



EROAD GOVERNANCE ROADSHOW

JUNE 2020

Graham Stuart, *EROAD Chair* • Mark Heine, *EVP General Counsel and Company Secretary*

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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 at page 135 of EROAD's 2020 Annual Report.



OUR PURPOSE

SAFER, MORE PRODUCTIVE ROADS

WHAT WE DO

Technology solutions to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce costs associated with driving.

OUR UNIQUE APPROACH



WHY OUR CUSTOMERS CHOOSE US

CUSTOMER SERVICE

DIFFERENTIATED SOLUTIONS

RELIABLE AND ACCURATE

EASY TO USE

SUCCESSFULLY EXECUTING OUR STRATEGY

CUSTOMERS

6,642

TOTAL CONTRACTED UNITS

116,488

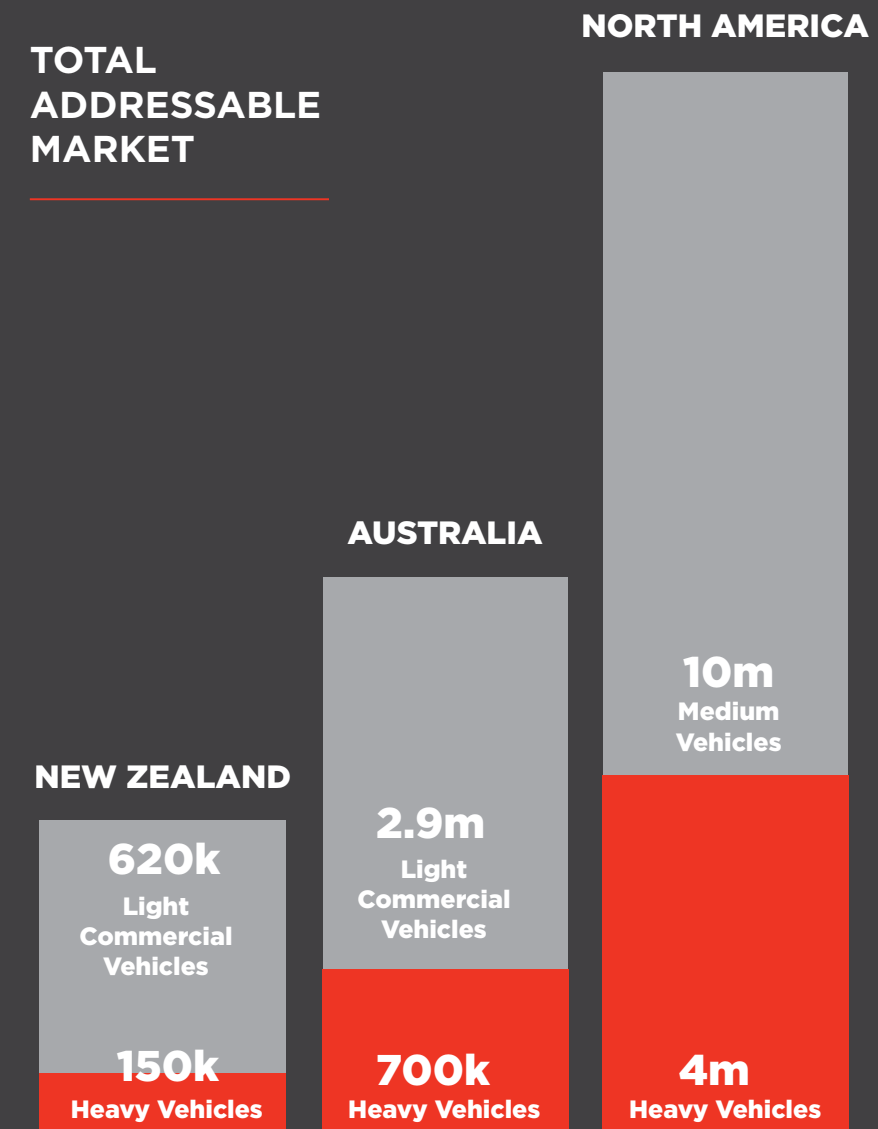
LOYAL CUSTOMERS

> 95% ASSET RETENTION RATE

SELLING MORE SAAS PRODUCTS

\$ 58.38 MONTHLY SAAS AVERAGE REVENUE PER UNIT

WE CHOOSE TO GROW



AN ENERGISED AND CAPABLE TEAM OF EROADERS

OUR VALUES



SAFETY



TRUST



INTEGRITY



TEAM



INNOVATION

NEXT MILESTONE:
250,000+
CONNECTED UNITS

OUR BOARD

Average tenure of director on EROAD Board is **6.1 years** (largest 75 companies on NZX average **6.2 years**)



