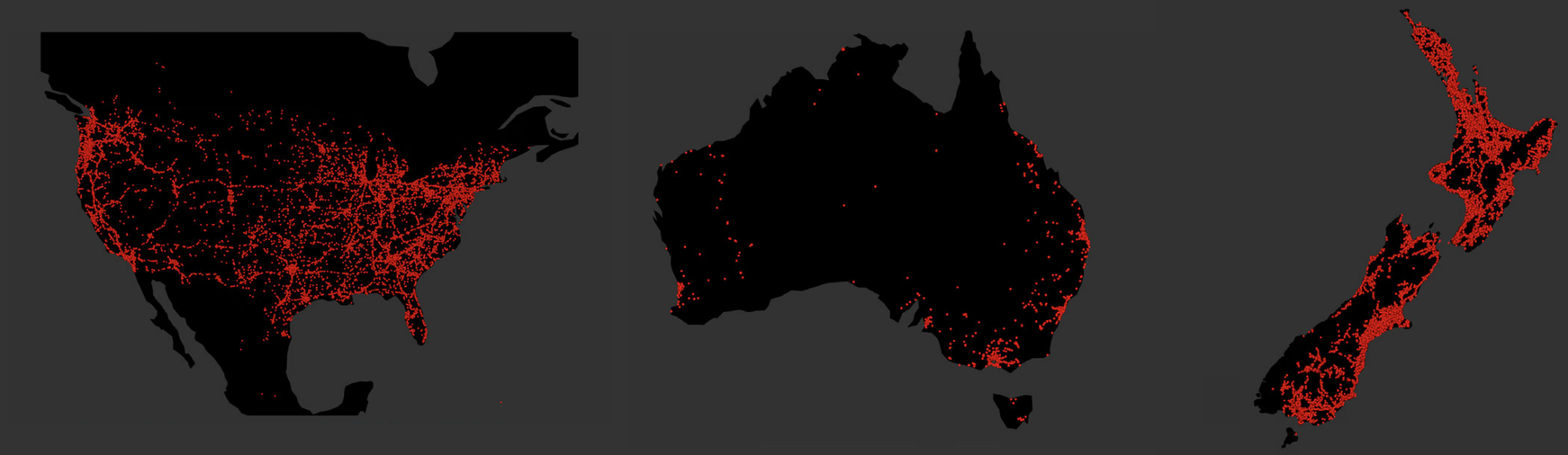
EROAD (NZX: ERD ASX: ERD)
ACQUISITION AND CAPITAL RAISE
INVESTOR PRESENTATION 14 JULY 2021

EROAD



EROAD + CORETEX

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These non-IFRS/non-GAAP financial measures do not have a standardised meaning prescribed by New Zealand Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with New Zealand Accounting Standards. Although the Company believes that these non-IFRS /non-GAAP financial measures provide useful information to users in measuring the financial position of its business, investors are cautioned not to place undue reliance on any non-IFRS /non-GAAP financial measures and ratios included in this presentation.

Accounting standards and adjustments

EROAD and Coretex's financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). EROAD's financial statements comply with New Zealand equivalents to International Reporting Standards (NZ IFRS) for Tier 1 entities, other New Zealand accounting standards, and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards (IFRS). Coretex's financial statements comply with New Zealand equivalents to International Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) for Tier 2 entities, on the basis that it does not have public accountability and is not a large for-profit public sector entity, and other applicable Financial Reporting Standards as appropriate for for-profit entities. Coretex recognises hardware and subscription revenue along with associate costs in the year it occurs. EROAD recognises both revenues over the term of the subscription contract. To enable comparison with EROAD, Coretex's revenue and associated costs have been adjusted to align with the term of the service obligation. Coretex has not recognised intangible assets resulting from R&D investment. To enable comparison with EROAD an asset has been capitalised in the financials of Coretex for FY20 – FY22.

CONTENTS

THE ACQUISITION IS TRANSFORMATIONAL AND SIGNIFICANTLY ACCELERATES EROAD'S KEY GROWTH STRATEGIES

Strategic Rationale

- Acquisition accelerates EROAD's key growth metrics by 2 years enabling it to capture the significant growth opportunity in North America and Australia
- Significantly accelerates growth by adding new strategic verticals and broadening product market fit and customer base
- Increases growth velocity toward 250,000 units and positions EROAD to become a bigger player in the global telematics market

Acquisition Consideration

- EROAD has conditionally agreed to acquire Coretex for $157.7m upfront consideration and $30.6m contingent consideration. The contingent consideration is payable in FY23 on the achievement of certain performance milestones.[1]

Coretex

- Coretex is a telematics vertical specialist provider delivering enterprise grade solutions with connected units in North America, Australia and New Zealand
- Focused on high growth key verticals of less than a truck load (LTL), refrigerated transport, construction, and waste & recycling
- Forecast to deliver $50-53m of AMRR in FY22

EROAD (post acquisition)

- EROAD and Coretex have complementary technologies, development teams, platforms and customer solutions
- EROAD will now be able to provide proven tailored solutions for optimising operations in specific verticals, and well-recognised compliance expertise for broader fleet management
- Combined capability will better enable EROAD to capture ESG opportunities

[1]See page 38 for further details on the Acquisition terms

THE ACQUISITION ADDS NEW STRATEGIC VERTICALS, PROVIDES BROADER PRODUCT MARKET FIT AND INCREASED CUSTOMER BASE DRIVING SYNERGIES AND REVENUE GROWTH

Financial Impact	• The acquisition drives synergies and accelerates revenue growth by adding new strategic verticals, providing broader product market fit and increasing customer base
	• Attractive acquisition multiple
	  • 3.1x EV/FY22 AMRR[2] based on the payment of the upfront consideration of $157.7m
	  • 3.7x EV/FY22 AMRR[2] based on the payment of the additional $30.6m (payable in FY23)
	• Accretive from an earnings basis in FY23, following growth investment in FY22 to drive synergies

Acquisition Funding	• Up to $92.3m cash consideration funded by $64.4m fully underwritten conditional placement ("Placement"), $16.1m share purchase plan ("SPP") and $11.8m of existing cash • Offer price of NZ$5.58 / A$5.25 per New Share representing a 9.2% discount to the last closing price on ASX of A$5.78 on 13 July 2021 and a 9.2% discount to the five day volume weighted average price on ASX of A$5.78 on 13 July 2021. The issue price of NZ$5.58 reflects a 9.2% discount to the last closing price on NZX of NZ$6.15 on 13 July 2021 and a 9.5% discount to the five day volume weighted average on NZX of NZ$6.17 on 13 July. • Up to $96m scrip consideration comprising issue of 16m new fully paid ordinary EROAD shares at issue price of $6 per share, resulting in Coretex shareholders having a 14.2% interest in EROAD following completion of the Placement, Share Purchase Plan and Acquisition (assuming contingent consideration payable in full and SPP raises full $16.1)
Independent Report	• Grant Samuel independent report concluded the strategic rationale for the proposed acquisition is sound and management's assessment of the potential synergy benefits appears reasonable.
Regulatory Approval	• Acquisition subject to clearance from the NZ Commerce Commission in relation to Coretex's New Zealand's business (14% of Coretex's FY21 units) and Overseas Investment Office (OIO) consent • Acquisition expected to complete early H2 FY22
The Board	• Steven Newman, Graham Stuart, Susan Paterson and Tony Gibson (or interests associated with them) will all be participating in the capital raise. Steven Newman (or interests associated with him) will be participating In the capital raise for A$3m. • Selwyn Pellett, CEO of Coretex, will join EROAD's Board as an Executive Director and be an advisor to EROAD CEO Steven Newman during the integration period. No further changes to EROAD's Board or Management team as a result of the transaction.

