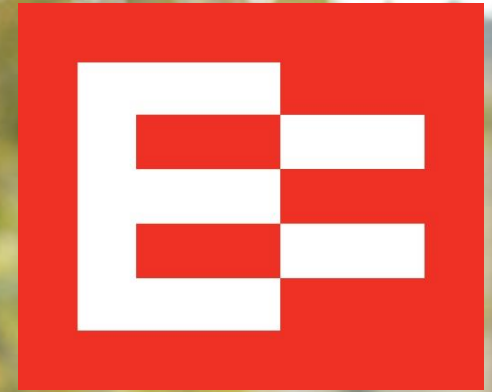


EROAD

Investor presentation



12 December 2017

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Introduction



UPDATE AND GUIDANCE

- In November 2017 EROAD added 1,981 and 2,093 net new contracted units in ANZ and North America respectively
- For the full FY18 year EROAD expects:
 - Total contracted units in excess of 77,000
 - Total group revenue between \$46.9 million and \$47.6 million
 - Group EBITDA between \$12.8 million and \$13.3 million

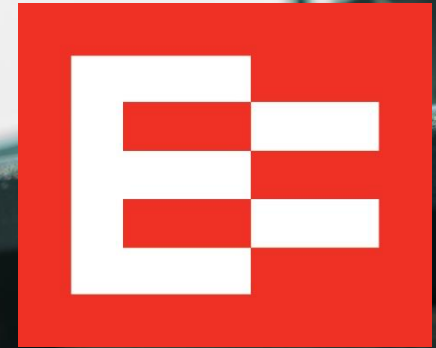
EROAD CAPITAL RAISE

- EROAD is undertaking a capital raise to provide funds to upgrade its customer support systems, raise funds for new products / product enhancements, and to repay its non bank lender
- Proceeds raised primarily relate to either the ANZ business or systems utilised across the whole business (regardless of jurisdiction)
- As announced on 28 November 2017, EROAD has engaged FNZC to undertake a strategic review of its North American business. The review is focused on evaluating options to further capture the compelling growth opportunity in North America and will consider potential partnership, joint venture and other opportunities
- EROAD intends to raise **at least \$18 million** via:
 - An underwritten placement of ordinary shares of **at least \$14 million**; and
 - A subsequent offer of ordinary shares to existing New Zealand retail investors via an underwritten Share Purchase Plan ('SPP') of **at least \$4 million**. The SPP is expected to be undertaken early in calendar year 2018
- New shares issued will rank equally with EROAD's existing ordinary shares in all respects

SALE OF SHARES BY NMC TRUSTEES LIMITED

- In conjunction with EROAD's capital raise, its largest shareholder NMC Trustees Limited (which currently holds 26% of all EROAD shares on issue) intends to sell **approximately \$5 million** of EROAD shares through an underwritten placement (Chief Executive Steven Newman holds an indirect interest in the EROAD shares held by NMC Trustees Limited)
- Through NMC Trustees Limited, Steven has been the largest shareholder in EROAD since his initial investment on 31 October 2007
- Steven remains fully committed to the EROAD business, and will remain a significant shareholder. Following the placement (and prior to the SPP), Steven is expected to indirectly hold in excess of 21.5% of all EROAD shares, through NMC Trustees Limited.
- Costs associated with the sale of shares will be borne directly by NMC Trustees Limited

