Cartrack Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/036316/06)
Share Code: CTK ISIN:ZAE000198305
("Cartrack" or "the Group")

SUMMARISED PRELIMINARY CONSOLIDATED
FINANCIAL
RESULTS
2019

SUMMARISED PRELIMINARY CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2019 AND CASH DIVIDEND DECLARATION

FINANCIAL HIGHLIGHTS

- Robust subscriber growth of 28% to 960,798
- Net subscriber additions of 209,418 (FY18: 150,770)
- Subscription revenue up 30% to R1,521 million
- Subscription revenue is 90% of the total revenue and growing
- Total revenue up 28% to R1,693 million
- EBITDA of R761 million (FY18: R651 million) with a margin of 45%
- Operating margin of 30%
- Operating profit up 15% to R500 million after accelerated investment for growth
- Basic earnings per share ('EPS') of 116 cents, up 16%
- Headline EPS ('HEPS') of 116 cents, up 15%
- Dividend per share of 12 cents
- Cash generated from operating activities of R544 million (FY18: R468 million)

Commentary

Isaias Jose Calisto (Zak), founder and Global Chief Executive Officer, commented, "We are pleased with our year end results driven by continued strength in our top line and margins. This year marks the sixth year of consecutive double-digit total company revenue and subscription revenue growth. Added to that, subscription revenue as a percentage of total revenue reached peak levels of 90% this year. We are equally excited about the continued growth and adoption of our advanced fleet management platform by a number of large corporate fleets in both Asia Pacific and mainland Europe. In South Africa, our industry-leading audited recovery rate of 92% underpins the superior specialised quality of the security technology required for the recovery of stolen vehicles.

Our vision remains to achieve global leadership in the telematics industry as we strive to be the technology leader, providing transformational solutions to manage fleets, workforces, and other non-powered assets, and help clients move their business operations into the digital age. As we focus on a highly underpenetrated market, Cartrack's goal is to provide our customers and partners with real-time, actionable business intelligence, based on advanced technology and reliable data."

OPERATIONAL HIGHLIGHTS

- Significant upgrade to proprietary customer centric platform that will allow improved operational efficiencies to deal with accelerated growth
- Significant distribution footprint to lay a strong foundation through further exponential growth in the years to come
- Significant investment into back-office business systems with the aim of improving the operational and financial control environment. This will drive efficiency as well as allowing the business to scale further Global management capacity has been increased with the appointment of a CIO, Jesse Young, an industry professional with 15 years of experience, who will be based at the R&D centre in Singapore. In conjunction with this role, the global COO role at Cartrack has been strategically split into separate operational and product innovation functions
- Harry Louw and Brendan Horan have joined Cartrack with a combined 35 years of solid telematics experience in Africa and abroad. Harry has joined as CEO of the South Africa region and Brendan takes on the role of Chief Strategy Officer and Investor Relations
- Cartrack is gathering significant momentum in its efforts to capitalise on the increase in global trends of artificial intelligence and data analytics and tangible results are already becoming evident from these efforts
- Cartrack's industry-leading recovery rate of 92% underpins the quality of our security technology

ACCOUNTING AND FINANCIAL PRESENTATION CHANGES

The Group adopted IFRS 9 - Financial instruments, IFRS 15 - Revenue from contracts with customers and IFRS 16 - Leases in the current year. The financial impacts of the adoption of these new accounting standards is disclosed in the consolidated financial statements.

As a result of the ongoing customer growth experienced by Cartrack, detailed consideration continues to be given to the average life of customer contracts to ensure that annuity revenue streams are aligned with the cost of delivering the service. The growth in the customer base over the past few years has provided a more comprehensive database of information and increased confidence regarding customer retention to support the current year's assessment of the average life of a contract. On the basis of an actuarial assessment undertaken by the Group in the current year, the Group now depreciates capitalised contract costs over a 60 month period. Contracts which terminate prior to the 60 months result in accelerated depreciation being recognised immediately in profit or loss.

Accelerated subscriber growth in the future should no longer have a negative impact on operating profits or margins due to this change in accounting estimate.

Certain costs related to customer acquisition were also reclassified from operating expenses to cost of sales in the current year.

The consequence of these changes is that the prior and current year financial results are not directly comparable. However, our results are now considered to be more comparable to the earnings of our peers both globally and in South Africa.

FINANCIAL PERFORMANCE

GROUP PERFORMANCE

Cartrack delivered a strong performance across its key-growth-metrics, with total revenue growing by 28%, from R1,324 million to R1,693 million, and subscription revenue growing by 30% year-on-year, from R1,166 million to R1,521 million. Subscription revenue now represents 90% (FY18: 88%) of total revenue and we expect this to increase further with scale. The number of total subscribers increased by 28%, from 751,380 to 960,798 and the Group continues to maintain a strong pipeline and order book while focusing on fully utilising the distribution footprint it has expanded in the current financial year. The net new subscriber addition of 209,418 is a significant increase from the prior year net additions of 150,770, an achievement worth noting.

The decision for ongoing investment in pursuit of sensible growth coupled with the realisation of economies of scale across the businesses and segments will continue to generate robust results in the future and we foresee margin expansion in the short-term. We maintain a focus on ensuring a meaningful return on capital invested for our shareholders.

While the Group is gearing for continued sustainable growth, it continues to have an industry-leading EBITDA margin of 45% and an operating profit margin of 30%. On the back of these metrics, management is satisfied with the business performance and delivery of basic EPS of 116 cents compared to 100 cents in the prior year.

The high return on equity of 50% and the return on assets of 28% indicate that capital was efficiently applied across the Group and that Cartrack's business model delivers very attractive returns on capital employed for shareholders.

It is anticipated that demand for telematics data will continue to increase and lucrative growth opportunities across all distribution channels will increase in all of Cartrack's operating regions.

SEGMENT OVERVIEW

South Africa

The South African segment delivered particularly strong subscription revenue growth of 31% from R854 million to R1,117 million, while subscribers grew by 30%. The sales mix in FY19 continued to include significantly more bundled sales resulting in a decrease in hardware and installation revenue. The combination of these two delivered strong revenue growth of 27% from R984 million to R1.246 million in a tough trading environment.

The increase in distribution expenses is largely a result of focused growth in subscriber acquisition driven through increased marketing expenses and expanded headcount. Investment in sales and marketing has had an immediate positive impact on subscriber growth and we plan to leverage these learnings across our 23 countries globally.

This expense line will right size as subscriber growth translates into revenue growth.

