



# **CARTRACK**

**Initial Public Offering**

March 2021

# DISCLAIMER

Karooooo Ltd. ("Karooooo," the "Company," "we" or "us") has filed a registration statement on Form F-1 (including a preliminary prospectus) with the Securities and Exchange Commission (the "SEC") for the offering to which this presentation relates. The registration statement has not yet become effective. Karooooo's ordinary shares may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. Before you invest, you should read the preliminary prospectus and the other documents Karooooo files with the SEC for more complete information about Karooooo and this offering. You can obtain these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, copies of the preliminary prospectus may be obtained from Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, Second Floor, New York, New York 10014; or BofA Securities, Attention: Prospectus Department, NC1-004-03-43, 200 North College Street, 3rd Floor, Charlotte, NC 28255-0001, or by email at [dg.prospectus\\_requests@bofa.com](mailto:dg.prospectus_requests@bofa.com). This presentation shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The information in this presentation is current only as of the date of this presentation and may have changed. We undertake no obligation to update any such information in light of new information, future events or otherwise.

## **Forward-Looking Statements**

The information in this presentation (which includes any oral statements made in connection therewith, as applicable) includes "forward-looking statements." Forward-looking statements are based on our beliefs and assumptions and on information currently available to us, and include, without limitation, statements regarding our business, financial condition, strategy, results of operations, certain of our plans, objectives, assumptions, expectations, prospects and beliefs and statements regarding other future events or prospects. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "seek," "anticipate," "estimate," "predict," "potential," "assume," "continue," "may," "will," "should," "could," "shall," "risk" or the negative of these terms or similar expressions that are predictions of or indicate future events and future trends. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements are disclosed under the "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" sections of the Registration Statement on Form F-1 filed on March 22, 2021.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. We disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

## **Non-IFRS Financial Measures**

This presentation includes certain non-IFRS financial measures, including adjusted EBITDA, adjusted EBITDA margin, free cash flow and free cash flow margin. These non-IFRS financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to IFRS measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Please see the reconciliations included in this presentation.

## **Market and Industry Data**

We include statements and information in this presentation concerning our industry ranking and the markets in which we operate, including our general expectations and market opportunity, which are based on information from independent industry organizations and other third-party sources (including a third-party market study, industry publications, surveys and forecasts). While Karooooo believes these third-party sources to be reliable as of the date of this presentation, we have not independently verified any third-party information and such information is inherently imprecise. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of risks. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

## **Trademarks and Trade Names**

In our key markets, we have rights to use, or hold, certain trademarks relating to Cartrack, or the respective applications for trademark registration are underway. We do not hold or have rights to any other additional patents, trademarks or licenses, that, if absent, would have had a material adverse effect on our business operations. Solely for convenience, trademarks and trade names referred to in this presentation may appear without the "®" or "™" symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' tradenames, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this presentation is the property of its respective holder.



# OFFERING SUMMARY

<b>Issuer</b>	Karooooo Ltd.
<b>Proposed exchange / ticker</b>	Nasdaq: KARO
<b>Shares offered</b>	4,000,000 (2,500,000 Primary and 1,500,000 Secondary)
<b>Over-allotment</b>	600,000 (Primary)
<b>Assumed initial public offering price<sup>(1)</sup></b>	\$47.52
<b>Use of proceeds</b>	General corporate purposes including the growth and expansion of Cartrack, such as R&D <sup>(2)</sup>
<b>Lock-up</b>	180 days – Selling Shareholder, Directors and Officers
<b>Bookrunners</b>	Morgan Stanley, BofA Securities, William Blair
<b>Co-managers</b>	Canaccord Genuity, Raymond James, Stifel Nicolaus



<sup>(1)</sup> Based on the closing price of Cartrack Holdings Limited on March 19, 2021 on the JSE and the rand/U.S. dollar exchange rate of R14.7310 as of March 19, 2021, as adjusted for a ten to one share consolidation. The initial public offering price will be based on the closing price of Cartrack Holdings Limited on the JSE, as adjusted for a ten to one share consolidation, and the rand/U.S. dollar exchange on the pricing date.

