EROAD

Full Year Results Presentation

For the year ended 31 March 2017

30 May 2017

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 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.

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. 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.

While reasonable care has been taken in compiling this presentation, none of EROAD nor its subsidiaries, directors, employees, agents or advisers (to the maximum extent permitted by law) gives any warranty or representation (express or implied) as to the accuracy, completeness or reliability of the information contained in it nor takes any responsibility for it. **The information in this presentation has not been and will not be independently verified or audited.**

Key Dates

Annual Results – Tuesday 30th May

Annual Report – Thursday 29th June

Annual Meeting – Thursday 3rd August

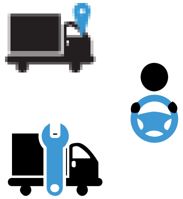
About EROAD

- **World first** GPS based road user charging system in New Zealand
- Operations in **New Zealand, Australia, USA**
- Sole heavy vehicle technology supplier for **California** Road User Charge Pilot
- **48,041 units** installed across three countries
- EROAD's services offered include:
  1. **Tax compliance** *e.g. Road user charges*
  2. **Health & Safety** *e.g. Driver logbook*
  3. **Fleet management** *e.g. Vehicle tracking*
- EROAD's world class system consists of:
  - Electronic Distance Recorder (In-cab Hardware)
  - Electronic Logbook application (Mobile Software)
  - Cloud based online applications portal (Software)
  - Bank Grade Payment Gateway
- EROAD's customers range from owner drivers to large fleet operators

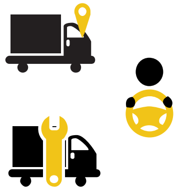
About EROAD

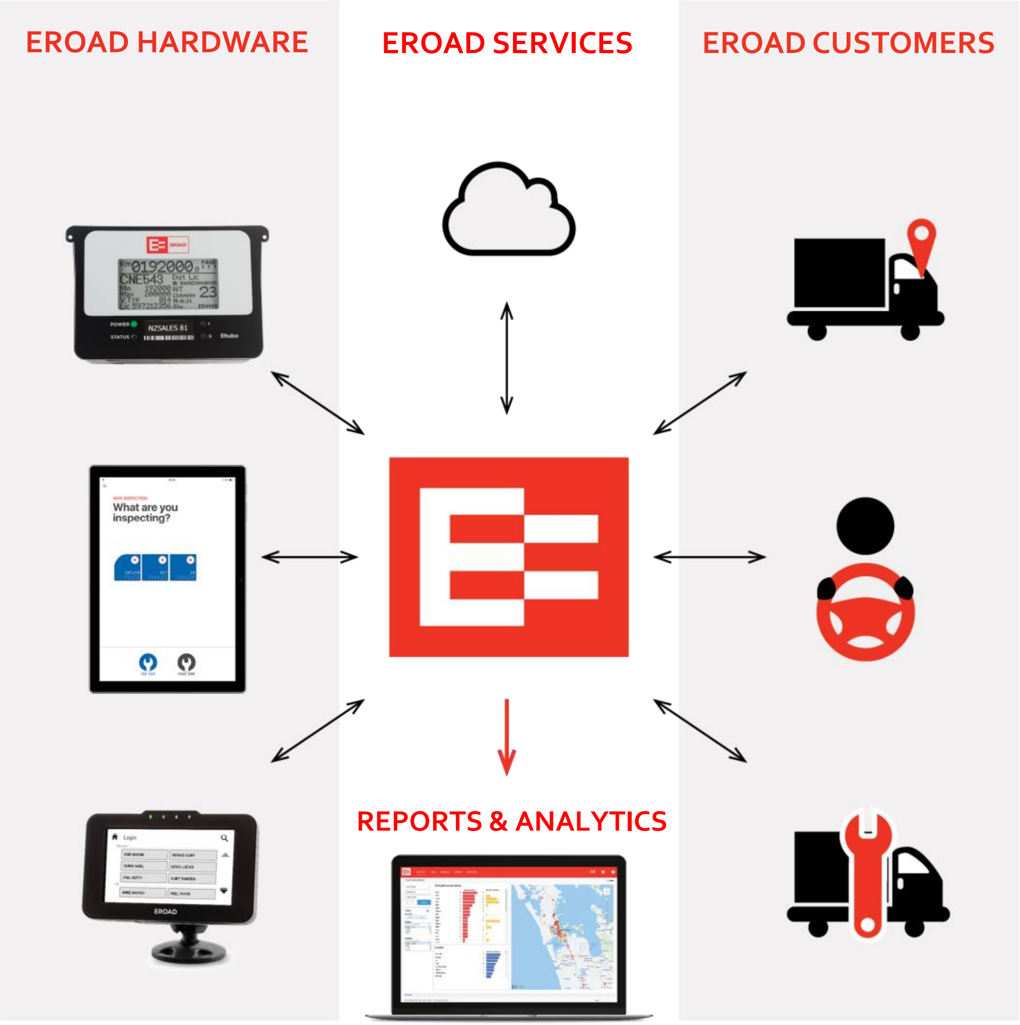
- **Tax Compliance**
  - Calculation and payment of Road User Charges (RUC)
  - Calculation and payment of Weight Mile Tax (WMT)
  - Calculation of International Fuel Tax (IFTA)
  - Calculation of International Registration (IRP)
  - Electronic Logging Device (ELD), Hours of Service (US)
  - Storage enabling customer audit reporting

- **Health & Safety**
  - Driver Logbook for hours of service(NZ)
  - Driver Vehicle Inspection Recording (DVIR)
  - Driver health and safety management and reporting
  - Storage enabling internal and external audit reporting



- **Fleet Management**
  - Driver identification
  - Vehicle maintenance scheduling
  - Vehicle tracking and fleet activity
  - Fuel and idling reporting
  - Driver messaging





About EROAD

North America market

- EROAD has widened its focus beyond beachhead in Oregon to greater North America as IFTA, IRP and ELD opened new opportunities for EROAD solutions
- EROAD launched its ELD solution built on its driver-centric functionality and tax capability, providing a clear point of difference in a very competitive marketplace
- Over 4 million vehicles are required to meet the new Federal ELD regulations, and install an ELD solution
- Federal FAST Act funding continues to be utilised by US states to evaluate Road User Charges to address States road funding deficit arising from the use of fuel tax for road funding

Australia New Zealand market

- Health and safety regulations continue to offer opportunities in fleets that have not historically had requirement or ROI for telematics
- The Australia New Zealand market is forecast to grow at a CAGR of 16% to 2020, when it will total 5m vehicles, with market penetration forecast to grow from 11.7% in 2015 to 22.3% in 2020 (source: Berg Insight)

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.
- A number of states are 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.

