



KAROO0000

Earnings Presentation Q4 & FY22

DISCLAIMER

Forward-Looking Statements

The information in this presentation (which includes any oral statements made in connection therewith, as applicable) includes “forward-looking statements.” Forward-looking statements are based on our beliefs and assumptions and on information currently available to us, and include, without limitation, statements regarding our business, financial condition, strategy, results of operations, certain of our plans, objectives, assumptions, expectations, prospects and beliefs and statements regarding other future events or prospects. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “seek,” “anticipate,” “estimate,” “predict,” “potential,” “assume,” “continue,” “may,” “will,” “should,” “could,” “shall,” “risk” or the negative of these terms or similar expressions that are predictions of or indicate future events and future trends.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements are disclosed under the “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” sections of the Registration Statement on Form 20-F filed on June 28, 2021.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. We disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

All information provided in this presentation is as of the date of this presentation, and we do not undertake any duty to update such information, except as required under applicable law.

Non-IFRS Financial Measures

This presentation includes certain non-IFRS financial measures, including adjusted EBITDA, adjusted EBITDA margin, free cash flow and free cash flow margin. These non-IFRS financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to IFRS measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Please see the reconciliations included in our earnings announcement dated April 27, 2022 (the “Earnings Announcement”).

Market and Industry Data

We include statements and information in this presentation concerning our industry ranking and the markets in which we operate, including our general expectations and market opportunity, which are based on information from independent industry organizations and other third-party sources (including a third-party market study, industry publications, surveys and forecasts). While Karooooo believes these third-party sources to be reliable as of the date of this presentation, we have not independently verified any third-party information and such information is inherently imprecise. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of risks. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Trademarks and Trade Names

In our key markets, we have rights to use, or hold, certain trademarks relating to Cartrack, or the respective applications for trademark registration are underway. We do not hold or have rights to any other additional patents, trademarks or licenses, that, if absent, would have had a material adverse effect on our business operations. Solely for convenience, trademarks and trade names referred to in this presentation may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ tradenames, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this presentation is the property of its respective holder.



MOBILITY IS CORE TO ALL ON-THE-GROUND OPERATIONS

**We think beyond connected vehicles &
equipment**



OUR MISSION

**To establish the leading
on-the-ground operations cloud**



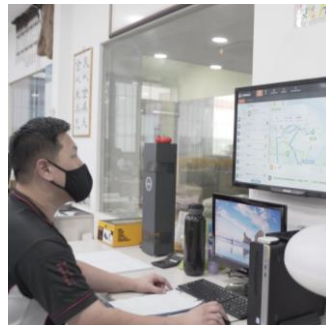
OPERATIONAL PARTNER HELPING CUSTOMERS EVOLVE TO ENSURE SUCCESS

Customer ROI continues to increase exponentially alongside reliance and stickiness with our platform

Customer ROI



- Where are my assets and where have they been?
- Are drivers speeding?
- What is happening in the cargo haul?



- How many hours has my team worked?
- Can I know as soon as anything important happens?
- How can I decrease my fuel usage? Is there fraud?
- Can I ensure only authorised operators use set vehicles?



- Where is my cargo?
- Has the order been delivered to my customer?
- Is the route optimised?
- How can I digitalise all my compliance?
- Is my fleet size optimised? Will it allow for growth?



- Where are my cost leakages?
- Are my drivers fatigued or smoking when driving?
- Is my maintenance plan automated and streamlined?



- Is my warehouse storage layout optimised?
- What is my carbon footprint?
- How can I unify data between sales, HR, accounting, billing and operations?
- How can I predict asset breakdowns, customer non-payments, high risk situations and more?

Different operations have different transformation processes increasing the need for an operational partner. Key elements involve:

- | | |
|-----------------------------------|---|
| 1. Location visibility | 9. Workforce optimisation |
| 2. Real-time alerts | 10. Livestream and AI cameras |
| 3. Fuel usage and fraud detection | 11. Resource scheduling |
| 4. Business intelligence | 12. Warehouse management |
| 5. Productivity reports | 13. Specialised sensors |
| 6. Safety | 14. Data integration into 3 rd party tools |
| 7. Compliance | |
| 8. Digitalized admin | |

Cartrack digital transformation process

OUR DIVERSE CUSTOMER BASE: ONE SIZE DOES NOT FIT ALL

Various stages in their journey toward digital transformation



Every industry and business size is different

Manufacturing, Mining, Retail, Utilities & Energy, Transport, Logistics, Construction, Financial Institutions, Government , Education
Healthcare & medical, Agriculture, Food & Beverages