Similarly, the increase in non-distribution expenses is largely a result of the costs associated with collections. Cartrack has made a substantial investment in its back office to manage the credit risk associated with an economy under pressure. Cartrack will continue to exploit the growth opportunities in South Africa to the extent that operating profit margins can be maintained at target levels.

South Africa's operating profit of R422 million, up from R376 million in the prior year, represents a 34% margin. We anticipate margin expansion and continued subscriber growth in FY20 Cartrack will continue to invest in data analytics and behavioural science to ensure insurance partners get relevant and accurate data to manage their own risk and enhance the customer's experience.

As the subscriber base and vehicle community continues to grow, Cartrack will continue to identify and exploit opportunities to realise investment return from the economies of scale that this platform brings to it's business. This, in turn, gives Cartrack further opportunity to drive operational efficiency and overall profitable performance.

Asia Pacific

Asia Pacific is the second largest revenue contributor and the fastest growing segment in the Group, with total revenue up by 52% from R118 million to R180 million and subscription revenue up by 51% from R106 million to R160 million. These results are due to an increase of 53% in subscribers.

Given the heavy investment in distribution capabilities, the operating profit increased to R16 million up from 15 million in the prior year, representing a 9% margin. Management remains mindful that this segment has the largest potential in the long term and, as such, is devoted to acquiring and coaching the necessary talent to ensure successful long-term growth.
The market in this segment remains considerably underpenetrated due to fragmented market participants delivering entry-level telematics offerings, thereby enabling Cartrack to exploit its more sophisticated, reliable products and customer-centric services. Cartrack remains poised to exploit new opportunities while expanding cross-border relationships as it drives it's robust and proven offerings to customers in this segment.

Cartrack has also identified the region as having significant strategic benefit to enable the efficient development of world class SaaS products. In line with this, management has taken the necessary steps to establish a R&D centre in Singapore to support the Group's long term vision.

Europe

The European segment delivered subscriber growth of 15%, total revenue growth of 27%, from R116 million to R148 million, and subscription revenue growth of 28% from R111 million to R142 million. The substantial increase in subscription revenue growth is largely attributable to subscriber sales done in the prior financial year.

Operating profit of R30 million, up from R19 million in the prior year, represents a 20% margin. The investment in distribution and operating capacity will continue as new channels to market are established. Cartrack is currently evaluating it's strategy to expand into the rest of Europe.

Africa (excluding South Africa)

The African segment (excluding South Africa) delivered an improved performance despite a weak regional economic backdrop. Africa continues to play a critical role in ensuring a high level of service to customers that increasingly do cross-border travel.

The subscriber base in Africa increased by 4% and subscription revenue grew by 5% from R93 million to R98 million , while total revenue increased by 11% from R105 million to R116 million, driven by an increase of new sales in the current year.

Operating profit increased to R39 million, up from R32 million in the prior year, representing a 33% margin. Management remains conscious of the importance and potential of this segment and Africa continues to generate positive cash flows.

USA

Cartrack's investment in the US has yielded many key insights that have positively contributed to the Group and this continues to be strategic in nature.

MANAGING OUR BALANCE SHEET

Capital allocation and cash management are particularly important in a high-growth phase with accelerated investment in customer acquisition. Prudent management in this regard remains a key focus area which is monitored and managed on an ongoing basis.

Production has been planned to meet growth targets while ensuring that sufficient buffer stock remains available to provide for adequate lead-times associated with global distribution. Inventory balances increased marginally to meet growing demand.

The higher levels of rental sales and the corresponding increase in capitalised rental assets, the planned and continued investment in distribution and operating capacity of the Group, as well as the increase in inventory levels to ensure an uninterrupted realisation of the sales pipeline, have resulted in the re-investment of cash flows generated from operating activities into these business initiatives.

The current and quick ratios of 1.3 (FY18: 0.9) and 0.7 (FY18: 0.5) respectively, reflect a restructuring of short-term overdraft facilities to a structured medium-term loan. Debtors' days (after prudent provisions for bad debt) remained within target at 33 days (FY18: 30 days). This is a key metric indicating the quality of sales, operational effectiveness and a strong focus on credit management.

Notwithstanding the significant and continuing investment in customer acquisition, Cartrack remains highly cash generative with a strong cash flow forecast for the foreseeable future.

OUTLOOK1

As we look toward the future, Cartrack remains focused on related telematics and Internet of Things ('IoT') expansion. We continue to drive innovation through our interaction with customers and strategic research activities. We expect double-digit annuity revenue and subscriber growth to continue for the foreseeable future. Our long term growth is driven by four key factors:

- Connected Vehicles: We are enhancing our platform for connected-vehicles that is brand agnostic as we experiment in smart-mobility, partnering with two of the world's leading companies in pay-as-a-service transportation. This development affirms the strengthening of telematics companies' value proposition and the growing eco-system of services around the motor vehicle. We capitalise on our present and future opportunities as we leverage both Original Equipment Manufacturer (OEM) and third-party telematics devices and data.

- Technology Investment Rises: Favourable industry dynamics are driving our position in the marketplace as our customers are becoming reliant on the telematics market to optimise business intelligence relating to both assets and people on a global scale. As a result of the rapidly changing market, we will continue to invest in technology, information management and human resources, as well as in the distribution and operating capacity in current and new markets
- Increased Demand for Telematics Data: We have seen a notable rise in demand for telematics data across the globe. Our key market, South Africa, remains underpenetrated, with many opportunities available to provide customer-centric solutions to individuals, enterprise customers and fleets alike. We believe that markets across the globe have a strong need for our products
- Exciting New Applications: As part of our drive to add value to our customers, we have added additional specialist applications to our software suite. This includes our easy-to-use administrative and vehicle cost accounting software called MiFleet and a CRM extension to assist our customers in driving profitability and customer retention within their businesses. As an ongoing commitment to our customers' needs, we continue to invest significantly into the enhancement of our existing platforms.

The Africa management team, under a new management structure, with a refreshed distribution and operating capacity, is expected to positively impact the Group results on a sustained basis. The order book in Europe remains strong while new sales are being actively pursued. While subscriber growth and customer service remain the primary focus in Europe, cost rationalisation strategies will be implemented in order to increase operating profit and margin. Asia Pacific continues to gain operational mass as a region, with a strong sales pipeline and many opportunities that are being exploited. As a result of these global strategies, we are confident we will continue to drive strong top line growth and maintain healthy profitability levels.

Note 1 Any forecast information included in this section has not been reviewed and reported on by Cartrack's
auditor in accordance with 8.40(a) of the JSE listing requirements. The directors take sole responsibility for the statements.

