

**Karoo0000 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

("Karoo0000")

**Short-form Announcement: Unaudited Fourth Quarter and Full Year 2024 Results**

Karoo0000, that owns 100% of Cartrack Holdings Limited ("Cartrack"), issued a press release announcing its unaudited fourth quarter and full year results for the 12 months ended 29 February 2024 and included such press release as an exhibit to its form 6-K (the "Report on Form 6-K") dated 15 May 2024 furnished to the United States Securities and Exchange Commission ("SEC"). Investors are referred to the full press release as published and available on the Karoo0000 website at [www.karoo0000.com](http://www.karoo0000.com).

**Fourth Quarter 2024 Highlights:**

(Comparisons are relative to the Fourth Quarter 2023, unless otherwise stated)

**Scale**

- Cartrack subscribers increased 15% to 1,971,532 at February 29, 2024 (Q4 2023: 1,717,077)
- Net Cartrack subscriber additions increased 65% to 63,340 (Q4 2023: 38,471)

**Growth**

- Subscription revenue increased 18% to ZAR935 million (Q4 2023: ZAR794 million)
- Subscription revenue increased 15% on a constant currency basis (a non-IFRS measure)

**Full Year 2024 Highlights:**

(Comparisons are relative to the Full Year 2023, unless otherwise stated)

**Scale**

- 1,971,532 Cartrack subscribers at February 29, 2024, up 15% (FY 2023: 1,717,077)
- Net Cartrack subscriber additions of 254,455, up 33% (FY 2023: 191,105)

**Growth**

- Subscription revenue increased 17% to ZAR3,536 million (FY 2023: ZAR3,010 million)
- Subscription revenue increased 14% on a constant currency basis (a non-IFRS measure)

**Operating Profit and Earnings per share**

Karoo0000 grew operating profit by 18% to a record of ZAR1,043 million (FY 2023: ZAR882 million) and earnings per share by 24% to ZAR23.85 (FY 2023: ZAR19.29).

Cartrack grew operating profit by 17% to a record of ZAR1,069 million (FY 2023: ZAR915 million).

Carzuka's operating loss was ZAR53 million (FY 2023: ZAR38 million operating loss).

Karoo000 Logistics delivered a record operating profit of ZAR26 million (FY 2023: ZAR5 million).

## **Outlook**

Our mission is to be a leading Operations Cloud service provider.

We believe Karoo000 is well positioned for growth. We operate in a growing and largely underpenetrated market, with strong demand coming from customers needing to differentiate and digitalise themselves.

Our proven, robust and strong track record of execution, compounding growth at scale and a profitable business model is underpinned by a solid balance sheet and healthy cash position. We expect our continuous investment in our AI products, platform and customer experience to continue to generate robust results in the future.

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

Actual results may differ materially from Karoo000'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.

With Cartrack's revenue making up the majority of group revenue, the outlook below relates to Cartrack only.

Our guidance for FY 2025 is:

- Cartrack's number of subscribers between 2,200,000 and 2,400,000
- Cartrack's subscription revenue between ZAR3,900 million and ZAR4,150 million
- Cartrack's operating profit margin between 27% and 31%
- Karoo000's Earnings Per Share between ZAR27.50 and ZAR31.00

## **Balance Sheet, Liquidity and Cash Flow**

Our strategic approach to capital allocation supports Karoo000's strong growth at scale, profitability and high cash-generation. Given our balanced capital structure and healthy operating profit margins, we have ample runway to accelerate our customer acquisition strategy while remaining profitable.

As of February 29, 2024, Karoo000's property, plant and equipment increased by ZAR486 million to ZAR2,078 million (February 28, 2023: ZAR1,592 million). The increase is primarily as a result of an increase of ZAR157 million in in-vehicle capitalized telematic devices, an increase of ZAR84 million in telematic devices available for future sales and an investment of ZAR190 million in the building of the South African central office. Karoo000's property, plant and equipment of uninstalled telematic devices for future sales was ZAR391 million (February 28, 2023: ZAR307 million).

In line with business growth and currency fluctuations, trade and other payables increased to ZAR479 million (February 28, 2023: ZAR374 million). Trade and other receivables and prepayments increased to ZAR973 million (February 28, 2023: ZAR409 million). Included in other receivables are fixed deposits

placed with banks amounting to ZAR486 million that will mature in June and July 2024. Debtor's collection days improved to 29 days (February 28, 2023: 31 days).

In line with the cash management policy of the group's capital allocation committee, Karooooo's excess cash reserves on hand are held in US Dollars.

#### Cash and cash equivalents

After paying a dividend of USD26.3 million in July 2023 and allocating ZAR190 million to the new South African central office in Rosebank for the trailing 12 months, Karooooo reported a net cash and cash equivalents balance of ZAR436 million at February 29, 2024 (February 28, 2023: ZAR966 million). Additionally, there are fixed deposits placed with banks amounting to ZAR 486 million that are classified as other receivables.