90Bn+

Valuable data points monthly⁽¹⁾

88,000+

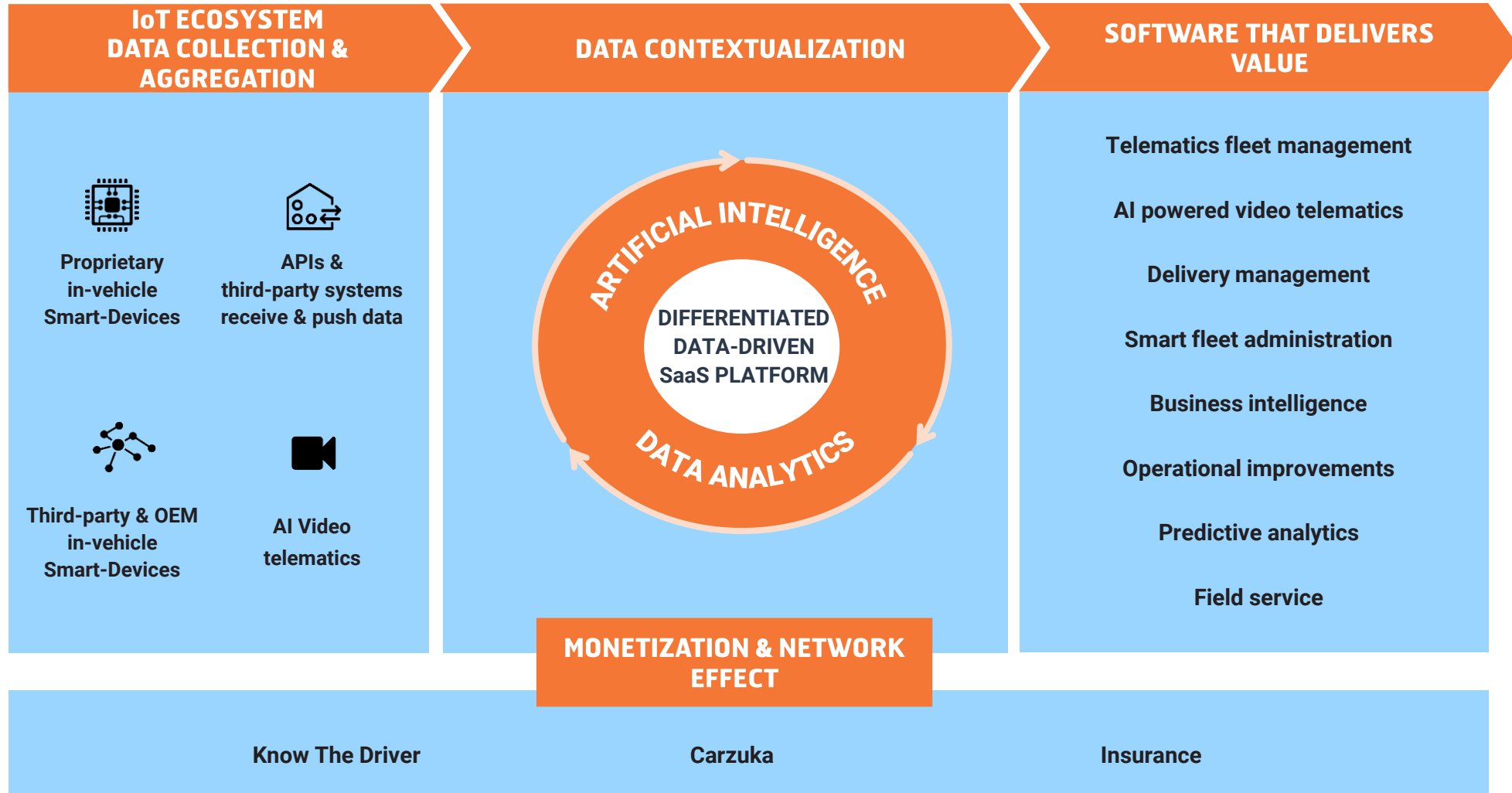
Commercial customers

23

Countries

⁽¹⁾For the month of February 2022

OPEN OPERATIONS CLOUD WITH SEAMLESS INTEGRATIONS



UNTAPPED NETWORK EFFECT OF OUR PLATFORM

**We are aware of the much needed related services
given our large data pool**



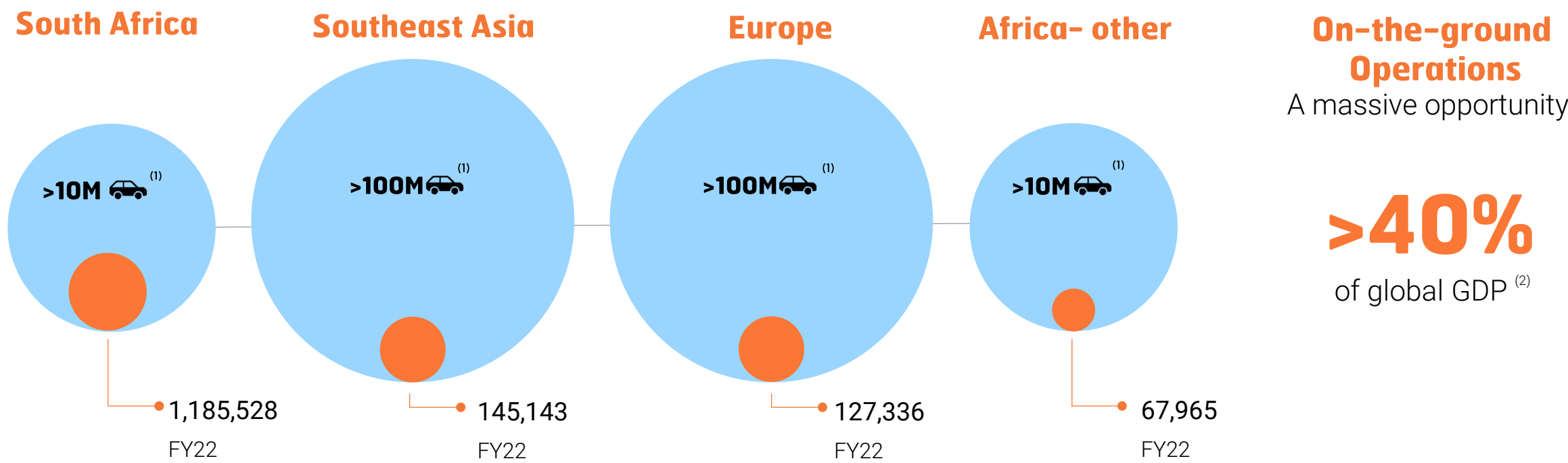
THE SCALE OF DATA ON OUR CLOUD IS VAST & GROWING

90Bn+ valuable data points monthly⁽¹⁾

⁽¹⁾For the month of February 2022

EARLY STAGE OF A LARGE & LONG-TERM GROWTH OPPORTUNITY

Mobility is core to all on-the-ground operations



IoT DATA IS KEY TO IMPROVING OPERATIONS



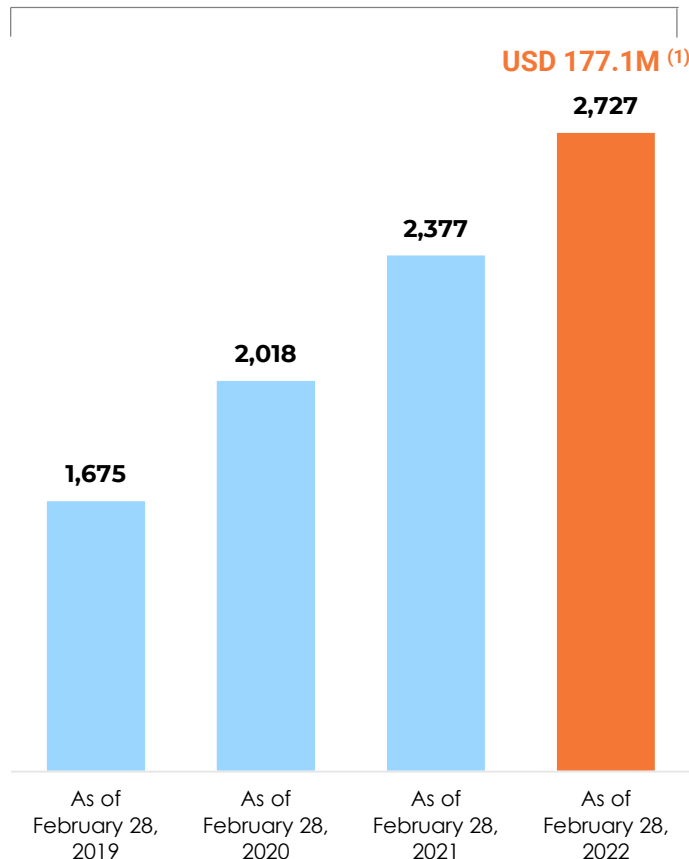
⁽¹⁾Management's best estimate based on market research including <https://www.ceicdata.com/en/indicator>, https://www.news24.com/wheels/news/industry_news/youll-never-guess-how-many-vehicles-are-registered-in-sa-20170328
⁽²⁾Management's best estimate based on market research & analysis from multiple third-party sources including Berg Insight, Trailer and Cargo Container Tracking, 2020 <https://www.berginsight.com/trailer-and-cargo-container-tracking> ; IDC, Worldwide Video Surveillance Camera Forecast, 2021–2025, July 2021 <https://www.idc.com/getdoc.jsp?containerId=US46354621> ; IDC, Worldwide Global DataSphere IoT Device and Data Forecast, 2020–2024 <https://www.idc.com/getdoc.jsp?containerId=US46718220> .

