



KAROO

Earnings Presentation Q3 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 January 18, 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 Karoo000 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.

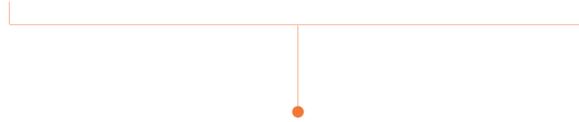
Trademarks and Trade Names

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.



KAR00000

**NASDAQ TICKER "KARO"
JSE TICKER "KRO"**



100%

CARTRACK

Founded in South Africa, now headquartered in Singapore



TODAY WE ARE INVESTING FOR DECADES TO COME

Mobility is core to all on-the-ground operations

As customer needs evolve at pace,
we think beyond connected vehicles & equipment

OUR MISSION

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



WE SOLVE PROBLEMS BY DIGITALLY TRANSFORMING ON-THE-GROUND OPERATIONS



Fleet & Equipment Management



Logistics & Delivery Operations Management



Field Worker Management



Video Based Safety



ESG Compliance & Reporting



Risk Mitigation



Warehouse & Other Systems Integrations



Secure Vehicle Buying & Selling Platform



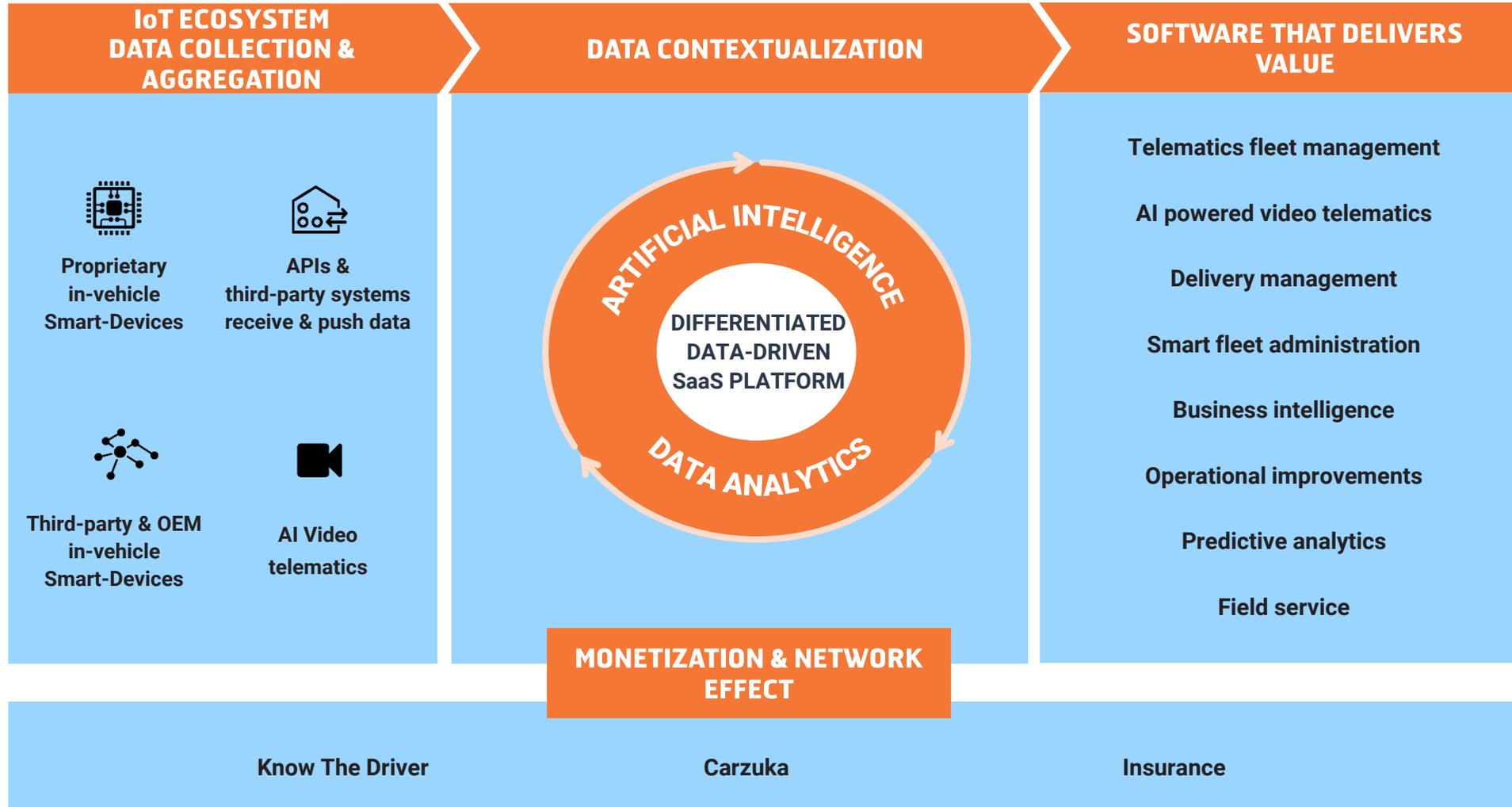
Competitively Priced Insurance Quotes

Growing demand by small to large enterprises wanting to digitally transform their businesses