GROUP PROFILE

Cartrack is a leading global Software-as-a-Service provider of solutions for small, medium and large fleets and an insurance telematics, security and safety service provider for both businesses and consumers. Fleet management tracking and insurance-telematics services remain Cartrack's primary offerings while growing its artificial intelligence, data analytics and enhanced value-added services capability in order to deliver additional value to it's subscribers. Cartrack solutions are underpinned by real-time actionable business intelligence that drives tangible return on investment for it's customers. Cartrack is also renowned for it's agility and speed in developing innovative, first-to-market solutions that are aimed at further enhancing customer experience.

Cartrack's impressive organic growth since being launched in 2004 has resulted in it developing an extensive footprint in 23 countries across Africa, Europe, North America, Asia Pacific and the Middle East. With a base fast approaching 1,000,000 active subscribers, the Group ranks among the largest telematics companies globally.
Cartrack is a vertically integrated service-centric organisation owning all its unique telematics IP and business processes ranging from in-house design, hardware and software development, mobile-technical-workshops and sales, to the vehicle tracking tactical teams in specific territories. Hence, Cartrack is in full control of delivering a superior service while also protecting it's healthy margins.

BASIS OF PREPARATION AND AUDIT OPINION

The statutory auditors, Deloitte & Touche have issued their opinion on the consolidated financial statements for the year ended 28 February, 2019 and have issued an unmodified audit opinion. The audit was conducted in accordance with the International Standards on Auditing (ISA). The summarised consolidated financial statements and consolidated financial statements were prepared by Fatima Hassim CA (SA) (Head: Consolidation and Reporting) under the supervision of Morne Grundlingh CA (SA) (Chief Financial Officer) and present a summary of the complete set of audited consolidated financial statements of Cartrack as approved on 27 May, 2019. The complete set of consolidated financial statements and the audit report is available at https://www.cartrack.co.za/investor-relations#financial and at Cartrack's registered office for inspection. The directors take full responsibility and confirm that this summarised report is extracted from audited information, but is not itself audited. The summarised consolidated financial statements were prepared in accordance with the requirements of the Listings Requirements of the JSE Limited for preliminary financial reports, and the requirements of the Companies Act, 71 of 2008, applicable to summary financial statements.

The Listings Requirements require preliminary financial reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International

Financial Reporting Standards ('IFRS') and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards and at a minimum contains the information required by IAS 34. The accounting policies applied in the preparation of the consolidated financial statements from which the summarised consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, with the exception of IFRS 9 - Financial Instruments, IFRS 15 - Revenue from contracts with customers and IFRS 16 - Leases.

The auditor's report does not report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

DIVIDEND DECLARATION

Ordinary shareholders are advised that the board of directors has declared a final gross cash dividend of 12 cents per ordinary share (9,6 cents net of dividend withholding tax) for the year ended 28 February 2019 (the cash dividend), this is compared to a final dividend of 28 cents per ordinary share (22.4 cents net of dividend withholding tax) in the prior year. The cash dividend will be paid out of profits of the company.

The Group will continue to invest heavily in research and development, data analysis skills and distribution channels to expand and grow the subscriber base significantly. The increased sales are expected to generate a greater number of bundled contracts which will require funding. The Group will continue to be highly cash generative going forward but will require the retention of funding necessary to enable Cartrack to invest for growth to the extent necessary to achieve and maintain a debt-free balance sheet.
Consequently, management has re-evaluated the dividend policy, presently being a targeted cover of between 2 and 4 times HEPS. The revised dividend policy provides for a cover of between 2 and 6 times HEPS, to be effective for FY20.

Share code	CTK
ISIN	ZAE000198305
Company registration number	2005/036316/06
Company tax reference number	9108121162
Dividend number	10
Gross cash dividend per share	12 cents
Issued share capital as at declaration date	300 000 000
Declaration date	Tuesday, 28 May, 2019
Last date to trade cum dividend	Tuesday, 11 June, 2019
Shares commence trading ex-dividend	Wednesday, 12 June, 2019
Record date	Friday, 14 June, 2019
Dividend payment date	Tuesday, 18 June, 2019

Share certificates may not be dematerialised or re-materialised between Wednesday, 12 June, 2019, and Friday, 14 June, 2019, both days inclusive.

TAX IMPLICATIONS

The cash dividend is likely to have tax implications for both resident and non-resident shareholders. Shareholders are therefore encouraged to consult their professional tax advisers should they be in any doubt as to the appropriate action to take.

In terms of the South African Income Tax Act, the cash dividend will, unless exempt, be subject to dividend withholding tax ('DWT'). South African resident shareholders that are liable for DWT, will be subject to DWT at a rate of 20% of the cash dividend and this amount will be withheld from the cash dividend. Non-resident shareholders may be subject to DWT at a rate of less than 20% depending on their country of residence and the applicability of any double tax treaty between South Africa and their country of residence.

On behalf of the board

David Brown   Zak Calisto
Chairman   Global Chief Executive Officer

Johannesburg 28 May, 2019

Sponsor The Standard Bank of South Africa Limited

SUMMARISED Consolidated statement of financial position
as at 28 February 2019

Figures in Rand thousands	Notes	2019	2018
ASSETS			
Non-current assets			
Goodwill		122 098	107 597
Intangible assets		13 636	-
Property, plant and equipment	4	705 974	516 045
Contract asset		108 547	-
Deferred tax asset		98 055	49 488
		1 048 310	673 130
Current assets			
Inventories		206 026	173 680
Trade and other receivables	5	215 589	154 952
Loans to related parties		213	2 272
Current tax receivable		7 054	4 143
Cash and cash equivalents		51 906	69 573
		480 788	404 620
Total assets		1 529 098	1 077 750
EQUITY AND LIABILITIES			
Equity			
Share capital		42 488	42 488
Treasury shares		(12 105)	(12 105)
Foreign currency translation reserve		(15 462)	(41 311)
Retained earnings		806 306	601 224
Equity attributable to equity holders of parent		821 227	590 296
Non-controlling interest		16 391	10 125
		837 618	600 421
Liabilities			
Non-current liabilities			
Interest bearing loans		218 765	-
Lease obligations		69 256	28 635
Amounts received in advance		-	5 253
Deferred tax liabilities		33 197	2 316
		321 218	36 204
Current liabilities			
Interest bearing loans		20 525	-
Trade and other payables		155 530	111 722
Loans from related parties		7 716	5 486
Lease obligations		47 656	27 637
Current tax payable		42 132	55 911
Provision for warranties		2 564	6 482
Amounts received in advance		80 377	68 860
Bank overdraft		13 762	165 027
		370 262	441 125
Total liabilities		691 480	477 329
Total equity and liabilities		1 529 098	1 077 750

