

Karooooo Ltd.

(a public company incorporated and registered in the Republic of Singapore)

(Unique Entity Number: 201817157Z)

JSE share code: KRO NASDAQ share code: KARO

ISIN: SGXZ19450089

("Karooooo")

Short-form Announcement: Unaudited Fourth Quarter and Full Year 2025 Results

Karooooo, that owns 100% of Cartrack Holdings Limited ("Cartrack") and 74.8% of Karooooo Logistics (Pty) Ltd, (collectively, "the group"), issued a press release announcing its unaudited fourth quarter and full year results for the 12 months ended 28 February 2025 and included such press release as an exhibit to its form 6-K (the "Report on Form 6-K") dated 14 May 2025 furnished to the United States Securities and Exchange Commission ("SEC"). Investors are referred to the full press release as published and available on the Karooooo website at www.karooooo.com.

Fourth Quarter 2025 Highlights:

(Comparisons are relative to the Fourth Quarter 2024, unless otherwise stated)

Scale

- **Cartrack subscribers** increased 17% to 2,302,236 (Q4 2024: 1,971,532)
- **Net Cartrack subscriber additions** increased 25% to 79,009 (Q4 2024: 63,340)

Growth

- **Karooooo's subscription revenue** increased 16% to ZAR1,086 million (Q4 2024: ZAR935 million)
- **Cartrack's subscription revenue** increased 16% to ZAR1,084 million (Q4 2024: ZAR930 million)
- **Cartrack's SaaS annualized recurring revenue ("ARR")** increased 17% to ZAR4,384 million (Q4 2024: ZAR3,749 million)
- **Karooooo Logistics's B2B delivery-as-a-service ("DaaS") revenue** increased 19% to ZAR110 million (Q4 2024: ZAR93 million)

Profitability

- **Karooooo operating profit** increased 30% to ZAR385 million (Q4 2024: ZAR296 million)
- **Cartrack's operating profit** increased 30% to ZAR377 million (Q4 2024: ZAR289 million).
- **Cartrack's operating profit margin** increased to 34% (Q4 2024: 30%).
- **Karooooo's earnings per share** increased 19% to ZAR8.11 (Q4 2024: ZAR6.81).
- **Karooooo's adjusted earnings per share** increased 39% to ZAR9.48 (Q4 2024: ZAR6.81).

Full Year 2025 Highlights:

(Comparisons are relative to the Full Year 2024, unless otherwise stated)

Scale

- **Cartrack subscribers** increased 17% to 2,302,236 (FY 2024: 1,971,532)
- **Net Cartrack subscriber additions** of 330,704 increased 30% (FY 2024: 254,455)

Growth

- **Karoo's subscription revenue** increased 15% to ZAR4,068 million (FY 2024: ZAR3,536 million)
- **Cartrack's subscription revenue** increased 15% to ZAR4,055 million (FY 2024: ZAR3,523 million)
- **Karoo Logistics's DaaS revenue** increased 33% to ZAR420 million (FY 2024: ZAR317 million)

Profitability

- **Karoo's operating profit** increased 26% to ZAR1,312 million (FY 2024: ZAR1 million)
- **Cartrack's operating profit** increased 19% to ZAR1,273 million (FY 2024: ZAR1 million).
- **Cartrack's operating profit margin** increased to 31% (FY 2024: 30%)
- **Karoo's earnings per share** increased 25% to ZAR29.81 (FY 2024: ZAR23.85).
- **Karoo's adjusted earnings per share** increased 33% to ZAR31.67 (FY 2024: ZAR23.85).

Operating Profit, Earnings per share and adjusted Earnings per share

Karoo's operating profit increased 26% to ZAR1,312 million (FY 2024: ZAR1,043 million) and earnings per share increased 25% to ZAR29.81 (FY 2024: ZAR23.85).

After adjusting Karoo's earnings per share to exclude the costs of a contemplated secondary public offering in July 2024, gain on disposal of subsidiaries and the impairment of goodwill, Adjusted EPS (a non-IFRS measure) increased 33% to ZAR31.67 (FY 2024: ZAR23.85).

Cartrack's operating profit increased by 19% to ZAR1,273 million (FY 2024: ZAR1,069 million).

Karoo Logistics's operating profit increased 51% to ZAR39 million (FY 2024: ZAR26 million).