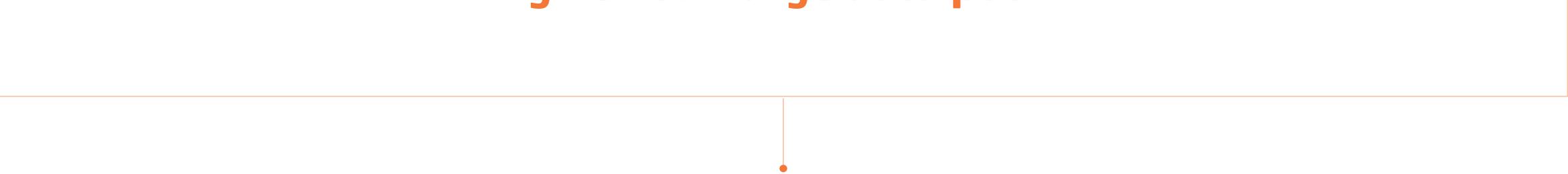
WE ADD VALUE TO THE DAY-TO-DAY OPERATIONS OF OUR CUSTOMERS

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

70Bn+ valuable data points monthly⁽¹⁾

⁽¹⁾For the month of November 2021

EARLY STAGE OF A LARGE & LONG-TERM GROWTH OPPORTUNITY

Mobility is core to all on-the-ground operations

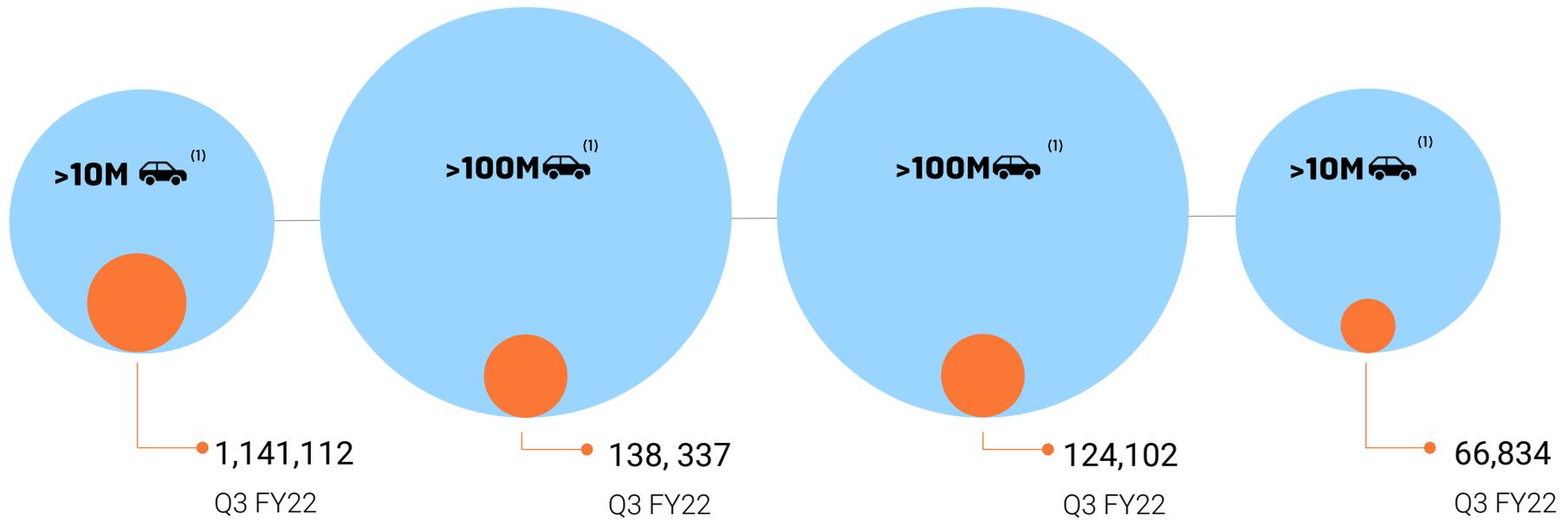
South Africa

Southeast Asia

Europe

Africa- other

On-the-ground Operations
A massive opportunity



>40%
of global GDP ⁽²⁾

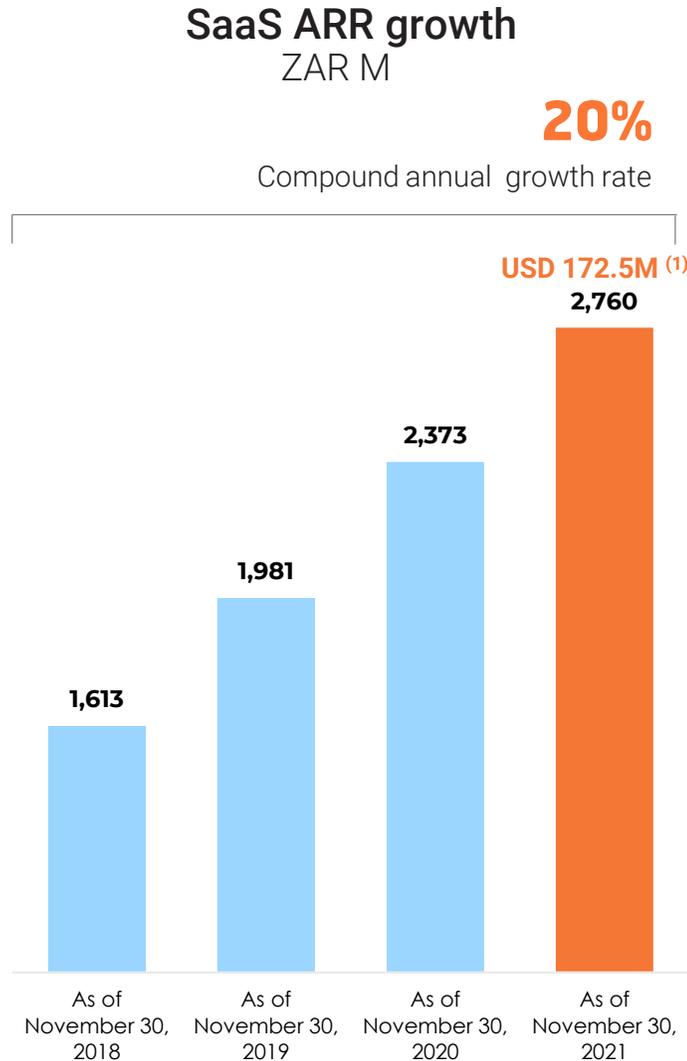
IoT DATA IS KEY TO IMPROVING OPERATIONS

⁽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



Vertically integrated business model



End-to-end all inclusive IoT cloud software platform



Established infrastructure



Expanding distribution network



Ability to execute & scale

78,000+

Commercial customers



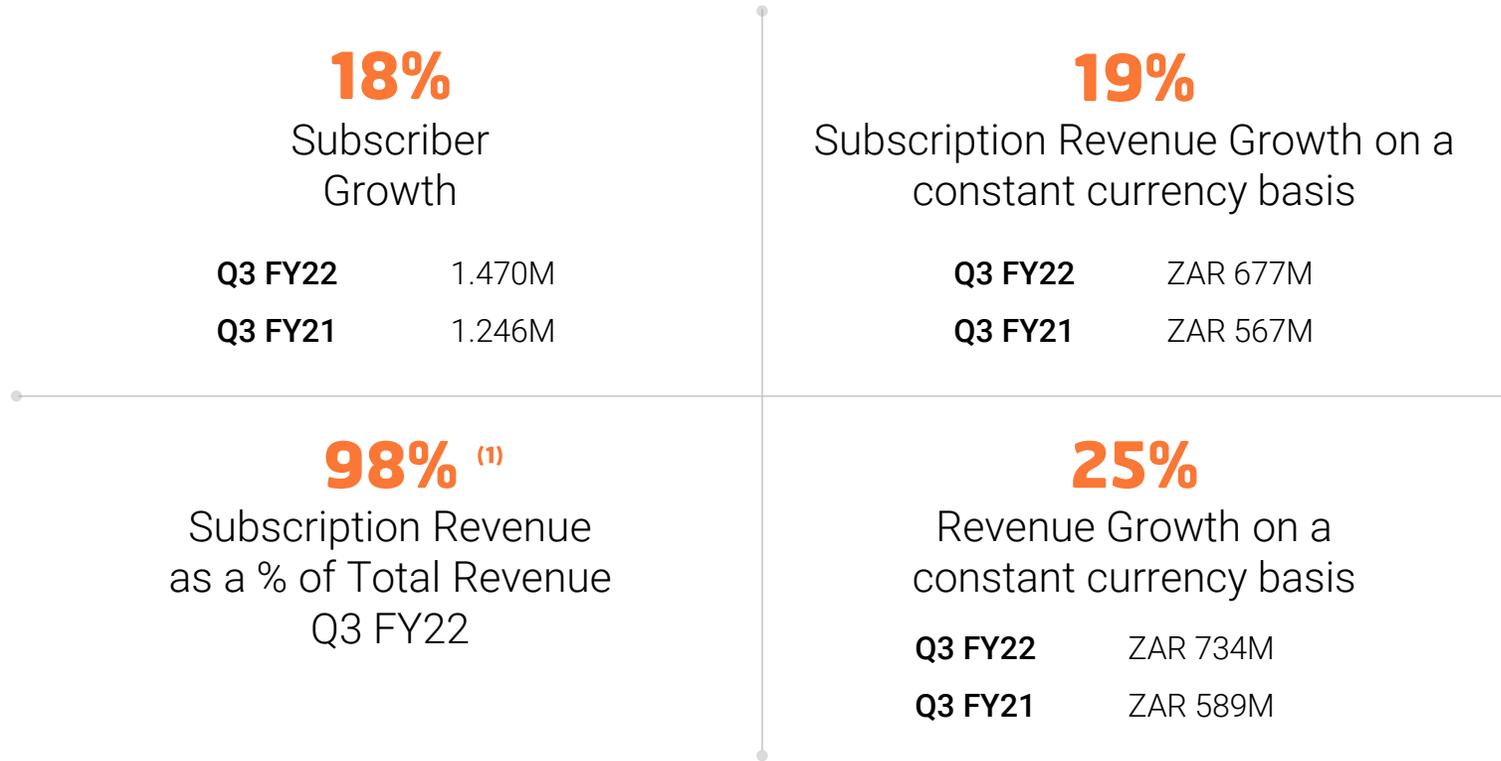
⁽¹⁾ Exchange rate of 16.00 ZAR:USD as of November 30, 2021