At February 29, 2024, the group had bank facilities for growth initiatives and other general corporate purposes of ZAR275 million with Capitec Bank Limited.

#### Free Cash Flow (a non-IFRS measure)

As at February 29, 2024, Karooooo generated cash from operating activities of ZAR998 million for the year ended February 29, 2024 (February 28, 2023: ZAR1,127 million).

Karooooo placed ZAR486 million of its cash from operating activities in bank fixed deposits which mature in June and July 2024. These bank fixed deposits are classified as other receivables. The cash generated from operating activities would have been ZAR1,469 million if the bank fixed deposits of ZAR486 million had remained in our current bank account.

The group generated Free Cash Flow (a non-IFRS measure) of less than ZAR78 million for the year ended February 29, 2024 (February 28, 2023: ZAR547 million). The Free Cash Flow (a non-IFRS measure) would have been ZAR549 million if the bank fixed deposits of ZAR486 million had remained in our current bank account and not placed in bank fixed deposits.

This result was achieved notwithstanding the group's strategic investment for sustainable long-term growth.

#### Share Capital and Reserves

At the Annual General Meeting (AGM) held on July 12, 2023 the shareholders of Karooooo passed a resolution by a 97.35% majority vote authorizing the repurchase of up to 10% of the Company's shares. The Board is duly authorized to implement this share buyback program in accordance with the requirements outlined in the resolution.

Purchases of ordinary shares by the Company may be made by way of market purchases on the Nasdaq and/or the JSE. At our next AGM, we expect to seek approval of the renewal of our share repurchase program on the same terms as currently in effect.

Pursuant to the aforementioned authorization, Karooooo repurchased 51,106 shares of its common stock in February 2024, at an average purchase price of USD24.39 per share and has subsequently decided to cancel these shares, expected to take effect on or about May 24, 2024.

As at February 29, 2024, Karooooo had 30,951,106 ordinary shares in issue, with 30,900,000 shares outstanding, and paid-up share capital of USD505,956,659 plus SGD1,000.

## Events after the Fourth Quarter of 2024

In April 2024, the Board approved a resolution for Karooooo Logistics (Pty) Ltd to repurchase its ordinary shares at a purchase price of ZAR15.2 million in accordance with the Companies Act of South Africa and to cancel the repurchased shares. As a result, the Group's effective shareholding in Karooooo Logistics (Pty) Ltd is expected to increase from 70.1% to 74.8% after completion of the repurchase and cancellation.

## Dividend Policy

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

Considering the strong earnings and free cash flow in FY2024 and in accordance with the dividend policy set out above, the Board currently expects to declare and pay an interim dividend in Q2 2025.

## 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 15 May 2024, being the press release incorporating the unaudited condensed consolidated and combined financial statements of Karooooo for the fourth quarter and full year ended 29 February 2024.

The full announcement has been released on SENS today, 16 May 2024 and is available for viewing on the Company's website ([www.karooooo.com](http://www.karooooo.com)) and at the following address:

<https://senspdf.jse.co.za/documents/2024/jse/isse/KROE/FY2024.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, 16 May 2024 to Thursday, 23 May 2024. Copies of the full announcement may also be requested from the sponsor by emailing [dq.mlsa\\_corporate\\_broking@bankofamerica.com](mailto:dq.mlsa_corporate_broking@bankofamerica.com).

## Webinar Information

Karoo000 management will host a Zoom webinar on Thursday, May 16, 2024 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/89023760508>

Webinar ID: 890 2376 0508

Telephone:

- US (New York) Toll-free: +1 646 558 8656
- South Africa Toll-free: +27 87 551 7702

A replay will be available at [www.karoo000.com](http://www.karoo000.com) approximately three hours after the conclusion of the live event.

## About Karoo000

Karoo000 is a provider of a leading operational IoT SaaS cloud that maximizes the value of operations and workflow data by providing insightful real-time data analytics to thousands of enterprise customers by digitally transforming their operations. The Cartrack (wholly owned by Karoo000) SaaS platform provides customers with differentiated insights and data analytics to optimize their business operations. Cartrack assists customers to sustainably improve workflows, manage field workers, increase efficiency, decrease costs, improve safety, monitor environmental impact, assist with regulatory compliance and manage risk.

Currently there are over 2,000,000 connected vehicles and equipment on the Cartrack cloud.

For more information, visit [www.karoo000.com](http://www.karoo000.com).

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Johannesburg  
Thursday, 16 May 2024

Sponsor

Merrill Lynch South Africa Proprietary Limited  
t/a BofA Securities