[2] Based on midpoint of $51.5m for Coretex FY22 stand-alone AMRR guidance (see page 20)

The Acquisition is transformational and significantly accelerates EROAD's key growth metrics by 2 years

- Increased product market fit with proven technology solutions for refrigerated transport, construction, less than a truckload (LTL) and waste & recycling - significantly increasing EROAD's addressable market
- Increasing Enterprise grade product solutions as well as gaining a number of key flagship Enterprise accounts which increases ability to win Enterprise customers
- Gaining Coretex's next generation platform provides EROAD the ability to accelerate its technology and product roadmaps with the combined expertise of product and engineering teams
- Delivering 64,177[3] units in North America, Australia and New Zealand significantly lifting market position in both North America and Australia
- Increases growth velocity toward 250,000 units and positions EROAD to become a bigger player in the global telematics market

[3] As at 31 March 2021

FY21 KEY METRICS

EROAD	EROAD + CORETEX (PROFORMA)
$91.6m REVENUE	$138.2m[4] REVENUE
$30.7m EBITDA	$46.8m[4] EBITDA
$88.4m AMRR	$ 131.1m[4] AMRR
126,203 UNITS	190,380 UNITS
$58.30 ARPU	$58.10[5] ARPU
94.9% ASSET RETENTION RATE	91.6%[6] ASSET RETENTION RATE

[4] Coretex's audited financial accounts have been adjusted to make the accounting consistent with EROAD as outlined in the disclaimer on page 3.

[5] 20 cent reduction in ARPU reflects the 53% of Coretex's units that are refrigerated trailer units

[6] Excluding Coretex's fleet reduction (during COVID-19) EROAD + Coretex's FY21 Proforma Asset Retention Rate would have been 94.8%.

FY21 CUSTOMER MIX

EROAD | **EROAD + CORETEX (PROFORMA)**

Increased scale in North America and Australia

70% NZ
28% NA
2% AU

51% NZ
43% NA
6% AU

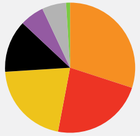
Increase in Enterprise customers

40% ENTERPRISE
60% SMB

53% ENTERPRISE
47% SMB

Entry into key strategic verticals

30% CONSTRUCTION & CIVIL ENGINEERING
24% FREIGHT & ROAD TRANSPORT
9% AGRICULTURE/FORESTRY
9% SERVICES & TRADE
28% OTHER



23% CONSTRUCTION & CIVIL ENGINEERING
30% FREIGHT & ROAD TRANSPORT
6% AGRICULTURE/FORESTRY
6% SERVICES & TRADE
13% OTHER
21% REFRIGERATED TRANSPORT
1% WASTE

EROAD AND CORETEX BOTH ASPIRE TO CREATE A SAFER, MORE SUSTAINABLE AND MORE PRODUCTIVE SOCIETY

EROAD

Safer and more sustainable roads

- Solutions that help reduce speed by customers, a significant contributor to accidents and serious injuries
- Vehicle service and monitoring helps our customers ensure their vehicles are safe
- Driver management services that help improve driving behaviour
- Tools to help our customers achieve greater fuel efficiency and therefore reduce emissions
- Solutions that help reduce compliance costs and improve fleet productivity
- Road network usage analytics informs infrastructure planning

CORETEX

Building a safer, greener and more productive world

- Refrigerated Transport solutions with controls and remote temperature to optimise compliance/safety and fuel consumption to help reduce wastage and emissions
- Construction solutions that help reduce construction and industrial wastage
- Waste & Recycling solutions to help reduce contamination

ACQUISITION OF CORETEX

CORETEX OVERVIEW

TELEMATICS VERTICAL SPECIALIST DELIVERING ENTERPRISE GRADE SOLUTIONS

CORETEX

- Focused on growth, high margin and highly attractive verticals - LTL transport, construction, refrigerated solutions and waste and recycling solutions
- With 161[7] employees operating in North America, Australia and New Zealand. Entered North America in 2007
- Highly capable engineering and product development team focused on developing more configurable software solutions – quicker R&D time and more cost effective
- Limited marketing investment, with enterprise growth through RFP. Known as experts by customers
- Offices in San Diego, Sydney and Auckland

FY21 KEY METRICS

64,177 UNITS

85.7%[8] ASSET RETENTION RATE

$57.73 ARPU

$46.6m[9] REVENUE

$16.1m[9] EBITDA

$42.7m AMRR

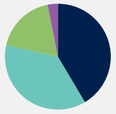
16% OF REVENUE SPENT ON R&D

FY21 CUSTOMER MIX

Connected units by in-Cab and Trailer

35% IN-CAB
65% TRAILER

Connected units by business size



42% ENTERPRISE - DIRECT
37% ENTERPRISE - DEALER
18% SMB - DIRECT
3% SMB - DEALER

Connected units by region

74% NA
14% NZ
12% AU

Connected units by industry

53% REFRIGERATED TRANSPORT
35% IN-CAB
10% CONSTRUCTION
2% WASTE & RECYCLING

[7] As at 31 May 2021.
[8] Reflects a large proportion of fleet reduction during COVID-19. Excluding these, FY21 Asset Retention Rate would have been 94.7%.
[9] Coretex's audited financial accounts have been adjusted to make the accounting consistent with EROAD as outlined in the disclaimer on page 3.

ELD | DVIR | CAMERAS | DRIVER BEHAVIOR | ABS/EBS | ENGINE MANAGEMENT SYSTEMS | JOBS | CORETEMP | ROUTES | INTERNET ACCESS POINT

CORETEX SOLVING CUSTOMERS' PROBLEMS
REFRIGERATED TRANSPORT

INDUSTRY PROBLEMS

- How can we ensure food delivery is safe?
- How can we stop waste from temperature excursions?
- How can we prove temperatures of stock on delivery?

NORTH AMERICA ADDRESSABLE MARKET
500,000 UNITS

PRE-COOLING EFFECTIVENESS

ASSET UTILIZATION

REEFER INOPERABILITY

FSMA COMPLIANCE

THEIR CUSTOMER...

- Sell differentiated quality food and beverages into the FMCG market
- Know production
- Know retail
- Depends on them for distribution

SOLUTION...