KAROO

Performance for Q3 FY22

CONSISTENTLY GROWING SUBSCRIPTION REVENUE



STRONG CUSTOMER ACQUISITION

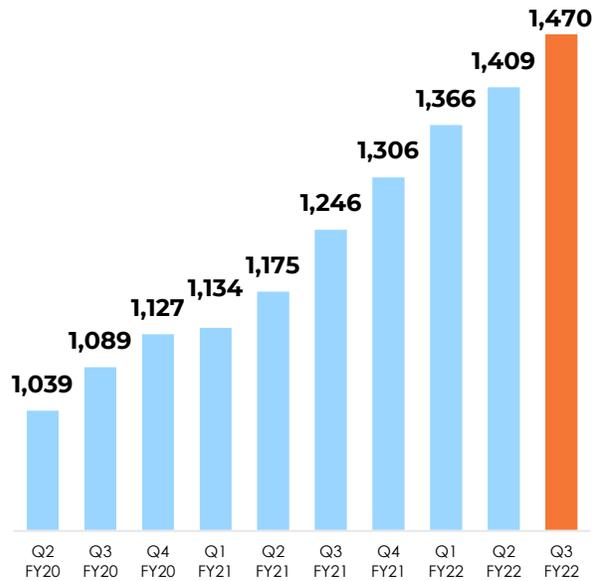


⁽¹⁾Total revenue excluding revenue earned from Carzuka & Picup

A HISTORY OF CONSISTENT EXECUTION

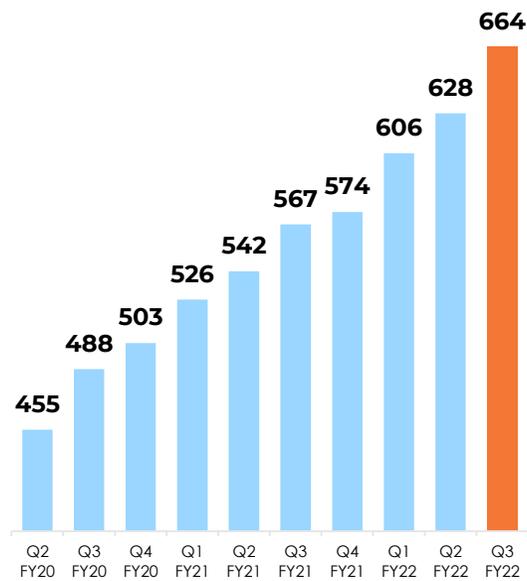
Scale

Subscribers
000s



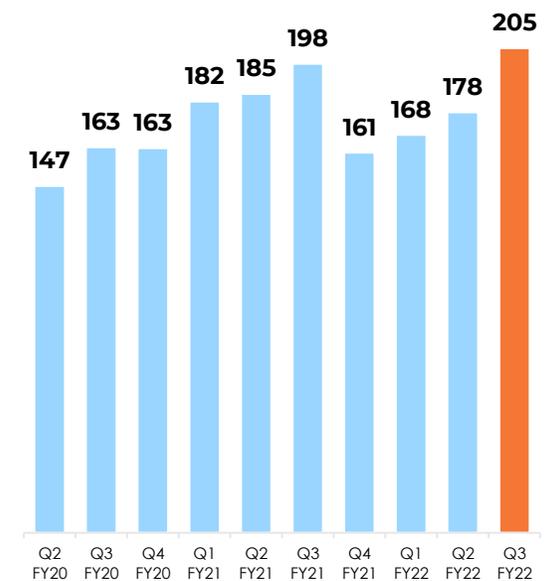
Growth

Subscription Revenue
ZAR M



Profitability

Operating Profit
ZAR M



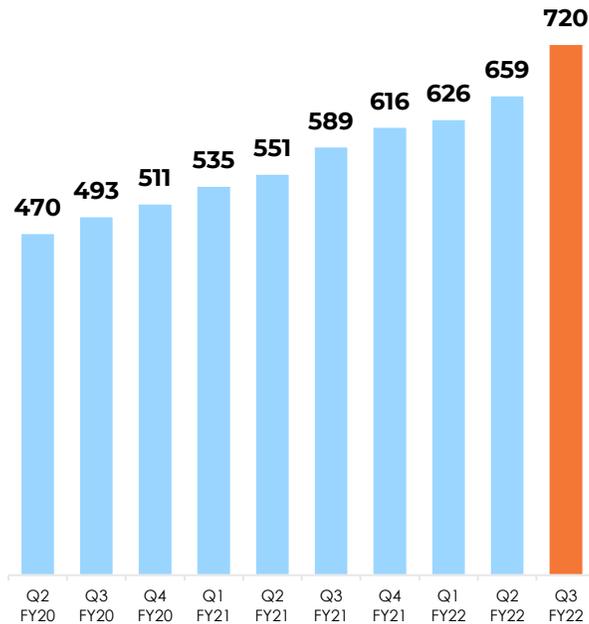
WITH STRONG FINANCIAL DISCIPLINE



STRONG GROWTH WITH CAGR OF >20%

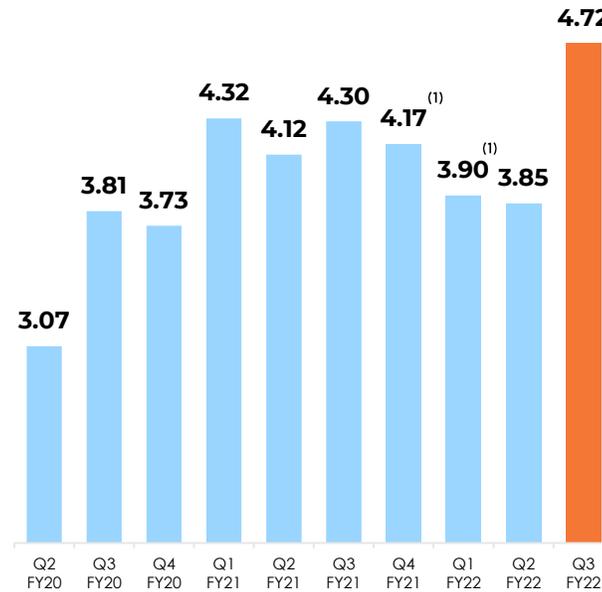
Growth

Revenue
ZAR M



Profitability

Earnings per share
ZAR



Strong unit economics

Robust operating margins

Consistently beaten Rule of 40⁽²⁾

Unlevered balance sheet

Strong cash position

AMPLE CAPACITY TO INCREASE INVESTMENT IN SALES & MARKETING



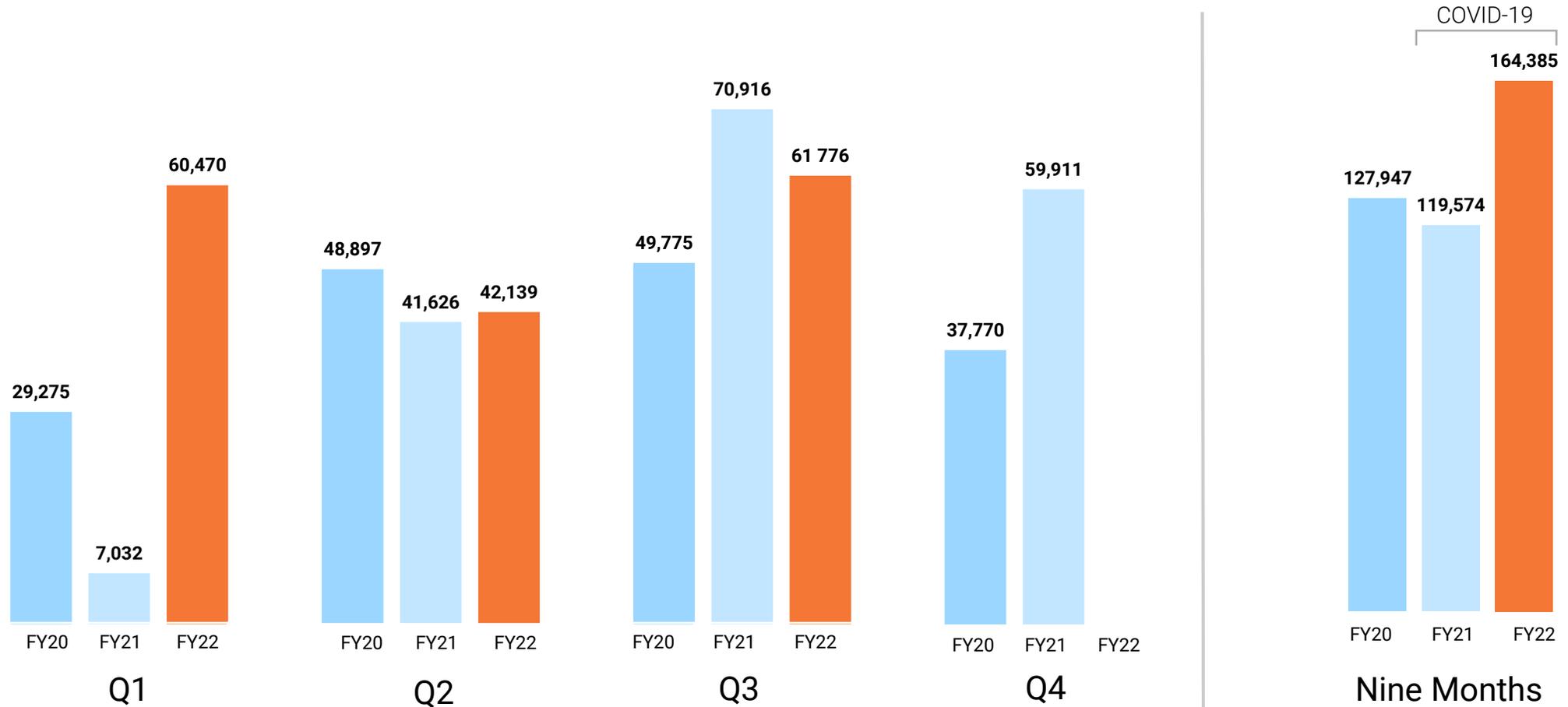
(1) Adjusted Earnings per share being Earnings per share defined by IFRS excluding the impact of once-off non-recurring operational expenses: IPO costs of ZAR26 million were expensed in Q4 of FY21 & IPO costs of ZAR10 million were expensed in Q1 of FY22.

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

NET SUBSCRIBER ADDITIONS

Quarter

Nine Months ended November



CONSISTENTLY GROWING OUR SUBSCRIBER BASE



STRONG 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



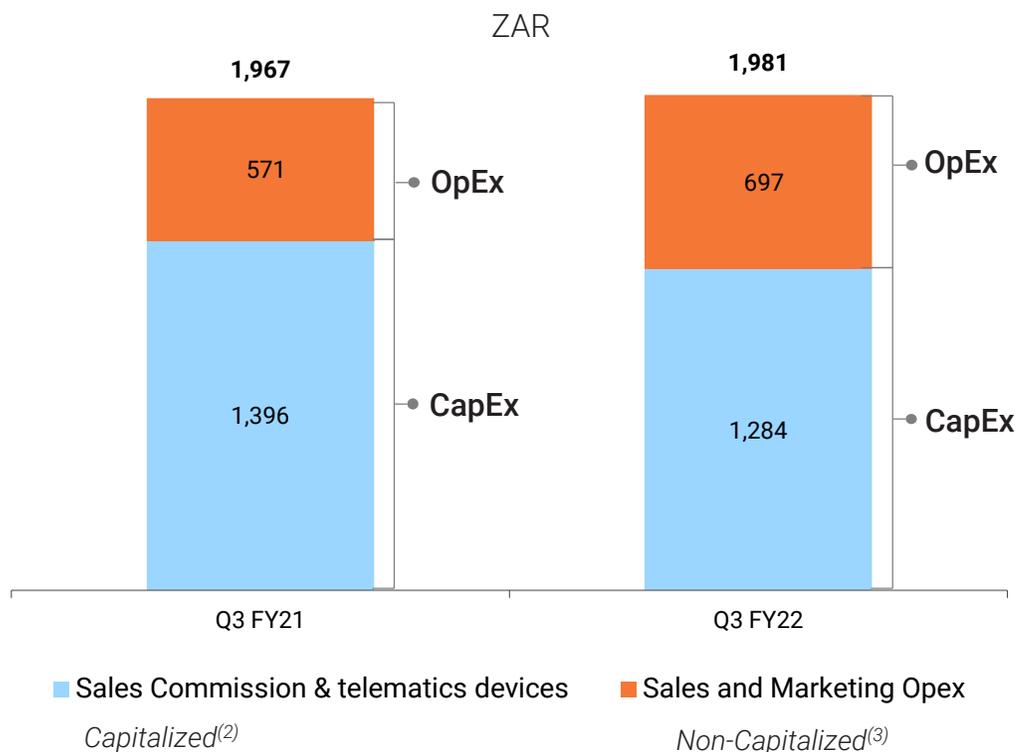
(1) The product of our subscription revenue gross margin measured over the past twelve months, and the difference between our current period SaaS ARR and prior comparative period (twelve months) SaaS ARR divided by the percentage of SaaS ARR lost as a result of customer churn over the past 12 months.