ROBUST & CONSISTENTLY PROFITABLE BUSINESS MODEL

SaaS ARR growth
ZAR M

18%

Compound annual growth rate



Why we win



Vertically integrated business model



End-to-end all inclusive IoT cloud software platform



Established infrastructure



Expanding distribution network



Ability to execute & achieve strong **growth at scale**



Operational technology partner, customer-centric culture, **high customer ROI**



Innovative culture

88,000+

Commercial customers

(FY21: 75,000+)



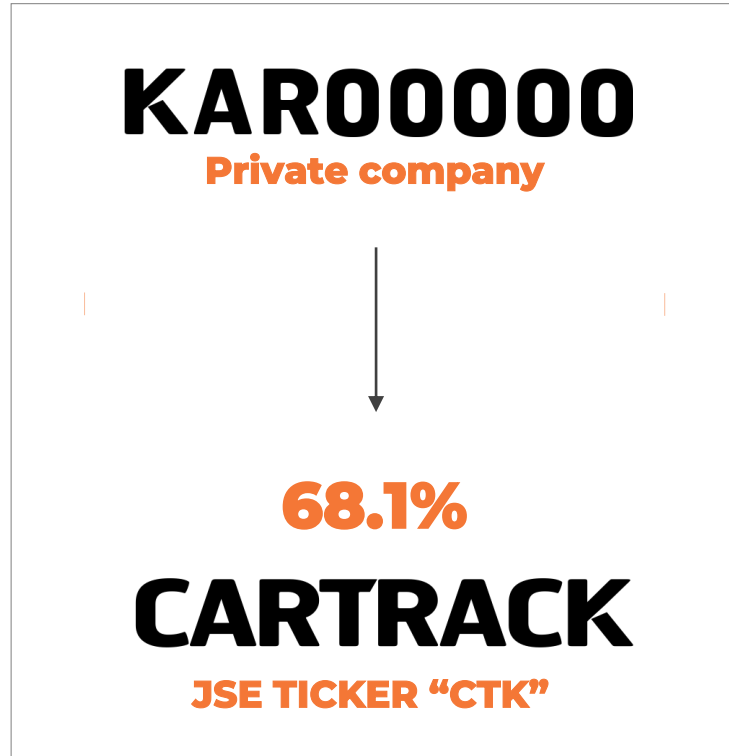
⁽¹⁾ Exchange rate of 15.40 ZAR:USD as of February 28, 2022



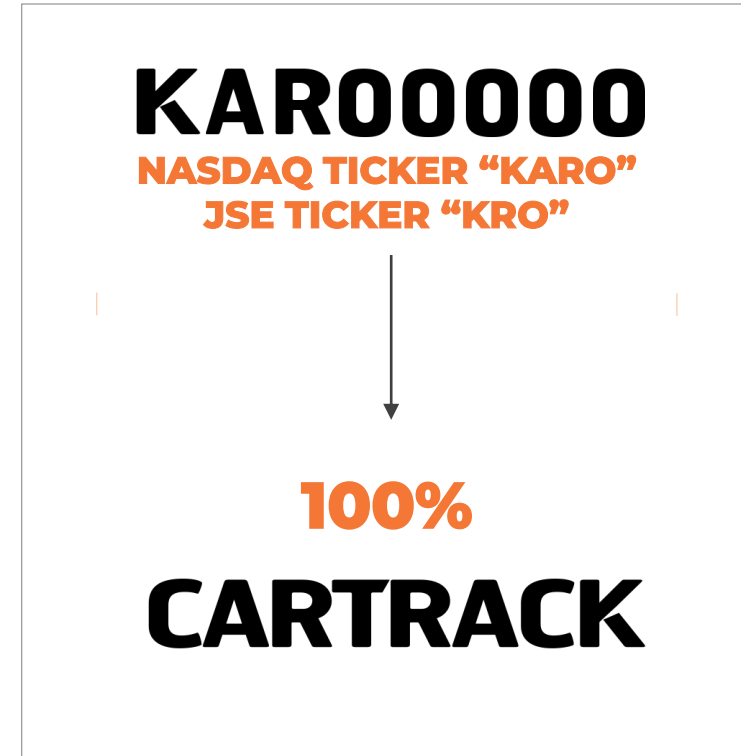
KAROO0000

Performance for Q4 & FY22

As at February 28, 2021



Since April 21, 2021 to date



Founded in South Africa, now headquartered in Singapore



PERFORMANCE IN LINE WITH MANAGEMENT'S OUTLOOK FOR 2022

	FY21	FY22	FY22 Outlook Reported	FY22 Outlook Achieved
Number of subscribers (000s)	1,306	1,526	1,500 – 1,600	✓
Cartrack's Subscription Revenue (Constant Currency basis)(ZAR M)	2,209	2,625	2,500 – 2,700	✓
Cartrack's Adjusted EBITDA margin ⁽¹⁾	49%	47%	45% – 50%	✓
Karoo's Subscription Revenue (Constant Currency basis)(ZAR M)	2,209	2,628	Not reported	
Karoo's Adjusted EBITDA margin ⁽¹⁾	49%	44%	Not reported	