SUMMARISED Consolidated statement of profit or loss
for the year ended 28 February 2019

Figures in Rand thousands	Notes	2019	2018 Restated*
Revenue	6	1 692 708	1 324 245
Cost of sales		(484 700)	(357 093)
Gross profit		1 208 008	967 152
Other income		6 279	9 091
Expected credit losses on financial assets		(45 171)	-
Operating expenses		(669 197)	(541 947)
Operating profit		499 919	434 296
Finance income		2 749	3 641

Finance costs	(31 438)	(15 729)
Profit before taxation	471 230	422 208
Taxation	(110 182)	(111 726)
Profit for the year	361 048	310 482
Profit attributable to		
Owners of the parent	347 806	300 146
Non-controlling interest	13 242	10 336
	361 048	310 482
Earnings per share		
Basic and diluted earnings per share (cents)	116,4	100,5

Note
* Refer to note 2.1B for additional information regarding the restated figures.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2019

Figures in Rand thousands	2019	2018
Profit for the year	361 048	310 482
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that may be reclassified to profit or loss in future periods		
Exchange differences on translating foreign operations	29 928	(2 795)
Other comprehensive income/(loss) for the year net of tax	29 928	(2 795)
Total comprehensive income for the year	390 976	307 687
Total comprehensive income attributable to		
Owners of the parent	373 655	303 386
Non-controlling interest	17 321	4 301
	390 976	307 687

SUMMARISED Consolidated statement of changes in equity
for the year ended 28 February 2019

Figures in Rand thousands	Notes	Share capital	Foreign currency translation reserve	Treasury shares	Retained earnings	Total attributable to equity holders of the group	Non-controlling interest	Total equity
Balance as at 1 March 2017		42 488	(44 551)	(12 105)	461 745	447 577	14 200	461 777
Profit for the year		-	-	-	300 146	300 146	10 336	310 482
Other comprehensive income/(loss)		-	3 240	-	-	3 240	(6 035)	(2 795)
Total comprehensive income for the year		-	3 240	-	300 146	303 386	4 301	307 687
Dividends		-	-	-	(158 345)	(158 345)	(7 696)	(166 041)
Acquisition of minority interest1		-	-	-	(2 322)	(2 322)	1 496	(826)
Acquisition of Cartrack New Zealand Limited - minority interest		-	-	-	-	-	(2 176)	(2 176)
Total contributions by and distribution to owners of company recognised directly in equity		-	-	-	(160 667)	(160 667)	(8 376)	(169 043)
Balance as at 28 February 2018		42 488	(41 311)	(12 105)	601 224	590 296	10 125	600 421
Balance at 1 March 2018 - as previously reported		42 488	(41 311)	(12 105)	601 224	590 296	10 125	600 421
Adjustment arising on initial application of IFRS 16 (net of tax)	2C	-	-	-	(1 305)	(1 305)	(37)	(1 342)
Adjustment arising on initial application of IFRS 9 (net of tax)	2B	-	-	-	(3 922)	(3 922)	-	(3 922)
Balance at 1 March 2018 - restated		42 488	(41 311)	(12 105)	595 997	585 069	10 088	595 157
Profit for the year		-	-	-	347 806	347 806	13 242	361 048
Other comprehensive income		-	25 849	-	-	25 849	4 079	29 928
Total comprehensive income for the year		-	25 849	-	347 806	373 655	17 321	390 976
Dividends		-	-	-	(137 497)	(137 497)	(11 018)	(148 515)
Total contributions by and distribution to owners of company recognised directly in equity		-	-	-	(137 497)	(137 497)	(11 018)	(148 515)
Balance at 28 February 2019		42 488	(15 462)	(12 105)	806 306	821 227	16 391	837 618

Note
1 Cartrack Technologies Asia Pte. Limited acquired full control of Cartrack Technologies (China) Limited and PT. Cartrack Technologies Indonesia.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 28 February 2019

Figures in Rand thousands	Notes	2019	2018
Cash flows from operating activities			
Cash generated from operations		707 208	589 073
Finance income		2 749	3 641
Finance costs		(23 350)	(11 819)
Taxation paid		(142 895)	(113 082)
Net cash generated from operating activities		543 712	467 813
Cash flows from investing activities			
Purchase of property, plant and equipment and contract assets		(493 515)	(420 067)
Proceeds on disposal of property, plant and equipment		4 423	3 432
Investment in intangible assets		(13 636)	-
Decrease in loans to related parties		2 059	2 354
Acquisition of subsidiaries, net of cash acquired		-	(2 176)
Net cash utilised by investing activities		(500 669)	(416 457)
Cash flows from financing activities:			
Increase in loans from related parties		2 230	2 011
Increase in interest bearing loans		239 290	-
Net lease obligation (repayments) advances		(9 599)	21 779
Dividends paid		(148 515)	(166 041)
Increased in holding of subsidiaries		-	(826)
Net cash generated from/(utilised by) financing activities		83 406	(143 077)
Total cash movements for the year		126 449	(91 721)
Cash and cash equivalents as at the beginning of the year		(95 454)	(2 227)
Translation differences on cash and cash equivalents		7 149	(1 506)
Total cash and cash equivalents at the end of the year		38 144	(95 454)

ACCOUNTING POLICIES
as at 28 February 2019

1.Presentation of group financial statements

Basis of measurement

The consolidated annual financial statements have been prepared on the historical cost basis with the exception of certain financial instruments which have been fair valued.

Going concern

The consolidated annual financial statements are prepared on the going-concern basis as the directors believe that the required funding will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2.Changes in significant accounting policies
The group adopted IFRS 9, IFRS 15 and IFRS 16 in the current year and the modified retrospective approach, permitted in terms of these standards, was utilised.

A. IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 Revenue and related interpretations. IFRS 15 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring of a good or service.

IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the revenue recognition model to contracts with customers. The standard also specifies the accounting for revenue recognition costs directly related to obtaining a customer contract.

The group has adopted IFRS 15 using the modified retrospective approach with the date of initial application being 1 March 2018, and applied the new accounting to all contracts that were in existence at 1 March 2018, which resulted in no impact on opening retained income.

The group principally generates revenue from providing Fleet management (Fleet), Stolen Vehicle Recovery (SVR) and insurance telematics services. It provides fleet, mobile asset and workforce management solutions, underpinned by real-time actionable business intelligence, delivered as Software-as-a-Service (SaaS), as well as the tracking and recovery of stolen vehicles. The underlying revenue arises from the telematics contract arrangements with its customers.