(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 Operating Profit Margin ⁽⁴⁾

31%

FY22 Q3

Despite continued strategic investment for long-term growth

Lifetime value of a subscriber	Q3 FY21	Q3 FY22
ARPU (ZAR)	156	153
Subscriber contract life cycle (Months)	60	60
Subscription revenue gross profit margin	72%	69%
Lifetime value of a subscriber ⁽⁵⁾ (ZAR)	6,739	6,334

(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) Excluding Carzuka & Picup

(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.



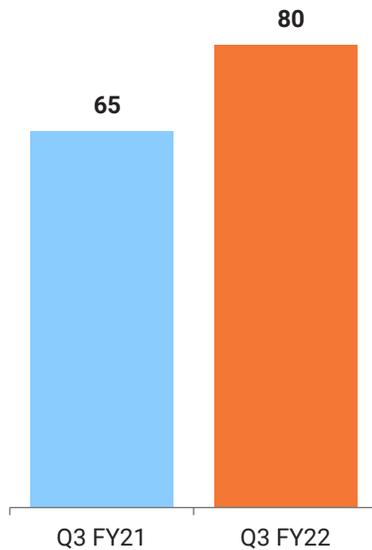
CONTINUED EXPANSION DESPITE COVID-19

'000s Subscribers	Q3 FY20	Q3 FY21	Q3 FY22	Q3-o-Q3 change
SOUTH AFRICA				
Subscribers	841	962	1,141	19%
ASIA, MIDDLE EAST, USA				
Subscribers	92	115	138	20%
EUROPE				
Subscribers	95	108	124	15%
AFRICA- OTHER				
Subscribers	60	62	67	8%

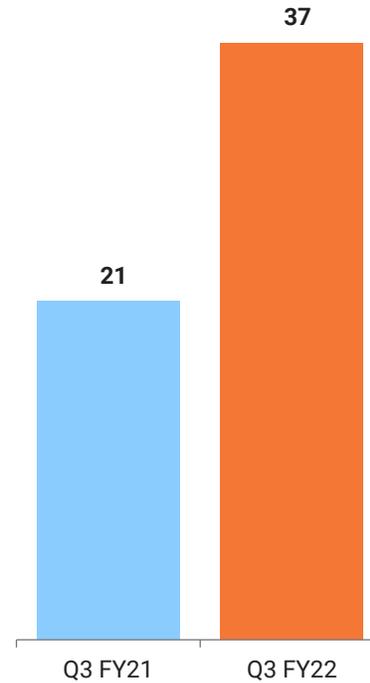


BUILDING FOR THE FUTURE

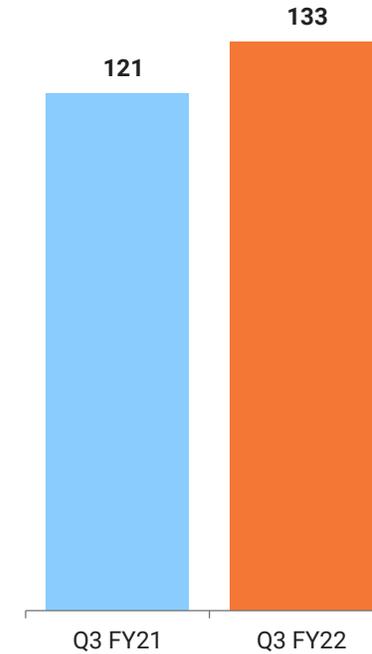
Sales & Marketing
ZAR M



R&D
ZAR M



G&A
ZAR M



STRATEGIC & DISCIPLINED CAPITAL ALLOCATION



ROBUST OPERATING METRICS

Investing for the future

	Q3 FY21	Q3 FY22	Long-term Targets ⁽¹⁾
Research & Development as a % of Subscription Revenue	4%	6%	4-6%
Sales & Marketing as a % of Subscription Revenue	12%	12%	17-19%
General & Administration as a % of Subscription Revenue	21%	20%	12-16%
Adjusted EBITDA ⁽²⁾ as a % of Subscription Revenue	53%	52%	50-55%

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

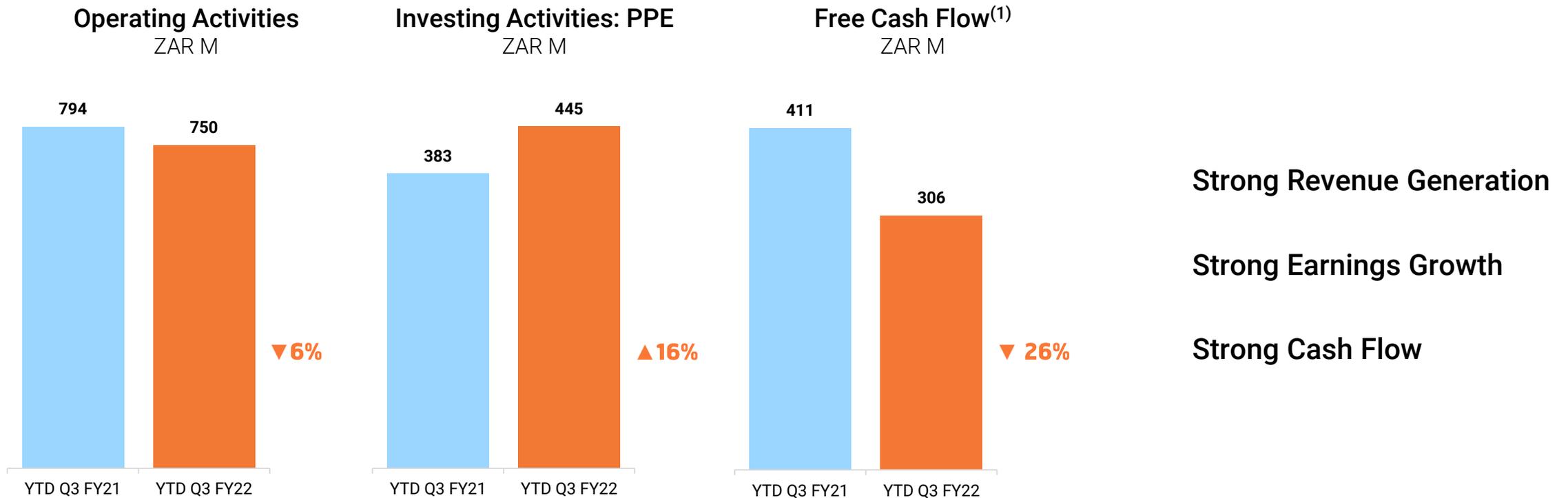
(1) The long-term targets on this slide reflect the company's long-term goals and are not projections or estimates of future results. The company's ability to achieve any such long-term targets is subject to various risks and uncertainties. Accordingly, there are or will be important factors that could 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) Adjusted EBITDA is a non-IFRS measure, defined as profit less finance income, plus finance costs, taxation, depreciation & amortization, plus once-off IPO costs. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



FREE CASH FLOW

Balancing our significant & continued strategic investment into customer acquisition & long-term growth whilst exercising caution in allocating capital during the pandemic

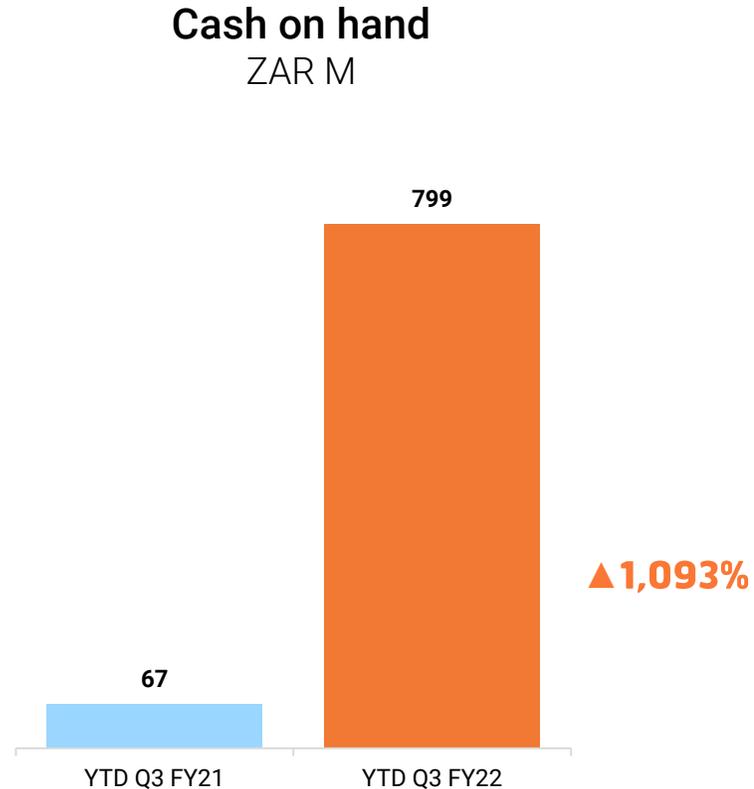


UNLEVERED BALANCE SHEET & AMPLE CAPACITY TO FUND GROWTH



(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.
(2) YTD refers to the nine months ended November