GRAHAM STUART**

Chairman



CANDACE KINSER* **

Independent Director



MICHAEL BUSHBY* **

Independent Director



SUSAN PATERSON* **

Independent Director, Chair of the Finance, Risk and Audit Committee



BARRY EINSIG**

Independent Director



STEVEN NEWMAN

Executive Director / CEO



TONY GIBSON* **

Independent Director, Chairman of Remuneration, Talent and Nomination Committee

**Member of Finance, Risk and Audit Committee.*

***Member of Remuneration, Talent and Nomination Committee.*

TENURE

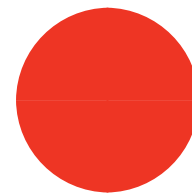
- Average tenure of EROAD Board:
6.1 years
- Average tenure of directors on largest 75 companies on NZX:
6.2 years

Director period of appointment as at 31 March	0-3 years	3-9 years	9 years +
Number of directors	3	2	2

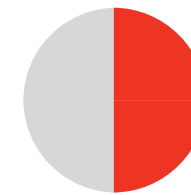
	2019		2020	
	Female	Male	Female	Male
Board	2 (29%)	5 (71%)	2 (29%)	5 (71%)
Officers	1 (11%)	8 (89%)	2 (20%)	8 (80%)
Other employees	99 (40%)	151 (60%)	111 (38%)	178 (62%)

ENSURING WE HAVE THE RIGHT SKILLS AROUND THE BOARD TABLE

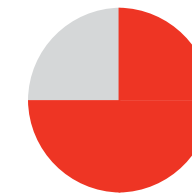
**CEO/EXECUTIVE
LEADERSHIP**



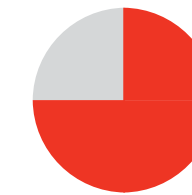
**FINANCE/
RISK**



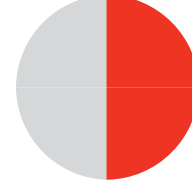
**TECHNOLOGY
(SAAS/SOFTWARE)**



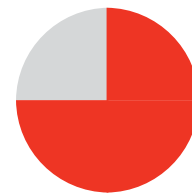
**CUSTOMER/
MARKETING**



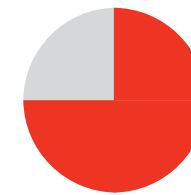
M&A



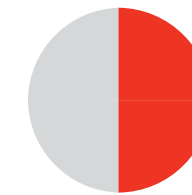
INTERNATIONAL



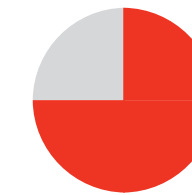
INDUSTRY



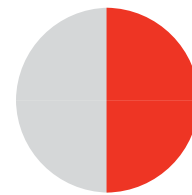
LISTED



**INNOVATION/
GROWTH**



**BEEN ON THE
JOURNEY**



DIRECTOR FEES

- When determining director fees, EROAD considers the median director fee levels for comparable listed companies in New Zealand
- In FY20, the total of fees paid to directors was less than the aggregate fee pool of \$500,000 per annum
- To attract appropriately qualified overseas candidates, EROAD is shifting to paying based on director fees for comparable companies in the market that the director is based in
- Barry Einsig's director fee of USD\$96,000 is consistent with director fee levels for comparable listed companies in the United States

	Base fee	Fee for Finance, Risk and Audit Committee	Fee for Remuneration, Nomination and Talent Committee	Total remuneration received for FY20
Graham Stuart	\$110,000 (Chairman)	\$0	\$0	\$110,000
Michael Bushby	\$55,000	\$0	\$0	\$55,000
Barry Einsig*	USD \$96,000	\$0	\$0	\$44,627
Anthony Gibson	\$55,000	\$0	\$8,000 (Chair)	\$63,000
Candace Kinser	\$55,000	\$0	\$0	\$55,000
Susan Paterson**	\$55,000	\$25,000 (Chair)	\$0	\$80,000
Gregg dal Ponte***	\$55,000	\$0	\$0	\$0

* Barry Einsig was appointed to the board on 13 January 2020.