How EROAD creates shareholder value

1. Identify and foster market opportunities

e.g. California: Road Charge pilot

→ R&D and Business Development →

2. Design, develop and validate solution with stakeholders

e.g. USA: Electronic Logging Devices (ELD)

3. Establish commercial operations to address market opportunity

e.g. USA: International Fuel Tax Agreement (IFTA)
e.g. Oregon: Weight Mile Tax

→ Operations, Sales, Business Processes, Customer Service →

4. Build long term sustainable business that continues to meet needs of all stakeholders

e.g. New Zealand: Road User Charges (RUC) and Health and Safety

FY17 Results

Overview

FY17 Highlights

EROAD investing to capture growth opportunities while continuing to grow strongly

STRONG GROWTH OVER LAST YEAR

- Increased revenue by **25%** over last year
- Total Contracted Units increased by **30%** from 36,953 to 48,041
- Future Contracted Income up by **22%** to $59 million from $48 million
- Invested **$13.4** million in R&D on significant opportunities, including ELD
- Successfully delivered, as sole supplier for heavy vehicles, California RUC pilot
- Self certified electronic logging device (ELD) on time with North American regulator
- Made three key appointments, EROAD CFO, EROAD COO and EROAD US President

DRIVEN BY MULTIPLE FACTORS

- Strong growth in New Zealand in multiple markets
- Leading market position in New Zealand, collecting **38%** of all Heavy Vehicle RUC
- Maintained high Customer Retention Rate at **99%**
- Continued slow growth in North America, awaiting ELD
- Meeting our customers' focus on Health and Safety
- Continued penetration into existing customers' fleets
- Last quarter install backlog saw TCU growth slightly below plan

Progress since Half Year (September 2016)

Outlook at Half Year*	Progress made in second half
Continued growth in Australia/NZ market	Achieved 41,939 (29% annual growth), despite install backlog
Downward pressure on recurring revenue per unit	Improvements from Ehub02 countered by renewals, enterprise accounts and light vehicles that are all at lower per unit rates
Customer retention expected to remain strong	Ahead of expectations at 99% Retention Rate, no major customer losses
Continued slow sales in US until ELD release in March 17	Released ELD on time, to enable increased sales levels in FY18
Appointment of an EROAD US President	Appointed experienced President Norm Ellis, January 2017
Growth in partner and direct sales network	Following input from external consultants and new US President refined approach which saw growth in "inside sales" and direct sales teams

** As outlined in Half Year Presentation*

FY17 Full Year Results

Continued strong revenue growth over last year with increased net loss driven by accounting treatment and US investment

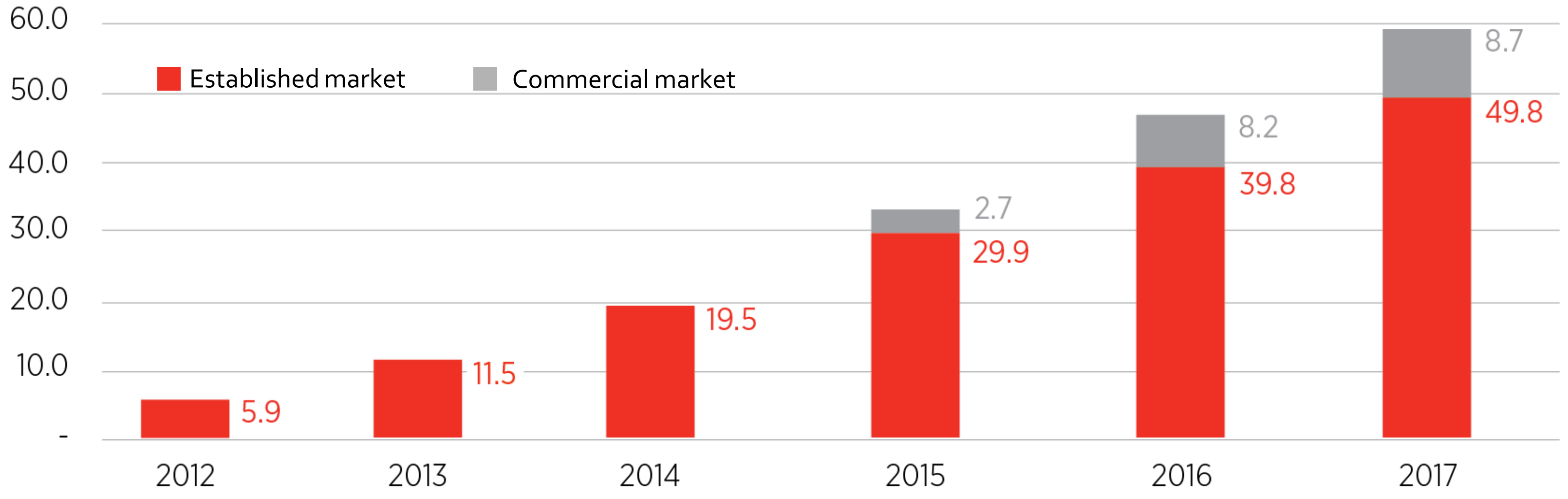
	Actual	Last Year	*%change*
Revenue ($000)	32,764	26,165	25%
EBIDTA* ($000)	7,056	5,687	24%
EBIDTA* margin	22%	22%	0%
Net Profit/(loss) Before Tax ($000)	(5,257)	(1,311)	N/A
Units on Depot	45,897	35,390	30%
Total Contracted Units**	48,041	36,953	30%
Future Contracted Income (FCI) ($000)	58,500	48,010	22%
Retention Rate	99%	97%	2%

** Earnings before interest, tax, depreciation and amortisation*
*** 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 installation*
For full description of other non-GAAP measures including Units on Depot, Total Contracted Units, Future Contracted Income and Retention Rate, see the final page of this presentation

Future Contracted Income* (FCI)

Grew FCI by 22%, creating $59m of future income for EROAD

FUTURE CONTRACTED INCOME ($Millions)



