

**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 Second Quarter and Half Year 2022 Results**

Karoo0000, that owns 100% of Cartrack Holdings Limited ("**Cartrack**"), issued a press release announcing its unaudited second quarter and half year results for the 6 months ended 31 August 2021 and included such press release as an exhibit to its form 6-K (the "**Report on Form 6-K**") dated 14 October 2021 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).

**Second Quarter 2022 Highlights:**

(All comparisons relative to the Second Quarter 2021)

**SCALE**

Karoo0000's strong growth momentum in the number of subscribers continues. Despite the disruption in sales caused by the social unrest experienced in July 2021 in South Africa and the global effects of the pandemic, our business model drove new customer additions, delivering growth in the total number of subscribers.

- 1,408,609 subscribers in total as of August 31, 2021, up 20% (Q2 2021: 1,175,173)
- Net subscriber additions increased 1% to 42,139 (Q2 2021: 41,626)

**GROWTH**

- Total revenue increased 20% to ZAR659 million (Q2 2021: ZAR551 million)
- Total revenue increased 24% on a constant currency basis (a non-IFRS measure)
- Subscription revenue increased 16% to ZAR628 million (Q2 2021: ZAR542 million)
- Subscription revenue increased 21% on a constant currency basis (a non-IFRS measure)
- In ZAR, Annualized Recurring Revenue ("ARR"), a non-IFRS measure, increased 15% to ZAR2,540 million as at August 2021 (August 2020: ZAR2,213 million)
- In US Dollars ("USD"), ARR, a non-IFRS measure, increased 34% to USD175.1 million (August 2020: USD130.8 million)

**Half-Year 2022 Highlights:**

(All comparisons relative to the Half-Year 2021)

**SCALE:**

- 1,408,609 subscribers in total as of August 31, 2021, up 20% (Q2 2021: 1,175,173)
- Net subscriber additions increased 111% to 102,609 (HY 2021: 48,658)

**GROWTH**

- Total revenue increased 18% to ZAR1,285 million (HY 2021: ZAR1,086 million)
- Total revenue increased 23% on a constant currency basis (a non-IFRS measure)
- Subscription revenue increased 16% to ZAR1,234 million (HY 2021: ZAR1,068 million)
- Subscription revenue increased 20% on a constant currency basis (a non-IFRS measure)

## **Operating Profit, Profit, Adjusted Profit, Earnings per Share and Adjusted Earnings per Share**

The group delivered operating profit of ZAR346 million for the first half year of 2022 (HY 2021: ZAR368 million), 6% lower than the first half of 2021. The group had net subscriber additions of 102,609 during the first half of 2022, 111% higher than in the first half of 2021, primarily as a result of an increased investment in sales and marketing expenditure which takes approximately 6 months to translate into customer acquisition. While the investment into sales and marketing headcount has materialized in part, management expects to see the benefit thereof, via growth in customer acquisition, by the end of the fourth quarter of 2022.

Profit for the first half of 2022 decreased by 12% to ZAR231 million (HY 2021: ZAR262 million). Excluding the impact of once-off IPO costs expensed in the first quarter of 2022 (ZAR10 million), adjusted profit, a non-IFRS measure, decreased by 8% to ZAR241 million (HY 2021: ZAR262 million) due to the group's investment for future growth and the higher effective tax rate of 31% in the first half of 2022 compared to 29% in 2021, primarily attributable to once-off IPO costs that are not tax deductible.

Similarly earnings per share for the first half of 2022 decreased by 13% to ZAR7.37 (HY 2021: ZAR8.43). Excluding the impact of once-off IPO costs expensed in the first quarter of 2022 (ZAR10 million), adjusted earnings per share, a non-IFRS measure, decreased by 8% to ZAR7.74 in the first half of 2022 (HY 2021: ZAR8.43), primarily due to Karoo's planned investment for future growth. The decrease in earnings per share and adjusted earnings per share, a non-IFRS measure, was further impacted by the increase in Karoo's weighted average number of ordinary shares in issue for the first half of 2022, at 28.1 million shares (HY 2021: 20.3 million) as a result of Karoo's take-over of Cartrack Holdings and the capital raise when Karoo listed on the NASDAQ in April 2021.