** Susan Paterson joined the Board on 28 March 2019. Ms Paterson received an additional \$6,667 in fees for attendance at Board meetings in FY19.

*** Gregg dal Ponte resigned from the Board on 30 April 2019.

EXECUTIVE TEAM



STEVEN NEWMAN
Executive Director/CEO



MARK HEINE
*EVP General Counsel and
Company Secretary*



ALEX BALL
Chief Financial Officer



MIKE SWEET
Chief People Officer



JARRED CLAYTON
Chief Technology Officer



GENEVIEVE TEARLE
*Chief Marketing Officer and
General Manager EROAD Where*



MATT DALTON
EVP Operations



SARAH THOMPSON
Chief Product Officer



NORM ELLIS
President - North America



TONY WARWOOD
*General Manager
Australia & New Zealand*

EXECUTIVE REMUNERATION

CEO remuneration earned for FY20 was a total of \$686,288, comprising of a salary of \$590,000 and STI of \$96,288. No LTI was vested in FY20.

Fixed remuneration

EROAD's policy is to set fixed remuneration in line with external market trends, the intrinsic value of a job and internal relativities.

Short-term Incentives

Based on group performance against shared team goals.

- 40% = performance against financial metrics;
- 60% = achievement of strategic program targets from the annual plan

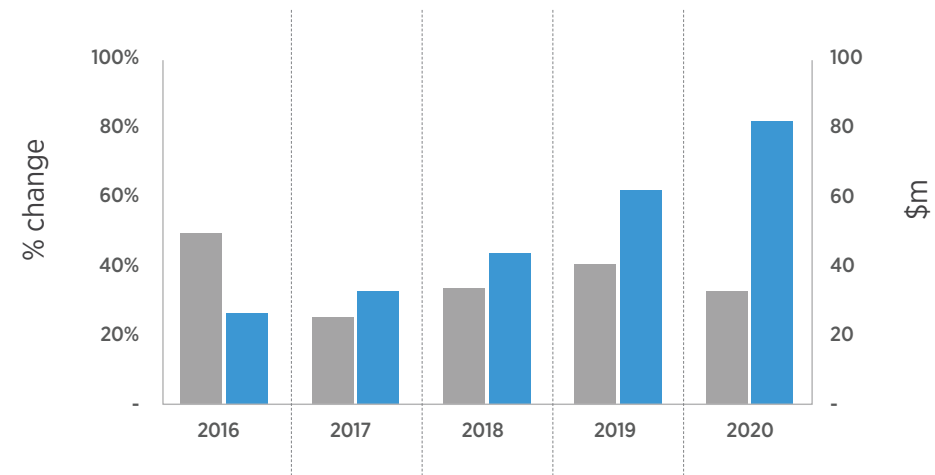
Long-term incentives

FY18/19 plan: senior employees were invited to purchase EROAD shares, funded by a loan granted. At the end of the vesting period, the senior employee will be paid a net bonus in relation to the shares that vest. The award is subject to a relative total shareholder return (TSR) measure over the three-year performance period.

FY20 LTI plan: performance share rights have been issued (for nil consideration) to participants which convert to shares (for nil consideration) if targets are met. The award is linked to growth in EROAD's Total Contracted Units between 1 April 2019 and 31 March 2022.