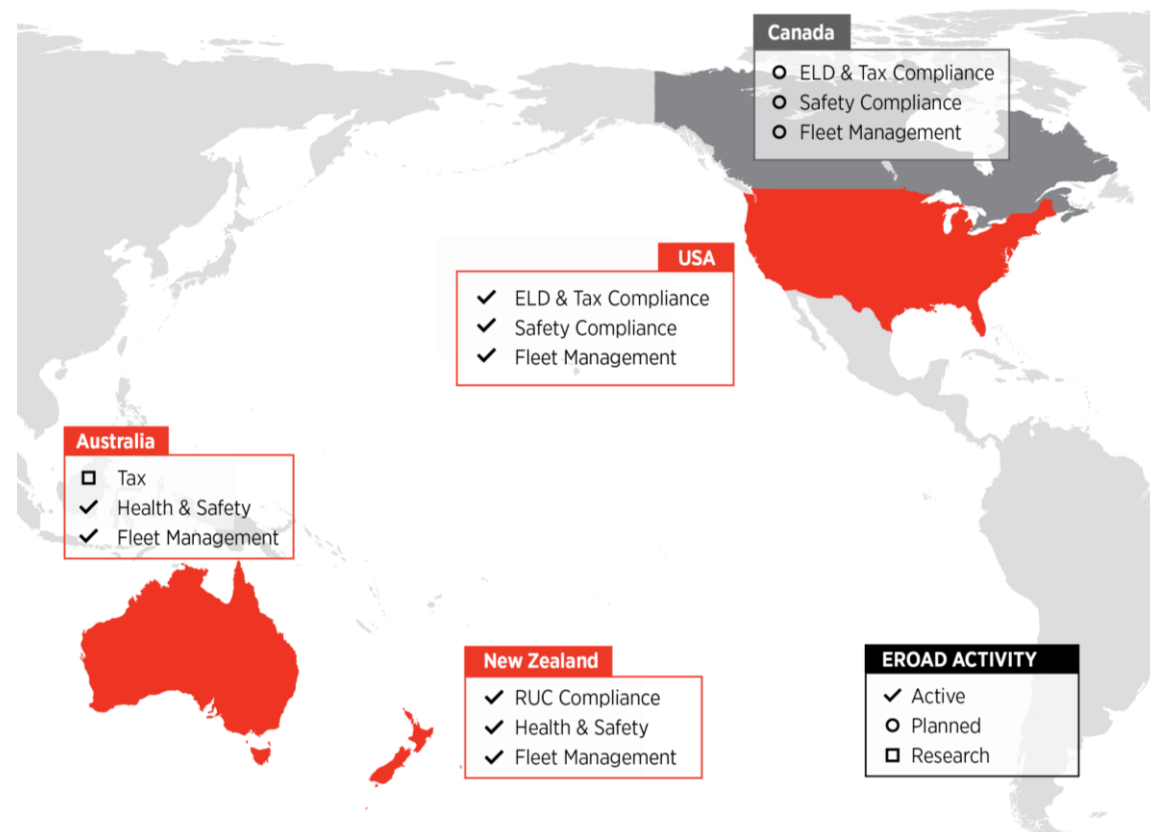
EROAD OVERVIEW



Overview - EROAD modernises tax compliance and health & safety for commercial vehicles



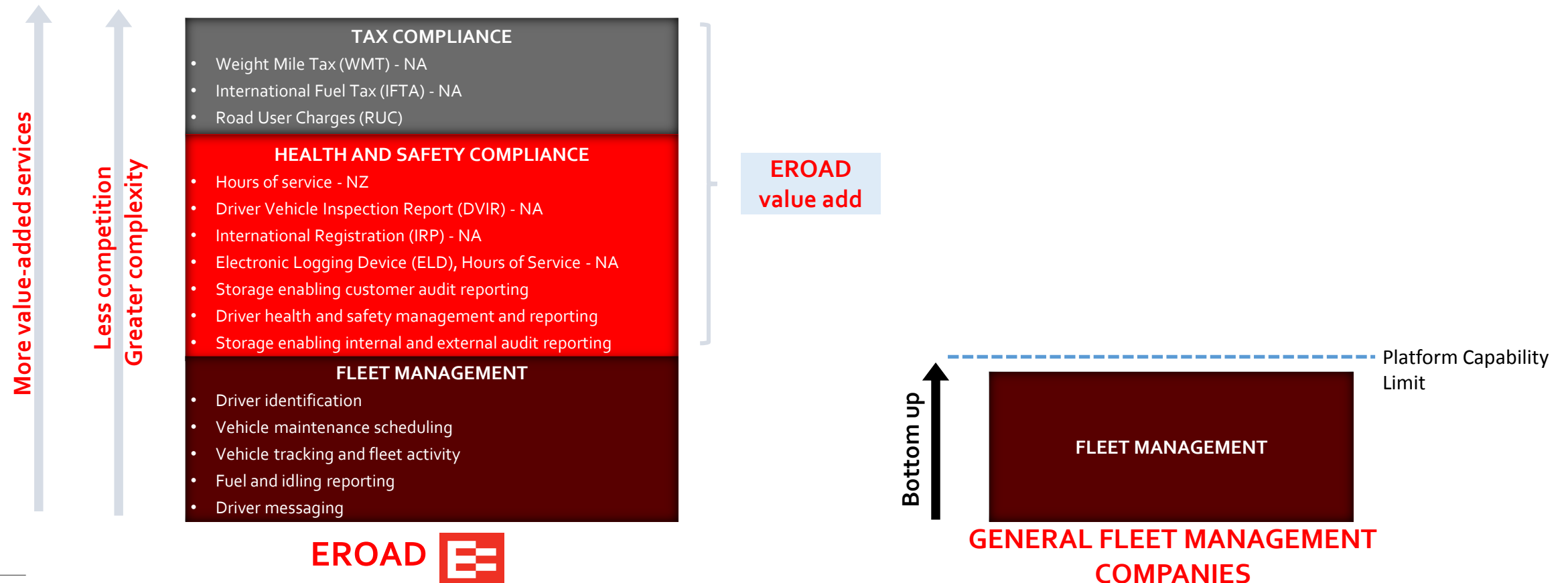
- In 2009, EROAD introduced the **world's first** nationwide electronic road user charging (eRUC) system in New Zealand
- Operations in **Australia & New Zealand (ANZ)** and **North America (NA)**
- Sole heavy vehicle technology supplier for **California Road User Charge Pilot**, and recently selected to participate in a mileage-based user pilot for **I-95 corridor coalition**
- EROAD's services offered include:
 - **Tax compliance**
 - **Health & Safety**
 - **Fleet management**
- 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



Value proposition - EROAD differentiates via value adding compliance products



- EROAD's business is built on a secure, highly available platform for tax compliance, with EROAD subsequently expanding into Health and Safety compliance and Fleet Management services.
- By contrast general fleet management companies have built platforms for the provision of Fleet Management services only, so have platform limitations in moving up the value chain