The group separately assessed the performance obligations arising from the upfront hardware cash option and subscription rental option arising from the telematics services contracts with its customers.

Hardware sales

Hardware revenue is recognised when the telematics unit is sold separately and the customer pays in full for the unit. This accounting treatment is consistent with the basis of revenue recognition in terms of IAS 18 with the exception that hardware and installation revenues were previously recognised as one transaction whereas these are considered to contain separate performance obligations in terms of IFRS 15.

Installation revenues

Installation revenue for cash option contracts is recognised when the unit is successfully installed.

Subscription revenues

Revenues arising from the telematics service is recognised as the service is provided. The treatment is consistent with the treatment under IAS 18.
The group has assessed whether its contract arrangement contain a significant financing component and it was determined that the contracts do not contain a significant financing component.

Contract asset

The group has capitalised incremental sales commissions arising from activated contracts. Under IAS 18, the incremental cost were capitalised to Capital rental units (Property, plant and equipment) and under IFRS 15 these costs have been capitalised to a Contract asset. This change had no impact on opening retained earnings.

There are no further revenue streams which were impacted by the adoption of IFRS 15.

B. IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The group applied IFRS 9 prospectively, with an initial application date of 1 March 2018. The group has not restated the comparative information, due to the adoption of the modified retrospective approach. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings.

The effect of adopting IFRS 9 at 1 March 2018 was as follows:

Figures in Rand thousands	Impact of adopting IFRS 9 at 1 March 2018
Retained earnings	
Recognition of expected credit losses under IFRS 9	(5 323)
Related deferred tax	1 401
Impact on retained earnings at 1 March 2018	(3 922)

i. Classification and measurement of financial assets and financial liabilities
IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair value through OCI and Fair value through profit or loss. The classification is based on two criteria: the group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the group's business model was made as of the date of initial application, 1 March 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 has not had a significant impact to the group.

The group has not designated any financial liabilities as at fair value through profit or loss or OCI. There are no changes in classification and measurement for the group's financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the group's financial assets and financial liabilities as at 1 March 2018.

The impact of adopting IFRS 9 on the carrying amounts of financial assets at 1 March 2018 relates solely to the new impairment requirements.

Figures in Rand thousands	Classification under IAS 39	Classification under IFRS 9	Carrying value amount under IAS 39	Carrying value amount under IFRS 9
Financial Assets				
Trade and other receivables	Loans and receivables at amortised costs	Amortised Cost	154 952	149 629
Loans to related parties	Loans and receivables at amortised costs	Amortised Cost	2 272	2 272
Cash and cash equivalents	Loans and receivables at amortised costs	Amortised Cost	69 573	69 573
Total financial assets			226 797	221 474
Financial Liabilities				
Bank overdrafts	Other financial liabilities at amortised cost	Amortised Cost	(165 027)	(165 027)
Loans from related parties	Other financial liabilities at amortised cost	Amortised Cost	(5 486)	(5 486)
Instalment sales obligation	Other financial liabilities at amortised cost	Amortised Cost	(56 272)	(56 272)
Trade and other payables	Other financial liabilities at amortised cost	Amortised Cost	(111 722)	(111 722)
Provision for warranties	Other financial liabilities at amortised cost	Amortised Cost	(6 482)	(6 482)
Total financial liabilities			(344 989)	(344 989)

ii. Impairment of financial assets

IIFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 requires the group to recognise an allowance for ECL for all debt instruments not held at fair value through profit or loss.

The group applies the simplified approach to calculate the ECL of trade receivables and contract assets. The provision rates are based on days past due for grouping that have similar loss patterns. The provision matrix is initially based on the group's historical observed default rates and then adjusted. The group calibrates the matrix to adjust the historical credit loss experience with forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.
C. IFRS 16 Leases

IFRS 16 applies to annual reporting periods beginning on or after 1 January 2019, but can be early adopted. The group adopted IFRS 16 as from 1 March 2018.

The following summarises the impact, net of tax, of transition to the IFRS 16 on retained earnings at 1 March 2018.

Figures in Rand thousands	Impact of adopting IFRS 16 1 March 2018
Retained earnings	
Reversal of lease payments recognised under IAS 17	31 627
Depreciation of right-of-use assets	(29 001)
Unwinding of finance cost element recognised in capitalised lease liability	(3 822)
Related deferred tax	(109)
Impact on retained earnings at 1 March 2018	(1 305)
Non-controlling interests	
Reversal of lease payments recognised under IAS 17	789
Depreciation of right-of-use assets	(721)
Unwinding of finance cost element recognised in capitalised lease liability	(100)

Related deferred tax	(5)
Impact on non-controlling interests at 1 March 2018	(37)

i. Transition

The group has chosen to apply the modified retrospective approach on adoption of IFRS 16. It includes certain relief in terms of the measurement of the right-of-use asset and the lease liability at 1 March 2018. The modified retrospective approach does not require a restatement of comparatives. IFRS 16 applies to annual reporting periods beginning on or after 1 January 2019, but can be early adopted. The group adopted IFRS 16 as from 1 March 2018.

2.1 Changes in significant accounting estimates and restatement of comparative disclosures

A. Change in accounting estimate in relation to expected useful life of capital rental units and contract assets

The group undertook a detailed assessment in the current year as done in prior years of the expected life cycle of customer contracts across the group. The continued growth in the customer base over the past few years has provided a more comprehensive database of information and more certainty to support the assessment of the average useful life of contracts. On the basis of actuarial-based assessment, the group changed its estimate of the average useful life to 60 months, which directly impacts the depreciation of capital units and contract assets. Contracts which terminate prior to 60 months result in accelerated depreciation of the underlying capital rental and the contract asset being recognised immediately.

This change in estimate was accounted for prospectively in terms of IAS 16 and IAS 8. Detailed below is the accounting impact on profit or loss of the change in the current year, which is primarily due to the substantial growth in capital units experienced during FY19.

Figures in Rand thousands	Impact for the year ended 28 February 2019
Statement of profit or loss	
Recognition of depreciation over a period of 60 months	206 774
Recognition of depreciation over a period of 36 months	(325 246)
Impact on profit and loss	(118 472)
Statement of financial position	
Increase in net book value of property, plant and equipment	118 472
Impact on property, plant and equipment	118 472

The future impact is not determinable as this depends on future revenue growth which drives the extent of central rental units. However, going forward, accelerated growth in the customer sectors in which the group currently operates is not expected to have a similar accounting impact on profit or loss.