TRENDS IN LINE WITH LONG-TERM FINANCIAL GOALS SET OUT UPON LISTING DESPITE COVID-19

⁽¹⁾ Adjusted EBITDA margin is a non-IFRS measure. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



CONSISTENTLY GROWING SUBSCRIPTION REVENUE

17%

Subscriber
Growth

FY22 1.526M

FY21 1.306M

19%

Subscription Revenue Growth on a
constant currency basis

FY22 ZAR 2,628M

FY21 ZAR 2,209M

97%

Cartrack's Subscription Revenue
as a % of Total Revenue
FY22

FY21 96%

23%

Increase in Net subscriber
additions FY22

FY22 219,972

FY21 179,485

23%

Revenue Growth on a
constant currency basis

FY22 ZAR 2,807M

FY21 ZAR 2,291M

88,000+

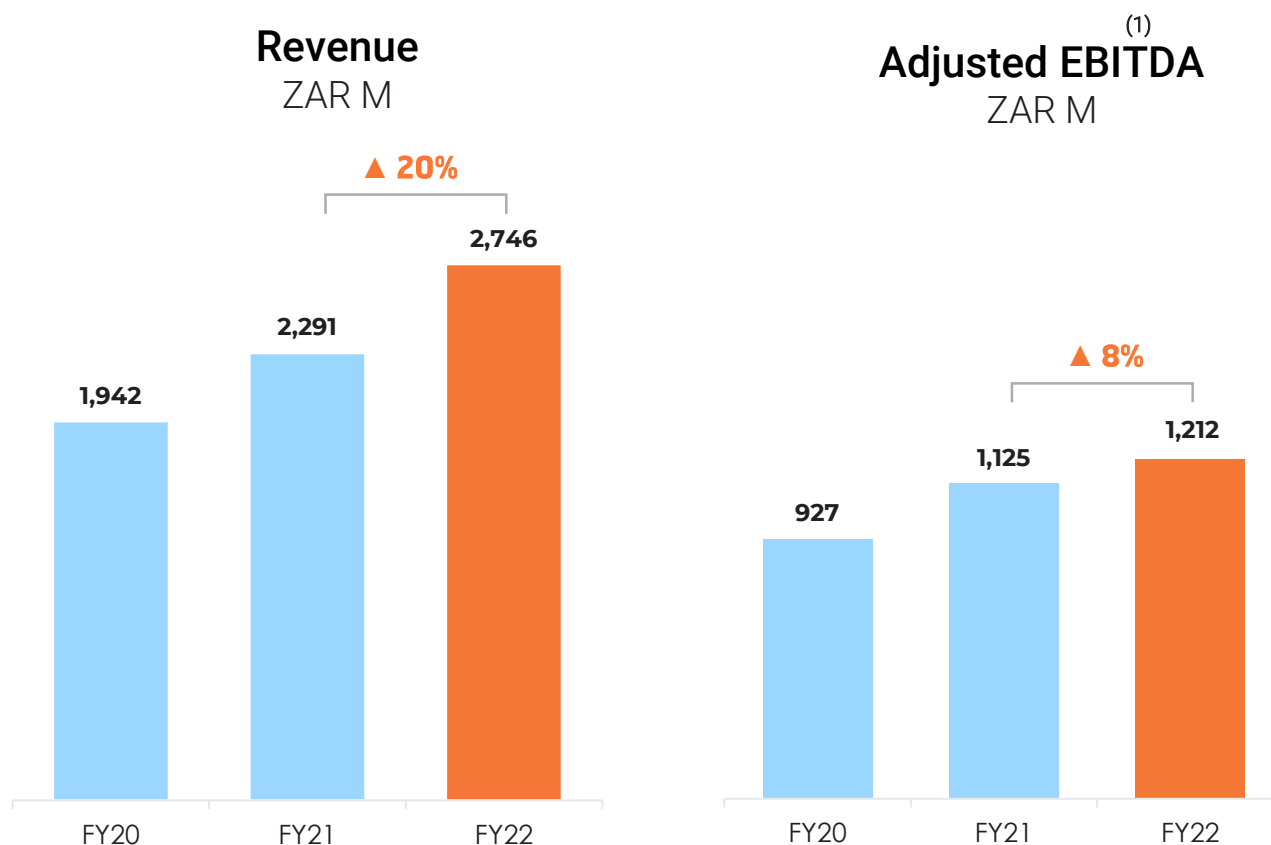
Commercial
customers

FY21 75,000+

STRONG CUSTOMER ACQUISITION



KAROOOOO's STRONG GROWTH AT SCALE



Strong unit economics

Robust operating margins

Consistently beaten Rule of 40⁽²⁾

Strong balance sheet

Strong cash position

SUPPORTED BY HIGH CUSTOMER RETENTION RATE

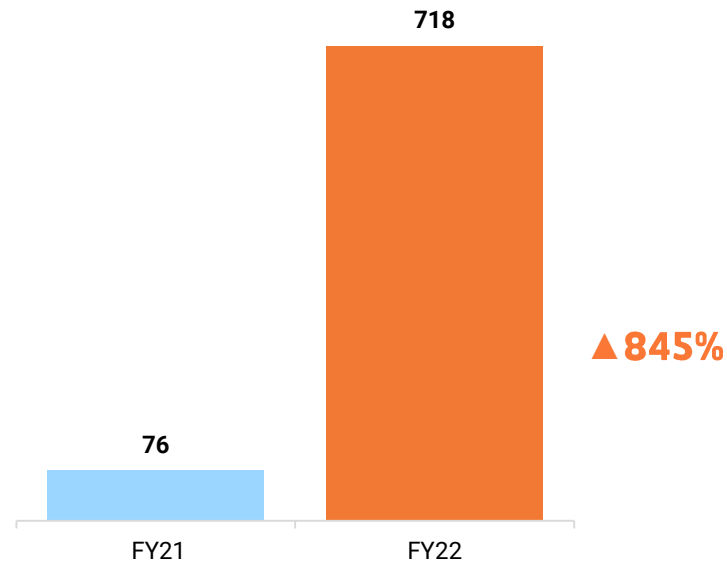


(1) A non-IFRS measure

(2) Revenue growth for the period of 12 months + operating margin for the period of 12 months sum to greater than 40