OUR STRONG CASH POSITION



Debtor's Days ⁽¹⁾

34

FY22 Q3

SUPPORTED BY PROPRIETARY COLLECTION MANAGEMENT SOFTWARE



(1) A non-IFRS measure & is after provisioning for expected credit losses due to COVID-19
(2) YTD refers to the nine months ended November

OUTLOOK FOR FY22 REMAINS UNCHANGED DESPITE PANDEMIC

Geared for growth and scalability with strong financial discipline and earnings

	FY20	FY21	Year-to-date (Q3) FY22	FY22 Outlook
Number of subscribers (000s)	1,127	1,306	1,470	1,500 – 1,600
Subscription Revenue (ZAR M)	1,888	2,209	1,897	2,500 – 2,700
Adjusted EBITDA margin (excluding Carzuka & Picup)	48%	49%	47%	45% -50%

SaaS ARR⁽¹⁾ as at November 30, 2021
ZAR 2,760 million



⁽¹⁾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 (November 2021) & multiplying by 12. 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



KAROO

Appendix | Case Studies & Platform

REFER TO Q3 FY22 EARNINGS MEDIA RELEASE FOR DETAILED FINANCIAL TABLES & RECONCILIATIONS

OUR SUCCESS ACROSS INDUSTRIES

South Africa



Rest of Africa



Europe



Asia



FLEET OWNERS AND DRIVERS LOVE US



Driving OEM Customer Service



CHALLENGE:

Optimizing vehicle maintenance & driver performance

SOLUTION:

- Digitalized MAN Service Care & streamlined maintenance
 - Real-time information about deviations, unsafe driving & unproductive use of resources
 - Powerful dashboards
 - Clear return on investment for customers
- +20%** Payload productivity
-10% Fuel consumption
80% Adoption rate



Last Mile Delivery



CHALLENGE:

Acceleration of e-commerce transactions & demand to digitalize logistics

SOLUTION:

- Integrated logistics offering
- Manage fleet & workflows on one platform
 - Plan & allocate loads
 - Real-time tracking
 - Proof of delivery
 - Automated payments
- Mitigates risk of non-delivery
- Allows customers to efficiently scale their e-commerce businesses



FLEET OWNERS AND DRIVERS LOVE US



Mining Safety & Compliance



ANGLO
AMERICAN

DE BEERS

CHALLENGE:

Compliance with health, safety & environmental regulations & accident prevention

SOLUTION:

- Comprehensive safety of personnel
- Integrated cameras, anti-collision technology & driver prevention lock
- Driver behavior management towards zero harm in road transportation



Credit Underwriting & Asset Management



INDUSTRY:

- Transporting 15M+ people daily
- 250,000+ minibus taxis
- Dominant mode of public transport in South Africa
- 80,000+ active minibus taxi subscribers on our base

CHALLENGE:

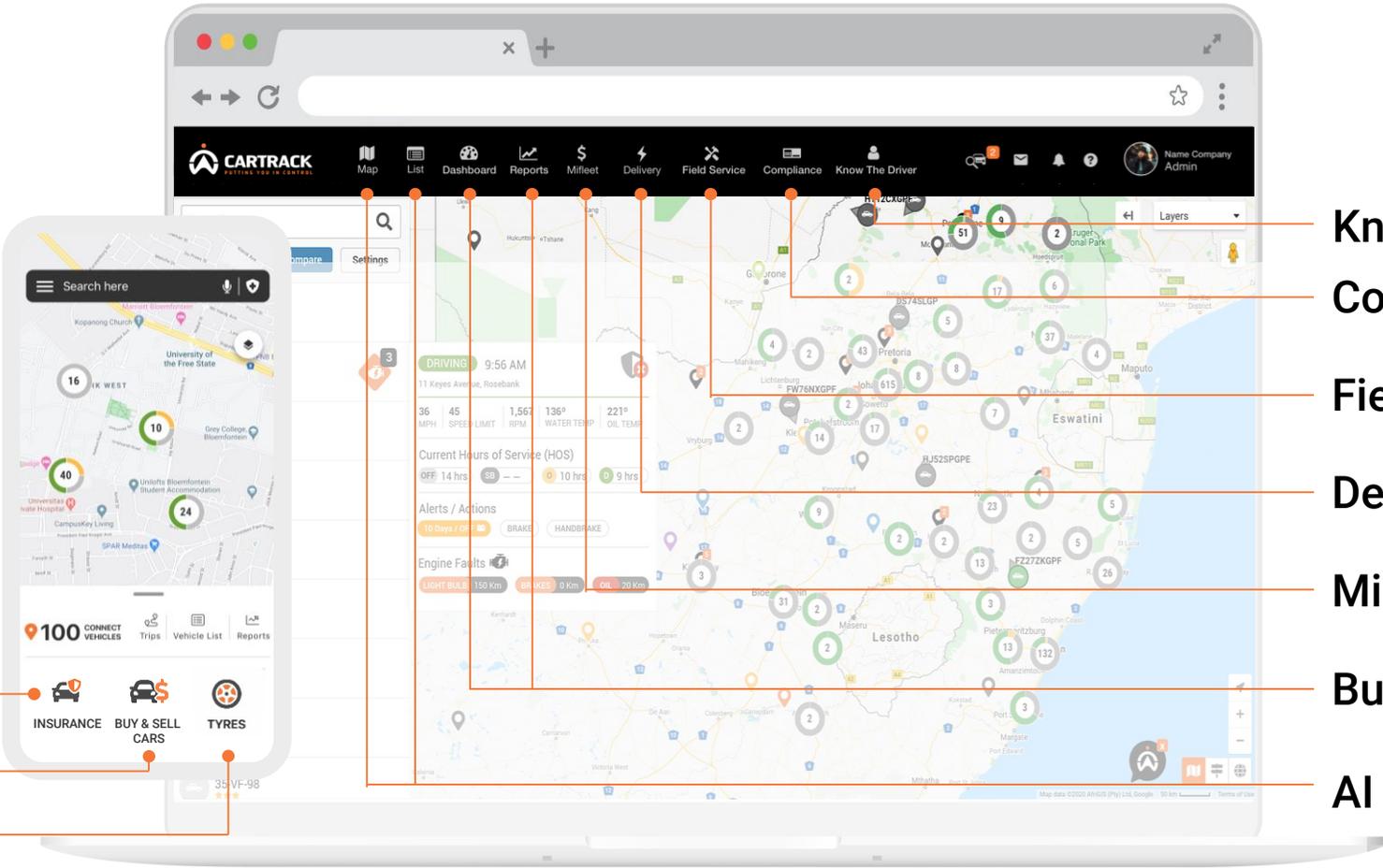
- Financing perceived high risk small entrepreneurs

SOLUTION:

- Visibility on affordability based on productivity & route tariffs
- Analytical reports allow us to predict vehicle life expectancy & condition of vehicle
- Real-time emergency alerts



ONE DIFFERENTIATED & POWERFUL PLATFORM



- Know The Driver
- Compliance
- Field Service
- Delivery
- MiFleet
- Business Intelligence
- AI Video and Fleet Telematics

- Insurance
- Carzuka
- Tyres

Feature-rich & vertically integrated



Refer to the Appendix for Platform Overview

OUR PLATFORM ADVANTAGES



Easy-to-use & implement



Seamless unified platform



Massive data scale



Rapid innovation



Strong customer success helpdesks



Reliable & secure





MIFLEET

Integrate, digitalize and automate fleet admin, maintenance, cost analysis and compliance



Vehicle Registration: XX-11-XX

Mileage until next service:
6,300/7,000km

Soon due for maintenance

Mark Barnes

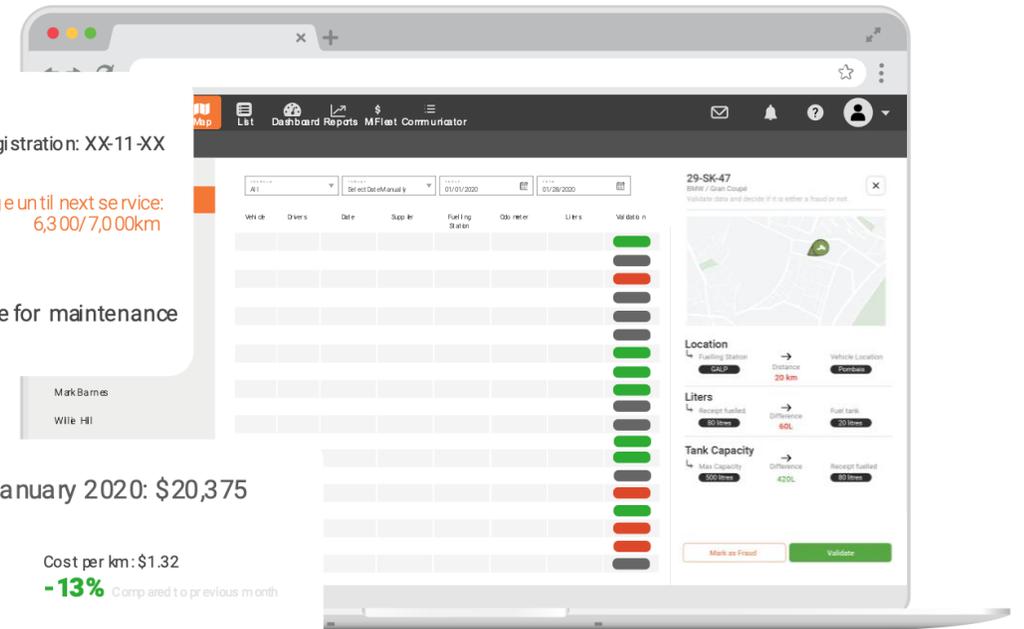
Wile Hill

Total costs in January 2020: \$20,375



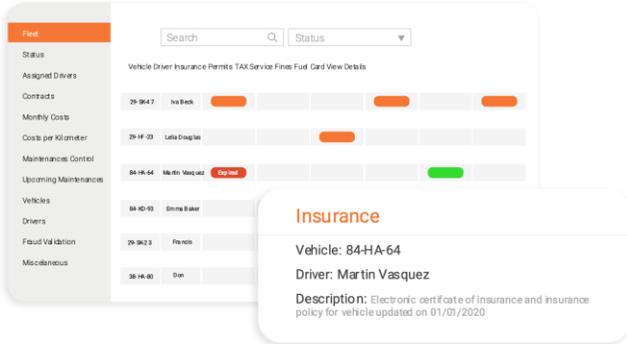
Cost per km: \$1.32
-13% Compared to previous month