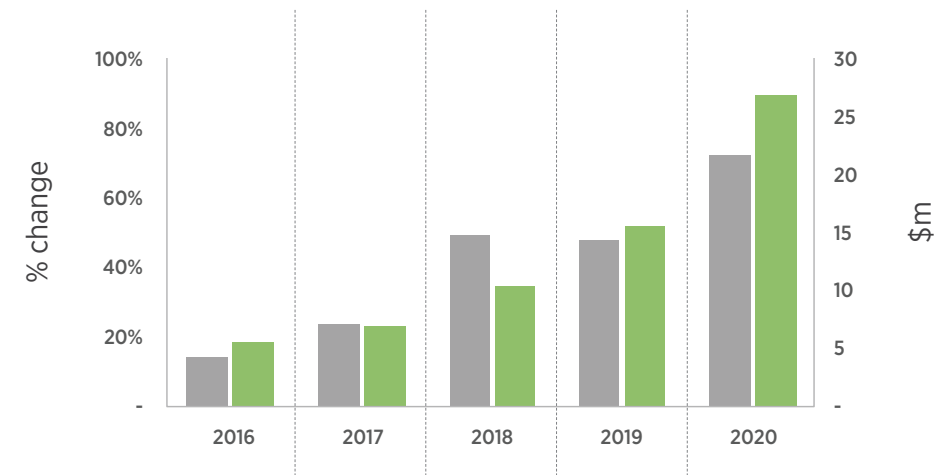
CEO REMUNERATION

Revenue (\$m)



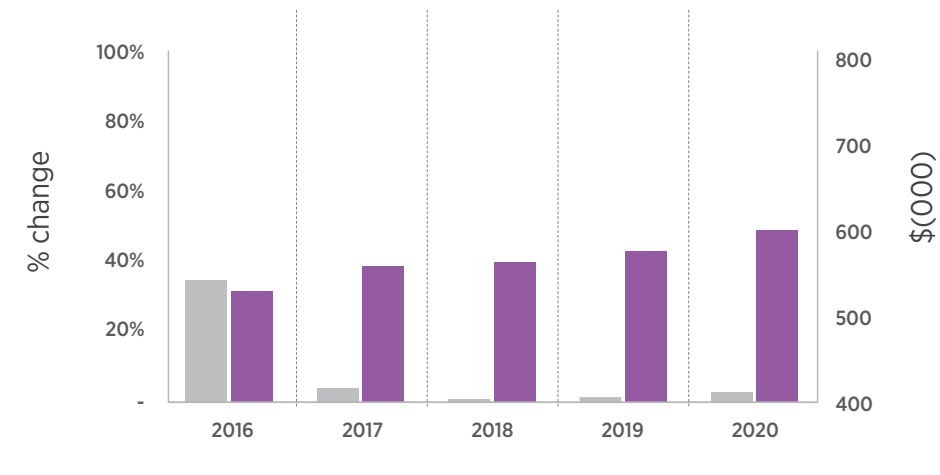
■ Revenue % change
■ Revenue \$m

EBITDA (\$m)



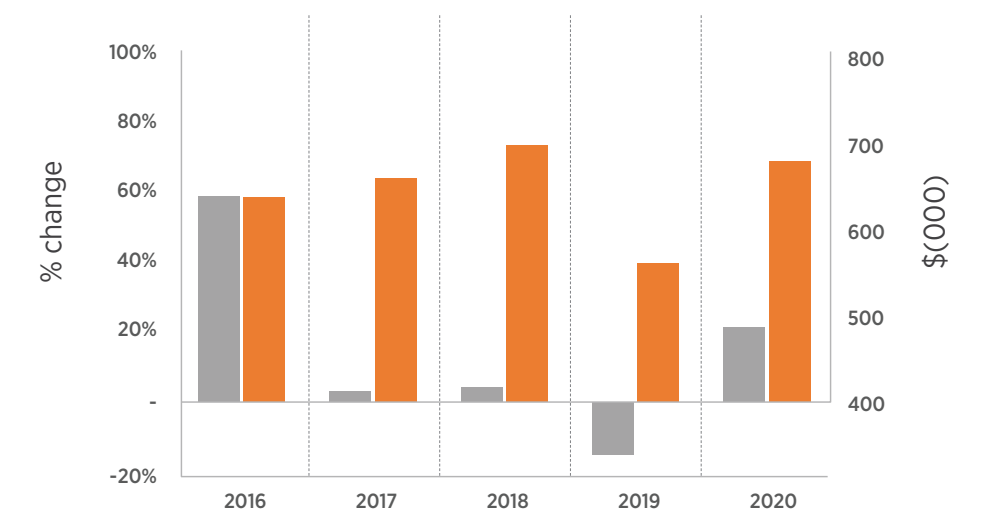
■ EBITDA % change
■ EBITDA \$m

CEO Salary ('000)