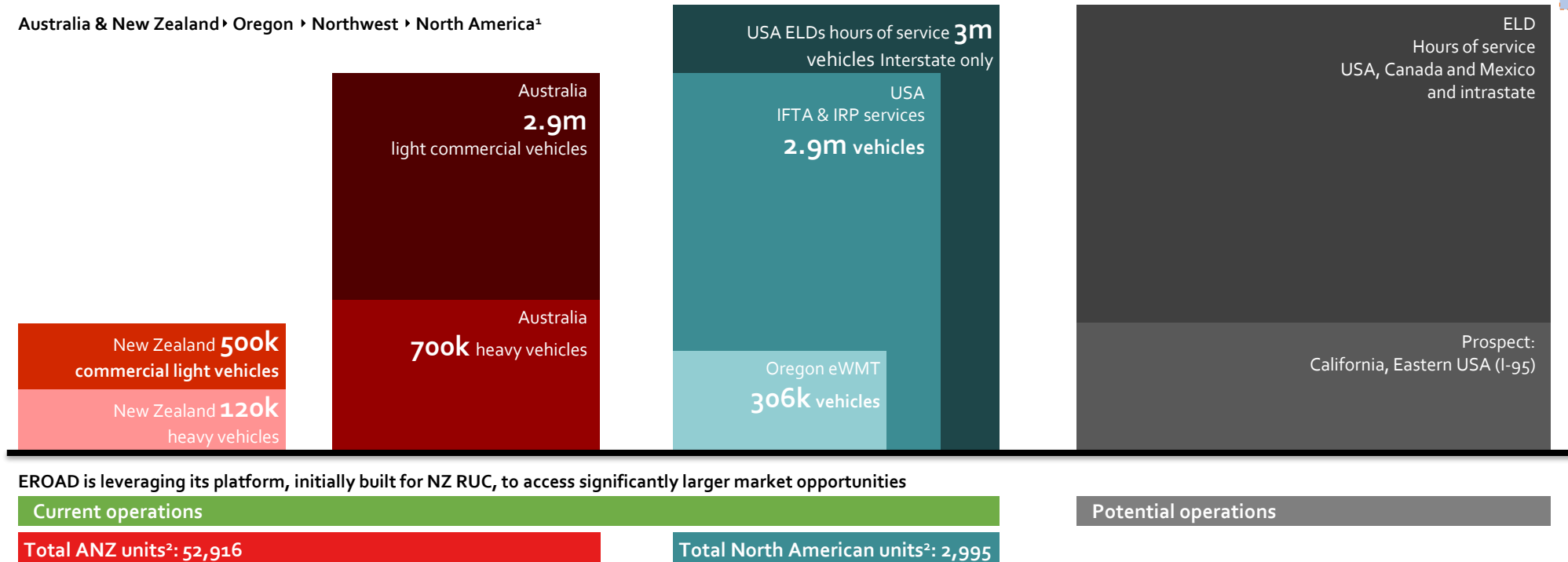


Near Term Opportunity - EROAD is operating in a large total addressable market

- EROAD is well established in the ANZ market
 - In New Zealand EROAD now collects 39% of all heavy vehicle RUC with strong growth also being achieved in the light commercial vehicle segment
 - EROAD's Australian business (operationally managed from New Zealand) provides fleet management services primarily to trans-Tasman customers
- EROAD's focus has widened to North America as ELD, WMT and IFTA have opened large new opportunities

LARGE TOTAL ADDRESSABLE MARKET IS AVAILABLE

Australia & New Zealand ▶ Oregon ▶ Northwest ▶ North America¹



Note: for a full description of ELD, WMT, IFTA and IRP please see the Appendix of this presentation

1. There is continued lobbying in North America to delay the implementation date of the ELD mandate via an executive order to at least 1 April 2018 (which is the date federal and state enforcement officers will start enforcing ELD compliance), or potentially longer

2. As at 30 November 2017

Longer Term Prospects – Infrastructure funding needs provide longer term opportunities



- Globally, freight transport by road is forecast to continue to increase significantly
- As increasing numbers of trucks move larger volumes of freight, significant pressure is put on existing transport infrastructure
- Transport authorities are increasingly facing problems around funding the maintenance and expansion of road and highway infrastructure
- Fuel excise taxes and vehicle registration fees often fall short of meeting the costs of road funding, further exacerbated by the advent of electric vehicles (which don't pay fuel excise taxes)
- EROAD selected to participate in the first multi-state pilot to explore the feasibility of a Mileage-Based User Fee (MBUF) along the United States' eastern seaboard (the I-95 Corridor Coalition truck pilot)
- Estimated over US\$1 trillion required to fund streets and roads in the United States¹
- Australia investigating the introduction of road user charging

Existing road funding regimes offer potential for modernisation using electronic systems to improve efficiency and accountability

¹ Source: American Society of Civil Engineers, 2015

What is Behind America's Road Funding Challenge?

Source: uscommonsense.org, November 2015

The fund to repair America's crumbling infrastructure is almost out of cash

Source: The Verge, November 2015

America's roads score a "D" grade

"America's roads are often crowded, frequently in poor condition, chronically underfunded, and are becoming more dangerous."

Source: American Society of Civil Engineers Report, 2017

Infrastructure Australia has recently recommended that the Commonwealth Government should initiate a public inquiry into the limitations of the existing charging and funding framework for roads and to develop a pathway to road user charging reform in Australia.

Source: The Australian Government's Response to Infrastructure Australia's Australian Infrastructure Plan, November 2016

Paying for road time? User-based system could fund transportation needs in state, tax watchdog says

Source: Leader Telegram, November 2017

Strategy - How EROAD creates shareholder value



1. Identify and foster market opportunities

e.g. North America: I-95 multi state Mileage Based User Fee (MBUF) pilot announced November 2017; EROAD selected as the sole heavy vehicle provider in the California Road Charge Pilot Program in 2016¹

R&D and Business Development

2. Design, develop and validate solution with stakeholders

e.g. Driver Vehicle Inspection Report (DVIR), being implemented in North America in December 2017

3. Establish commercial operations to address market opportunity

*e.g. North America: International Fuel Tax Agreement (IFTA) and Electronic Logging Devices (ELD)
As at 30 November 2017, EROAD had 12,995 total contracted units in North America*

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 & Safety
As at 30 November 2017, EROAD had 52,916 total contracted units in ANZ*