- One Platform
- Transparent & shared by all
- Product Temperatures calculated
- Routes tracked

CASE STUDY

GOLDEN STATE FOODS + QCD

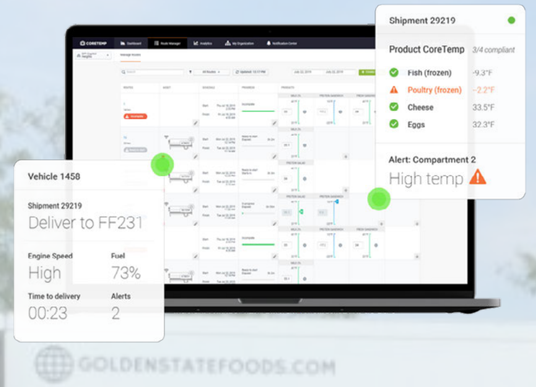
Manufactures, supplies and delivers food to restaurants such as McDonald's, Starbucks, Chick-fil-A, KFC and Taco Bell.

DELIVERIES PER WEEK
25,000

TRUCKS & TRAILERS
1,800

DISTRIBUTION CENTERS
29

ANNUAL MILES TRAVELLED
35m +



"By using Coretex as part of our new predictive product temperature monitoring process we were able to save about $50,000 per month by not requiring drivers to probe product at each stop."

Tim Bates, Corporate Quality Systems Director – Logistics

CORETEX SOLVING CUSTOMERS' PROBLEMS
CONSTRUCTION

INDUSTRY PROBLEMS

- How can my driver find where to go on a rural site?
- How can we know the state of a cement mix?
- How can we improve dispatch time?
- How can we improve the safety around these machines?

NORTH AMERICA ADDRESSABLE MARKET
55,000 UNITS

QUALITY VERIFICATION

- Quality
- Viscosity
- Drum Counts/Revs Water
- Pressure
- On demand, and in reports

COMMUNICATION

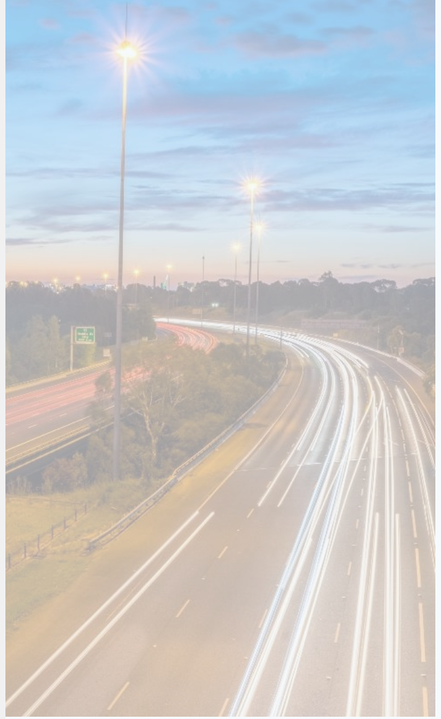
- Dispatch-Driver
- Driver-Driver
- Mechanic-Driver
- Customer-Plant

SAFETY & COMPLIANCE

- Vehicle Maintenance
- Hours & Fatigue
- ELD Exceptions

REPORTING METRICS

- Workflow audit trails
- Time to/on site – reduce/prevent fines
- Specific to customer's own contract requirements



CASE STUDY

PLANTS
150

MIXER TRUCKS
900

QUARRIES
65

CORETEX SOLVING CUSTOMERS' PROBLEMS
WASTE & RECYCLING

INDUSTRY PROBLEMS

- How can we prove waste collection?
- How can we enhance pick up times?
- How can we optimize around traffic?

NORTH AMERICA ADDRESSABLE MARKET
150,000 UNITS

CONTRACT COMPLIANCE

SMART ROUTING

CONTAMINATION

SERVICE VERIFICATION

LARGEST MUNICIPAL SOLID WASTE DEPARTMENT IN SOUTH EAST USA

- Strict fines in contracts for incomplete service collection
- RFID tags on rubbish carts to verify service
- Contract requires hauler use Coretex
- Maintains full view of service delivery using 360
- Video capture to verify exceptions (Contamination in cart, blocked carts and carts not out)
- Decreased time to resolution for resident complaints
- Improved relationship between hauler & city as calls and complaints decrease
- Exception reporting to focus on outliers quickly

CASE STUDY

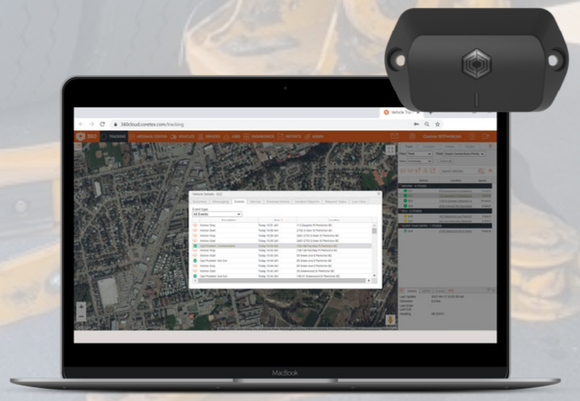
CITY OF CHARLOTTE

Waste & Recycling is typically managed by cities & municipalities, and contracted out to private haulers with strict requirements.

SOLID WASTE SERVICES BUDGET
$62,000,000

SINGLE FAMILY HOMES
220,000

BUSINESSES
1,100+



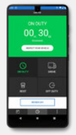
EROAD will now provide proven tailored solutions for optimising operations in specific verticals, and well-recognised compliance expertise for broader fleet management

IN-VEHICLE HARDWARE SOLUTIONS

Camera options

Ehubo2

Driver's tablet



Driver's logbook

IOT sensors and tag

IOT Hub (Corehub)

Coretex brings with it next generation hardware

ALL VEHICLES
ALL ASSETS
ONE PLATFORM
for end to end visibility

- Easy to use, install and maintain
- Enterprise API for integrations
- Custom Driver Forms & Checklists
- Data Insights platform

Significantly enhanced Back Office Capability

EROAD's strategic priorities

- Grow connected units to 50,000 over the next 18 months ✓
- Extend product offering in the freight, road transportation fleets and the areas of health & safety ✓
- Extend the range of telematics solutions beyond trucks into trailers and associated light duty vehicles and large assets ✓
- Pursue Enterprise opportunities ✓
- Grow monthly run rate business in small to medium sized fleets ✓
- Support National Road User Charging pilot for heavy vehicles

The Acquisition of Coretex accelerates EROAD's strategic priorities

- Immediate scale and significantly improved position in refrigerated transport and construction
- Extended product offering and telematics solutions for refrigerated transport, construction and waste and recycling that significantly expand addressable market
- Complementary technology solutions will derisk and accelerate required short term development efforts
- The enhanced product and engineering capability will enable greater levels of new to market innovation
- Coretex's ELD for Canada under review and awaiting certification. Will support North America customers
- Coretex have a well advanced pipeline of North American Enterprise customers and a strong Enterprise sales capability
- Dealer channel focused on refrigerated transport vertical operates in NA and Canada
- Coretex's FY21 Asset Retention Rate was 86.8% reflecting a large proportion of fleet reductions during COVID-19. Excluding fleet reductions, the Asset Retention Rate would have been 95.6%

