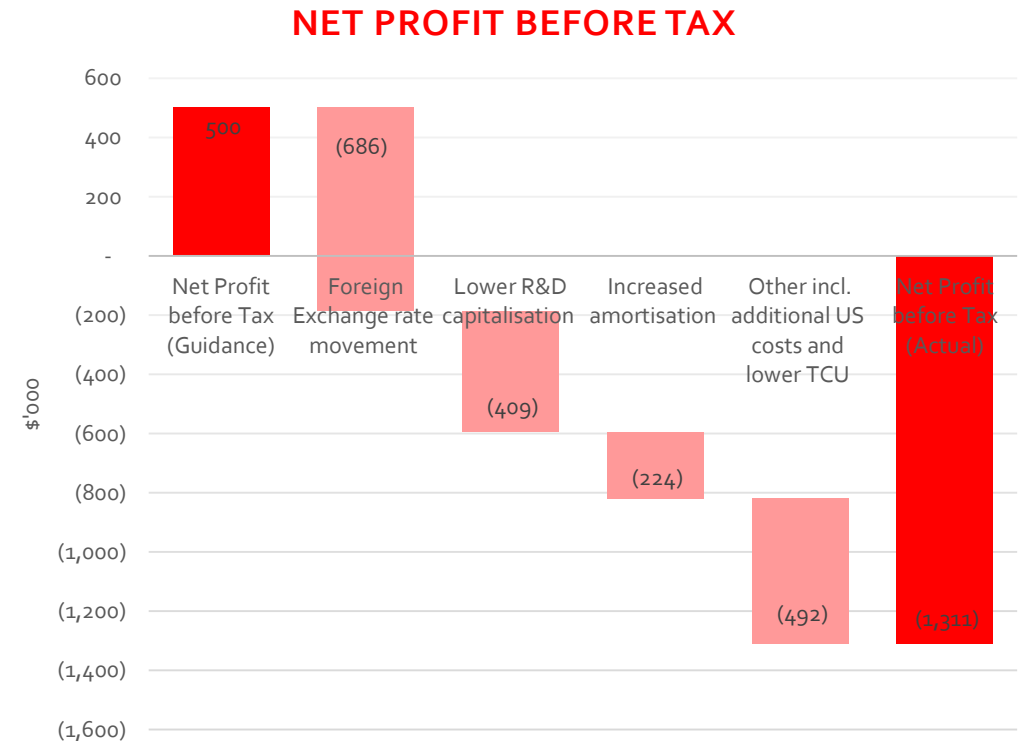
- 3% behind Guidance due to lower customer retention rate in New Zealand (450 units) and lower unit sales in US (500 units).

Revenue

- 1% behind Guidance due to lower Total Contracted Units.

Net Profit before Tax

- The table opposite provides a reconciliation of actual Net Profit before Tax to Guidance.



FY16 EBITDA and Net Profit before Tax



EBITDA

('000)	FY16	FY15*	Movement
Established Market	12,491	8,146	4,345
Commercial Market	(3,269)	(1,045)	(2,223)
Development Markets	(3,535)	(2,062)	(1,473)
EBITDA	5,687	5,039	649
<i>EBITDA MARGIN</i>	22%	29%	

* Excludes Costs of Listing

Net Profit before Tax

('000)	FY16	FY15*	Movement
Established Market	6,261	4,256	2,005
Commercial Market	(4,036)	(1,098)	(2,938)
Development Markets	(3,535)	(2,062)	(1,473)
Net Profit Before Tax	(1,311)	1,096	(2,406)

* Excludes Costs of Listing

KEY POINTS

1. Established Markets

1. Continued strong demand
2. Minor reduction in average price per unit
3. Continued to expand into new verticals (Councils and light vehicles)
4. Invested in corporate resources to support wider group

2. Commercial Market

1. Slower sales than contemplated, review underway to address ELD
2. Staff numbers up from 20 to 30
3. Maintained average price per unit
4. Launched into new states of Washington and Idaho

3. Development Markets

1. Invested in Electronic Logging Device (ELD) US wide market development
2. Invested in new markets for Road User Charging, driven by Fast Act funding
3. Successfully won sole technology provider role in California State RUC Pilot
4. Expensed \$1.5m additional Research & Development driven by ELD and IFTA