KAROOOOO's STRONG CASH POSITION

Net Cash on hand
ZAR M



Cartrack's
Debtor's Days ⁽¹⁾

34

FY22

FY21: 35 Days

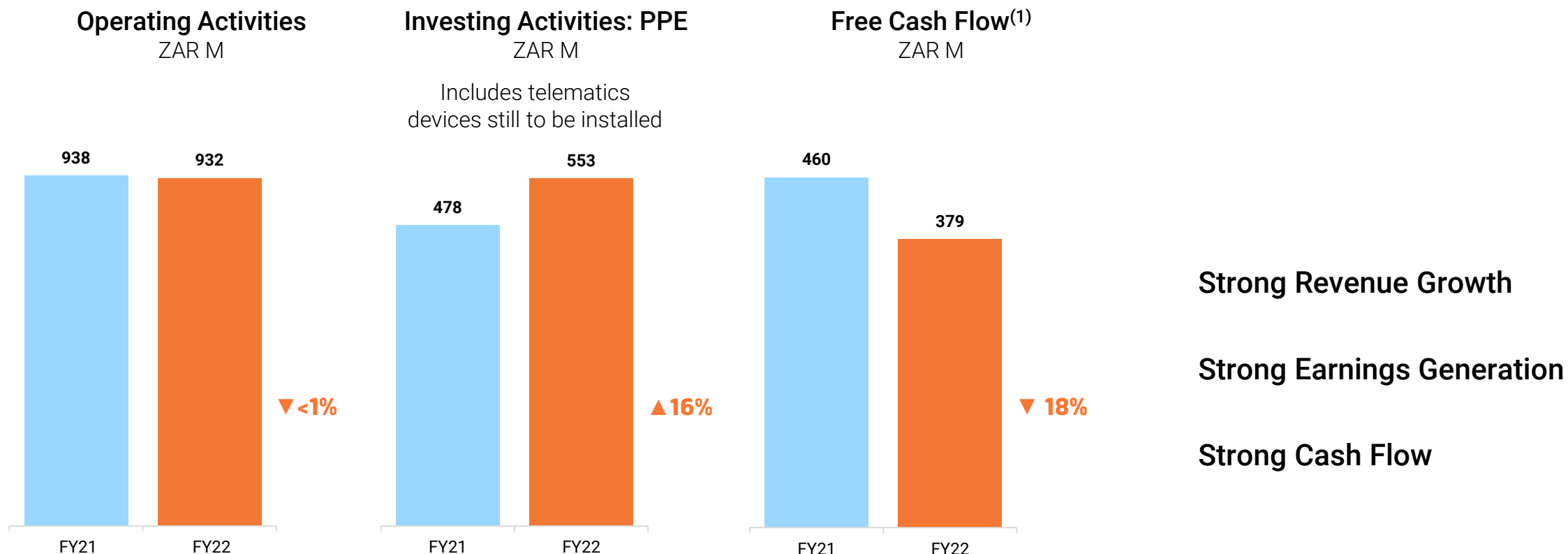
STRONG EARNINGS GENERATION DESPITE CAPITAL ALLOCATION FOR FUTURE GROWTH



(1) A non-IFRS measure & is after provisioning for expected credit losses due to COVID-19

KAROOOOO's FREE CASH FLOW

After significant investment into R&D and customer acquisition

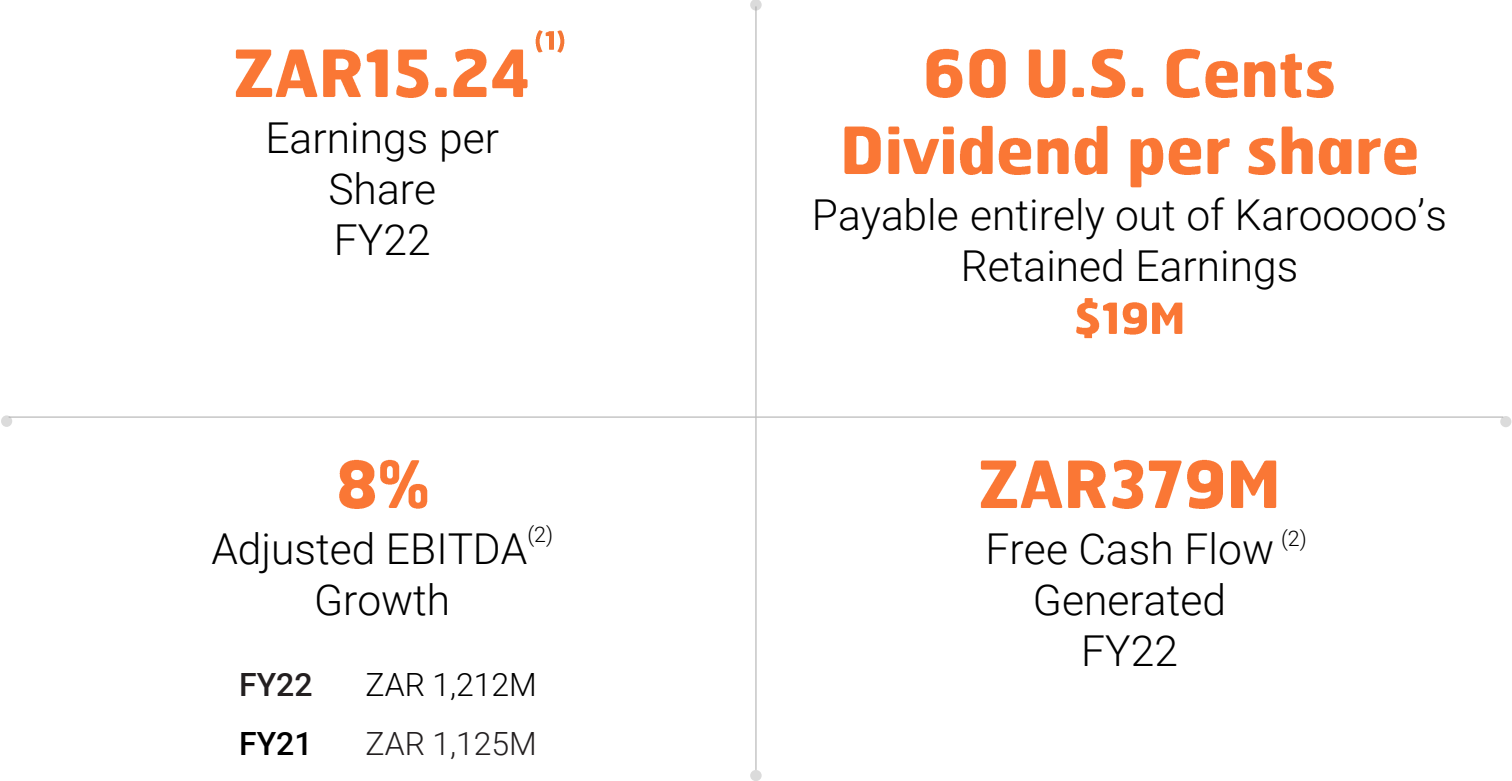


STRONG BALANCE SHEET & AMPLE CAPACITY TO FUND GROWTH



(1) Free cash flow, a non-IFRS measure, is defined as net cash generated from operating activities less purchase of property, plant & equipment. Please see our Earnings Announcement for reconciliation to closest metric calculated in accordance with IFRS.