¹ The Californian Road Charge Pilot Program was the single largest heavy vehicle and light vehicle pilot in North America

EROAD derives revenue from two main sources: recurring revenue and hardware sales



- EROAD's business model generates high levels of recurring revenue
- In addition, material growth options are available to increase recurring revenue and hardware sales, plus new sources of revenue (in particular, monetising data)

Recurring revenue (Dominant revenue stream)	• Recurring revenue is generated from all customers through monthly charges for both services and rental of hardware • Approximately 92% of units across New Zealand, Australia and North America are rented, generally on a 36-month term, with the majority of customers then renewing the contracts • On occasion, EROAD leases units for longer than the usual 36 month rental period. In such instances, the substance of the transaction is assessed, and if it is considered that substantially all the risks and rewards of ownership have been transferred, the arrangement is accounted for as a finance lease • Customer retention rates are strong at 98% • In addition, EROAD receives incremental recurring revenue from transaction fees each time a customer purchases RUC from NZTA through EROAD's platform • Future Contracted Income as at 1HY18 was \$75 million
Hardware sales	• Approximately 8% of EROAD's units are sold (rather than rented) • Hardware sales provide higher initial earnings and cash flow
Other	• Other revenue is earned from four sources • Transport statistics (monetising data); • Accessory sales; • Consulting and advisory services; and • Research grants

