

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 First Quarter 2025 Results and Dividend Declaration

Karoo0000, that owns 100% of Cartrack Holdings Limited ("Cartrack"), issued a press release announcing its unaudited first quarter results for the three months ended 31 May 2024 and included such press release as an exhibit to its form 6-K (the "Report on Form 6-K") dated 18 July 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.

First Quarter 2025 Highlights:

(Comparisons are relative to Q1 2024, unless otherwise stated.)

Scale

- Cartrack subscribers up 17% to 2,047,442 at May 31, 2024 (Q1 2024: 1,757,452)
- Net Cartrack subscriber additions up 88% to 75,910 (Q1 2024: 40,375)

Growth

- Subscription revenue up 15% to ZAR964 million (Q1 2024: ZAR836 million)
- Subscription revenue up 15% on a constant currency basis (a non-IFRS measure)

Operating Profit and Earnings Per Share

Karoo0000's operating profit grew by 34% to ZAR300 million (Q1 2024: ZAR224 million) and earnings per share by 41% to ZAR7.17 (Q1 2024: ZAR5.09).

Cartrack delivered record operating profit of ZAR287 million, up 24% (Q1 2024: ZAR232 million). The gross profit margin expanded to 73% (Q1 2024: 70%) and the operating profit margin expanded to 29% (Q1 2024: 27%).

Karoo0000 Logistics delivered an operating profit of ZAR13 million (Q1 2024: ZAR5 million) as it continues to scale.

Outlook

We believe Karoo0000 is strongly positioned for growth. We operate in a growing and largely underpenetrated market, with strong demand from customers needing to be competitive and digitalise their ground operations.

Our proven, robust and consistently profitable business model, underpinned by a strong balance sheet and healthy cash position, gives us multiple levers for expansion. We expect our continuous investment in our AI products, platform and customer experience 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.

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

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.

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

Our guidance for FY 2025 remains unchanged:

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

Balance Sheet, Liquidity and Cash Flow

Our strategic approach to capital allocation supports Karooooo'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.

At May 31, 2024, Karooooo's property, plant and equipment had increased by ZAR94 million to ZAR2,127 million (February 29, 2024: ZAR2,033 million). This was primarily due to an increase of ZAR48 million in in-vehicle capitalized telematic devices, an increase of ZAR5 million in telematic devices available for future sales and an investment of ZAR37 million in building the South African central office. Karooooo's property, plant and equipment of uninstalled telematic devices for future sales was ZAR351 million (February 29, 2024: ZAR346 million).

In line with business growth and currency fluctuations, trade and other payables increased to ZAR466 million (February 29, 2024: ZAR446 million). Trade and other receivables and prepayments decreased to ZAR596 million (February 29, 2024: ZAR985 million). At February 29, 2024, fixed deposits placed with banks amounting to ZAR486 million, which matured in June and July 2024, were included in other receivables.

Debtor's collection days remain within our historical norms at 30 days (February 29, 2024: 29 days).

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.

Cash and cash equivalents

After allocating ZAR37 million to the new South African central office, Karooooo reported a net cash and cash equivalents balance of ZAR950 million at May 31, 2024 (February 29, 2024: ZAR436 million). At February 29, 2024, the net cash and cash equivalents balance would have been ZAR922 million if all the bank fixed deposits had matured prior to May 31, 2024.

At May 31, 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, there were bank fixed deposits of USD25.2 million maturing more than 3 months after year end that were included in “Trade and other receivables and prepayments” on the balance sheet

The same bank fixed deposits are now presented as “Cash and cash equivalents” in the May 31, 2024 balance sheet. Hence, the group generated Free Cash Flow (a non-IFRS measure) of ZAR569 million for the quarter ended May 31, 2024.

Excluding the effect of the bank fixed deposits of USD25.2 million, Free Cash Flow (a non-IFRS measure) was ZAR83 million for this quarter (Q1 2024: ZAR158 million).

The Free Cash Flow (a non-IFRS measure) generated is in keeping with our planned capital allocation for future growth.

Share Capital and Reserves

At the Annual General Meeting (AGM) held on July 12, 2023, 97.35% of Karooooo’s shareholders passed a resolution authorizing the repurchase of up to 10% of the company’s shares. The board of directors (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 for the renewal of our share repurchase program on the same terms.