KAROOOOO's TRACK RECORD OF DISCIPLINED CAPITAL ALLOCATION



STRONG CASH GENERATIVE BUSINESS MODEL



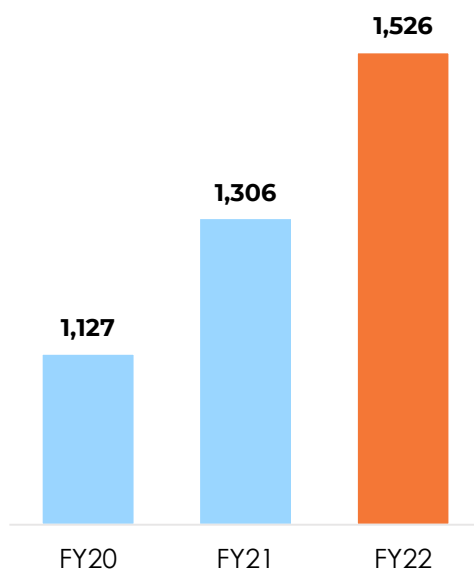
(1) Earnings per share of **ZAR15.76** if excluding the impact of the once-off exceptional item expensed in 2022 (ZAR15 million)

(2) A non-IFRS measure

CARTRACK HAS A HISTORY OF CONSISTENT EXECUTION

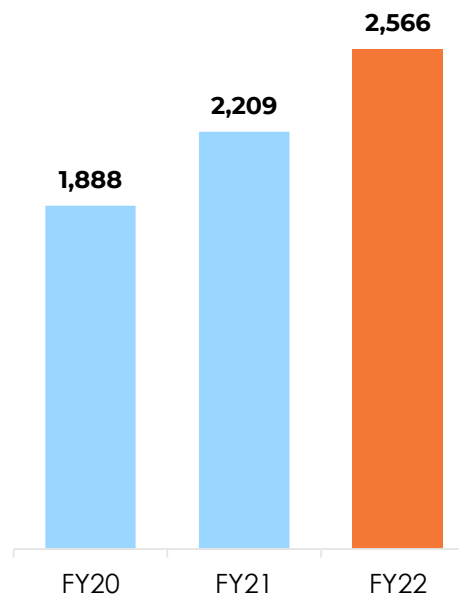
Scale

Subscribers
000s



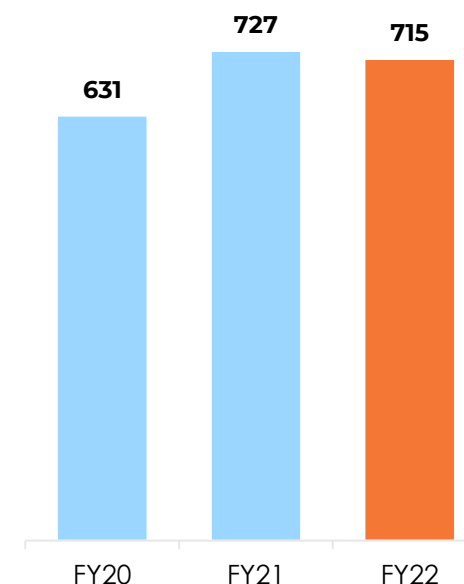
Growth

Subscription Revenue
ZAR M



Profitability

Operating Profit⁽¹⁾
ZAR M

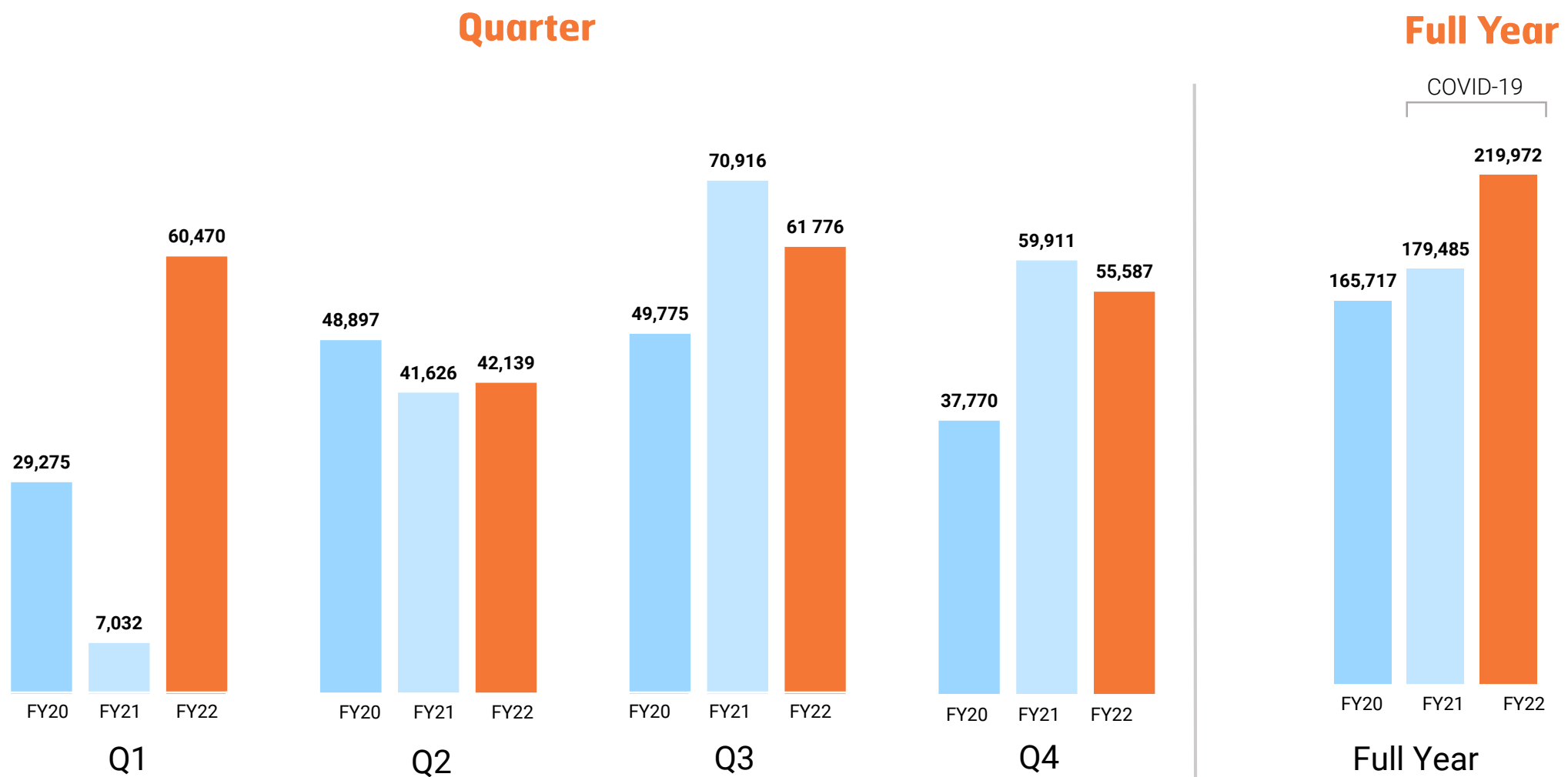


WITH STRONG FINANCIAL DISCIPLINE



(1) Cartrack's operating profit increased 1% to **ZAR731 million** if excluding the impact of the once-off exceptional item expensed in 2022 (ZAR15 million)

RECORD NET NEW SUBSCRIBER ADDITIONS OF 220K



CONSISTENT INNOVATION WITH 88,000+ COMMERCIAL CUSTOMERS



ATTRACTIVE UNIT ECONOMICS

Constantly evaluate trade-off
Unit Economics vs. Accelerated Growth

Lifetime Value of
Customer Relationships⁽¹⁾



Low Cost of Acquiring a
Customer⁽²⁾



Strong Comparative
Benefits from
Economies of Scale

>9x

LTV to CAC

WELL POSITIONED TO MATERIALLY INCREASE INVESTMENT FOR GROWTH



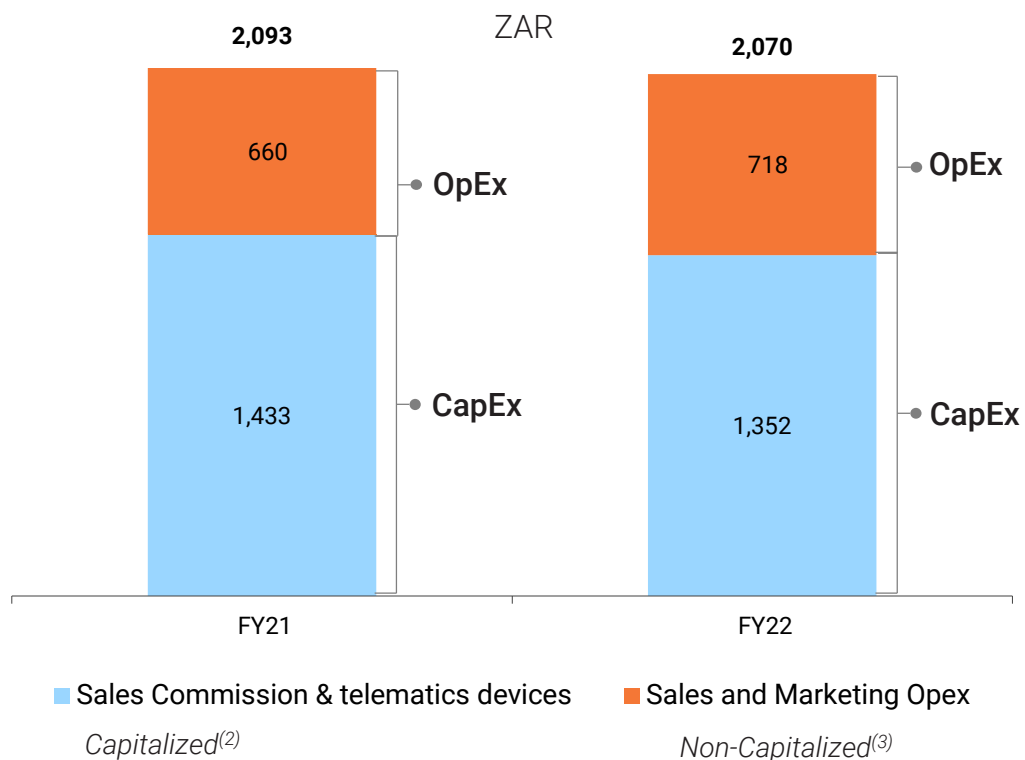