Outlook

Our mission is to simplify decision making for physical operations, empowering customers to optimize their physical operations and workforce, drive efficiency, reduce costs, enhance safety, monitor environmental impact, ensure regulatory compliance and manage operational risk.

We operate in an expanding and largely underpenetrated market, fueled by robust and sustained customer demand. This demand is driven by a heightened focus on digitalization, the need to improve operational efficiency and reduce costs, and increasing attention to safety in physical operations.

Over the last several years, COVID and the challenges associated with the post-COVID labor market negatively impacted our growth. In FY 2025, we accelerated the pace of our Cartrack subscriber growth. In FY 2026, we aim to accelerate Cartrack subscription revenue growth by expanding our distribution footprint in existing markets, driving broader platform adoption and capitalizing on growing demand for video solutions.

Our strong and proven track record of disciplined execution, sustained growth at scale and highly profitable business model is supported by a solid balance sheet and a healthy cash position. We believe our ongoing investments in AI, platform innovation and customer experience will continue to drive durable growth and robust results.

We remain confident that our track record of execution and success, specifically our ability to generate healthy cash flows, is sustainable.

Actual results may differ materially from Karooooo's outlook due to various factors, including those described under "Forward-Looking Statements" below and described under "Risk Factors" in our latest Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

As we expand our distribution footprint in existing markets, we expect lower Earnings Per Share growth in FY 2026 given our planned upfront investment in sales and marketing for the year. Our guidance for FY 2026 is as follows:

- Cartrack's subscription revenue between ZAR4,700 million and ZAR4,900 million, which implies Cartrack subscription revenue growth between 16% and 21% compared to FY 2025
- Cartrack's operating profit margin between 26% and 31%
- Karooooo's Earnings Per Share between ZAR32.50 and ZAR35.50

Balance Sheet, Liquidity and Cash Flow

As we re-invest our earnings for customer acquisition, as of February 28, 2025 capitalized in-vehicle telematic devices increased by ZAR 310 million to ZAR 1,342 million (February 29, 2024: ZAR 1,032 million) and IOT devices held for future use increased by ZAR 66 million to ZAR 412 million (February 29, 2024: ZAR 346 million).

Capitalized commission assets increased ZAR 119 million to ZAR 494 million (February 29, 2024: ZAR 375 million). Trade and other receivables increased by ZAR98 million to ZAR597 million (February 29, 2024: ZAR500** million), primarily driven by ZAR25 million in prepayments for IOT components and a ZAR73 million increase in trade receivables. Debtor collection days remain within our range of historical norms at a healthy 32 days (February 29, 2024: 29 days).

**As of February 29, 2024, bank fixed deposits of ZAR486 million with maturity dates exceeding three months were classified under trade and other receivables. As of February 28, 2025, Karooooo held no such deposits with maturity dates exceeding three months.

Cash and Cash Equivalents

After increased investment for customer acquisition, paying a dividend of USD 33.4 million in August 2024, allocating ZAR55 million to the new South African central office in Rosebank and taking a term bank loan of ZAR250 million for the new South African central office in Rosebank, Karooooo reported a net cash and cash equivalents balance of ZAR838 million at February 28, 2025 (February 29, 2024: ZAR945** million)

**Included in the amount are the fixed deposits of ZAR486 million with maturity dates exceeding three months that were classified under trade and other receivables as of February 29, 2024. At February 28, 2025, Karooooo held no such deposits with maturity dates exceeding three months.

Bank term loans increased ZAR267 million to ZAR283 million during the year, primarily as a result of ZAR250 million for our new South African central office.

At February 28, 2025, the group had overdraft facilities for growth initiatives and other general corporate purposes of ZAR300 million with Capitec Bank Limited.

Our liquidity position remains solid, underpinned by disciplined financial management and sustained operational cash generation.

In line with the group's cash management policy, overseen by our capital allocation committee, Karooooo's excess cash reserves are held in US Dollars.

Share Capital and Reserves

At February 28, 2025, Karooooo had 30,893,300 ordinary shares issued and outstanding, and paid-up share capital of USD505,956,659 plus SGD1,000.

The negative common control reserve of ZAR2.7 billion on the balance sheet relates to a common control transaction on November 18, 2020, in which the loan of USD194 million from Isaias Jose Calisto was converted into Karooooo share capital. Consequently, Karooooo acquired control of Cartrack. On that date, 20,331,894 shares were issued to Isaias Jose Calisto and Karooooo registered ZAR2.7 billion in paid-up capital, resulting in the common control reserve.