Cost per job: \$10.46
-10% Compared to previous month



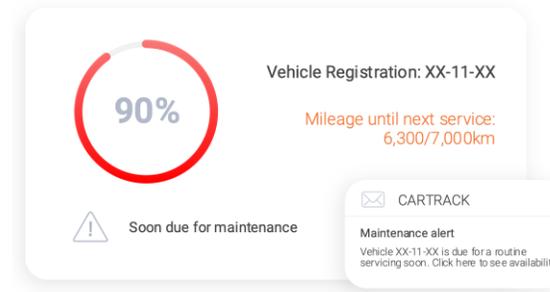
Easy admin

Get reminders to renew any important contracts or update regulatory documents in advance to avoid extra penalties or downtime.



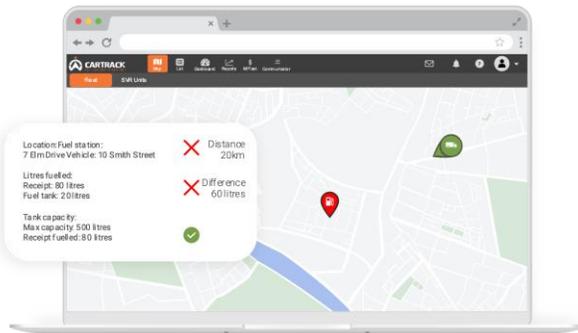
Preventative maintenance

Automate your maintenance plans based on usage and diagnostics to avoid unnecessary breakdowns or downtime.



Fuel fraud detection

Get automatically alerted of potential fraud when a vehicle's location, fuel data and fuel card data do not match.



Automated cost analysis

Integrate with your bank and ERP to eliminate manual entries and receive detailed insights that help you understand your full business picture and bottom line.

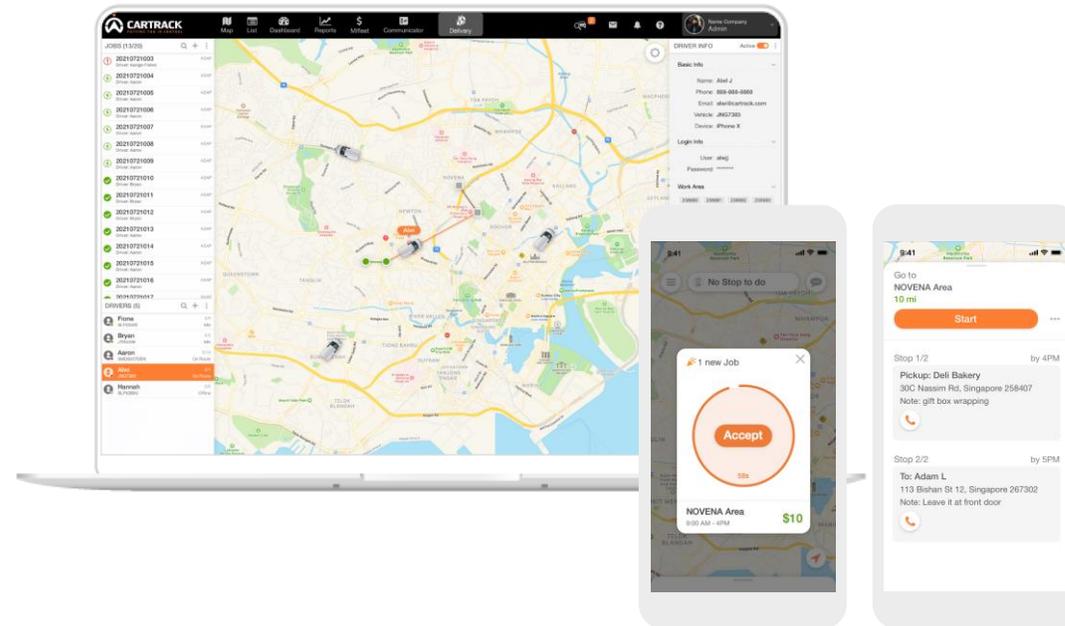
Last 60 days			
Driver	John Smith	Mike Roberts	Fleet average
Cost per km	\$1.32	\$1.98	\$1.76
Cost per job	\$12.32	\$11.03	\$11.67
Driver safety scarecard	65%	87%	78%
Total maintenance costs	\$110	\$150	\$124





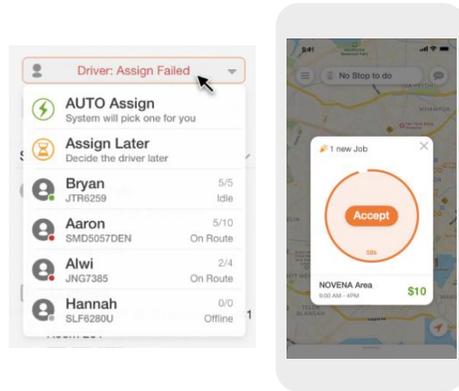
DELIVERY

Empower drivers, automate processes, boost efficiency and scale operations to offer fast and affordable deliveries that exceed customer expectations.



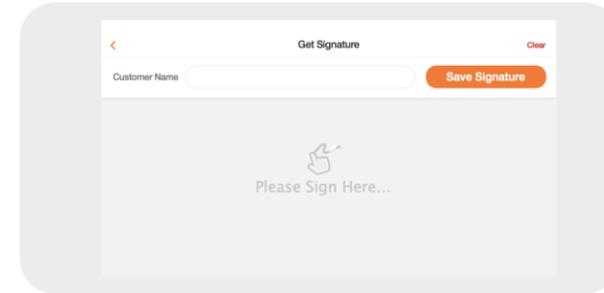
Efficient dispatching

Auto-dispatch your nearest optimal drivers or allow a pool of drivers accept on-demand deliveries based on their availability.



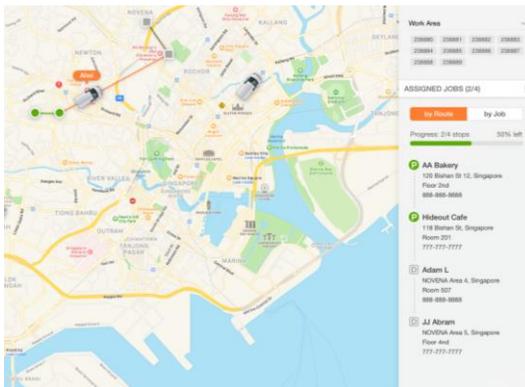
Electronic proof of delivery

Streamlined customer service processing with electronic proof of delivery and delivery timestamps.



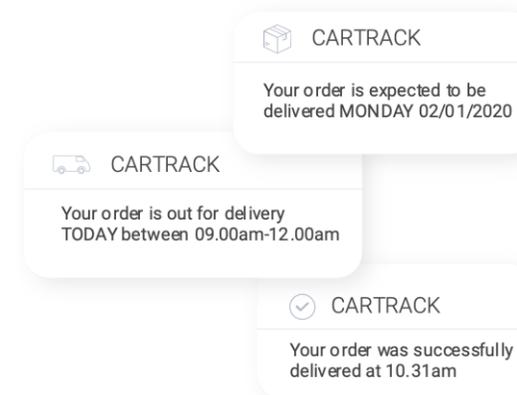
Route optimization

Integrated routing that accounts for location, time, capacity and traffic to eliminate inefficient use of resources.