(1) The product of our subscription revenue gross margin measured over the past twelve months, and the difference between our current period SaaS ARR and prior comparative period (twelve months) SaaS ARR divided by the percentage of SaaS ARR lost as a result of customer churn over the past 12 months.

(2) Annual sales and marketing expense measured over the past 12 months

CARTRACK'S LOW COST OF ACQUIRING A SUBSCRIBER

Average Cost of adding a Subscriber to our cloud ⁽¹⁾

Average Cost of Acquiring a Subscriber takes into account vehicles for new & existing customers



Cartrack's Adjusted EBITDA Margin

47% ⁽⁴⁾

FY22

Despite continued strategic investment for long-term growth

Lifetime value of a subscriber	FY21	FY22
ARPU (ZAR)	154	151
Subscriber contract life cycle (Months)	60	60
Subscription revenue gross profit margin	73%	70%
Lifetime value of a subscriber ⁽⁵⁾ (ZAR)	6,745	6,342

(1) Management's assessment of cost of acquiring a subscriber. For bundled sales which contribute to subscription revenue.

(2) Costs capitalized and depreciated through cost of sales over the expected useful life of the subscriber (60 months)

(3) Costs expensed through operating expenses when incurred

(4) A non-IFRS measure

(5) ARPU multiplied by the contract life cycle months, multiplied by the subscription revenue gross margin percentage which is defined as gross profit as a percentage of subscription revenue.