ACHIEVEMENTS AND OUTLOOK

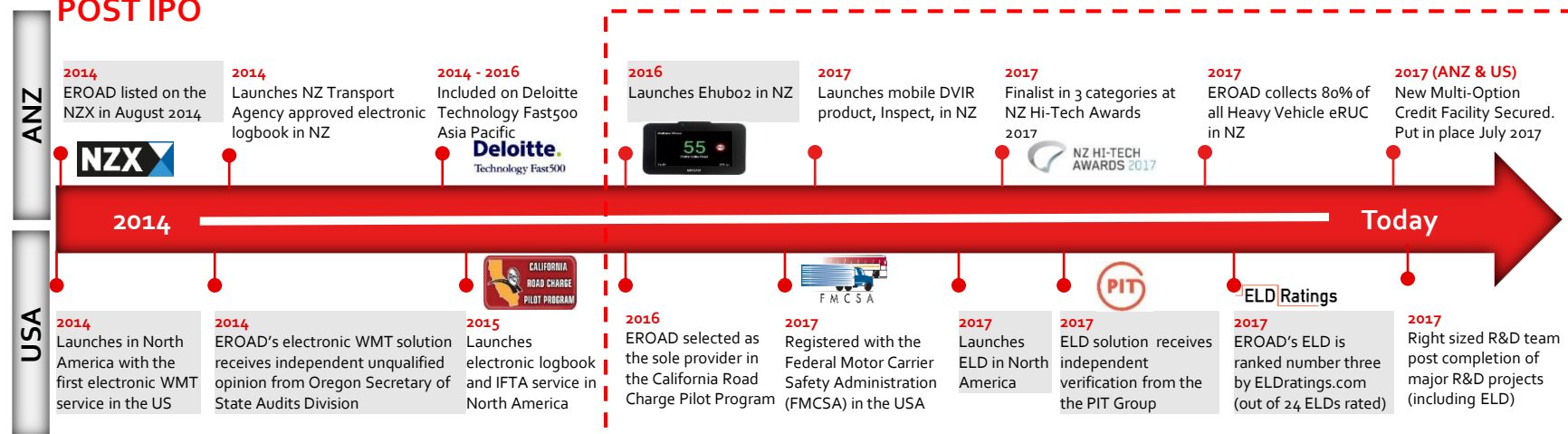


Achievements and key events - EROAD continues to gather momentum

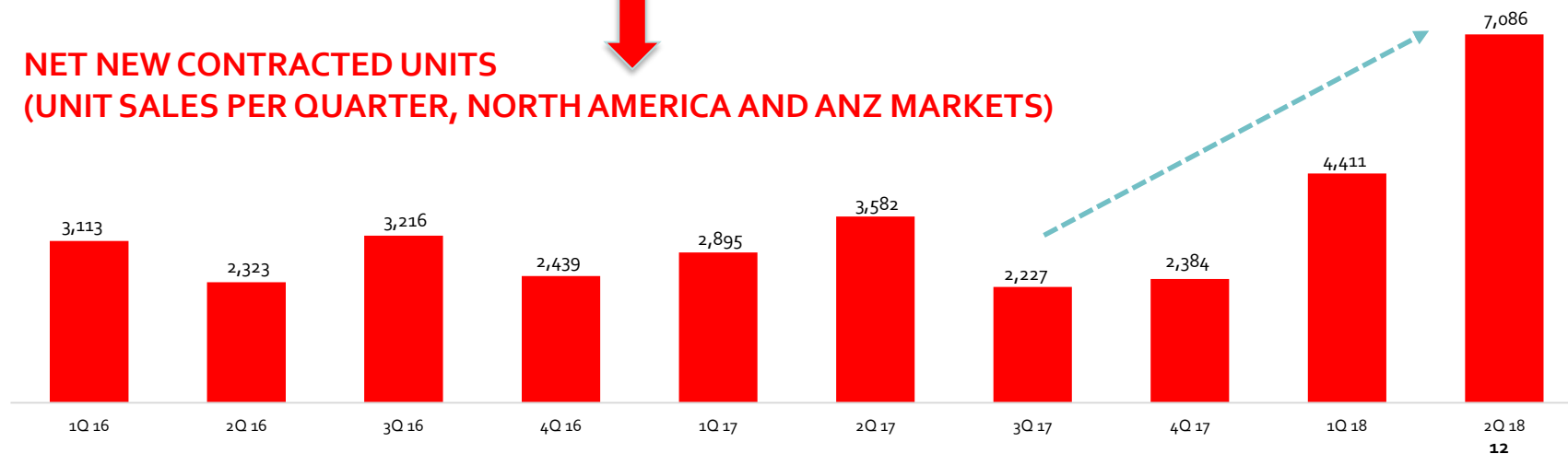


- EROAD continues to achieve key milestones
- In 2009 EROAD introduced the world's first nationwide electronic road user charging (eRUC) system in New Zealand
- eRUC has grown rapidly, and now accounts for more than 50% of heavy transport RUC collected in New Zealand (with EROAD collecting 39% of all such RUC) and continues to take share from paper based RUC
- In 2014 EROAD introduced the first electronic Weight Mile Tax service in the US
- In 2017 EROAD launched its ELD product in North America, which is: ranked #3 (of 24) by ELDratings.com, and independently verified by PIT Group

EROAD TIMELINE POST IPO



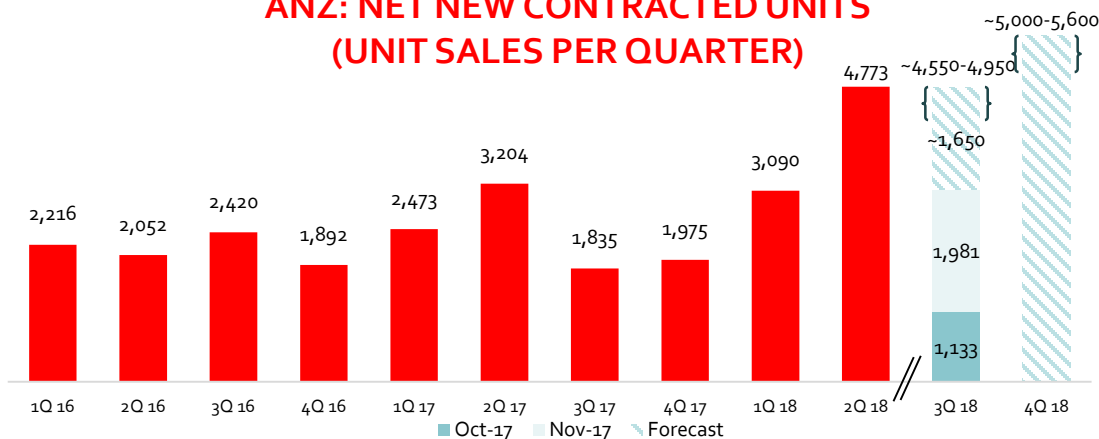
NET NEW CONTRACTED UNITS (UNIT SALES PER QUARTER, NORTH AMERICA AND ANZ MARKETS)



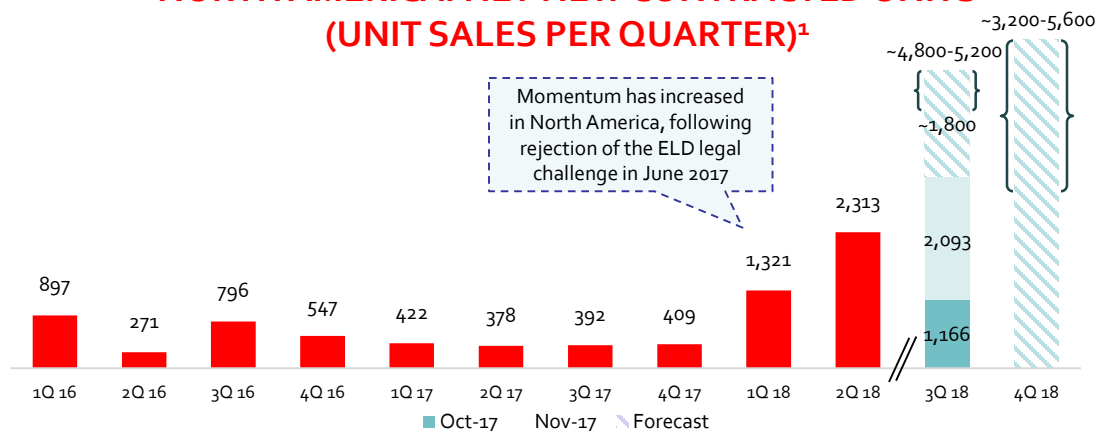
Unit sales - ongoing ANZ growth and increasing momentum in North American unit sales



ANZ: NET NEW CONTRACTED UNITS (UNIT SALES PER QUARTER)



NORTH AMERICA: NET NEW CONTRACTED UNITS (UNIT SALES PER QUARTER)¹



- EROAD forecasts continued strong growth in net new contracted units for the remainder of FY18, primarily driven by:
 - In ANZ, on-going momentum of light commercial and heavy vehicles sales, plus recent large contracts wins, including an extension by a large existing enterprise customer; and
 - In North America, ongoing growth from legislated ELD requirements
- Average monthly revenue per unit for FY18 is expected to be approximately \$54 per unit, driven by factors including:
 - Customers upgrading to EHUBO2;
 - Customers upgrading service plans;
 - Continued penetration into lighter vehicles; and
 - Increasing number of contracts up for renewal