B. Restatement of comparative disclosures

i. Restatement of cost of sales and operating expenses disclosure

The depreciation of capitalised sales commissions, motor vehicle costs and technician salaries were erroneously included as part of operating expenses in 2018. The group believes that these costs relate directly to cost of sales and therefore the depreciation of these costs has been reclassified in 2018 into cost of sales, to ensure consistency with the current year disclosure of these costs.

The restatement had no impact on profits, earnings per share, headline earnings per share, cash flows or the financial position of the group, it only impacted on the disclosure of operating expenses and cost of sales as detailed below:

Figures in Rand thousands	Impact of reclassification for the year ended 28 February 2018
Statement of profit or loss	
Operating expenses	123 144
Cost of sales	(123 144)
Impact on operating profit	-

3. Segment reporting

The group is organised into geographical business units and has five reportable segments.

The CODM monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment results were fundamentally evaluated in the current year based on revenue and EBITDA as the profit or loss measures. As a result, the 2018 comparatives have been presented on a consistent basis with the 2019 disclosures.

The segment's revenue, depreciation and EBITDA information provided to the group CEO, group CFO and group COO for the reportable segments for the year ended 28 February 2019 is as follows:

Figures in Rand thousands	Subscription revenue	Hardware and other revenue before eliminations	Eliminations	Inter-segment revenue	Hardware and other revenue after eliminations and inter-segment	Total revenue	Depreciation	EBITDA
28 February 2019								
Geographical business units								
South Africa	1 116 829	623 382	(486 604)	(7 861)	128 917	1 245 746	201 988	626 164
Africa-Other	97 605	10 171	-	7 861	18 032	115 637	3 372	41 650
Europe	142 204	11 463	(6 075)	-	5 388	147 592	33 488	60 418
Asia-Pacific and Middle East	159 997	42 896	(23 150)	-	19 746	179 743	22 088	38 404
USA	3 905	6 493	(6 408)	-	85	3 990	575	(5 206)
Total	1 520 540	694 405	(522 237)	-	172 168	1 692 708	261 511	761 430
28 February 2018								
Geographical business units								
South Africa	854 416	562 704	(424 561)	(8 868)	129 275	983 691	147 195	523 350
Africa-Other	92 970	2 805	-	8 868	11 673	104 643	2 863	34 671
Europe	111 065	9 813	(4 615)	-	5 198	116 263	45 583	64 527
Asia-Pacific and Middle East	105 689	22 809	(10 242)	-	12 567	118 256	20 638	35 939
USA	1 392	-	-	-	-	1 392	225	(7 687)
Total	1 165 532	598 131	(439 418)	-	158 713	1 324 245	216 504	650 800

There are no customers which contribute in excess of 10% of the group revenue.

Reconciliation of EBITDA to profit before taxation

Figures in Rand thousands	2019	2018
EBITDA	761 430	650 800
Depreciation	(261 511)	(216 504)
Operating profit	499 919	434 296
Finance income	2 749	3 641
Finance costs	(31 438)	(15 729)
Profit before taxation	471 230	422 208

Figures in Rand thousands	2019	2018
Total assets		
South Africa	975 638	627 548
Africa-Other	162 373	138 725
Europe	217 623	196 314
Asia-Pacific and Middle East	165 256	105 754
USA	8 208	9 409
Total	1 529 098	1 077 750

Figures in Rand thousands	2019	2018
Total liabilities		
South Africa	493 751	346 091
Africa-Other	46 923	37 812
Europe	87 286	52 089
Asia-Pacific and Middle East	63 364	39 482
USA	156	1 855
Total	691 480	477 329

4. Property Plant and equipment

Figures in Rand thousands	2019 Cost	Accumulated depreciation	Carrying value	2018 Cost	Accumulated depreciation	Carrying value
Buildings	1 962	-	1 962	6 592	(2 305)	4 287
Capital rental units*	1 091 014	(541 032)	549 982	761 803	(334 430)	427 373
Computer software	8 542	(3 720)	4 822	5 939	(1 419)	4 520
Furniture and fixtures	9 864	(5 855)	4 009	7 314	(4 381)	2 933
IT equipment	58 770	(29 491)	29 279	35 865	(22 413)	13 452
Leasehold improvements	15 430	(10 355)	5 075	5 333	(4 208)	1 125
Motor vehicles	116 693	(45 733)	70 960	91 964	(31 103)	60 861
Office equipment	4 926	(4 063)	863	3 667	(3 169)	498
Plant and machinery	2 783	(2 481)	302	2 166	(1 469)	697
Right-of-use assets**	53 365	(15 226)	38 139	-	-	-
Security equipment	1 235	(654)	581	805	(506)	299
Total	1 364 584	(658 610)	705 974	921 448	(405 403)	516 045

Reconciliation of property, plant and equipment - 2019

Figures in Rand thousands	Opening balance as previously reported	IFRS 15	IFRS 16	Opening balance restated	Additions	Disposals	Reclassifications	Translation adjustments	Depreciation	Total
Buildings	4 287	-	-	4 287	-	-	(2 560)	235	-	1 962
Capital rental units*	427 373	(58 796)	-	368 577	353 655	(116)	581	11 063	(183 778)	549 982
Computer software	4 520	-	-	4 520	2 103	-	438	(234)	(2 005)	4 822
Furniture and fixtures	2 933	-	-	2 933	1 930	-	178	366	(1 398)	4 009
IT equipment	13 452	-	-	13 452	27 636	(33)	(2 603)	2 528	(11 701)	29 279
Leasehold improvements	1 125	-	-	1 125	3 357	-	4 042	(659)	(2 790)	5 075
Motor vehicles	60 861	-	-	60 861	31 831	(1 823)	(331)	1 018	(20 596)	70 960
Office equipment	498	-	-	498	927	-	(41)	55	(576)	863
Plant and machinery	697	-	-	697	490	(94)	(39)	(70)	(682)	302
Right-of-use assets**	-	-	34 128	34 128	14 897	-	23	3 919	(14 828)	38 139
Security equipment	299	-	-	299	132	-	312	(1)	(161)	581
Total	516 045	(58 796)	34 128	491 377	436 958	(2 066)	-	18 220	(238 515)	705 974

Reconciliation of property, plant and equipment - 2018

Figures in Rand thousands	Opening balance	Additions	Acquisition of subsidiaries	Disposals	Translation adjustments	Depreciation	Total
Buildings	4 234	821	-	-	380	(1 148)	4 287
Capital rental units*	258 077	358 692	88	-	5 089	(194 573)	427 373
Computer software	2 043	2 696	-	-	153	(372)	4 520
Furniture and fixtures	2 712	1 409	-	(61)	(38)	(1 089)	2 933
IT equipment	7 687	13 309	22	(181)	(984)	(6 401)	13 452
Leasehold improvements	303	1 086	-	-	(126)	(138)	1 125
Motor vehicles	32 909	41 433	227	(1 900)	319	(12 127)	60 861
Office equipment	232	361	-	-	257	(352)	498
Plant and machinery	753	164	-	-	(20)	(200)	697
Right-of-use assets**	-	-	-	-	-	-	-
Security equipment	305	96	-	-	2	(104)	299
Total	309 255	420 067	337	(2 142)	5 032	(216 504)	516 045

Notes
* In terms of IFRS 15, contract assets are disclosed separately. The costs capitalised to contract assets were previously capitalised to Capital rental units. An amount of R58 795 669 has been reclassified from Property, Plant and Equipment to Contract assets on 1 March 2018.
** In terms of IFRS 16, leases which meet the requirements of the accounting standard are recognised as right of use asset in Property, Plant and Equipment and depreciated over the lease term.