<sup>(2)</sup> Assuming full participation in Reinvestment as defined in the Registration Statement on Form F-1 filed on March 22, 2021 by eligible Cartrack shareholders. A portion of the proceeds may be used to repay outstanding indebtedness, if participation in the Reinvestment is less than 100%



**KAR00000**

NASDAQ TICKER "KARO"

100%<sup>(1)</sup>

**CARTRACK**

**Founded in South Africa, now headquartered in Singapore**



<sup>(1)</sup> Post Karooooo/Cartrack scheme of arrangement

# PRESENTERS



**Richard Schubert**

Chief Operating Officer  
Previously Chief Technology Officer



**Zak Calisto**

Founder, Chief Executive  
Officer & Board Member



**Morné Grundlingh**

Chief Financial Officer & Board  
Member

In our view, all vehicles will be  
connected & data will drive all aspects  
of mobility in the future

## **OUR MISSION**

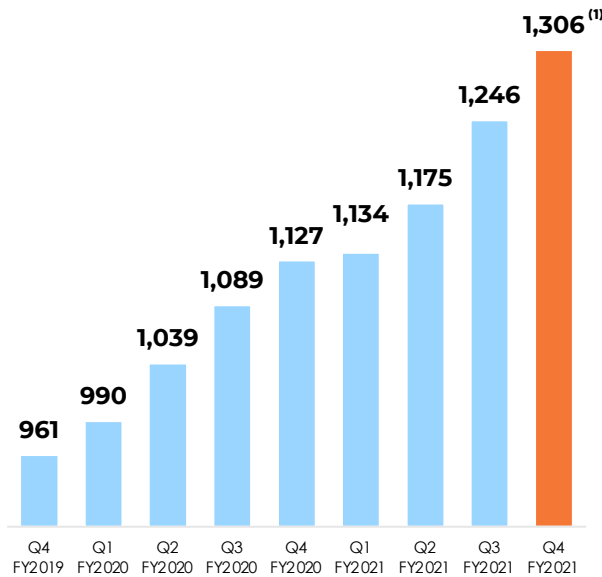
**To build the leading mobility SaaS  
platform that maximizes the value of  
data**