** 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.*

The FCI of $59million will be received by EROAD over the next 36 months

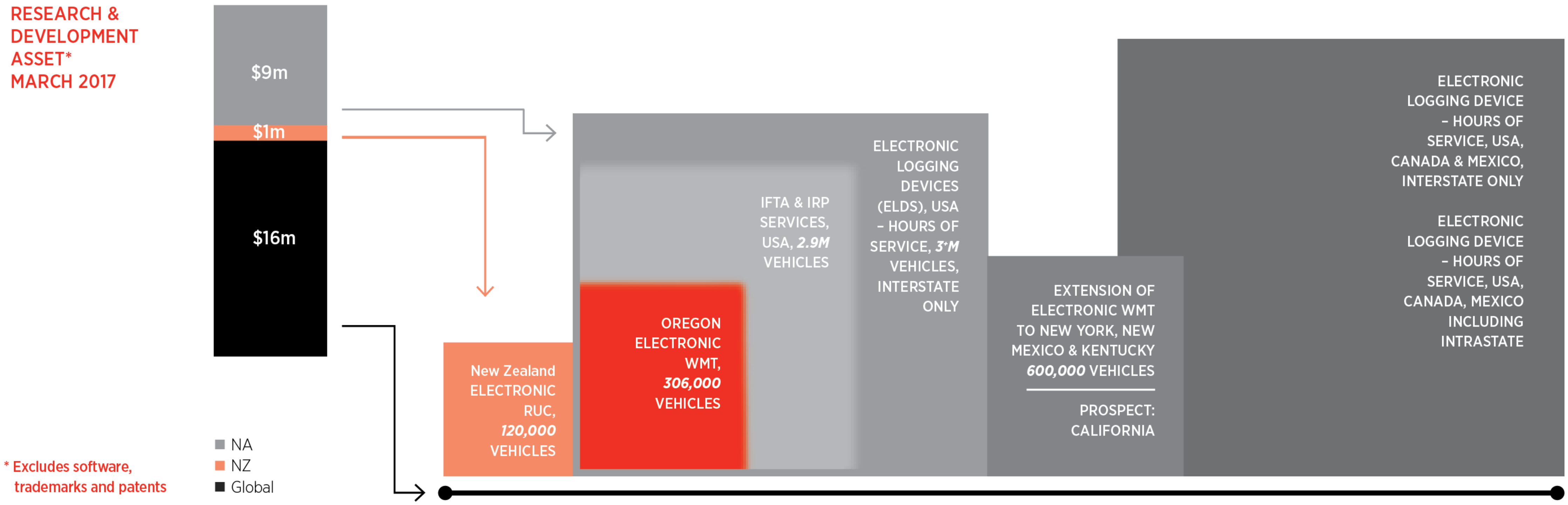
EROAD’s Six Strategies: Unchanged

1. Grow existing Markets	**FY17 Grew units by 30% across all markets, despite ELD delay & install backlog** FY18 Expect continued growth in all markets, aided by ELD & clearing backlog
2. Expand Oregon operations to Northwest & North America	**FY17 Established sales and marketing to support sales across North America** FY18 Likely additional sales and support capability as sales levels build
3. Identify, foster and develop new opportunities	**FY17 Delivered California Pilot and launched ELD for North American market** FY18 US Government “FAST Act” funding creating new state opportunities
4. Consider accelerated market entry through acquisitions	**FY17 Watching brief, no acquisitions in FY17** FY18 ELD market activity in US may create opportunities, watching brief
5. Further develop commercial services to support core offer	**FY17 Launched “inspect” service to Australia/New Zealand market** FY18 Develop a series of “integrations” with transport management systems
6. Validate new product markets and business models	**FY17 Built “inside sales” capability following external consultants report** FY18 Developing indirect channels as part of ELD market execution strategy

Research and Development – Market focus

Focus of R&D investment moved toward ELD market opportunities

OREGON ▶ NORTHWEST ▶ NORTH AMERICA



* Excludes software, trademarks and patents

EROAD is leveraging its platform, initially built for NZ RUC, to access significantly larger market opportunities.

OUTLOOK – FY18

Established Market (New Zealand & Australia)

Continued strong growth driven by:

- Large committed order book of over 6,100 units
- Continued customer focus on Health and Safety
- Continued expansion into light vehicle market
- Improved finance and operating systems to improve reporting, performance and revenues

Commercial Market (North America)

Stronger growth driven by:

- Customer's need to meet ELD mandate
- EROAD completion of ELD has enabled sales to progress
- All three sales channels resourced for FY18
    1. Direct channel
    2. Inside channel
    3. Partner channel
- Continued development to connect to customer systems

Development Markets

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

Market Overview

North America – A year of investment for EROAD

✓ **Delivered ELD**

- Leveraged our world class single platform and R&D team
- Delivered ELD on time, despite significant complexities
- First in-cab ELD on the FMCSA register of ELD providers

EROAD is 1 of only 5 fixed in-cab ELDs on the FMCSA register

✓ **Appointed EROAD US President**

- Norm Ellis appointed President in January 2017
- Previously led sales for Omnitracs US & Canada
- 30 years sales experience in transport and telematics

Has been key to building our sales capability in advance of FY18

✓ **Industry leading strategy advisors completed reports detailing how EROAD should address the US market**

- Set fleet sizes best suited to EROAD
- Identified regions to focus sales efforts & locate staff
- Confirmed 3 sales channels; "inside", "direct", & "partner"