Estimated FY18 Units and Annualised Recurring Revenue

	ANZ	North America	Total
HY18	49,802	9,736	59,538
Net New Contracted Units			
3Q 18 estimate	~4,550-4,950	~4,800-5,200	~9,350-10,150
4Q 18 estimate	~5,000-5,600	~3,200-5,600	~8,200-11,200
Estimate of total contracted units as at FY18	~59,300+	~17,700+	~77,000+
Average revenue per unit			~\$54
Annualised recurring revenue as at 31 March 2018²			~50 million+

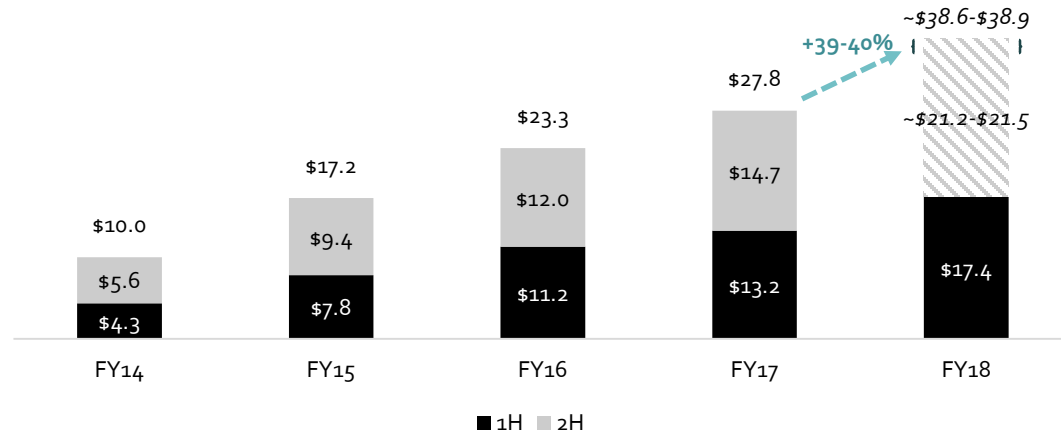
1. A wide forecast range has been provided for North American Q4 volumes due to uncertain market conditions post the ELD mandate deadline which is currently 18 December 2017. As noted in footnote 1 on page 7 continued lobbying to extend the implementation date is currently occurring

2. Calculated as total contracted units multiplied by average revenue per unit (per month) x 12



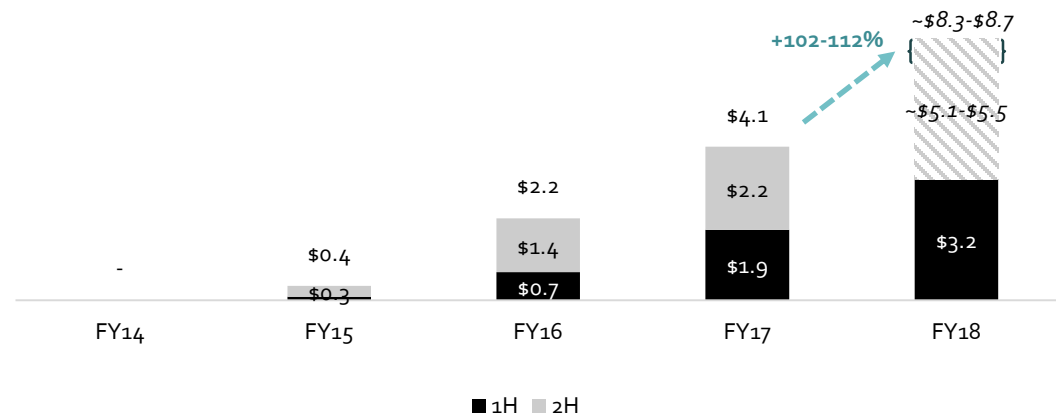
Revenue growth - driven by unit sales

ANZ: REVENUE (NZ\$m)¹



- Revenue in 2HY18 will be predominantly driven by:
 - Growth in new contracted units
 - Recognition of additional revenue for units sold partway through the prior period
 - Recurring revenue per unit at \$54 per month

NORTH AMERICA: REVENUE (NZ\$m)