# A HISTORY OF CONSISTENT ORGANIC GROWTH

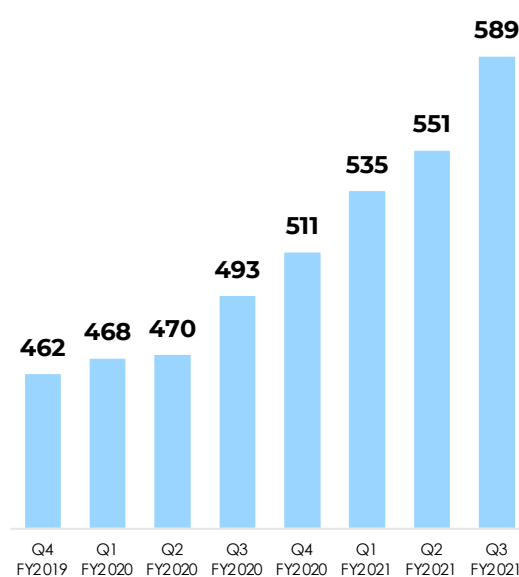
## Scale

Total Subscribers  
000s



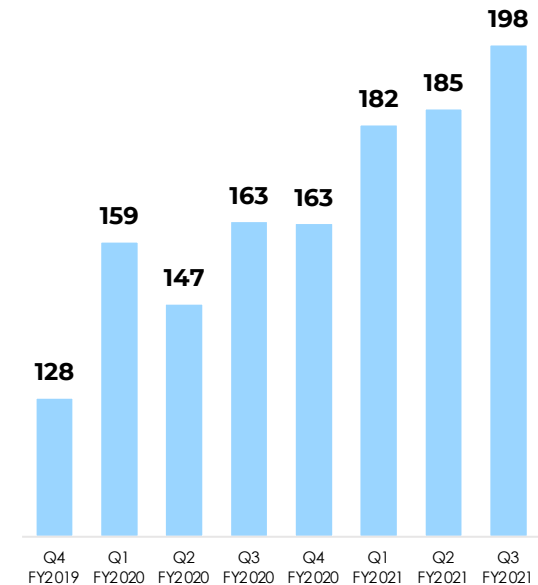
## Growth

Total Revenue  
ZAR M



## Profitability

Operating Profit  
ZAR M

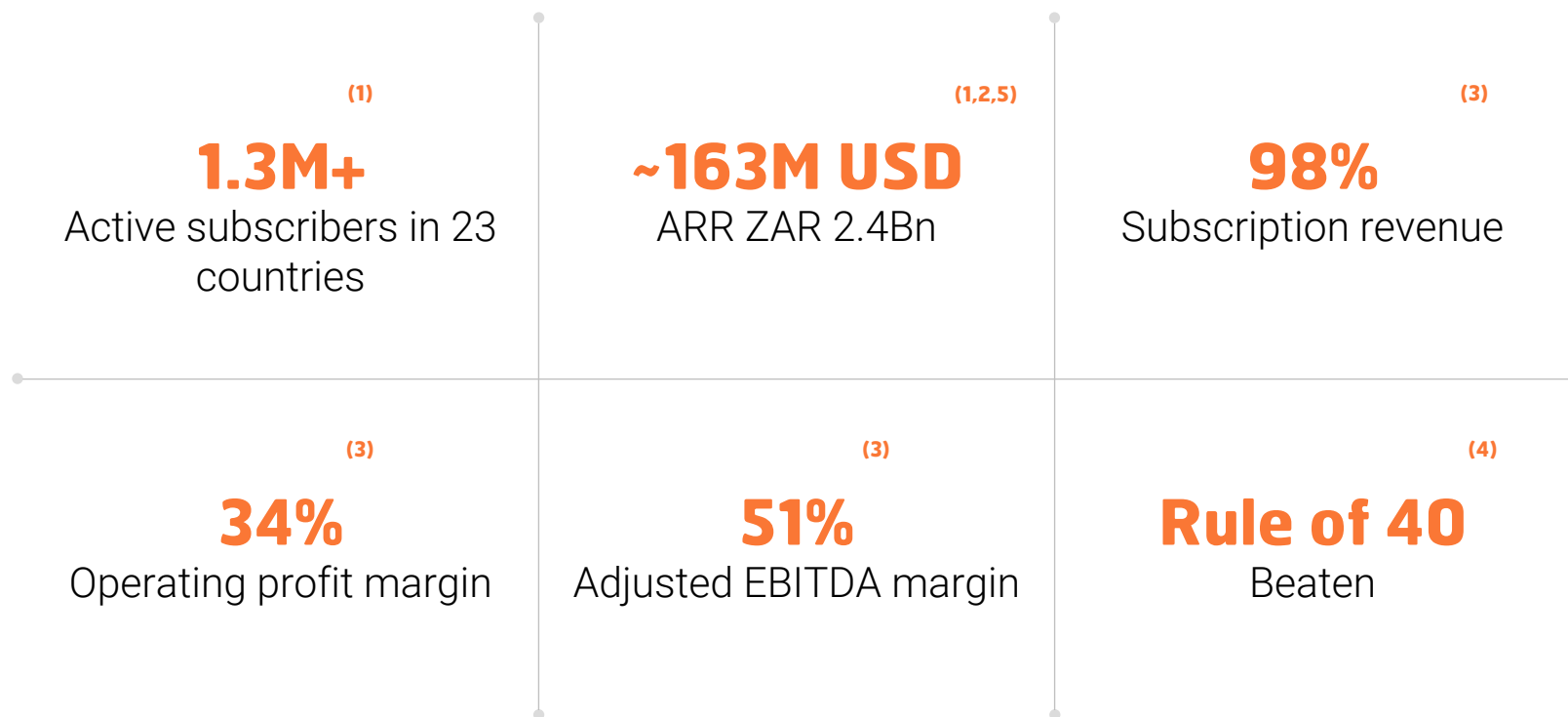


## WITH STRONG FINANCIAL DISCIPLINE



<sup>(1)</sup>As of February 28 2021 per "Recent Developments" in the F-1