Our new President endorsed our advisors recommendations

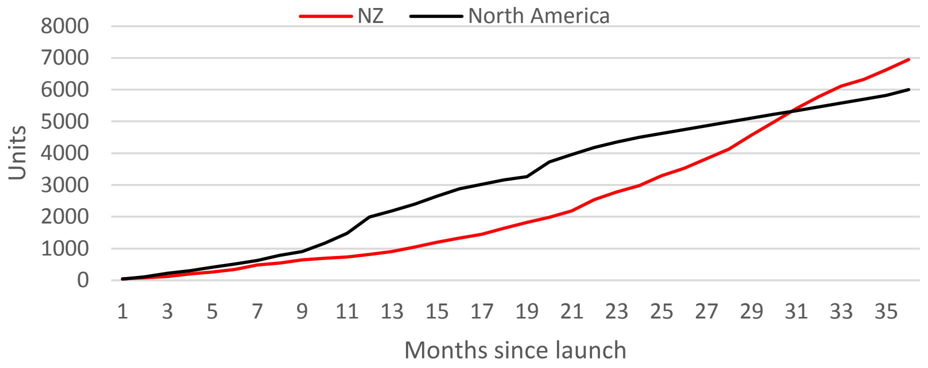
ELD launched in March 2017

Inside Sales team built during FY17

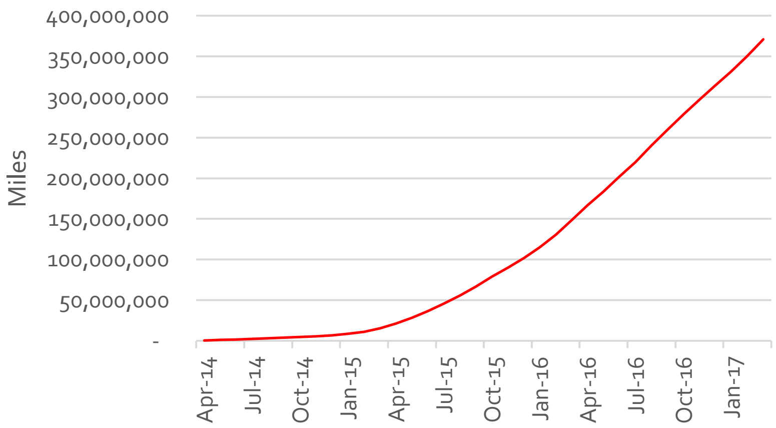
Commercial Market (North America)

- Total Contracted Units (TCU) increased 36% to **6,102**
- Years unit growth subdued as market awaited launch of ELD
- Still broadly following growth experienced in New Zealand from launch
- Units per customer of **15** compared to 3 for New Zealand, at the same stage in market
- EROAD has measured **370,852,944** miles travelled by customers
- Customer contracts have future income value of **$8.7m**
- Drivers of customer demand for EROAD include:
  1. EROAD's reputation with regulators and trucking associations
  2. Confidence in the accuracy of EROAD system
  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. Need for experienced US President, who was appointed in January 2017
  3. Building of three sales teams to target selected markets following external market consultants report, in readiness for FY18 with ELD available

NEW ZEALAND v NORTH AMERICA GROWTH SINCE LAUNCH

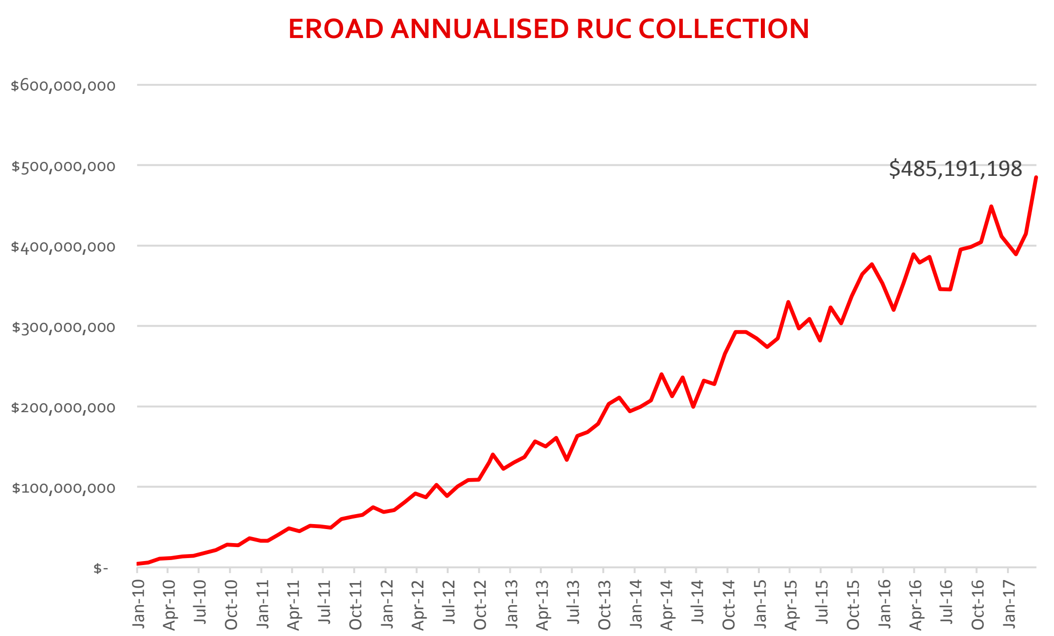


MILES MEASURED IN NORTH AMERICA



Established Markets (New Zealand and Australia)

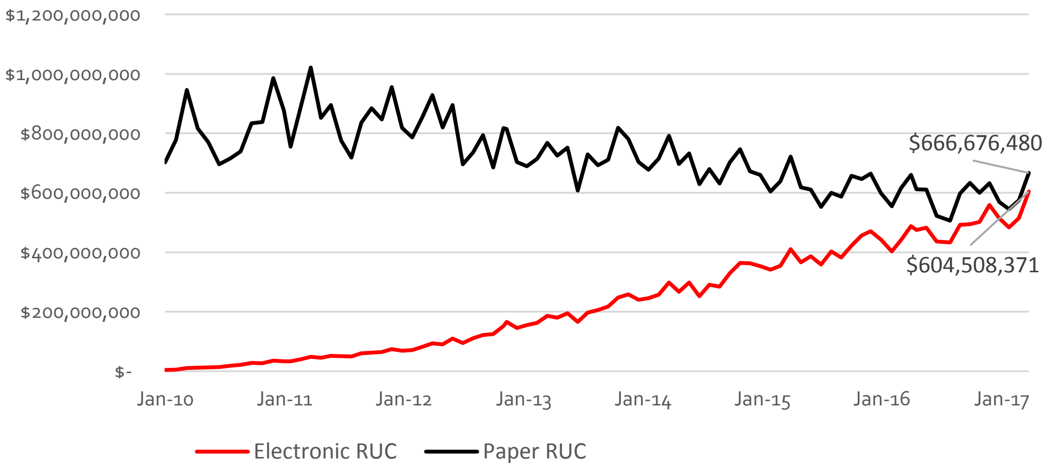
- Total Contracted Units increased to **41,939**
- Increased Annualised RUC collection to **$485 million** and collected over **$1.4 Billion** of RUC since 2010
- Grew market share in New Zealand with RUC collected growing from **34%** in March 2016 to **38%** in March 2017
- Expanded further into existing customer fleets with average units per customer growing to **15**, from **12** in FY16
- Secured some of New Zealand's largest fleet operators, Downer, Waste Management, Fulton Hogan, all where Health and Safety was critical
- Continued to expand in the competitive light commercial vehicle market, a market of 500,000 vehicles in New Zealand
- Maintained rentals at **92%** of total units
- Experienced some backlogs with installations of units, with an estimated 1,600 units sold but not yet able to be installed
- Have a strong pipeline of contracts (6,100 units) and demand from both heavy and light fleets to support strong growth in FY18