The ZAR3.6 billion capital reserve on the balance sheet relates to the buyout of 95,350,657 Cartrack shares at ZAR42.00 per share from minorities when Cartrack delisted from the JSE, totaling ZAR4.0 billion. This was offset by the ZAR0.4 billion previously reported in the non-controlling interest. The ZAR0.4 billion relates to the net asset value of 95,350,657 Cartrack minority shares acquired by Karooooo.

ZAR27.3 million of capital reserve on the balance sheet relates to the cancellation of Karooooo's treasury shares and ZAR11.4 million of capital reserve relates to the repurchase and cancellation of 279 ordinary shares of Karooooo Logistics, which represent 6.29% of Karooooo Logistics's issued ordinary shares.

Events in the Fourth Quarter of 2025

In Q4 2025, the Board approved a resolution to increase the Group's shareholding in Karooooo Logistics. However, the planned shareholding increase is awaiting certain conditions to be met. As a result, the group's effective shareholding in Karooooo Logistics remained unchanged at 74.8% as of year-end.

Dividend Policy

The Board recognizes the importance of investment in achieving growth at scale, and endeavors to avoid swings in its dividend profile.

However, the payment and timing of dividends in cash or other distributions (such as a return of capital to shareholders through share buy-backs, for example) are determined by the Board after considering factors that include: earnings and free cash flow; current and anticipated capital requirements; economic conditions; contractual, legal, tax and regulatory restrictions (including covenants contained in any financing agreements); the ability of group subsidiaries to distribute funds to Karooooo; and such other factors the Board may deem relevant.

Karooooo aims to reinvest retained earnings to the extent that it aligns with the group's required return on incrementally reinvested capital, return on equity, and short- to medium-term growth strategy.

Subject to Karooooo's constitution and in accordance with the Singapore Companies Act, the Board may, without the approval of shareholders, declare and pay interim dividends. Any final dividends must be approved by an ordinary resolution at a general meeting of shareholders.

The Board may review and amend the dividend policy from time to time.

Short-form Announcement

This short-form announcement is the responsibility of the directors of Karooooo. This short-form announcement is only a summary of the information in the full announcement (defined below) and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of, inter alia, the full announcement.

The full announcement ("full announcement") includes the contents of the Report on Form 6-K as furnished to the SEC dated 14 May 2025, being the press release incorporating the unaudited condensed consolidated and combined financial statements of Karooooo for the fourth quarter and full year ended 28 February 2025.

The full announcement has been released on SENS today, 15 May 2025 and is available for viewing on the Company's website (www.karooooo.com) and at the following address:

<https://senspdf.jse.co.za/documents/2025/jse/isse/KROE/FY2025.pdf>

The full announcement is available for inspection at the offices of the Company (17 Kallang Junction #0605/06 Singapore 339274) at no charge during normal office hours on business days from Thursday, 15 May 2025 to Thursday, 22 May 2025. Copies of the full announcement may also be requested from the sponsor by emailing dq.mlsa_corporate_broking@bankofamerica.com.

Webinar Information

Karooooo management will host a Zoom webinar on Thursday, May 15, 2025 at 08:00 a.m. Eastern Time (02:00 p.m. South African time; 08:00 p.m. Singaporean time).

Investors are invited to join the Zoom at: <https://us02web.zoom.us/j/82937338104>

Webinar ID: **829 3733 8104**

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A replay will be available at www.karooooo.com approximately three hours after the conclusion of the live event.

About Karooooo

Karooooo digitally transforms physical operations by simplifying decision making. Through its cloud platform, Karooooo empowers businesses to conquer operations including fleet maintenance, fuel management and asset utilization, workforce management, logistics, safety, compliance, risk and environmental impact. Karooooo's differentiated insights and analytics simplify day-to-day operations and enable businesses to decrease costs, increase efficiency, improve safety and strengthen workforce and customer satisfaction.

Karooooo is headquartered in Singapore and services more than 125,000 commercial customers and more than 2,350,000 active subscribers in more than 20 countries globally.

For more information, visit www.karooooo.com.

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Johannesburg
Thursday, 15 May 2025

Sponsor

Merrill Lynch South Africa Proprietary Limited
t/a BofA Securities