Assets subject to instalment sale agreements

Figures in Rand thousands	2019	2018
The carrying value of assets subject to instalment sale agreements is as follows:		
Motor vehicles	70 530	58 031

5.Trade and other receivables

Figures in Rand thousands	2019	2018
Trade receivables	221 956	151 959
Expected credit loss provision	(43 670)	(30 382)
	178 286	121 577
Prepayments	21 420	20 233
Deposits	3 964	2 912
Sundry debtors	9 218	8 984
Value added tax	2 701	1 246
	215 589	154 952

Loans and receivables
The group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

The determination of the expected credit loss provision is calculated on a basis specific to each customer grouping and jurisdiction in which the group operates and requires significant judgement.

Reconciliation of allowance for expected credit loss on trade receivables

Figures in Rand thousands	2019	2018
Opening balance	(30 382)	(33 898)
Increase in allowance for expected credit losses	(69 091)	(36 043)
Amounts utilised	55 803	39 559
Closing balance	(43 670)	(30 382)

6. Revenue
The effect of applying IFRS 15 on the group's revenue from contracts with customers is described in Note 2A.

A. Revenue streams

The group principally generates revenue from providing Fleet management ('Fleet'), Stolen Vehicle Recovery ('SVR') and insurance telematics services. It provides fleet, mobile asset and workforce management solutions, underpinned by real-time actionable business intelligence, delivered as Software-as-a-Service (SaaS), as well as the tracking and recovery of stolen vehicles.

Figures in Rand thousands	2019	2018
Revenue from contracts with customers		

Subscription revenue	1 520 540	1 165 532
Hardware sales	126 299	138 639
Installation revenue	2 578	-
	1 649 417	1 304 171
Other revenue		
Miscellaneous rental contract fees	43 291	20 074
Total revenue	1 692 708	1 324 245

B. Disaggregation of revenue from contracts with customer

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Subscription revenue		Hardware sales		Installation revenue		Miscellaneous rental contract fees		Total	
Figures in Rand thousands	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Primary geographical markets										
South Africa	1 116 829	854 416	84 351	110 512	1 721	-	42 845	18 763	1 245 746	983 691
Africa-Other	97 605	92 970	17 459	11 449	356	-	217	224	115 637	104 643
Europe	142 204	111 065	5 207	5 198	107	-	74	-	147 592	116 263
Asia-Pacific and Middle East	159 997	105 689	19 282	11 480	394	-	70	1 087	179 743	118 256
USA	3 905	1 392	-	-	-	-	85	-	3 990	1 392
	1 520 540	1 165 532	126 299	138 639	2 578	-	43 291	20 074	1 692 708	1 324 245
Timing of revenue recognition										
Products transferred at a point in time	-	-	126 299	138 639	2 578	-	43 291	20 074	172 168	158 713
Products and services transferred over time	1 520 540	1 165 532	-	-	-	-	-	-	1 520 540	1 165 532
Total revenue	1 520 540	1 165 532	126 299	138 639	2 578	-	43 291	20 074	1 692 708	1 324 245

C. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies

Type of product/service	Payment option	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicablefrom 1 March 2018)	Revenue recognition under IAS 18 (applicable before 1 March 2018)
Hardware sales	Cash	Customers obtain control of the hardware when the units are successfully installed. Invoices are generated at that point in time. The payment terms are usually 30 days.	The group recognises revenue from the sale of hardware when the unit is installed, and control and ownership has been transferred to the customer.	The group recognised revenue from the sale of hardware and installations when significant risks and rewards of ownership were transferred to the customer upon installation.
Installation revenue	Cash	Installation is recognised when the unit is successfully installed. The payment terms are generally 30 days.	The group recognises revenue when the unit is installed, and control and ownership has been transferred to the customer.	The group recognised revenue from the sale of installations when significant risks and rewards of ownership were transferred to the customer upon installation. This was included as part of hardware revenue.
Subscription revenue	Cash and rental	Services will be provided to a customer once a unit is successfully installed until cancellation of the contract. Invoices are generated monthly in advance and payable on presentation.	The group recognises revenue over time as the telematics services are provided.	The group recognised revenue over time as the services were provided.
Miscellaneous rental contract fees	Cash and rental	Miscellaneous rental contract fees will be charged to a customer when a service is provided. The payment terms are generally 30 days.	The group recognises revenue when the service is provided.	The group recognised revenue when the service was provided.

7. Related parties

		Relationships
Related parties	Onecell Community Phones Proprietary Limited	IJ Calisto has a beneficial interest in this company
	Onecell Community Services Proprietary Limited	IJ Calisto has a beneficial interest in this company
	Onecell Data Solutions Proprietary Limited	IJ Calisto has a beneficial interest in this company
	Onecell Namibia Proprietary Limited	IJ Calisto has a beneficial interest in this company
	Onecell Holdings Proprietary Limited	IJ Calisto has a beneficial interest in this company
	Purple Rain Properties No. 444 Proprietary Limited	IJ Calisto has a beneficial interest in this company
	Onecell Proprietary Limited	IJ Calisto has a beneficial interest in this company
	Cartrack Education Fund (NPO)	Bursary funding - South Africa entities
	A.H. Nyimbo	Shareholder - Retriever Limited
	J Marais	Shareholder - Cartrack Holdings Limited
	P Lim	Shareholder - Cartrack Technologies PHL. INC
	SM Machel Jr.	Shareholder - Cartrack Limitada
	Pro-Fit Fitment Centre Proprietary Limited	BEE funded company - Cartrack Proprietary Limited
	J De Wet	Shareholder - Cartrack New Zealand Limited
	Brick Capital Polska Sp.Zo.O	IJ Calisto has a beneficial interest in this company
	Brick Capital Lda	IJ Calisto has a beneficial interest in this company
	Georgem Proprietary Limited	J Marais has a beneficial interest in this company
	JMPG Marcelino	Shareholder of Autoclub Lda
	Cartrack Mozambique LDA	IJ Calisto has a beneficial interest in this company
	CFC Sp.Zo.O	B Debski is a director
	Prime Business B.Debski	B Debski is a director
	Karoo Pvt Limited	IJ Calisto has a beneficial interest in this company