New Zealand - Heavy Vehicle RUC Market and Market share

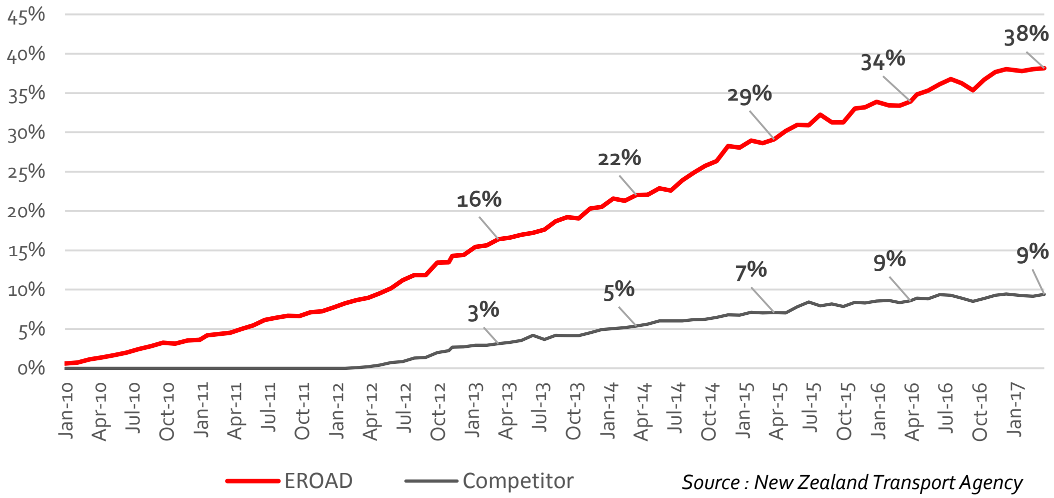
EROAD continued to grow its market share in the Heavy Vehicle (>3,500kg) market

TOTAL HEAVY VEHICLE RUC COLLECTIONS (ANNUALISED)



Source : New Zealand Transport Agency

HEAVY VEHICLE ELECTRONIC RUC MONTHLY MARKET SHARE



Source : New Zealand Transport Agency

- Electronic RUC now 47% 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 – "the first three months" Jason Dale (CFO)

Review of business systems and processes

- Systems near capacity
- Processes require automation

Review of amortisation

- Business model proven
- Better match amortisation with revenue

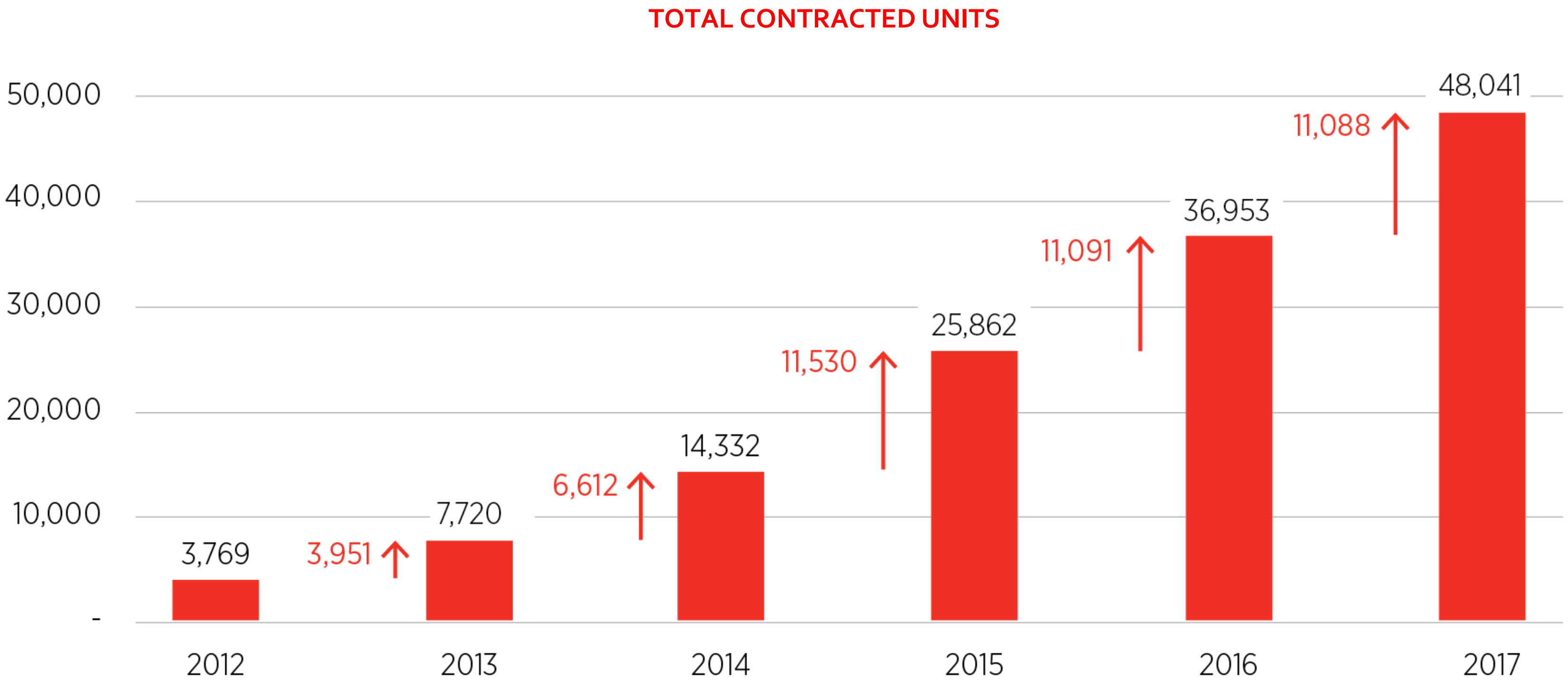
Review of funding

- Continued high rental demand
- Better match funding with growth

Operational Performance

Total Contracted Units* (TCU)