In June 2021, Cartrack declared ZAR120 million in dividends to Karoo and incurred ZAR6 million dividend withholding taxation which negatively impacted earnings per share by ZAR0.19 during the second quarter of 2022. The dividend paid equated to USD8.3 million, using an exchange rate of ZAR13.69. The Group's Capital Allocation Committee has adopted a cash management policy whereby Karoo's excess cash reserves on hand will be held in US Dollars, which will be translated into ZAR for reporting purposes.

Headline earnings per share for the first half of 2022 decreased by 13% to ZAR7.35 (HY 2021: ZAR8.43). Excluding the impact of once-off IPO costs expensed in the first quarter of 2022 (ZAR10 million), adjusted headline earnings per share, a non-IFRS measure, decreased by 8% to ZAR7.72 in the first half of 2022 (HY 2021: ZAR8.43), primarily due to Karoo's planned investment for future growth. The decrease in headline earnings per share and adjusted headline earnings per share, a non-IFRS measure, was further impacted by the increase in Karoo's weighted average number of ordinary shares in issue for the first half of 2022, at 28.1 million shares (HY 2021: 20.3 million) as a result of Karoo's take-over of Cartrack Holdings and the capital raise when Karoo listed on the NASDAQ in April 2021.

The total IPO costs amounted to ZAR85 million of which ZAR36 million has been expensed (ZAR26 million in the fourth quarter of 2021 and ZAR10 million in the first quarter of 2022) and ZAR49 million has been set-off against share capital.

Investors are referred to Karoo's full press release for the reconciliation of basic and diluted headline and adjusted earnings per share and for the reconciliation of Karoo's basic and diluted earnings per share and adjusted earnings per share.

## **Short-form Announcement**

This short-form announcement is the responsibility of the directors of Karoo. 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 October 2021, being the press release incorporating the unaudited condensed consolidated and combined financial statements of Karoo for the second quarter and half year ended 31 August 2021.

The full announcement has been released on SENS today, 15 October 2021 and is available for viewing on the Company's website ([www.karoo000.com](http://www.karoo000.com)) and at the following address:

<https://senspdf.jse.co.za/documents/2021/jse/isse/KROE/HY2022.pdf>

The full announcement is available for inspection at the offices of the Company (10-Anson Road #12-14, International Plaza, Singapore, 079903) at no charge during normal office hours on business days from Thursday, 14 October 2021 to Thursday, 21 October 2021. Copies of the full announcement may also be requested from the sponsor by emailing [dg.mlsa\\_corporate\\_broking@bankofamerica.com](mailto:dg.mlsa_corporate_broking@bankofamerica.com).

### **Conference Call Information**

Karoo000 management will host a conference call and audio webcast on Friday, October 15, 2021 at 08:00 a.m. Eastern Time (02:00 p.m. South African time; 08:00 p.m. Singaporean time).

Webcast: Registration is available at <https://edge.media-server.com/mmc/p/4i5vcejb>. A live and archived webcast of the conference call will also be available on the Company's website at [www.karoo000.com](http://www.karoo000.com).

Conference call: Listeners may access the live conference call by dialing the following numbers and are advised to dial in approximately 10 minutes prior to the start of the call:

United States Toll Free: 1 833 239 5575  
International: +65 678 012 01  
Singapore Toll Free: 800 852 8350  
South Africa Toll Free: 0800 014 509  
United Kingdom Toll Free: 0800 279 8053

Access Code: 3298232

### **About Karoo000 Ltd.**

Karoo000, headquartered in Singapore, is a leading global provider of a mobility SaaS platform that maximizes the value of automotive and workflow data by providing real-time data analytics solutions for smart transportation to over 1.4 million connected vehicles. With more than 76,000 commercial customers using the Cartrack (wholly owned by Karoo000) SaaS platform, it is management's view that Karoo000 is the largest SaaS provider to enterprises in South Africa and it also services thousands of enterprise customers abroad. The Cartrack platform provides customers with differentiated insights and data analytics to optimize their business and workforce, increase efficiency, decrease costs, improve safety, monitor environmental impact, assist with regulatory compliance and manage risk. For more information, visit [www.karoo000.com](http://www.karoo000.com)

Johannesburg

Friday, 15 October 2021

### **Sponsor**

Merrill Lynch South Africa Proprietary Limited  
t/a BofA Securities