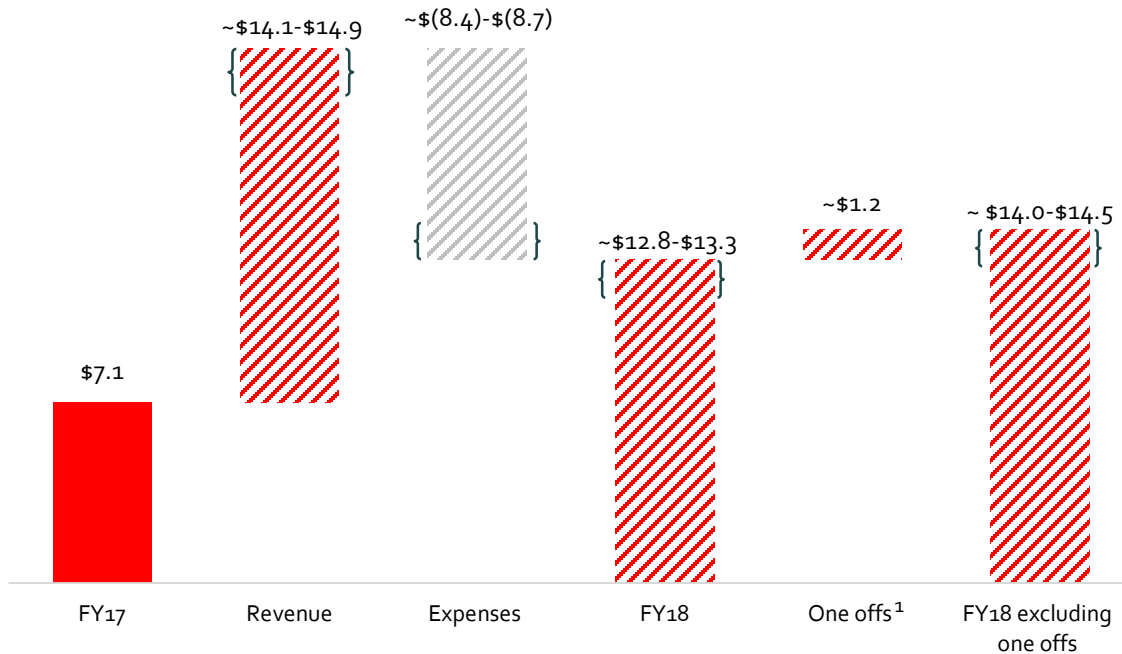


¹ Excludes intercompany revenue

EBITDA – growth primarily driven by increase in total contracted units



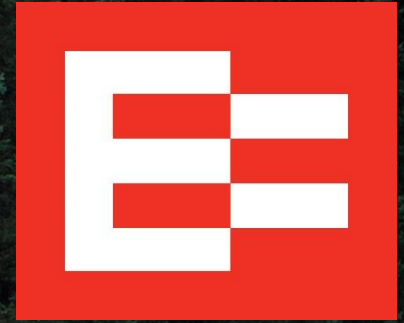
EBITDA MOVEMENT FY17 to FY18 (NZ\$m)



- Growth in revenue driven predominantly by unit growth, see previous slide for details
- Increased expenses driven by:
 - Increase in COGS related to servicing of additional units
 - Lower capitalised costs, due to taking a more conservative approach to capitalisation / expensing
 - Increased North American salaries and expenses driven by investment in US sales capability to better capture the ELD opportunity
 - Costs incurred in relation to resizing the R&D team following completion of key projects

¹ The major component of one off costs was restructuring costs

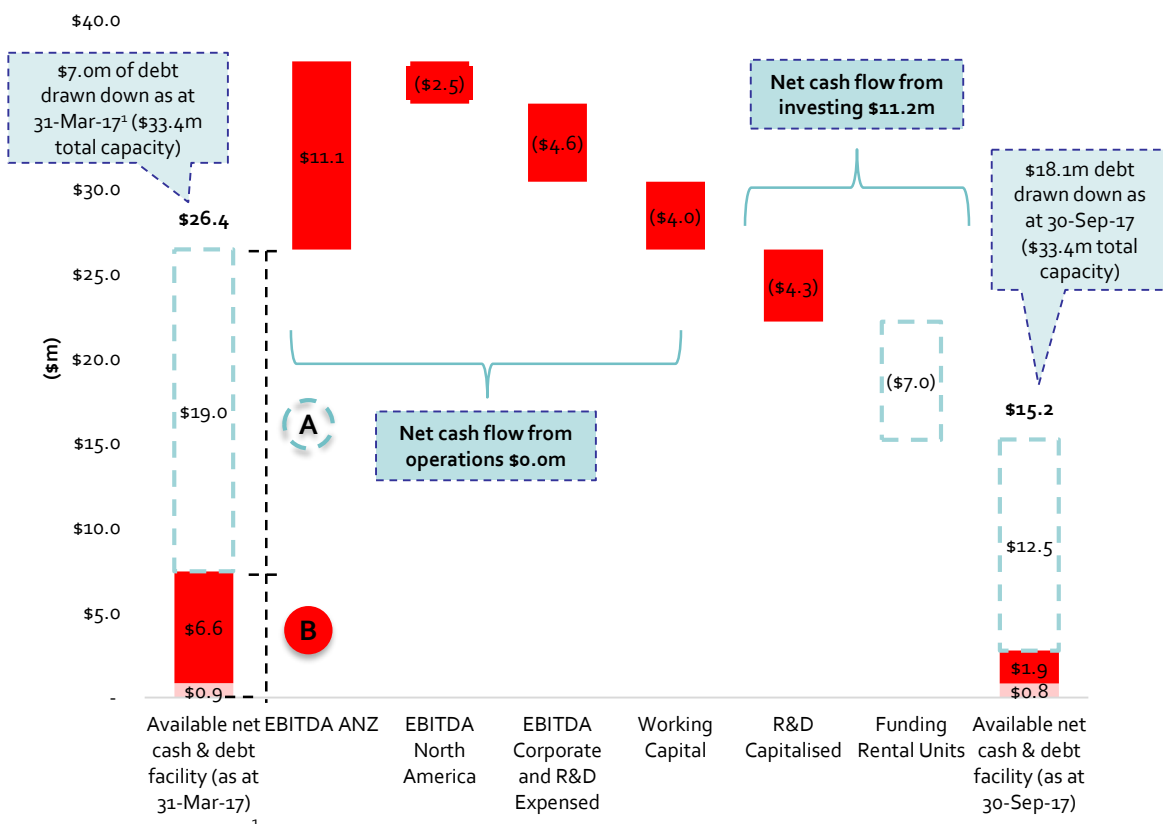
Funding



Net Debt - Cash generated by ANZ business funds operating activities



CASH & AVAILABLE DEBT FACILITY MOVEMENT (NZ\$m) 6 Months to 30 September 2017



- EROAD's current debt facilities (signed in December 2017), provide significant funding for rental units:
 - As at 30 September 2017 EROAD's Committed Cash Advance Facility (CCAF) to fund unit growth had remaining capacity of \$12.5m;
 - The December facility capped and converted to Term Debt (equal to the \$12.6m drawn under the previous CCAF). New CCAF of \$19m introduced
- In addition, EROAD's cash, available term debt and available overdraft provide additional funding for regular working capital and other capex requirements:
 - As at 30 September 2017 this amounted to \$2.8m of funds;
 - The November facility increased these funds by approximately \$2m through an extended overdraft