TCU grew by 30% despite subdued US growth

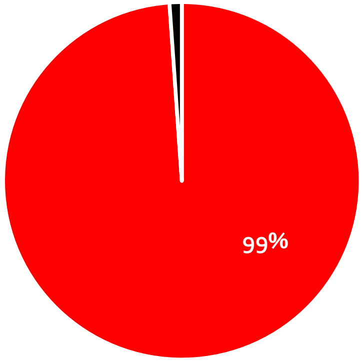


**Total Contracted Units is a non-GAAP measure used by EROAD which represents the total units subject to a customer contract and includes both Units on Depot and Units pending installation.*

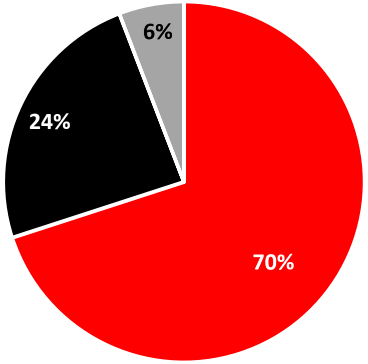
Pricing Dynamics

Average pricing per unit fell marginally during FY17

RETENTION RATE

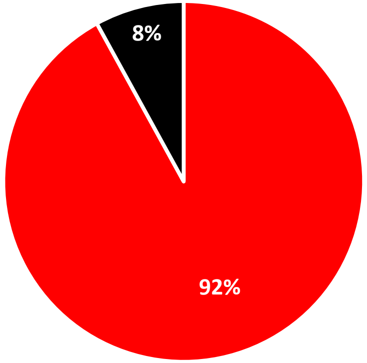


PRODUCT MIX



Ehubo/Tubo EhuboLITE Elocate

RENTAL VERSUS SALE



Rented Sold

For a full description of Retention Rate see page 33

DOWNWARD DRIVERS OF AVERAGE PRICING

- Continued penetration into lighter vehicles in NZ
- High number of contracts up for renewal in NZ
- Winning of enterprise customers with large fleets

UPWARD DRIVERS OF AVERAGE PRICING

- Upgrades from Ehubo1 to Ehubo2 in NZ
- US dollar translation
- US is Ehubo2 only market

EROAD team

Staff number growth was impacted by US preparation for FY18 sales

	FY17	FY16	Increase
In-Market Delivery (Sales and customer operations)	111	82	29
Business development, manufacturing, HR & corporate	34	32	2
R&D	84	82	2
Total	229	196	33

DEVELOPMENTS DURING THE YEAR

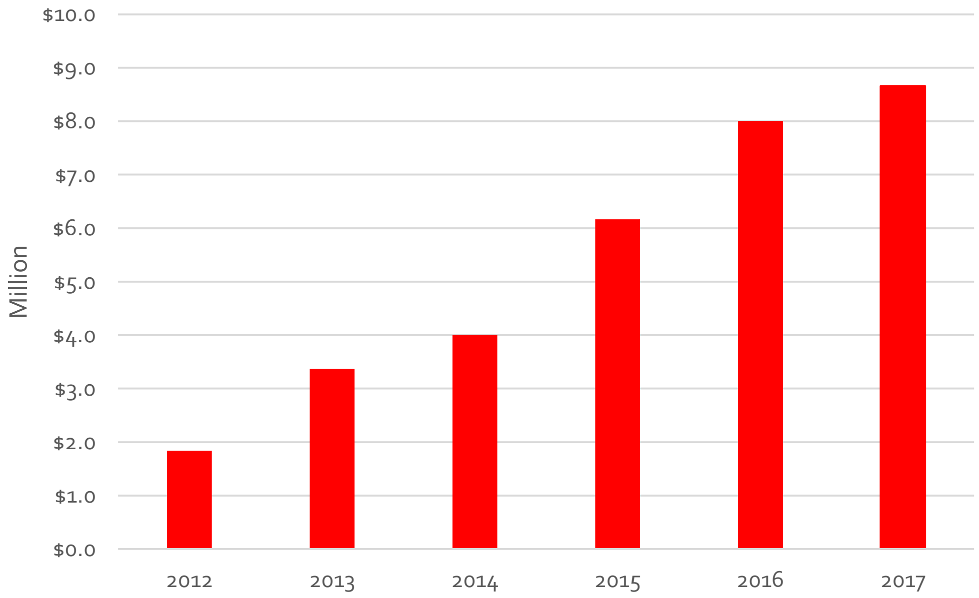
- Increase in staff numbers by 17%, focused on US sales capability and NZ customer service.
- Continued graduate program securing high quality R&D staff.
- Appointed key roles in Finance, Operations and US business
- Continued to build team experience with 10% increase in length of tenure.
- Focused on strong team culture in New Zealand & US
- Expect only additional staff with additional growth in US

Research and Development in FY17

R&D focused on the North American ELD plus Health and Safety suite for NZ

- R&D program on track having:
    - Released ELD on schedule in March 2017
    - Continued to expand IFTA solution across more US states
    - Begun development of "integration" solutions with major customer transport management systems
    - Launched EROAD health and safety suite in New Zealand
    - Expect FY17 to be highest R&D year
- Expensed a further **$4.0m** of R&D directly to the Income Statement
- Received Callaghan R&D Growth Grant funding of **$0.8m**
- Amortisation estimate changed for FY17