■ CEO Salary % change
■ CEO Salary \$k

Total Remuneration Earned ('000)



■ Total Remuneration Earned % change
■ Total Remuneration Earned \$k

RISK APPETITE

RISK APPETITE LEVEL	GROWTH AND STRATEGY	FINANCIAL	CUSTOMER EXPECTATIONS	PEOPLE	REGULATORY AND GOVERNANCE
Very high					
High	<ul style="list-style-type: none"> • Strategic risk • Partnerships and acquisitions 	<ul style="list-style-type: none"> • Growth constraints 	<ul style="list-style-type: none"> • Innovation 	<ul style="list-style-type: none"> • Capability • Learning / knowledge 	
Medium					<ul style="list-style-type: none"> • Regulatory environment
Low	<ul style="list-style-type: none"> • Strategic execution 	<ul style="list-style-type: none"> • Working capital • Cost of Capital • Shareholder liquidity • Supply chain and inventory 	<ul style="list-style-type: none"> • Customer interactions • Product delivery 	<ul style="list-style-type: none"> • Key roles, single point of failure 	
Very low			<ul style="list-style-type: none"> • IT and cyber security • Quality and resilience • Privacy 		<ul style="list-style-type: none"> • Governance risk
No appetite		<ul style="list-style-type: none"> • Banking covenants 	<ul style="list-style-type: none"> • Product compliance 	<ul style="list-style-type: none"> • Health and Safety • Purpose and values 	<ul style="list-style-type: none"> • Illegal & Unethical Behaviour

DIVERSE PERSPECTIVES, FOSTERING INNOVATION

At EROAD we welcome, encourage and value the unique experiences, skills and backgrounds of our people. We continually work on creating an inclusive, collaborative and open space where people feel safe and empowered to think differently to create new ideas. Helping bravely solve our customers' complex transportation problems.