FY21 KEY METRICS

EROAD	EROAD + CORETEX (PROFORMA)
$30.6m REVENUE	**$64.3m** REVENUE
35,437 UNITS	**83,062** UNITS
US$42.95[10] MONTHLY SAAS ARPU	**US$40.28**[11] MONTHLY SAAS ARPU
30% ENTERPRISE CUSTOMERS	**62%** ENTERPRISE CUSTOMERS

- 47% FREIGHT & ROAD TRANSPORT
- 24% CONSTRUCTION & CIVIL ENGINEERING
- 21% OTHER
- 8% SERVICES & TRADE

- 34% FREIGHT & ROAD TRANSPORT
- 12% CONSTRUCTION & CIVIL ENGINEERING
- 10% OTHER
- 44% REFRIGERATED TRANSPORT

[10] In NZ$ ARPU was NZ$65.03

[11] Reflects 68% of Coretex's North America units that are refrigerated trailers. In NZ$ ARPU was NZ$61.00.

AUSTRALIA

EROAD's strategic priorities

- Grow number of connected units to 10,000 over the next 18 months ✓
- Extend product offering in the Civil Engineering, Government fleets, areas of driver fatigue, health & safety and vehicle service & maintenance ✓
- Establish AU based leadership team to support Enterprise and market development activities
- Pursue Enterprise opportunities ✓
- Grow monthly run rate business in small to medium sized fleets ✓
- Increase EROAD's brand awareness using targeted digital marketing
- Support National Road User Charging pilots and transport regulatory development using telematics technology

The Acquisition of Coretex accelerates EROAD's strategic priorities

- Immediately gain significant greater scale with addition of 7,876 units improving our market position
- Significantly accelerate unit growth targeting key verticals with more complete enterprise grade product offerings
- Coretex to deliver Electronic Work Diary in next six months

FY21 KEY METRICS

EROAD

$1.4m
REVENUE

2,874
UNITS

AU$33.16[12]
MONTHLY SAAS ARPU

32%
ENTERPRISE CUSTOMERS

44% SERVICES & TRADE
25% OTHER
16% FREIGHT & ROAD TRANSPORT
15% CONSTRUCTION & CIVIL ENGINEERING

EROAD + CORETEX (PROFORMA)

$8.7m
REVENUE

10,750
UNITS

AU$53.77[13]
MONTHLY SAAS ARPU

61%
ENTERPRISE CUSTOMERS

10% SERVICES & TRADE
5% OTHER
33% FREIGHT & ROAD TRANSPORT
39% CONSTRUCTION & CIVIL ENGINEERING
13% REFRIGERATED TRANSPORT

[12] In NZ$ ARPU was NZ$35.50
[13] In NZ$ ARPU was NZ$57.57

NEW ZEALAND

EROAD's strategic priorities

- Grow connected units to 100,000 over the next 18 months
- Extend product offering in Civil Engineering, Government fleets, Health & Safety, Electric vehicles, carbon footprint reduction initiatives and ESG reporting
- Increase APRU by selling additional SaaS and mobile services to existing customers
- Extend the range of telematics solutions beyond trucks and commercial light vehicles into off road vehicles and small assets
- Leverage EROAD's customer ecosystem to create new value

The Acquisition of Coretex is consistent with EROAD's strategic priorities with minimal impact

- Product capability in refrigerated transport, construction and waste & recycling will provide additional value to some existing customers
- Provides a more valuable and diverse range of innovative products to attract new customers into telematics market

FY21 KEY METRICS

EROAD

$59.8m
REVENUE

95.8%
ANZ ASSET RETENTION RATE

87,892
UNITS

NZ$56.18
MONTHLY SAAS ARPU

45%
ENTERPRISE CUSTOMERS

32%	CONSTRUCTION & CIVIL ENGINEERING
16%	FREIGHT & ROAD TRANSPORT
10%	AGRICULTURE/ FORESTRY
42%	OTHER

EROAD + CORETEX (PROFORMA)