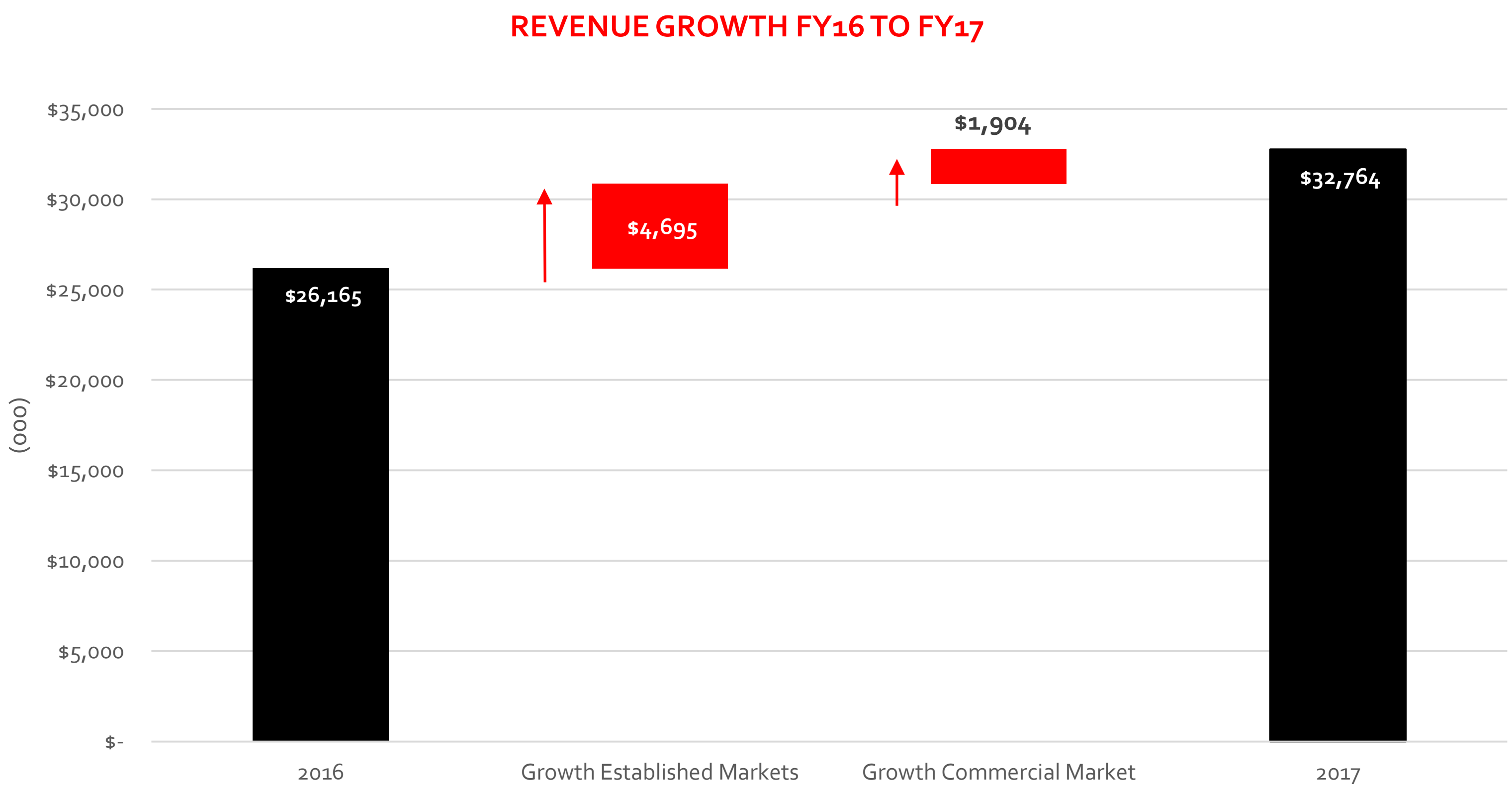
RESEARCH AND DEVELOPMENT CAPITALISED*



** Excludes software development*

Financial Performance

FY17 Revenue



- Revenue up **25%** on last year
- Some revenue does not grow with unit growth, Grant income, sales, installations and transaction fees

* Minor reduction in average prices per unit

FY17 EBITDA and Net Profit/(loss) before Tax

EBITDA

('000)	FY17	FY16	Movement
Established Market*	14.9	12.5	2.4
Commercial Market*	(3.9)	(3.3)	(0.6)
Development Markets	(4.0)	(3.5)	(0.4)
EBITDA	7.1	5.7	1.4

Net Profit/(loss) before Tax

('000)	FY17	FY16	Movement
Established Market*	3.6	6.3	(2.6)
Commercial Market*	(4.9)	(4.0)	(0.9)
Development Markets	(4.0)	(3.5)	(0.4)
Net Profit/(loss) Before Tax	(5.3)	(1.3)	(3.9)

** After elimination of Intercompany trading*

KEY POINTS

1. **Established Markets**
   1. Continued strong demand from both heavy and light markets
   2. Minor reduction in average price per unit
   3. Grew penetration is some of our largest fleets, like Fulton Hogan
   4. Identified weaknesses in operational and financial systems to remedy
   5. Bore some "corporate costs" including US transport consultants

2. **Commercial Market**
   1. Subdued sales as contemplated, due to ELD
   2. Staff numbers up from 30 to 41
   3. Maintained average price per unit
   4. Invested in sales and support staff in readiness for FY18 sales year
   5. Continued to build brand and relationships with trucking associations

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 delivered sole technology provider role in California State RUC Pilot
   4. Expensed $0.4m additional Research & Development driven primarily by ELD
   5. Released health and safety suite for the New Zealand market

FY17 Balance Sheet

	FY17	FY16	Movement
	$m	$m	$m
Cash	0.9	7.9	(6.9)
Restricted bank account	9.2	5.5	3.7
Other (incl. Trade receivables)	8.6	6.9	1.7
Current Assets	**18.7**	**20.3**	**(1.5)**
Plant and Equipment (incl. leased assets)	23.8	21.4	2.4
Intangibles	28.7	23.3	5.4
Other	1.9	2.0	(0.0)
Fixed Assets	**54.4**	**46.6**	**7.8**
Total Assets	**73.1**	**66.8**	**6.2**
Payable to NZTA	9.2	5.6	3.7
Deferred Revenue	4.4	5.4	(1.0)
Other liabilities	13.9	5.2	8.7
Total Liabilities	**27.5**	**16.1**	**11.4**
Net Assets	**45.6**	**50.7**	**(5.2)**

KEY POINTS

- **Cash** movement driven by three major components, 1) Cash invested in R&D,$13.4m; and 2) Cash generated from operations (excl. R&D expensed) of $10.6m and 3) Partial funding of leased assets along with utilisation of bank debt facility.
- **Trade receivables** up due to high number of rental contracts, other receivables up due to higher prepayments and accruals with scale.
- **Plant and Equipment** up due to:
  - New rental units, $10.2m less depreciation of all units, $7.1m, increase $3.1m
  - Office equipment, vehicles & computers for new staff $0.4m, less depreciation $0.8m
- **Intangibles** up due to investment in R&D, $9.4m, focused on ELD and Health and Safety suite, less amortisation $4.0m (up from $1.7m FY16)
- **Payable to NZTA** up due to timing of cash collected by NZTA, with corresponding increase in NZTA restricted bank account. EROAD collects RUC on behalf of NZTA.
- **Deferred Revenue** down due to reduced use of external finance company.
- **Other Liabilities** up due to funding of leased assets through bank debt which rose by $6.0m, and trade creditors and accruals growing with scale.