Integrated customer communication

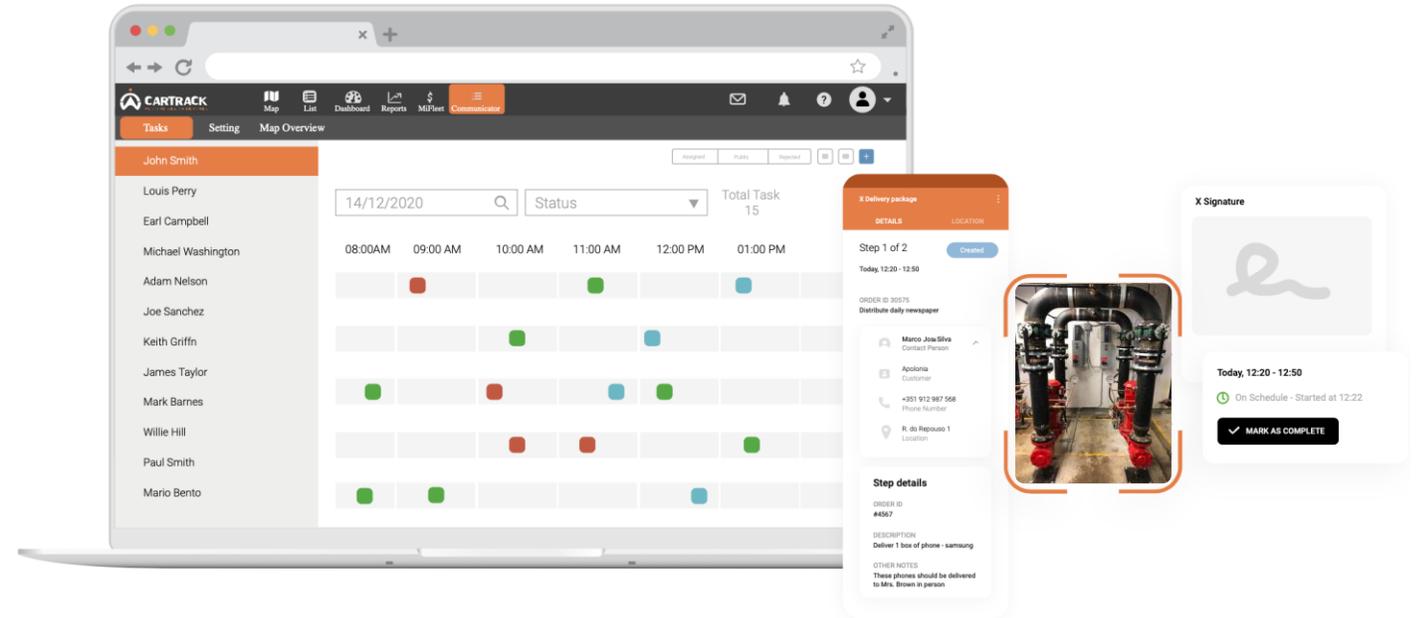
Real-time driver tracking and status alerts at all stages of the delivery process.





FIELD SERVICE

Effortlessly plan, create and manage on-site jobs and field workers to deliver the best customer service



Quality control

Ensure a strong customer satisfaction and service quality with photos of the completed jobs and a customer signature upon completion.

✓ Get Signature		
✓ Take Photo (POD)		
Status	Completed OK	

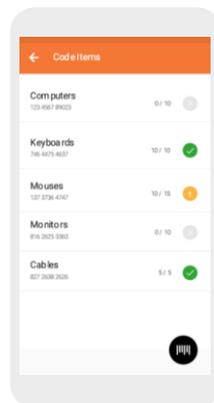
Resource scheduling

With everything in one place and accessible by all teams double bookings are eliminated and resource management can be effortlessly optimized.



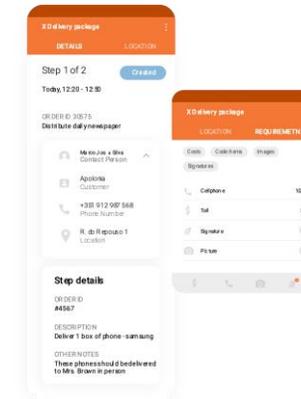
Stock control

Keep track of all your inventory between vehicles and your store, and know which clients required which parts for accurate billing.



Streamlined workflows

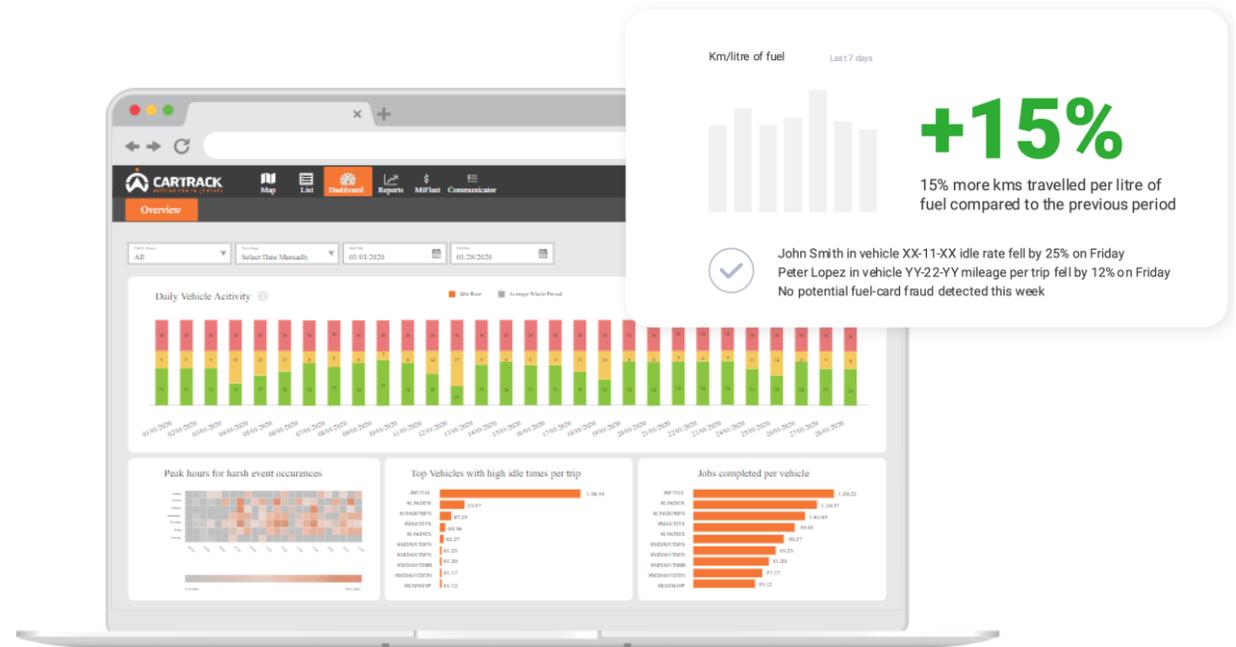
Break jobs into steps and guarantee your team knows everything they need to complete work smoothly with real-time communication and paperless documentation.





BUSINESS INTELLIGENCE

Track trends, compare vehicles and drivers, pinpoint inefficiencies and benchmark your fleet against your industry to make data-driven business decisions



Industry benchmarks

Accurate fleet and industry benchmarks generated using billions of data points from over 1.4m subscribers allow fleet managers to understand their relative performance internally and externally.



Guided analysis

AI powered help guides and introductory data analysis tours with recommendations for fleet manager training.

SMN3702KCAN 8:34:17

Analyze

Is Harsh Event consistently high or only on certain days?
Is the vehicle shared by multiple drivers?

Only certain days Consistently High
Yes, shared No, only one driver

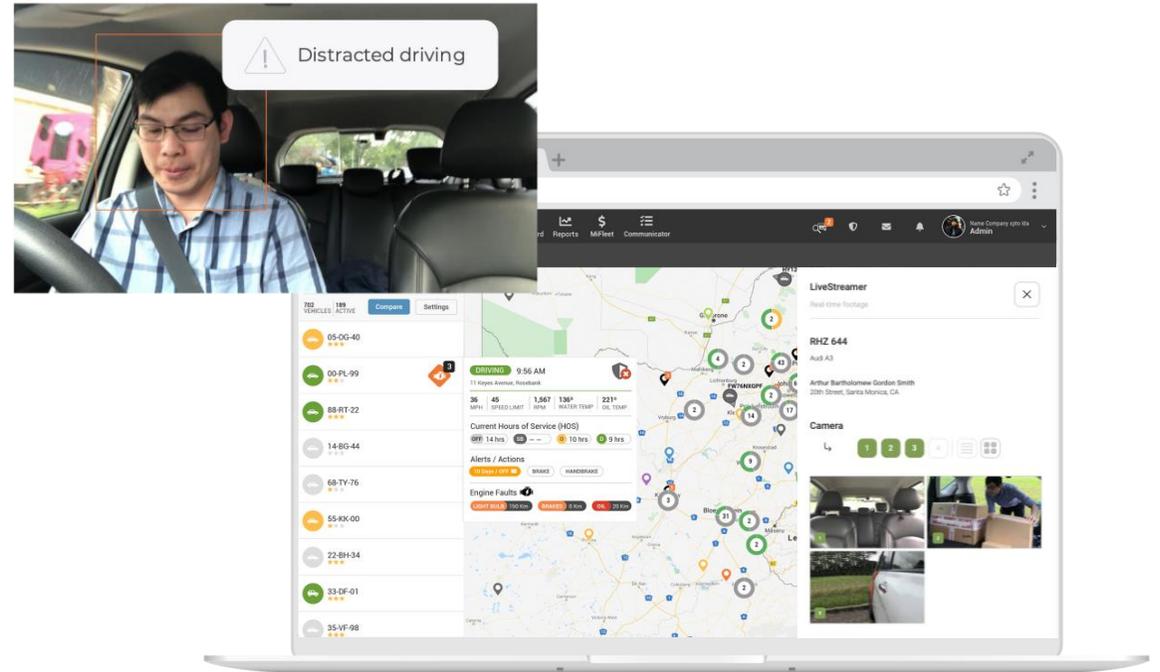
Recommended Course of Action:





AI VIDEO TELEMATICS & LIVEVISION

Prevent incidents and establish a safety first culture with in-cab audible alerts and effective footage based driver coaching



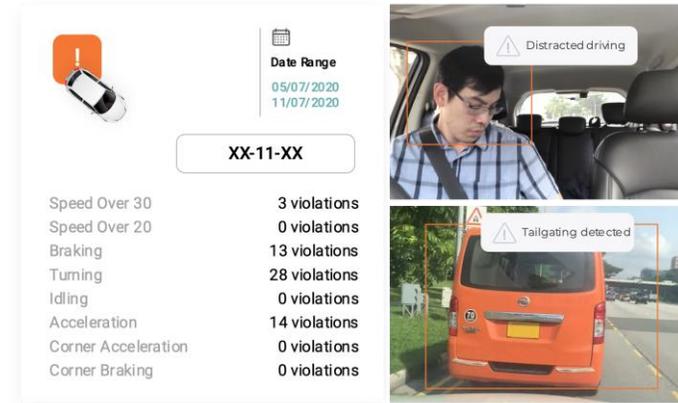
AI detected behavioural events

Dangerous events such as drowsiness, distracted driving or tailgating are proactively detected using AI, and drivers are alerted in real-time to prevent accidents.