# OUR TRACK RECORD OF EXECUTION



## 70,000+ COMMERCIAL CUSTOMERS

<sup>(1)</sup>As of February 28, 2021 per "Recent Developments" in the F-1

<sup>(2)</sup>Exchange rate of 14.6250 ZAR (South African Rand):USD as of February 28,2021

<sup>(3)</sup> For the 9 months ended November 30, 2020

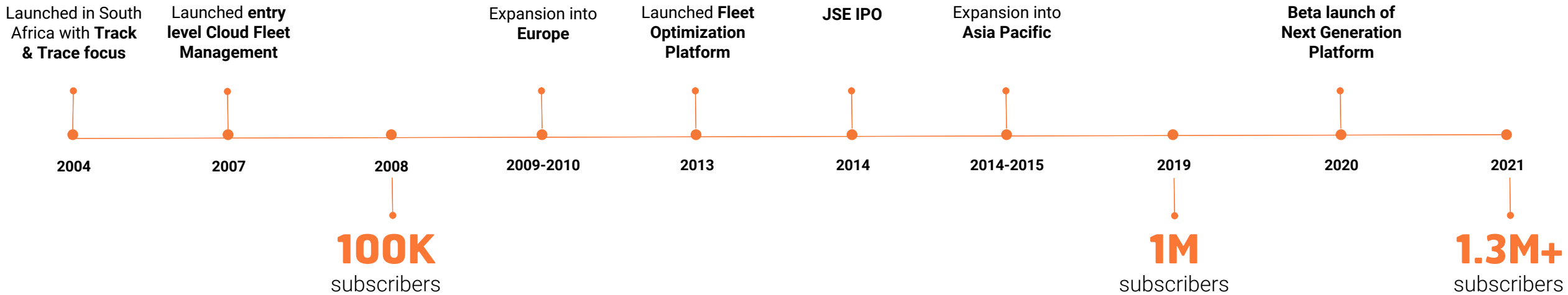
<sup>(4)</sup> Subscription revenue YoY growth + net profit divided by subscription revenue sum to greater than 40 in FY2020 and Q3 FY2021