$65.4m
REVENUE

93.5%
ANZ ASSET RETENTION RATE

96,568
UNITS

NZ$55.61
MONTHLY SAAS ARPU

45%
ENTERPRISE CUSTOMERS

33%	CONSTRUCTION & CIVIL ENGINEERING
26%	FREIGHT & ROAD TRANSPORT
9%	AGRICULTURE/ FORESTRY
32%	OTHER

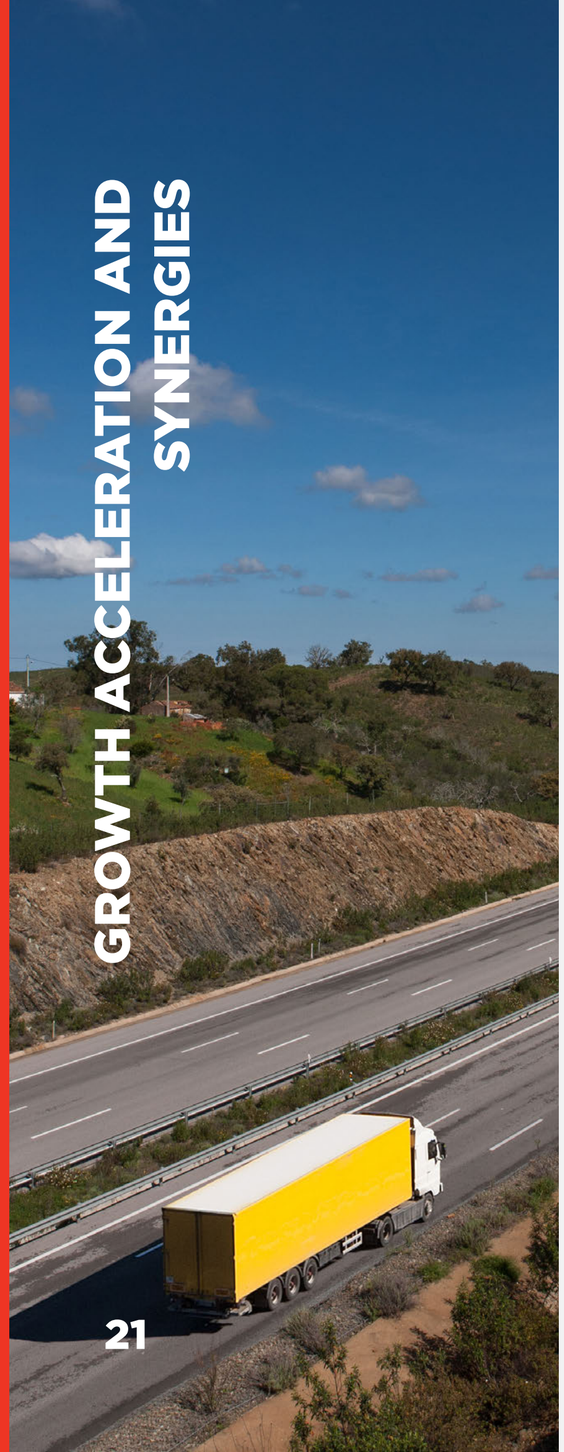
FINANCIAL IMPACT

Coretex's FY22 AMRR forecast reflects increasing growth in North America

NZ$m	FY20 EROAD	FY20 Coretex[14]	FY20 EROAD + Coretex (Proforma)	FY21 EROAD	FY21 Coretex[14]	FY21 EROAD + Coretex (Proforma)	FY22F Coretex[14]
Recurring Revenue	76.3	40.6[14]	116.9	85.0	44.5[14]	129.5	47-50[14]
Non-recurring revenue	4.9	8.6	13.5	6.6	2.1	8.7	2-3
EBITDA	27.1	11.3	38.4	30.7	16.1	46.8	7-9
AMRR	84.0	42.5	126.5	88.4	42.7	131.1	50-53
Free Cash Flow	(12.8)	(0.4)	(13.2)	5.3	1.7	7.0	(7-9)
R&D spend	(15.6)	(5.9)	(21.5)	(21.3)	(7.4)	(28.7)	(8-9)

- Consistent growth in Coretex recurring revenues expected to continue into FY22
- Coretex FY22 EBITDA margin reflecting growth in North America:
  - A normalisation to pre-COVID levels (after defensive cost cutting during FY21 due to COVID-19 in FY22 to fund future investment for growth); offset to an extent by
  - Further scaling investment in sales, marketing and product initiatives to accelerate revenue growth in the United States and Australia
- Coretex EBITDA margin expected to return to FY20 level or better from FY23 onwards
- FY22 Coretex free cashflow includes scaling investment for growth as outlined above
- FY22 R&D spend to continue at similar level of revenue to FY21

[14] Coretex's audited financial accounts have been adjusted to make the accounting consistent with EROAD as outlined in the disclaimer on page 3.



GROWTH ACCELERATION AND SYNERGIES

The acquisition substantially increases scale in North America and Australia providing the ability to invest to drive synergies, competitive advantages and accelerated growth

Growth acceleration and revenue synergies in North America and Australia

- **Increase scale in key growth markets:** Significantly lifts market position in both of North America and Australia
- **Expansion into key strategic verticals:** Increased product capabilities in key strategic verticals including refrigerated transport, construction, less than a truckload (LTL) and waste & recycling
- **Cross Selling opportunities:** Ability to use EROAD's in-market presence and reputation to sell the CoreHub product
- **Acceleration of sales:** due to having a readily available device with additional functionality (merged EROAD and Coretex software) for its transport clients
- **Differentiation from competitors:** whole-of-fleet visibility in sectors such as civil/construction differentiates EROAD from competitors in the space

Enhanced Technologies

- EROAD will gain Coretex's next generation; in-vehicle hardware, SaaS platform & more advanced driver facing Android solutions. This capability supports further widening of EROAD's addressable market size, and improves velocity to product market fit in key verticals.
- Coretex's platform meets enterprise customers needs in terms of integration points, product needs and scalability.
- The combined platform will position EROAD to become a market leader in both North American and Australian specialist sectors
- These factors provide the ability to accelerate EROAD's technology roadmap and reduce additional investment required to achieve future Android platform development

Synergy realisation

- Majority of investment to occur in FY22 and FY23, with revenue benefits commencing from FY23
- Acquisition expected to be earnings accretive for EROAD from FY23
- EROAD will face gross integration costs estimated at $12-15m related to integrating Coretex's Corehub platform with EROAD's other products over a 24 month time period as well moving to one set of business systems and aligning and optimising operational processes. The majority of this spend will be capital in nature and so will result in FY22 standalone EBITDA margin to be between 28-31%.

Accelerating quarterly growth across all markets

	31 March 2021	30 June 2021	Units Added in quarter
Total Contracted Units	**126,203**	**130,355**	**4,152**
New Zealand	87,892	90,747	2,855
North America	35,437	35,827	390
Australia	2,874	3,781	907
Clarity Dashcam	**1,054**	**2,984**	**1,930**
New Zealand	34	411	377
North America	1,020	2552	1532
Australia	-	21	21
Additional Services			
EROAD Day Logbook (driver subscriptions, ANZ)	6,655	7,080	425
Inspect (ANZ)	10,490	11,117	627
Philips Connect Solutions (NA)		322	322
EROAD Where (ANZ)	6,450	8,030	1,580

Key highlights

- Contracted units grew by 4,152 in Q1 FY21 reflecting good growth in New Zealand and Australia.
- In NZ 216 customers renewed their contract (representing 7,845 units). Group Asset Retention remains high at 95.5% for 30 June 2021.
- Unit growth in North America remains slow, however signs economy is opening up. Reflecting this EROAD currently has two enterprise customer prospects in pilot for its Ehubo delivered services (approx. 1,500 units) as well as a solid mix of mid-market pilots either launched or beginning soon. There are also further pilots for Clarity Dashcam with existing and new customers.
- EROAD continues to make good progress with selling additional SaaS sales in Logbook, Inspect and EROAD Where. Since entering the partnership with Philips Connect on 2 June, EROAD has sold 322 Philips Connect solutions.
- Following its acquisition, a North America enterprise customer (c1,700 units) has given notice it will deinstall EROAD units in H1 FY22 to align its technology with the acquirers

FY22 'stand alone' Guidance

- EROAD reiterates FY22 'stand alone' revenue guidance. Percentage revenue growth in FY22 is anticipated to strengthen from FY21 (13%), but not at the FY20 level (32%)
- EROAD continues to expect R&D to be between 24-27% of revenue during FY22
- Given expected one-off integration costs in FY22, stand alone EBITDA margin now expected to be between 28-31%. Excluding these, EBITDA margin will be consistent with FY21

ACQUISITION FUNDING AND CAPITAL RAISING DETAILS

ACQUISITION FUNDING OVERVIEW

Upfront Consideration of $157.7m comprising:

- Scrip Consideration ($79.9m) – new fully paid ordinary EROAD shares issued at $6 per share, resulting in Coretex shareholders having a 14.2% interest in EROAD post completion of the Placement, SPP and Acquisition
- Cash Consideration ($77.8m) to be funded from Equity Raising proceeds
- EROAD's existing cash balance as at 31 March 2021 was $57.1m. After the upfront consideration, and completion of the Equity Raising, the Company will have a pro forma cash position of approx. $59.8m

Contingent Consideration of up to $30.6m comprising:

- Cash Consideration of $14.5m and Scrip Consideration of $16.1m
  - The terms of this consideration are detailed on page 38
  - The SPP is not underwritten. In the event the SPP does not raise the full $16.1m, EROAD remains fully financed for the Contingent Consideration, which would be funded by existing cash and the Company's existing debt facilities