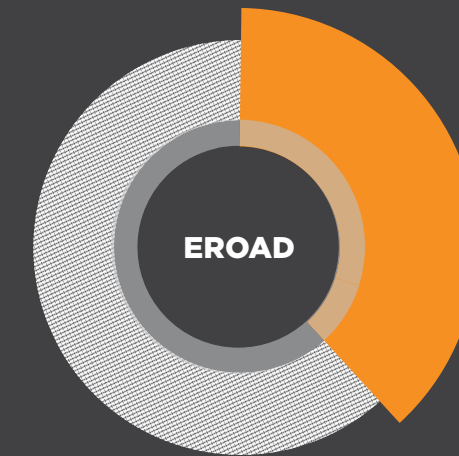
EROADERS COME FROM MORE THAN

35

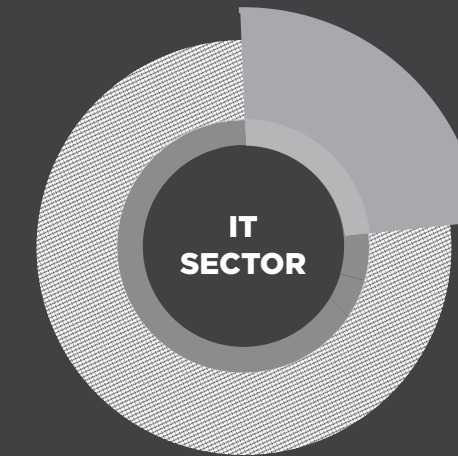
COUNTRIES AROUND THE WORLD

PEOPLE LEADERS

37%
FEMALE

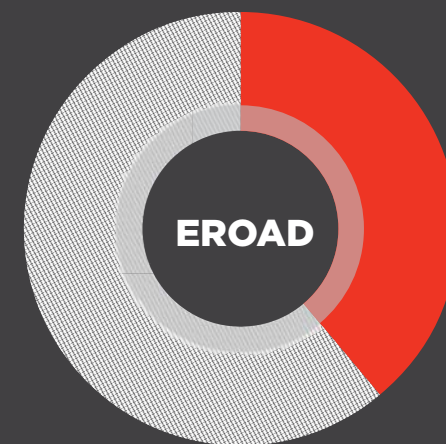


24%
FEMALE



FEMALE PERCENTAGE OF OUR TEAM

39%
FEMALE



AGE SPLIT

4%

18-24

34%

25-34

29%

35-44

22%

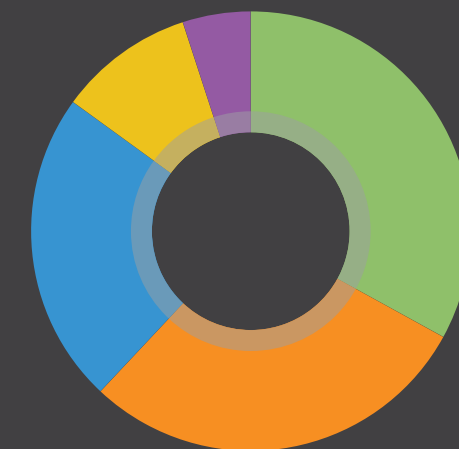
45-54

10%

55-64

0%

65+



AN ENERGISED AND CAPABLE TEAM

OUR VALUES



**WE LEAD
WITH SAFETY**



**WE OPERATE
WITH TRUST**



**WE ACT WITH
INTEGRITY**



**WE PERFORM
AS ONE TEAM**



**WE CELEBRATE
INNOVATION**

INVESTING IN OUR PEOPLE

**LEADERSHIP
DEVELOPMENT**

**PEER TO PEER
DEVELOPMENT**

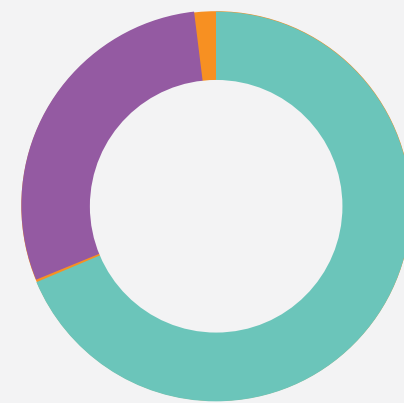
**OUR LEARNING
MANAGEMENT
SYSTEM**



WE REMAIN IN A SOLID FINANCIAL POSITION

- \$134.4 million of future contracted income and an average remaining contract length of 2 years.
- EROAD's customer base is diverse across regions, business size and industry.
- Positive contribution to operating cash flow from the New Zealand and North American businesses.
- Increase in banking facilities to \$60 million, supporting organic growth.

CONTRACTED UNITS
by region



69%
New Zealand

29%
North America

2%
Australia

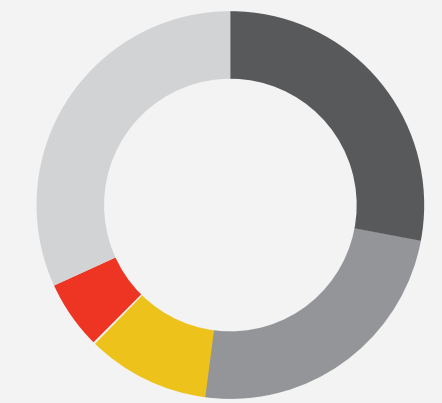
CONTRACTED UNITS
by business size



63%
Small to Medium

37%
Enterprise

CONTRACTED UNITS
by industry



28%
Construction & Civil Engineering

24%
Freight & Road Transport

10%
Agriculture/Forestry

6%
Services & Trade

32%
Other



WE ARE WELL POSITIONED AND READY

- We will continue to support our customers, many of which are necessary to rebuild the global economy
- In a global downturn providing current and new customers will look to our products and services to drive efficiencies in their operations and cost out
- We now have the right systems and processes now in place to drive efficiencies out of our business and continue to grow and scale
- We have the cashflow and funding facilities to support organic growth.
- We continue to look for growth opportunities and evaluate the ASX listing
- We still choose to grow



EROAD

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