<sup>(5)</sup>ARR is defined as the annual run-rate subscription revenue of subscription agreements from all customers at a point in time, calculated by taking the monthly subscription revenue for all customers during that month and multiplying by 12"





# CONTINUOUS INNOVATION



Closed System with Limited Connectivity

Fleet Management "SaaS" with Connectivity Focus

Data Enabled Platform

## Telematics industry evolution

### Pre-2014

- 2G/3G
- Proprietary hardware focus
- Limited functionality

### 2014-2018

- 3G/4G LTE
- SaaS focus
- Fleet optimization

### 2019-Future

- 5G
- Configurable solutions
- Artificial intelligence
- Data monetization



# WE SOLVE PROBLEMS



**High Operating Costs**



**Unproductive Use of  
Resources**



**Fragmented &  
Inefficient Workflows**



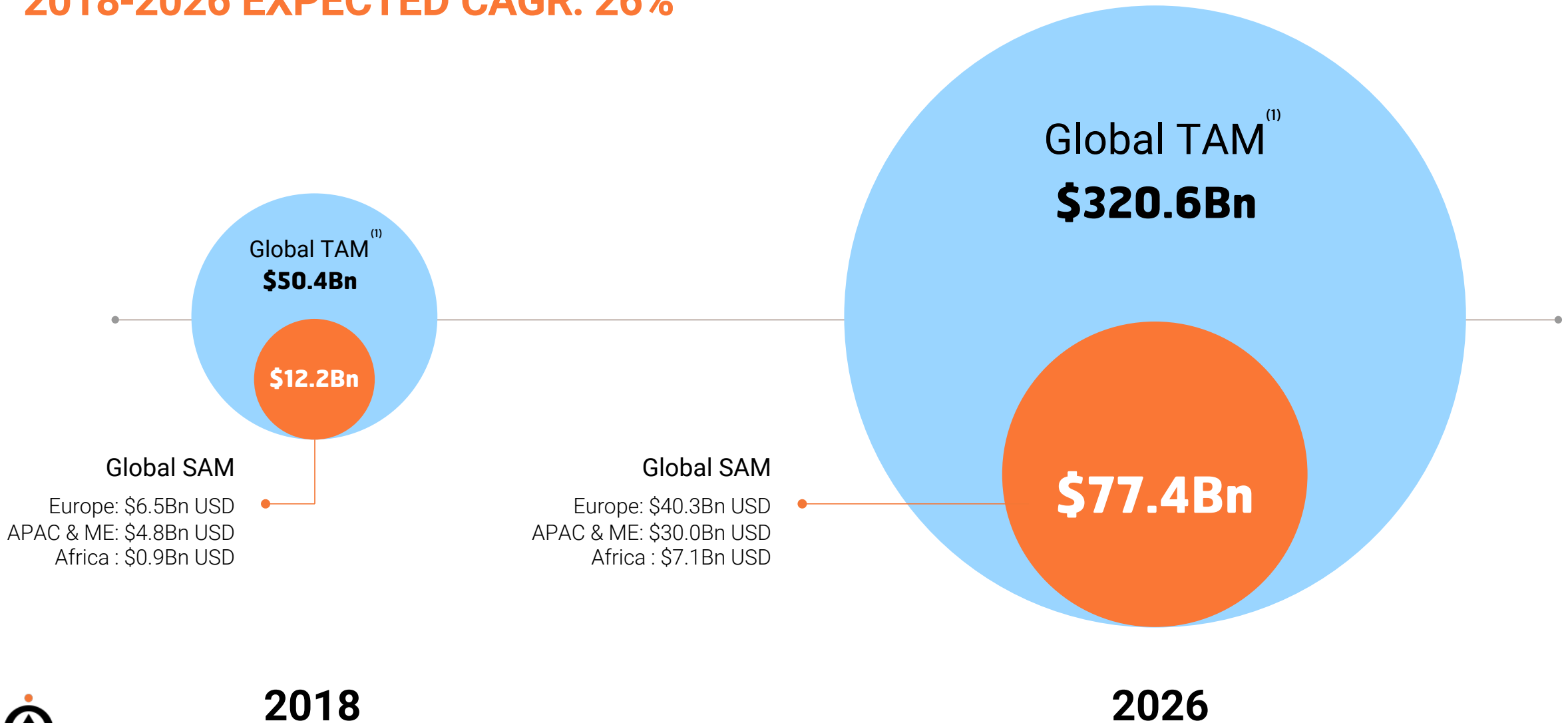
**Safety & Eco  
Compliance**

**Growing vehicle population with an increasing  
demand for digitalization**



# A LARGE, UNDERPENETRATED MARKET

2018-2026 EXPECTED CAGR: 26%



<sup>(1)</sup>The Global Automotive Telematics Market. Source: Allied Market Research. 2019

# CONTINUED INTERNATIONAL EXPANSION UNDER COVID

'000s Subscribers / ZAR M	FY2019	FY2020	YoY change	Q3 FY2020	Q3 FY2021	YoY change
<b>SOUTH AFRICA</b>						
Subscribers	746	869	17%	841	962	14%
Subscription Revenue	1,117	1,384	24%	1,013	1,182	17%
<b>AFRICA- OTHER</b>						
Subscribers	56	60	7%	60	62	3%
Subscription Revenue	98	107	10%	81	78	(3%)
<b>EUROPE</b>						
Subscribers	83	99	20%	95	108	13%
Subscription Revenue	142	168	18%	124	164	32%
<b>ASIA, MIDDLE EAST, USA</b>						
Subscribers	76	99	30%	92	115	25%
Subscription Revenue	164	228	39%	167	211	26%