As the majority of EROAD's debt facilities are provided against the Future Contracted Income of the rental units (i.e. the majority of EROAD's debt capacity is in the form of the CCAF), any significant non-unit capex requires additional funding

1. Adjusted for July 2017 refinance of EROAD's debt facilities, whereby the CCAF facility increased to \$19m, and the term debt facility was refinanced to \$10.5m, and the working capital overdraft facility was refinanced to \$3.0m



Capital Raising - Use of funds predominately supports non-unit capex

Use of funds		Description	Market	Type	Amount (NZ\$m)
Supporting core business growth	Upgrade customer support systems to maintain high service levels	- Upgrade customer transaction systems - Additional online onboarding and training tools - Billing engine replacement - Upgrade lease management system	Whole business	Capex	2.5
	Working capital for inventory growth	- Fund component costs and finished goods inventory. EROAD funds inventory: (1) at the pre manufacture component stage; and (2) post assembly pre-sale. - Inventory is funded externally once a rental contract has been entered into through: (1) the assembly stage by EROAD's third party manufacturer; and (2) by EROAD's bank facility provider (based on a percentage of future contracted income)	Whole business	Working capital	2.0
Replacement of non bank lender and offer costs	Debt replacement	- Predominantly to replace non-bank lender funding (which is already closed to new customers), simplifying EROAD's funding structure and operational activities - Offer costs	ANZ	Debt replacement	5.0
Incremental growth	Transport analytics insights New products / enhancements	- Build digital ecosystem to better collect and analyse transport data including funding development staff through set up stage, prior to revenue generation (\$0.5m for development staff) - New disruptive monetised product offerings or product expansions within existing geographies - Potential inorganic growth, particularly in the changing North American market, and/or in the data analytics space	Whole business	Predominantly Capex	8.5+
Total					18.0+

Proceeds raised primarily relate to either the ANZ business or systems utilised across the whole business (regardless of jurisdiction)

As announced on 28 November 2017, EROAD has engaged FNZC to undertake a strategic review of its North American business. The review is focused on evaluating options to further capture the compelling growth opportunity in North America and will consider potential partnership, joint ventures and other opportunities

Key Contact



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APPENDIX

I could not imagine trying to accomplish our day to day duties without EROAD. We now have the ability to give real-time updates to our clients, our maintenance needs are tracked, and weight-mile taxes are done at the push of a button.

Redmond Heavy Hauling



Glossary of key terms



ANZ

Road User Charges (RUC)

The New Zealand Transport Agency requires all diesel vehicles and all vehicles with a manufacturer's gross laden weight of greater than 3.5 tonnes to pay RUC. Revenue collected is dedicated to the National Land Transport Fund, which funds road improvements and maintenance, public transport and road safety

EROAD introduced the world's first nationwide electronic road user charging system in New Zealand in 2009

North America

Electronic Logging Device (ELD)

The ELD mandate was introduced by the Federal Motor Carrier Safety Administration (FMCSA) in December 2015. The ruling mandates the use of ELDs by 4m commercial vehicles from December 2017.

EROAD registered the first fixed in-cab ELD solution with the FMCSA in March 2017. EROAD's ELD is currently rated number 3 out of 26 by ELD ratings.com

International Registration Plan (IRP)

The IRP is an agreement among states of the US, District of Columbia and Canada providing for payment of commercial motor carrier registration fees.

EROADs IRP automatically generates the required trip information to support distance record requirements for IRP

International Fuel Tax Agreement (IFTA)

IFTA is an agreement between the lower 48 states of the United States and the Canadian provinces, to simplify the reporting of fuel use by motor carriers that operate in more than one jurisdiction.

EROAD's fuel tax reporting simplifies the IFTA mandated quarterly tax return process

Weight Mile Tax (WMT)

Commercial vehicles weighing more than 26,000 pounds are required to pay WMT in Oregon. The WMT is based on two factors: a vehicle combination's declared weight and the distance travelled on public roads.

EROAD's WMT solution automatically generates the required trip information to support WMT reporting requirements



Debt Funding - November debt facilities ensure capacity to fund unit growth

- During HY18, EROAD secured a new credit facility with the BNZ totalling \$33.4 million, which was first drawn in July 2017
- Subsequent to the end of HY18, EROAD signed a facility agreement with the BNZ to further extend its facilities by approximately \$16 million (\$14 million of growth facility and \$2 million of overdraft), to support expected increases in the sales pipeline
- The subsequent facility will be used primarily to provide growth funding for the financing of new units leased to customers in New Zealand, Australia and North America– to be drawn down in accordance with the execution of new rental contracts
- The subsequent facility has a revised expiry date of 1 April 2019
- Covenants and funding rates are in line with the previous agreement, however, margins have increased by 25 bps across all facilities – an umbrella limit of \$35 million also applies

New Multi-Option Credit Facility Secured

First drawn in July 2017,
Revised in November 2017



NEW DEBT FACILITIES

- Term Debt: \$9.5 million amortising over 30 months, repaid quarterly
- Second Term Debt Facility representing Capped Committed Cash Advance Facility¹: \$12.6 million, amortising over 33 months
- Committed Cash Advance Facility¹: \$21 million to fund unit growth, amortising over 36 months
- Overdraft facility \$5 million (increased from \$3 million)

¹. Facilities are in local currencies and to local market rates