FY16 Balance Sheet



	FY16 \$m	FY15 \$m	Movement \$m
Cash	13.4	34.1	(20.7)
Other (incl. Trade receivables)	6.9	4.3	2.6
Current Assets	20.3	38.4	(18.2)
Plant and Equipment (incl. leased assets)	21.4	15.1	6.2
Intangibles	23.3	15.8	7.5
Other	2.0	1.9	0.0
Fixed Assets	46.6	32.9	13.7
Total Assets	66.8	71.3	(4.5)
Payable to NZTA	5.6	9.6	(4.0)
Deferred Revenue	5.4	7.4	(2.0)
Other liabilities	5.2	2.6	2.6
Total Liabilities	16.1	19.5	(3.4)
Net Assets	50.7	51.8	(1.1)

KEY POINTS

- **Cash** movement driven by three major components, 1) Cash held on behalf of NZTA reduced by \$4m due to timing of year end, 2) Cash invested in Leased Assets, \$10.6m; and 3) Cash invested in Intangibles, primarily Research and Development capitalised, \$8m.
- **Trade debtors** up due to high number of rental contracts, other receivables up due to higher prepayments and accruals.
- **Plant and Equipment** up due to:
 - New rental units, \$10.6m less depreciation of all units, \$4.9m, increase \$5.7m
 - Office equipment and computers for additional staff
 - Fit-out costs for enlarged premises in Auckland and new premises in Oregon
- **Intangibles** up due to:
 - Investment in R&D, \$8m, focused on ELD, Health and Safety and NZTA approval of eHubo2, less amortisation \$1.2m, increase \$6.8m
 - Software investment for , R&D, customer and back office systems
- **Payable to NZTA** down due to timing of cash collected by NZTA. EROAD collects RUC on behalf of NZTA.
- **Deferred Revenue** down due to reduced utilisation of external finance company during its own sale process.

FY16 Cash Flow



	FY16 \$m	FY15 \$m	Movement \$m
Cash flows from Operations	3.4	2.4	1.0
Cash flows from Operations NZTA	(4.0)	0.9	(4.9)
Total Cash flows from Operations	(0.6)	3.3	(3.9)
Purchase of Property and Equipment	(12.1)	(9.4)	(2.7)
Purchase of Intangible assets	(9.1)	(7.0)	(2.1)
Cash flows from Investing activities	(21.2)	(16.4)	(4.8)
Cash flows from Financing activities	1.0	38.0	(37.0)
Net Increase/(Decrease) in Cash held	(20.7)	25.0	(45.7)

KEY POINTS

EROAD continued to invest heavily in Leased Units and Intangible Assets during the year.

Operations

- Improved cash flows driven by additional units added during the year
- FY16 cash flows include additional \$1.5m R&D expense over FY15
- FY16 cash flows include additional \$2.2m of US losses over FY15
- Total operating cash flows affected by timing of NZTA cash collection cycle

Investing

- Investment in Plant and Equipment increased by \$2.7m driven by:
 - Increased leased assets \$2.2m with heightened level of rentals and renewals
 - Office fit-out \$0.5m in the new larger US premises
- Investment in Intangible assets grew by \$2.1m driven by:
 - \$1.8m for increased R&D staff to deliver NZTA approval of eHubo2, Health and Safety suite and ELD development
 - \$0.3m software to support R&D, customer and back office systems