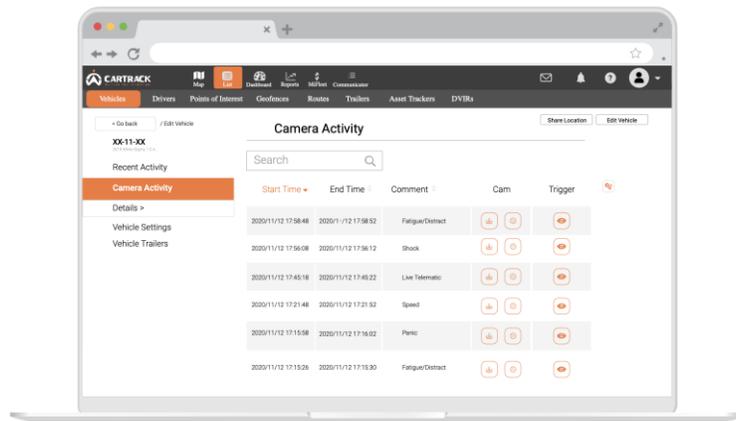
Driver scorecards

Driver scorecards are used alongside footage highlighting all areas for improvement for drivers to ensure effective coaching.



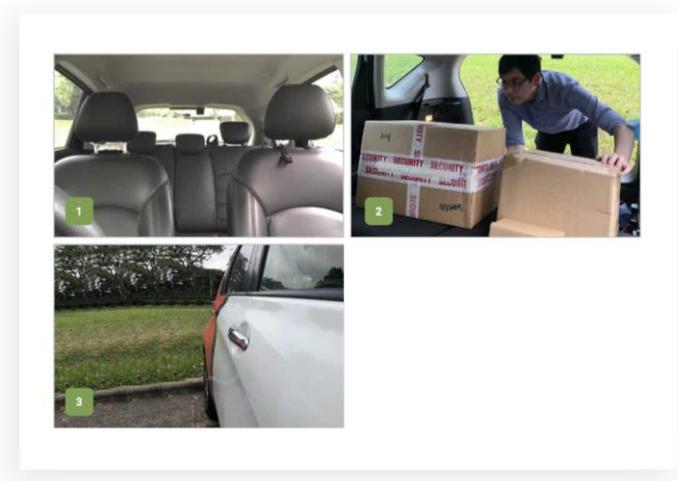
On-demand cloud storage

Footage is segmented by time and event to eliminate wasted hours of filtering footage and available via platform from anywhere.



High-resolution live streaming

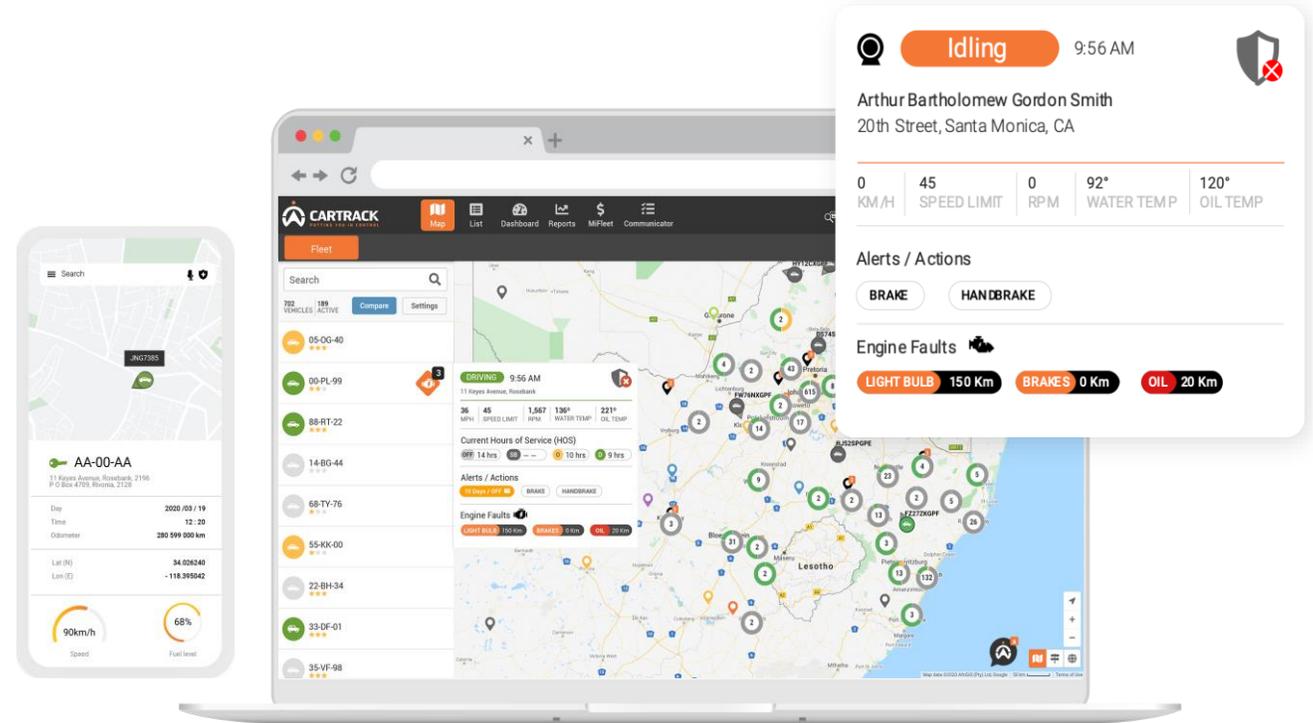
Gain full visibility of cargo, secure sensitive goods and have continuous footage to exonerate drivers.





FLEET TELEMATICS

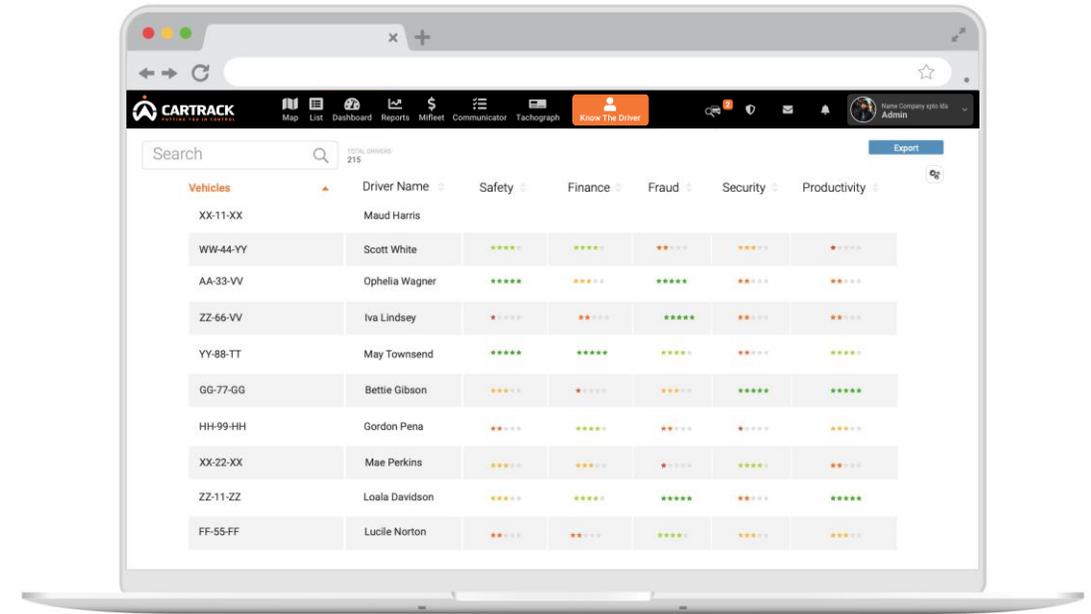
Gain total control of vehicles, drivers and cargo with real-time visibility and alerts to plan and optimize fleet utilization





KNOW THE DRIVER

Holistic risk management solution driving increased compliance and enabling developmental finance, insurance and other services





ECO & COMPLIANCE

Effortless compliance, improved fuel economy, reduced food spoilage and actionable fleet eco-efficiency scoring



CARTRACK

Temperature range throughout entire delivery 23°F to 25°F

C02 Emission Overview (in Tons)

Total Emission
in Last 30 Days

592.1

Same Period Last Year : 360.7

-6.2%
% Change YOY

Emitted During Driving
588.0

Emitted During Idling
4.0 (0.7%)

It is important to keep track of your carbon footprint to understand how you can offset it. Based on the total carbon emitted from your vehicles

38,839
Trees required to offset your annual carbon emissions

24
Hectares of land required to plant these trees





CARZUKA

A seamless, personalized and secure end-to-end vehicle buying and selling experience