Karooooo repurchased 57,806 shares of its common stock in February 2024 and May 2024, at an average purchase price of USD24.84 per share. We subsequently cancelled 51,106 shares on May 25, 2024. The remaining 6,700 shares were cancelled on June 18, 2024.

At May 31, 2024, Karooooo had 30,900,000 ordinary shares in issue, with 30,893,300 shares outstanding, and paid-up share capital of USD504,520,625 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 other 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.

ZAR12 million of other reserve on the balance sheet relates to the cancellation of Karooooo treasury shares and ZAR11.4 million of other reserve relates to the cancellation of Karooooo Logistics treasury shares.

Events in the First Quarter of 2025

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 now 74.8%.

Events after the First Quarter of 2025

In June 2024, The Standard Bank of South Africa Limited extended a loan of ZAR 250 million to Purple Rain Properties No.444 Proprietary Limited (the owner of the regional South Africa head office under construction) at the South Africa Prime Interest Rate less 1.5%. The loan will mature on 21 December 2025 and these funds were used to settle loan from Cartrack Pty Ltd.

Dividend Declaration

Considering the consistent strong earnings, healthy balance sheet and free cash flow of the Company and in accordance with the dividend policy set out above, an interim dividend of USD1.08 per ordinary share, pertaining to the first quarter of Karooooo's 2025 financial year, will be paid on Aug 12, 2024, to JSE shareholders on record as at the close of business on Thursday, August 8, 2024 and on Aug 14, 2024 to Nasdaq shareholders on record as at the close of business on August 8, 2024. Although Karooooo's reporting currency is ZAR, its statutory filings in Singapore are reported in USD, as a result of which dividends are declared in USD. The details with respect to the dividends declared for holders of our ordinary shares are as follows:

	NASDAQ	JSE
Declaration date	Thursday, July 18, 2024	Friday, July 19, 2024
Finalization announcement, date of currency conversion and confirmation of record date	Monday, July 29, 2024	Monday, July 29, 2024
Last date to trade cum dividend	Tuesday, August 6, 2024	Monday, August 5, 2024
Shares commence trading Ex-dividend	Thursday, August 8, 2024	Tuesday, August 6, 2024
Record date	Thursday, August 8, 2024	Thursday, August 8, 2024
Dividend payment date	Wednesday, August 14, 2024	Monday, August 12, 2024

Shareholders registered on the South African section of the share register will not be allowed to dematerialize or rematerialize their shareholdings between Tuesday, August 6, 2024 and Thursday, August 8, 2024, both dates inclusive, and transfers between the NASDAQ and South African register will not be permitted between Monday, July 29, 2024 and Thursday August 8, 2024, both days inclusive.

A summary of the tax considerations applicable to South African shareholders will be included in the currency conversion and confirmation of record date announcement which is expected to be published on Monday, July 29, 2024.

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 18 July 2024, being the press release incorporating the unaudited condensed consolidated and combined financial statements of Karooooo for the first quarter ended 31 May 2024.

The full announcement has been released on SENS today, 19 July 2024 and is available for viewing on the Company's website (www.karooooo.com) and at the following address:

<https://senspdf.jse.co.za/documents/2024/jse/isse/kroe/Q12025.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 Friday, 19 July 2024 to Friday, 26 July 2024. Copies of the full announcement may also be requested from the sponsor by emailing dg.mlsa_corporate_broking@bankofamerica.com.

Webinar Information

Karoo0000 management will host a Zoom webinar on Friday, July 19, 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/82089929893>

Webinar ID: 820 8992 9893

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.karoo0000.com approximately three hours after the conclusion of the live event.

About Karoo0000

Karoo0000 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 Karoo0000) 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 2,100,000 connected vehicles and equipment on the Cartrack cloud.

For more information, visit www.karoo0000.com.

Investor Relations Contact IR@karoo0000.com

Media Contact media@karoo0000.com

Johannesburg
Friday, 19 July 2024

Sponsor

Merrill Lynch South Africa Proprietary Limited
t/a BofA Securities