SOURCES AND USES

Sources	NZ$m
Scrip Consideration (includes Contingent Consideration)	**96.0**
Placement	64.4
Share Purchase Plan	16.1
Funding from existing Cash	11.8
Total Sources	**188.3**

Uses	NZ$m
Scrip Consideration	**79.9**
Cash Consideration	77.8
Contingent Consideration - Scrip	16.1
Contingent Consideration - Cash	14.5
Total Uses	**188.3**

Excludes estimated transaction costs of $4.5m

Following completion of the Acquisition, EROAD will be well funded to continue investment in growth

Net Cash Position NZ$m	EROAD as at 31 March 2021	Equity Raising	Upfront Consideration	Contingent Consideration	Pro Forma as at 31 March 2021
Cash and cash equivalents	57.1	-	-	(11.8)	45.3
Proceeds from Placement and SPP	-	80.5	(77.8)	(2.7)	-
Borrowings	(35.0)	-	-	-	(35.0)
Net Cash	**22.1**	**80.5**	**(77.8)**	**(14.5)**	**10.3**
Shares outstanding (m)	**81.9**	**14.4**	**13.3**	**2.7**	**112.3**

In addition to the net position outlined above EROAD had undrawn facilities of $28.0m (being $5.0m overdraft and $23.0m in the capital expenditure facility) as at 31 March 2021 .

In the event the SPP does not raise the full NZ$16.1m, EROAD remains fully financed for the Contingent Consideration, which would be funded by existing cash and the Company's existing debt facilities.

Notes:

Excludes estimated transaction costs of $4.5m. New equity of NZ$80.5m assumes that SPP is fully subscribed.

CAPITAL RAISING SUMMARY

Offer Structure and Size	Fully underwritten conditional placement to raise NZ$64.4m ("Placement"). Approximately 11.5 million new fully paid ordinary shares ("New Shares") to be issued, representing 14.1% of existing shares on issue. Settlement of the Placement will be subject to EROAD receiving shareholder approval for the Acquisition and the Placement, which is to be sought at a Special Shareholders Meeting ("SSM") expected to be held 30 July 2021. EROAD will offer eligible retail shareholders the opportunity to acquire up to AU$30,000 (Australian shareholders) and NZ$32,000 (New Zealand shareholders) in New Shares via a Share Purchase Plan ("SPP"). The SPP is also conditional upon shareholder approval at the SSM. The issue price for the New Shares issued under the SPP will be the lower of the placement price and the five day volume weighted average price of EROAD shares traded on the NZX during the five trading days up to, and including, the SPP closing date. SPP to raise NZ$16.1 million, subject to the Board's discretion to accept oversubscriptions and is not underwritten. Both the placement and SPP are structured to provide all shareholders, where possible, at least a pro rata allocation of shares.
Use of Proceeds	Proceeds will be used to fund the acquisition of Coretex
Offer Price	NZ$5.58 / A$5.25 per New Share representing a 9.2% discount to the last closing price on ASX of A$5.78 on 13 July 2021 and a 9.2% discount to the five day volume weighted average price on ASX of A$5.78 on 13 July 2021. The issue price of NZ$5.58 reflects a 9.2% discount to the last closing price on NZX of NZ$6.15 on 13 July 2021 and a 9.5% discount to the five day volume weighted average on NZX of NZ$6.17 on 13 July.
Ranking	New Shares will rank equally with existing fully paid ordinary shares in EROAD
Underwriting	The Placement is fully underwritten by Canaccord Genuity (Australia) Limited as Lead Manager and Underwriter. Bell Potter Securities Limited are acting as Co-Lead Manager to the Placement.
Board participation	Steven Newman, Graham Stuart, Susan Paterson and Tony Gibson (or interests associated with them) will be participating in the capital raise. Steven Newman (or interests associated with him) will be participating In the capital raise for A$3m.

INDICATIVE CAPITAL RAISING TIMETABLE

Event	Date
Record Date for SPP	**13 July 2021**
Announcement of Placement and Acquisition	**14 July 2021**
Placement closes	**14 July 2021**
Trading halt lifted and shares recommence trading	**15 July 2021**
SPP Offer opens Offer documents sent to shareholders	**20 July 2021**
EROAD shareholder meeting to approve the Acquisition and Placement	**30 July 2021**
SPP offer closes	**3 August 2021**
ASX Settlement of Placement	**4 August 2021**
NZX Settlement of Placement	**5 August 2021**
Allotment and commencement of trading of new shares on NZX and ASX	**5 August 2021**

APPENDICES

Ready Mix: Advanced job statusing & data capture

Job status updates and contextual data for dispatchers and drivers

REDUCE OPERATIONAL COSTS

INCREASE ASSET UTILISATION

SUPPORT CHANGE IN TICKET DETAILS

IMPROVE DRIVER PERFORMANCE

At Plant	Ticketed	Loading	Loaded	To job	On Job	Begin pour	End Pour	Washdown	To plant
Driver login	Estimated time: ticketed to loaded	Fast/slow mix detection	Drum status monitoring	Truck in front	Wait time on jobsite	Start / stop pours v continuous	Complete discharge – driver increases drum discharge RPM		
Estimated time at plant to ticketed		Driver acknowledges load correct	Water added to achieve target slump		Cumulative drum mix count from 'loaded' state to 'begin pour'	On site water add			
Vehicle inspection completed – truck in service									

- Capture accurate job information for billing, drivers and dispatching without driver input through auto statusing.
- Statusing functions without drum rotation sensors and allows manual status changes.
- Ticketing supports multiple use cases – deadhead tickets, change of return plant, change of jobsite
- Richer data captured across the job workflow from new hardware – slump gauge, drum status, mix count, water added, volume in drum, air entrainment

CORETEX

GLOSSARY

- **ANNUALISED MONTHLY RECURRING REVENUE (AMRR)** is 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, EROAD's 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.
- **EBITDA** is a non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA). Refer EROAD's Consolidated Statement of Comprehensive Income in FY21 Financial Statements.
- **EBITDA MARGIN** is a non-GAAP measure representing EBITDA divided by Revenue.
- **EHUBO, EHUBO2 and EHUBO 2.2** EROAD's first and second generation electronic distance recorder which replaces mechanical hubo-dometers. 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** means a fleet of more than 500 vehicles in North America and more than 150 vehicles in Australia or New Zealand.
- **FREE CASH FLOW** is a non-GAAP measure representing operating cash flow and investing cash flow reported in the Statement of Cash Flows.
- **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 3 of EROAD's FY21 Financial Statements.
- **FY** Financial year ended 31 March.
- **MONTHLY SAAS AVERAGE REVENUE PER UNIT (ARPU)** is a non-GAAP measure that is calculated by dividing the total SaaS revenue for the year reported in Note 3 of EROAD's FY21 Financial Statements, by the TCU balance at the end of each month during the year.
- **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 (TCU)** represents total units subject to a customer contract and includes both Units on Depot and Units pending instalment.
- **UNIT** Unit is 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.