# OUR SUCCESS ACROSS INDUSTRIES

## South Africa



## Rest of Africa



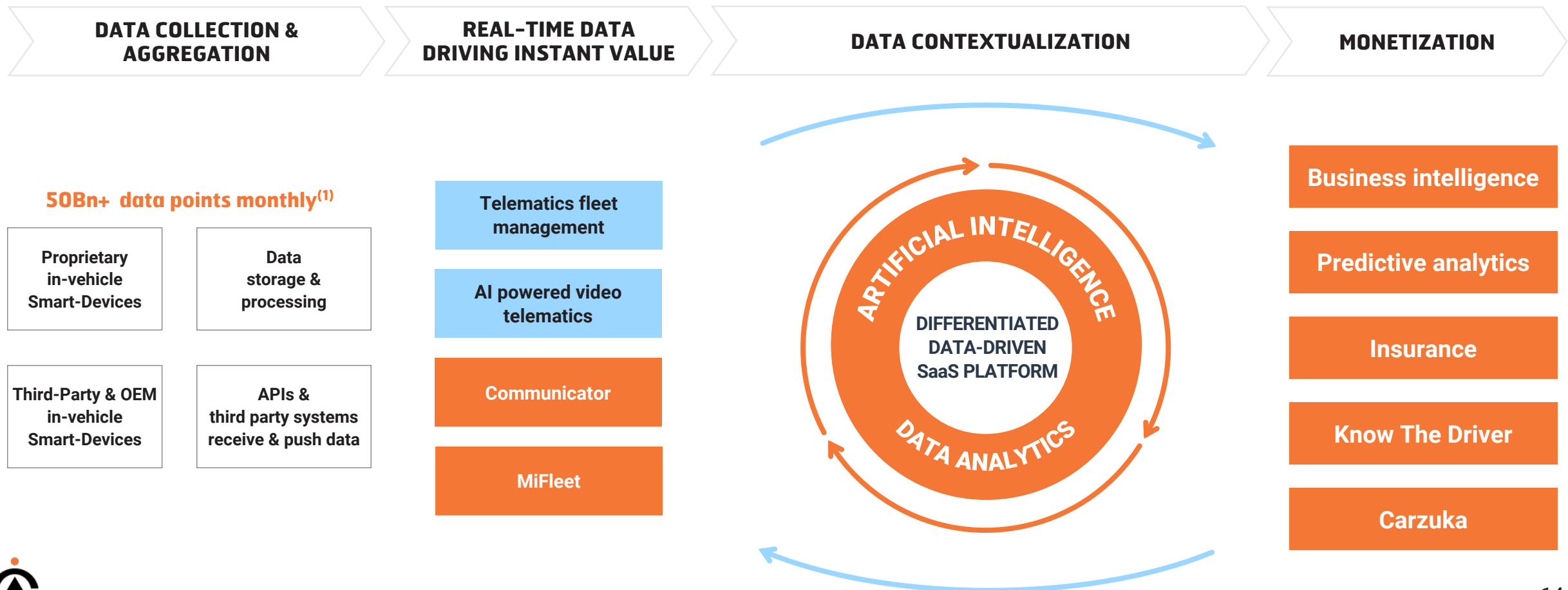
## Europe



## Asia



# WE CONTEXTUALIZE BILLIONS OF DATA POINTS & DRIVE EXCEPTIONAL VALUE FOR CUSTOMERS



<sup>(1)</sup>For the 6 month period ended January 30, 2021

# ONE POWERFUL & DIFFERENTIATED PLATFORM

The image shows a laptop screen displaying the Cartrack web application. The interface includes a top navigation bar with icons for Map, List, Dashboard, Reports, MiFleet, Communicator, Compliance, and Know The Driver. The main area shows a map of South Africa with numerous vehicle location pins. A sidebar on the left contains a search bar and a list of vehicles. A smartphone overlay on the left shows a mobile version of the app with a search bar and a list of vehicles. Red lines connect various features to labels on the right and bottom.

**Insurance**

**Carzuka**

**Know The Driver**

**Compliance**

**Communicator**

**MiFleet**

**Business Intelligence**

**AI Video and Fleet Telematics**



**Feature-rich & vertically integrated**

# OUR PLATFORM ADVANTAGES



Easy-to-use & implement



Seamless unified platform



Massive data scale



Rapid innovation



Strong customer success helpdesks



Reliable & secure

## CONTINUOUSLY ADDING NEW FEATURES

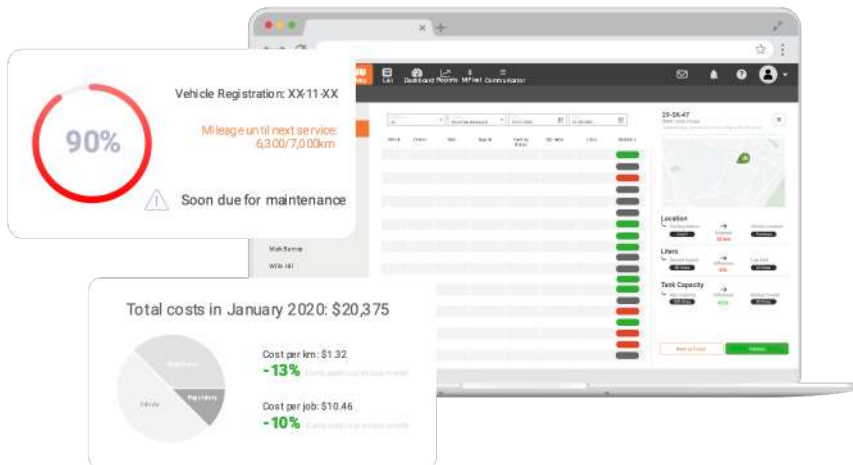
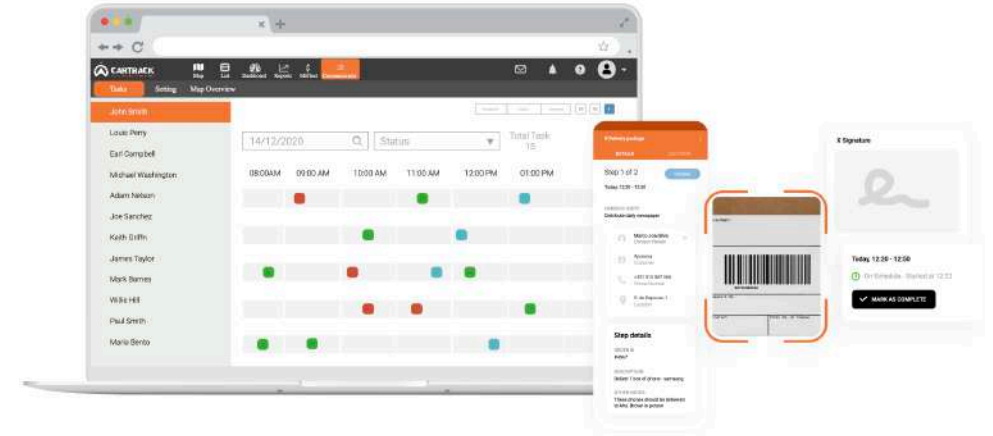