FY17 Cash Flow

	FY17 $'m	FY16 $'m	Movement $'m
Cash flows from Operations	6.6	3.4	3.2
Purchase of Property and Equipment	(10.5)	(12.0)	1.5
Purchase of Intangible assets	(9.4)	(9.1)	(0.3)
Cash flows from Investing activities	(19.9)	(21.2)	1.3
Cash flows from Financing activities	6.3	1.0	5.3
Net Increase/(Decrease) in Cash held	**(6.9)**	**(16.7)**	**9.8**

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
- FY17 cash flows include additional $0.4m R&D expense over FY16
- FY17 cash flows include additional $0.6m of US losses over FY16
- FY17 cash flows include additional $1.5m of costs associated with US strategy advice, executive recruitment and NZ systems review over FY16

Investing

- Investment in Plant and Equipment decreased by $1.5m driven by a reduction in expenditure on office equipment and continued investment in leased units ($10.2m)
- Investment in Intangible assets grew by $0.3m driven by:
  - $0.7m additional investment in R&D to deliver ELD and health and safety suite
  - $0.4m reduced investment in software to support customer & back office systems

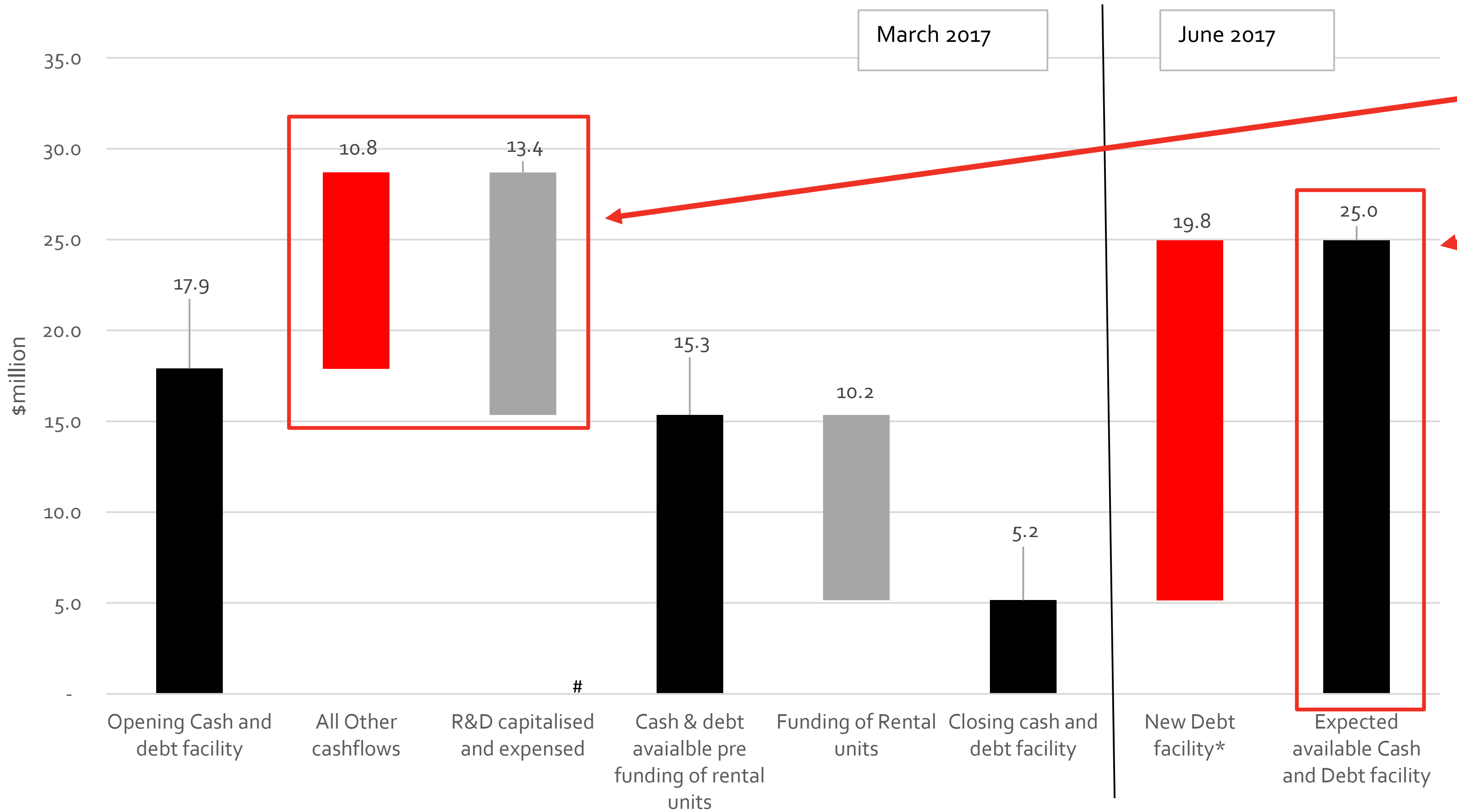
Financing

- Following increased operating cash flow and reduced investment financing EROAD utilised an additional $6m of it’s banking facility.

Cash utilisation for the 12 months to 31 March 2017

EROAD expect to have sufficient cash and debt facilities to fund growth in FY18

ANNUAL CASH UTILISATION *for year to 31 March 2017*



Net cash of $2.8m required to fund operations in FY17, lowering in FY18. Remaining cash and new debt facility (currently being finalised) totaling $25m, can be utilised to fund growth in rental units in FY18.

* *Offer received for new debt facility, expected to be in place by June 2017, will amortise in line with the life of new unit rental contracts, and has costs broadly in line with current facility.*

\# *Includes software development*

Questions?

Non GAAP measures

1. **Units on Depot**
   The number of EROAD devices installed in vehicles and subject to a service contract with a customer

2. **Units Pending Installation**
   The number of EROAD devices subject to a service contract with a customer but pending Installation

3. **Total Contracted Units (TCU)**
   TCU is made up of Units on Depot plus Units Pending Installation

4. **Future Contracted income (FCI)**
   Total revenue to be earned from existing customer contracts in future accounting periods

5. **Retention Rate**
   The number of Units on Depot at the beginning of the 12 month period and retained on Depot at the end of the 12 month period, as a percentage of Units on Depot at the beginning of the 12 month period.

6. **Recurring Revenue**
   The current monthly revenue EROAD receives from Total Contracted Units from charging of services, hardware rentals and transaction fees.