Financing

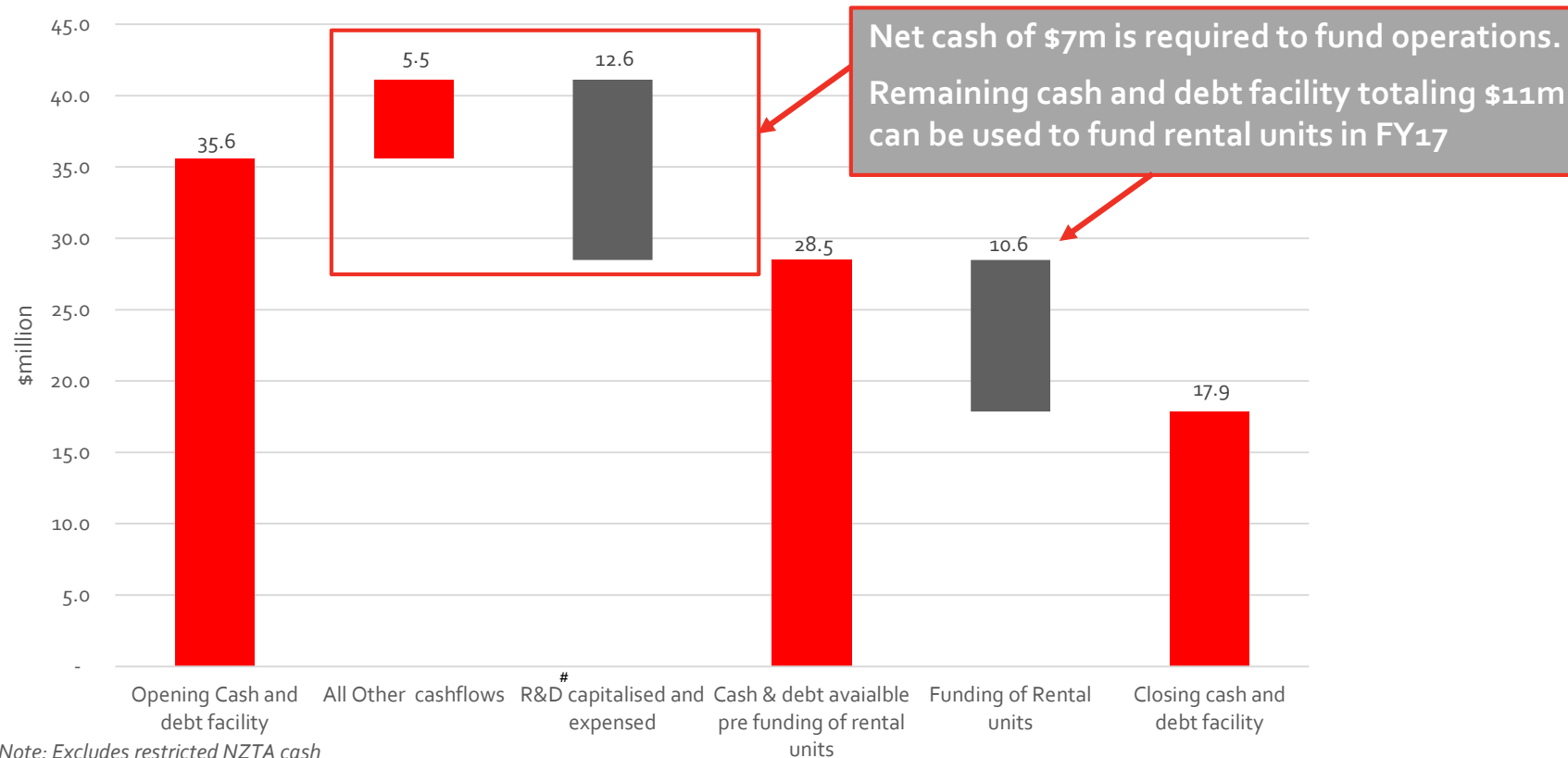
- Last year cash flows were driven by the \$40m capital raised from the IPO. This year \$1m of the \$11m banking facility was utilised.

Cash utilisation for the 12 months to 31 March 2016

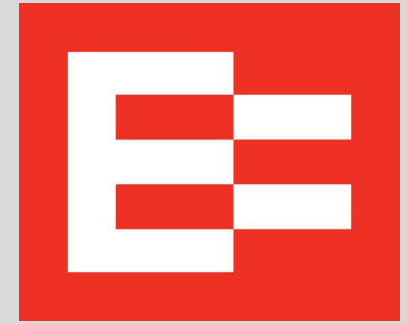
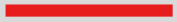


EROAD has sufficient cash and debt facilities to fund anticipated growth

ANNUAL CASH UTILISATION *for year to 31 March 2016*

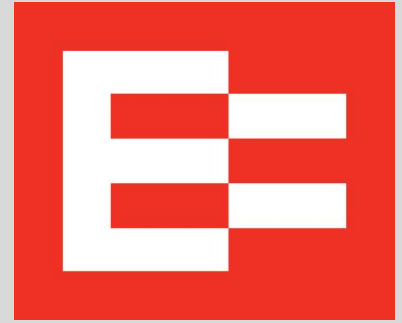


Questions?



Appendix

FY16



Customer Case Studies



When we were approached by EROAD, we could immediately see the potential benefit. We agreed to a pilot program and quickly fell in love with the technology.

It isn't very often that ground breaking technology comes along. To have something that truly changes the way we do business and takes so much stress out of our daily operations has been a true blessing.

**Mark Cash, President
Vanport Trucking
Seattle, WA, USA**



We've been with EROAD since the early days and find with the ease of off-road recovery the system pays for itself – it's much easier, manageable and more cost efficient to buy it this way.

EROAD helps us meet our obligation to keep in spec as far as speed discipline is concerned. From an integrity point of view, we can put up our hand and say our fleet is not out of spec. It's good business practice and gives the communities we work in confidence that we are managing with a stable system.

**Ian Emmerson
Managing Director
Emmerson Transport
Hastings, NZ**



Tax remains the foundation of EROAD's offer