- This section describes the key risks that EROAD has identified in connection with the capital raise and the acquisition of Coretex. EROAD considers it important that these key risks, and their potential effect on the future operating and financial performance of EROAD, and EROAD's share price, are specifically highlighted to investors in the context of the capital raise and acquisition. Like any investment, there are risks associated with an investment in EROAD shares. This section does not (and does not purport to) identify all of the risks related to the future operating and financial performance of EROAD, an investment in EROAD shares, the capital raise, or general market, industry, regulatory or legal risks. Some risks may be unknown and other risks, currently considered to be immaterial, could turn out to be material. This Presentation should be read in conjunction with EROAD's other periodic and continuous disclosure announcements released to NZX and ASX.
- Investors should be aware that COVID-19, its effect on the global economy and the actions taken in response by the New Zealand and other governments, including restrictions on international and domestic movement, and the effects on the domestic and global economy, have had an adverse effect on EROAD and its financial performance. It is not currently clear when and to what extent these effects might abate. It is also likely that there will be further adverse impacts as COVID-19 continues to affect the world. EROAD will continue to respond to the challenges facing it based on the best information available to it at the time, but there is no certainty as to the severity or likelihood of such impacts arising, nor whether any response by EROAD will be effective or can be taken. In light of the COVID-19 pandemic, extra care should be taken when assessing the risks associated with investment. The rapidly changing COVID-19 situation is bringing unprecedented challenges to global financial markets, and the economy as a whole. Capital markets have seen equity securities suffer from spikes in volatility.
- Before deciding whether to invest in EROAD shares, you must make your own assessment of the risks associated with the investment, including the inherent risks from investing in shares and the uncertainties due to the impact of COVID-19 noted above, and consider whether such an investment is suitable for you having regard to all other publicly available information, your personal circumstances and following consultation with your financial and other professional advisers.

Reliance on information provided

While EROAD and its advisors have undertaken a due diligence review in respect of the acquisition, which encompassed operational, financial, accounting, tax and legal matters relating to Coretex, the information on which such review was based was substantially provided by or on behalf of Coretex.

If any such information provided by or on behalf of Coretex proves to be incorrect, incomplete or misleading, or if the due diligence undertaken by EROAD and its advisers has not identified all material risks in respect of the acquisition, or if the risks that have been identified have not been adequately mitigated under the acquisition agreement or otherwise, there is a risk that the actual financial position and performance of Coretex and EROAD may be materially different to the expectations reflected in this Presentation.

However, EROAD has no reason to believe Coretex has not acted in good faith and therefore believes the likelihood of this risk materialising to be low. EROAD also considers that the sale agreement provides appropriate remedies, customary for a transaction of this nature, so as to mitigate the effects of such non-disclosure or misleading conduct.

Completion risk

The acquisition of Coretex is conditional on clearance from the New Zealand Commerce Commission (NZCC) and consent from the New Zealand Overseas Investment Office (OIO). These approvals are not expected to be obtained until after shares are issued under the Offer. The Offer and acquisition is also conditional on shareholder approval.

Accordingly, there is a risk that NZCC or OIO approval is not obtained, or the acquisition otherwise will not proceed, in which case EROAD will need to consider alternative uses for, or ways to return to shareholders, any excess capital it holds following the issue of shares under the Offer. Alternative uses could include, but are not limited to, investing in other growth initiatives, return to shareholders or debt reduction.

There is also a risk that in order to obtain NZCC clearance, EROAD is required to agree to further undertakings that would constrain it from achieving some or all of the expected synergies, or result in a delay to achieving those synergies.

Business integration risk

A cultural shift will be required to successfully integrate the businesses, as Coretex is currently operated as a stand alone, privately owned organisation with an entrepreneurial culture. As Coretex is not listed on any stock exchange, there may be challenges faced in bringing Coretex up to the same regulatory and disclosure standards as EROAD is subject to.

Further, both EROAD and Coretex will retain focus on completing required processes to keep the business moving forward during integration, particularly around product development. Retention of key staff and the ability to recruit additional personnel to resource the projected product development plans will be a critical determinant of successful integration.

Existing liability risk

EROAD is acquiring the shares in Coretex so will be exposed to the economic risk of any claims against Coretex, including claims relating to matters prior to completion. These could include claims by tax authorities or other government agencies in New Zealand, Australia, the United States or elsewhere, or litigation or other disputes brought by suppliers, customers or other contractual counter parties.

EROAD has sought to identify and quantify the risk of any such claims through the due diligence review undertaken and negotiated protections under the sale agreement, such as an indemnity for pre completion tax liabilities and any holiday pay issues. Accordingly, EROAD considers the risk of a claim arising for which it will have a material economic exposure as being low.

Product development risks

The development and delivery of new products and upgrading existing products is a key driver of sales in all three of EROAD's markets. However, as is the nature of product development, there is always a risk that development of a new product will not be successful, or may take longer or be more expensive than anticipated. A failure to execute on product development could have a material adverse impact on EROAD's growth and financial performance. The merged company is anticipated to leverage existing Coretex product and platform, mitigating the build risk presently faced by EROAD.

Customer needs may change at a rapid pace due to the dynamic nature of the market. Such changes may result in products developed by EROAD no longer being attractive to customers or fit for their intended use. EROAD is seeking to ensure a greater alignment between in-market teams and product and engineering to minimise this risk. Product backlog and constrained resourcing could limit EROAD's ability to focus on innovation and the creation of disruptive products. This could result in competitors releasing disruptive products, increasing customer churn. Slow product delivery may also cause customers to move to competitors with broader or more advanced functionality. In order to address realisation of product delivery, EROAD is placing an increased focus on leveraging intellectual property developed by third party service providers and licensing and integrating this into EROAD's product offering. The acquisition will mitigate these risks by broadening EROAD's product offerings and customer base.

The development of new products may also take longer than expected, or be more expensive than anticipated, due to increased churn in staffing, or inability to recruit staff across various roles (engineering, strategy, product and business development), as technology businesses globally increase investments and product development and the pool of available talent reduces. Whilst this risk is not eliminated, the acquisition enables EROAD to access an enhanced product range which is, in some cases, technologically more advanced than the current product offering.

The current challenges in conducting in-market research due to travel restrictions and lockdowns in place in response to the COVID-19 pandemic may have an adverse impact on EROAD's development of new products. It is unclear how long these disruptions will continue.

The acquisition of Coretex will mitigate product development risks by providing EROAD with complementary skills and technology experience (e.g. in relation to Android) and provides access to a larger product development team, which will provide EROAD with greater capacity and capability post-acquisition to bring products to market faster to compete with larger telematic companies.