## COMMUNICATOR

Effortlessly plan, create, manage and optimize delivery or on-site jobs to deliver high-quality customer service



## MIFLEET

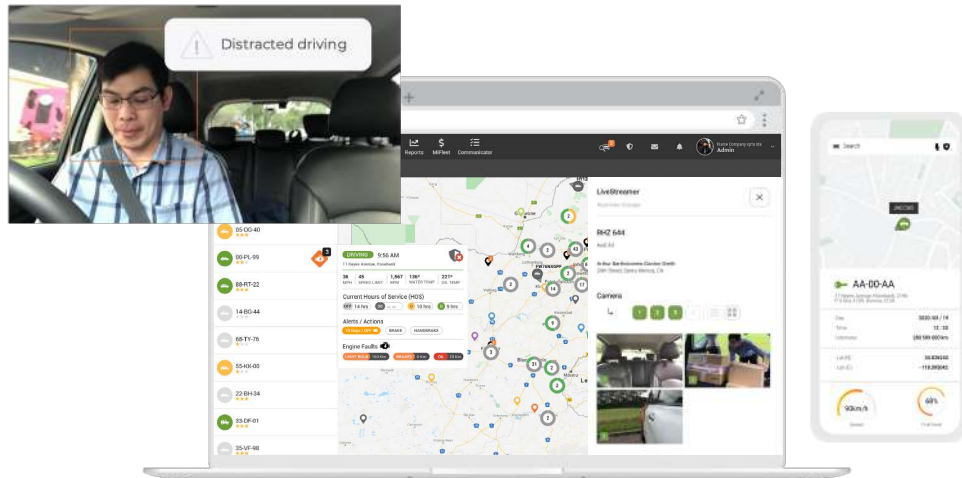
Integrate, digitalize and automate fleet admin, maintenance, cost analysis and compliance





## BUSINESS INTELLIGENCE

Track trends, compare vehicles and drivers, pinpoint inefficiencies and benchmark your fleet



## AI VIDEO & FLEET TELEMATICS

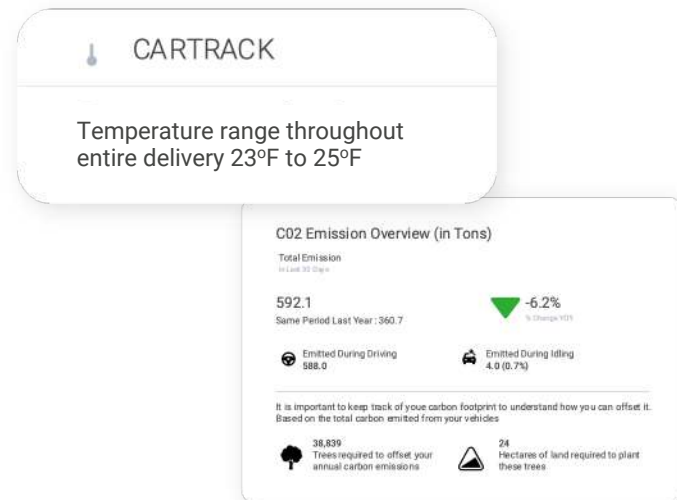
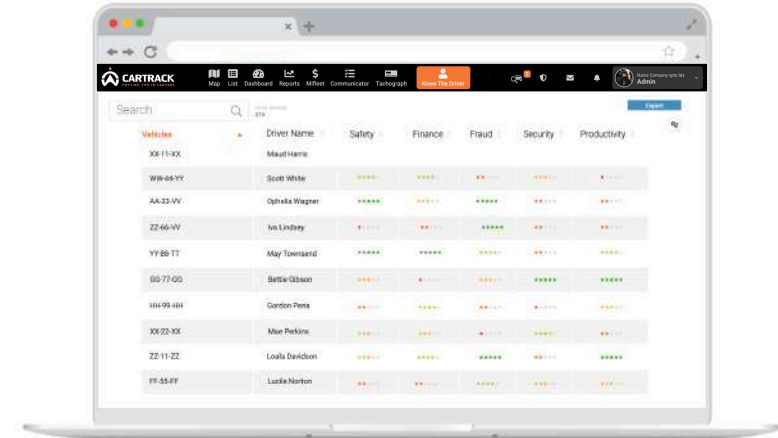
Gain control of vehicles, drivers and cargo with real-time visibility and establish a safety first culture with preventative alerts and effective driver coaching