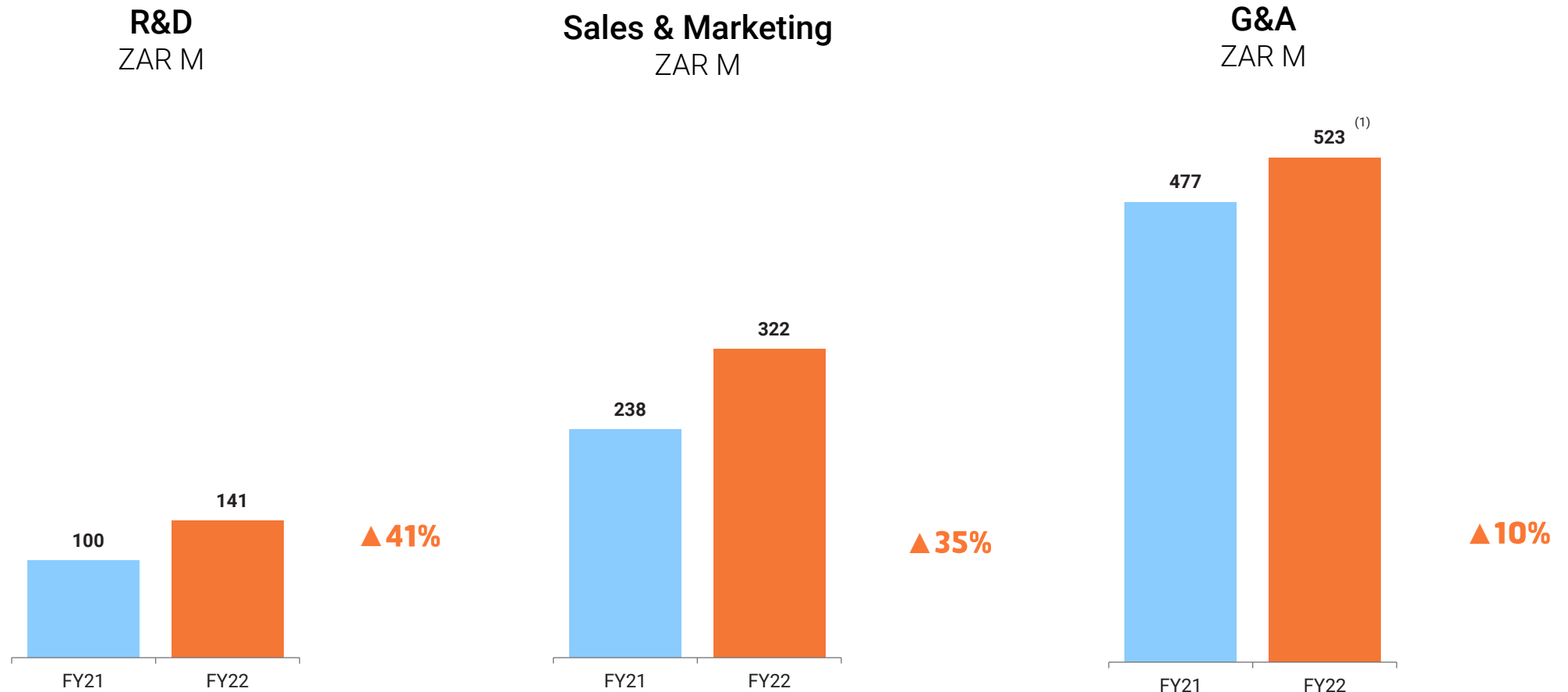


CONTINUED EXPANSION DESPITE COVID-19

'000s Subscribers	FY20	FY21	FY22	Year-on-Year change
SOUTH AFRICA				
Subscribers	869	1,014	1,186	17%
ASIA, MIDDLE EAST, USA				
Subscribers	99	119	145	22%
EUROPE				
Subscribers	99	111	127	15%
AFRICA- OTHER				
Subscribers	60	62	68	9%



CARTRACK BUILDING FOR THE FUTURE



STRATEGIC & DISCIPLINED CAPITAL ALLOCATION



(1) Excluding the impact of the once-off exceptional item expensed in 2022 (ZAR15 million)

CARTRACK's ROBUST OPERATING METRICS

Investing for the future

	FY21	FY22	Long-term Targets ⁽¹⁾
Research & Development as a % of Subscription Revenue	5%	6%	4-6%
Sales & Marketing as a % of Subscription Revenue	11%	13%	17-19%
General & Administration ⁽²⁾ as a % of Subscription Revenue	22%	20%	12-16%
Adjusted EBITDA ⁽³⁾ as a % of Subscription Revenue	51%	48%	50-55%

TRENDS IN LINE WITH LONG-TERM FINANCIAL GOALS SET OUT UPON LISTING

(1) The long-term targets on this slide reflect the company's long-term goals and are not projections or estimates of future results. The company's ability to achieve any such long-term targets is subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from these targets, and there can be no assurance that the company will achieve any such targets within any particular timeframe, or at all. See slide 2 for further information on forward-looking statements

(2) Excluding the impact of the once-off exceptional item expensed in 2022, ZAR15 million

(3) Adjusted EBITDA is a non-IFRS measure, defined as profit less finance income, plus finance costs, taxation, depreciation & amortization, plus once-off IPO costs, plus a once-off write-off of capitalized commission assets of ZAR15 million through profit and loss. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



CARTRACK's OUTLOOK

Geared for growth and scalability with strong financial discipline and earnings

	FY20	FY21	FY22	FY23 Outlook
Number of subscribers (000s)	1,127	1,306	1,526	1,700 – 1,900
Cartrack's Subscription Revenue (ZAR M)	1,888	2,209	2,566	2,950 – 3,100
Cartrack's Adjusted EBITDA margin ⁽¹⁾	48%	49%	47%	45% – 50%

SaaS ARR⁽²⁾ as at February 28, 2022
ZAR 2,727 million USD 177.1 million

⁽¹⁾ Adjusted EBITDA margin is a non-IFRS measure. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.

⁽²⁾ SaaS ARR should not be viewed as a substitute for, or indicative of, Karoo's financial results for any future period. SaaS ARR, a non-IFRS measure, is the annual run-rate subscription revenue at a point in time, calculated by taking the monthly subscription revenue for all customers during that month (February 2022) & multiplying by 12. ZAR to USD exchange rate of ZAR15.40 at the end of February 2022.

Amounts in ZAR have been translated to USD using exchange rates as set forth in the H.10. statistical release of the Board of Governors of the Federal Reserve System on February 28, 2022.

Actual results may differ materially from Karoo's Financial Outlook as a result of the pandemic and currency exchange rates, among other factors described under "Forward-Looking Statements" on slide 2





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Thank You