Product and system reliability risks

An increasing focus on enterprise customers while maintaining a strong and reliable small and medium business product offering is another key driver of EROAD's growth. A failure to maintain reliable products and systems may have a material adverse impact on EROAD's reputation and sales, particularly with the increased focus on enterprise size accounts. The focus on larger customers accounts may also lead to increased scalability concerns with the EROAD platform. To mitigate these risks, EROAD is placing a greater focus on managing both enterprise, and small and medium, businesses across EROAD's entire business.

Product quality and reliability concerns may arise as EROAD creates new products and expands its existing products to cater to a more diverse customer base. The recent launch of its business system upgrade may result in deployment issues, including bugs, reliability and data quality issues which may impact on customer interactions and EROAD's reputation. In addition, these business system upgrades may not deliver the scalability and efficiency upside anticipated once deployed, particularly as EROAD brings on a larger and more diverse customer base. Failure to maintain reliable product and systems may lead to material adverse effects, including decreased reputation with customers, lower sales or the diversion of resources into remedial work.

The acquisition will further mitigate these risks by providing EROAD with a greater capability of achieving growth in enterprise segment through a more sophisticated and proven sales and support approach across a broader range of verticals.

Competition risks

The telematics industry in which EROAD operates is highly competitive. It includes companies with significantly greater financial, research and development, marketing and sales resources than EROAD. In addition, consolidation of existing telematics vendors, creating more well-resourced competitors which have greater scale and financial resources, may occur and further exacerbate the competitive landscape for EROAD. In particular, EROAD may miss out on first mover advantage with OEM vehicle manufacturers on telematics and setting industry standards due to the larger scale and resources of competitors.

Large global telematics operators may expand into new markets, including New Zealand, which may decrease EROAD's potential sales opportunities or increase customer churn. The acquisition will provide EROAD with a greater range of products as well as increased scale generally to allow EROAD to better compete with well-resourced competitors within the telematics industry.

Sales risks

There is a risk that EROAD's current or future products do not align with potential customers' needs across different markets and industry types. Growth in new markets may be slower than anticipated, or more costly, due to the inability to identify appropriate customers, form relationships with appropriate industry groups, aggressive competitor response, poor brand awareness and product market fit, unexpected costs, unexpected regulatory changes (in all markets) or regulatory changes not occurring as anticipated in the Australian market. The ongoing consolidation of customers may also increase churn as customers reduce the number of telematic suppliers that they use. Growth in EROAD's North American market may also be affected by an inability to scale up EROAD's sales force to target and acquire a sufficiently high volume of enterprise scale customers as anticipated.

EROAD's sales and marketing team is an important part of EROAD's success in attracting and maintaining customers. Losing highly successful sales staff to competitors, or the inability to attract new sales staff may have a negative impact on new customer sales or increase customer churn. EROAD is increasing its focus on staff engagement, retention and leadership programs to try to retain and attract the highly skilled staff needed to carry out EROAD's strategic goals.

Coretex has existing partnerships and has a demonstrated capability of executing these, particularly in the United States, providing EROAD with greater capabilities in these areas post-acquisition. However, a failure to execute on sales and marketing initiatives may have a material negative impact on EROAD's financial performance and growth.

Operating leverage risk

There is a risk that EROAD may not be able to deliver continuing increases in operating leverage in the short term, for example improvement year on year on EBITDA margin, as EROAD undertakes the investment cycle necessary to deliver significant growth in its markets in the medium to longer term. Additional transaction and integration costs will increase this risk as a result of the acquisition. However, the revenue and cost synergies that will arise from the transaction may accelerate further operating leverage in the medium term. EROAD is undertaking a range of initiatives to manage this risk, including investing in change management, providing leadership training to its staff and undertaking an operational excellence program. Post-completion, EROAD will look to introduce a management structure and provide sales, marketing, customer and operational support across Coretex's customer base and verticals to reduce the operating leverage risk faced by Coretex as a stand-alone business.

Supply chain risk

There is presently a global shortage and increased demand for screens, computer chips and associated raw materials. EROAD has observed the needs of larger technology players being prioritised by suppliers, meaning it is challenging for smaller businesses, such as EROAD and Coretex, to secure the necessary supply. There is also a risk that EROAD or Coretex will be unable to pass on increased supply chain costs to their customers, reducing margins. EROAD is looking at adaptions to its products, made using flexible designs, in order to utilise a wider range of hardware components to maximise the ability of EROAD to secure the necessary supply. EROAD is also engaging in strategic procurement via agents and continues to offer expanded solution provisions through its software offering, rather than requiring new hardware for all new solutions. The acquisition of Coretex is unlikely to materially alter the supply chain risk faced by EROAD post-acquisition.

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In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

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Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

These securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, these securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) and (7) under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

- The acquisition of Coretex is effected by way of a purchase of all of the shares in Coretex. Coretex is widely held, with a number of beneficial owners holding through a nominee company.
- The transaction is predicated on an enterprise value (debt-free / cash-free) of Coretex of NZ$188.3m. After deduction for estimated net debt at completion, a completion payment of NZ$157.7m (assuming a normalised level of working capital in the business) is anticipated. Of this consideration, approximately NZ$79.9m is satisfied by EROAD in the form of ordinary shares being issued to the current shareholders of Coretex via the Vendor Placement.
- The final purchase price is then adjusted post completion to reflect actual levels of completion net working capital and net debt, against the estimated position.
- A further portion of the consideration is contingent upon the retention of customers post transaction and the development and implementation of Coretex's technology platform. Up to NZ$14.2m will be payable based upon the annualised recurring revenue achieved from certain key customers in the United States and Australia over the 12 months post transaction. A further up to NZ$16.4m will be payable based upon the satisfactory rollout of at least 5,000 CoreHub units (25% weighting), an agreed target manufacturing rate and standards being achieved (25% weighting), certain capability and features being developed implemented within the Coretex platform (25% weighting), and certain customer satisfaction metrics being met (25% weighting), in each case to be assessed over the 12 months post transaction. Of this consideration, around 50% is proposed to be satisfied by EROAD in the form of ordinary shares being issued to the current shareholders of Coretex.
- The transaction is conditional on the ordinary resolution approval of the transaction by EROAD shareholders, Commerce Commission clearance and Overseas Investment Office approval, as well as other customary conditions for a transaction of this nature. A special meeting is to be held for the purpose of seeking EROAD shareholder approval in Auckland on 30 July 2021.
- Customary warranties and indemnities (the latter, including as to pre completion tax liabilities and any holiday pay issues) are provided. These are subject to a range of limitations, qualifications, deductibles and caps. EROAD considers the warranty and indemnity position achieved to be market typical for transactions of this nature in Australasia.
- EROAD has obtained warranty and indemnity insurance in respect of any claims under the general warranties and tax indemnity, from Beazley Furlonge Limited. As a consequence, EROAD's recourse for warranty and/or indemnity breach will be to the insurer rather than the Coretex vendors (subject to customary insurance exceptions and save in respect of certain specific indemnities, which are not insured).
- Certain key employees and shareholders of Coretex have provided personal non-compete and other undertakings in favour of EROAD, of a 3 year duration.

THANK YOU