Subsidiary companies
Cartrack Proprietary Limited
Retriever Limited
Cartrack Tanzania Limited
Cartrack Engineering Technologies Limited
Cartrack Namibia Proprietary Limited
Cartrack Technologies Proprietary Limited
Cartrack Technologies Pte. Limited
Cartrack Management Services Proprietary Limited
Drive and Save Proprietary Limited
Cartrack Manufacturing Proprietary Limited
Cartrack North East Proprietary Limited
Cartrack Executive Trust
Cartrack Limitada
Cartrack Polska.SP.ZO.O
Cartrack Fleet Management Proprietary Limited
Zonke Bonke Telecoms Proprietary Limited
Plexique Proprietary Limited
Combined Telematics Services Proprietary Limited
Cartrack Investments UK Limited
Cartrack Malaysia SDN.BHD
Cartrack Technologies PHL.INC
Cartrack Technologies South East Asia Pte. Limited
Cartrack Technologies (China) Limited
Cartrack Europe SGPS, S.A.
Cartrack Capital SGPS, S.A.
Cartrack Espana, S.L.
Cartrack Australia Proprietary Limited

PT. Cartrack Technologies Indonesia
Cartrack Technologies (Thailand) Company Ltd

Figures in Rand thousands	2019	2018
Related party balances		
Loan accounts - owing (to)/by related parties		
AH Nyimbo	-	(996)
Pro-Fit Fitment Centre Proprietary Limited	-	2 063
Cartrack Education Fund (NPO)	200	200
J Marais	13	-
J De Wet	(5 551)	(3 043)
P Lim	(2 151)	(1 443)
Onecell Proprietary Limited	-	9
Onecell Proprietary Limited	(14)	(4)
	(7 503)	(3 214)
Amounts included in trade receivables/(trade payables) regarding related parties		
Trade receivables		
Onecell Proprietary Limited	6 664	1 323
Pro-Fit Fitment Centre Proprietary Limited)	-	4 919
Onecell Holdings Proprietary Limited	3	3
Cartrack Mozambique LDA	-	1 655
Trade payables		
Pro-Fit Fitment Centre Proprietary Limited	-	(889)
Onecell Proprietary Limited	(52)	(105)
Onecell Community Services Proprietary Limited	(339)	(676)
Purple Rain Properties No. 444 Proprietary Limited	-	(890)
Onecell Holdings Proprietary Limited	(21)	(30)
Brick Capital LDA	-	(8)
	6 255	5 302
Related party transactions		
Sales to related parties		
Onecell Proprietary Limited	(4 042)	(6 191)
CFC.Sp.Zo.O	(114)	-
Pro-Fit Fitment Centre Proprietary Limited	-	(1 463)
Cartrack Mozambique LDA	-	(1 655)
Brick Capital Polska SP. ZO.O	(1)	-
Prime Business B. Debski	(44)	-
	(4 201)	(9 309)
Purchases from related parties		
Onecell Holdings Proprietary Limited	208	433
Onecell Proprietary Limited	467	395
CFC.Sp.Zo.O	7 601	-
Prime Business B. Debski	148	-
Onecell Community Phones Proprietary Limited	1 819	2 263
Pro-Fit Fitment Centre Proprietary Limited	-	6 322
	10 243	9 413
Rent paid to related parties		
Purple Rain Properties No. 444 Proprietary Limited	17 613	6 598
Prime Business B. Debski	836	
Brick Capital Lda	3 921	-
Brick Capital Polska Sp.Zo.o	1 694	2 022
	24 091	8 620

8. Earnings per share information

8.1 Basic earnings per share

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue.

	2019	2018
Basic earnings per share		
Basic earnings per share (cents)	116,4	100,5
Weighted average number of ordinary shares ('000)		
Issued at the beginning of the year	300 000	300 000
Effect of treasury shares held	(1 234)	(1 234)
	298 766	298 766
Basic earnings		
Profit attributable to ordinary shareholders	347 806	300 146

8.2 Headline earnings per share

The calculation of headline earnings per share has been based on the profit attributable to ordinary shareholders computed in terms of the Saica Circular 04/2018 and the weighted average number of ordinary shares in issue as determined above in basic earnings per share section.

	2019	2018
Headline earnings per share (cents)	115,8	100,5
Reconciliation between basic earnings and headline earnings		
Basic earnings	347 806	300 146
Adjusted for		
Profit on disposal of property, plant and equipment net of tax	(1 697)	(929)
	346 109	299 217

8.3 Diluted earnings per share

There are no dilutive instruments and therefore diluted earnings per share is the same as basic earnings per share.

9. Commitments

There are no capital commitments at the year-end.

10.Events after the reporting period

Cartrack Proprietary Limited disposed of 51% of its interest in the share capital of Plexique Proprietary Limited to Bumbene House Proprietary Limited, a 100% black owned company, as part of its B-BBEE strategy. This transaction is not considered material to the group.

On 28 February 2019, One August Holdings Proprietary Limited disposed of 204 500 000 ordinary shares to Karoo Private Limited in an off-market transaction at R13,44 per share. This transaction was entered into for the purpose of Karoo Private Limited (owned by IJ Calisto and his direct family) acquiring and owning the shares in Cartrack.

The share price was determined by using the Volume Weighted Average Price over the preceding 30-day period. The fulfilment of the transaction is subject to applicable regulatory requirements and other conditions precedent. Prior clearance for this transaction was obtained and it was announced on SENS on 1 March 2019.

Dividends of 12 cents per share will be declared and paid on 18 June 2019.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report for the company.

28 May 2019

CORPORATE INFORMATION
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Rosebank
Johannesburg

2196
(PO Box 4709, Rivonia, 2128)

Directors
Independent non-executive directors
David Brown (Independent Chairman)
Thebe Ikalafeng
Kim White
Sharoda Rapeti

Executive directors
Isaias Jose Calisto (Global Ghief Executive Officer)
Morne Grundlingh (Global Chief Financial Officer) - appointed on 1 September 2018

Company Secretary
Anname de Villiers
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2196
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Sponsor
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