## KNOW THE DRIVER

Holistic risk management solution driving increased compliance and enabling developmental finance, insurance and other services



## ECO & COMPLIANCE

Effortless compliance, improved fuel economy, reduced food spoilage and actionable fleet eco-efficiency scoring



# FLEET OWNERS AND DRIVERS LOVE US



## Driving OEM Customer Service



### **CHALLENGE:**

Optimizing vehicle maintenance & driver performance

### **SOLUTION:**

- Digitalized offering with a user-friendly dashboard
  - Manage & improve customer productivity
  - Reduce fuel consumption
  - Increase maintenance revenue



## The Car Sharing Economy



### **CHALLENGE:**

Scaling car sharing

### **SOLUTION:**

- App-based wireless key technology
- 200+ vehicles shared with 14,000+ subscribers
- Increased revenue
- Pricing models built on data
- Optimised vehicle hygiene cleaning schedules
- Risk management with real-time vehicle diagnostics & predictive maintenance



# FLEET OWNERS AND DRIVERS LOVE US



## Mining Safety & Compliance



### CHALLENGE:

Compliance with health, safety & environmental regulations & accident prevention

### SOLUTION:

- Comprehensive safety of their personnel
- Integrated cameras, anti-collision technology & driver prevention lock
- Driver behavior management towards zero harm in road transportation



## Credit Underwriting & Asset Management



### INDUSTRY:

- Transporting 15M+ people daily
- 250,000+ minibus taxis
- Dominant mode of public transport in South Africa
- 80,000+ active minibus taxi subscribers on our base

### CHALLENGE:

- Financing perceived high risk small entrepreneurs

### SOLUTION:

- Visibility on affordability based on productivity & route tariffs
- Analytical reports allow us to predict vehicle life expectancy & condition of vehicle
- Real-time emergency alerts

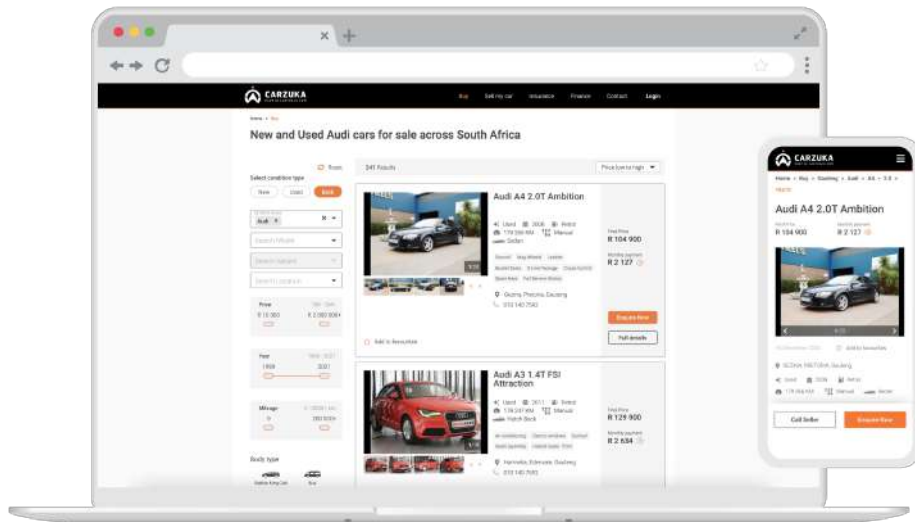




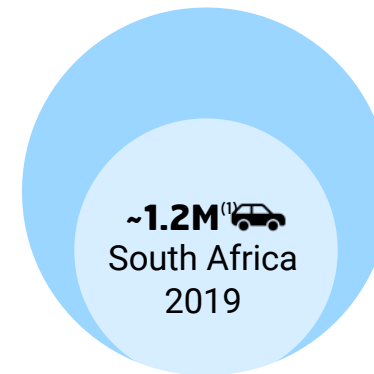
# E-COMMERCE ADOPTION IS TRANSFORMING CAR BUYING

## Carzuka

A seamless, personalized and secure end-to-end vehicle buying and selling experience



## South Africa's Used Car Market



Beta-phase testing  
in progress  
Expected full launch in HY 2021

## Carzuka Advantages

- Leverage off our proven digital marketing capabilities
- Powerful analytics that leverage of Cartrack's 1.3M+ subscribers data pool<sup>(2)</sup>
  - Vehicle profiling and certification
  - Visibility of Cartrack customer defleeting allowing first point of contact
  - Customer profiling to understand needs and demand
- Established network of trusted dealerships



<sup>(1)</sup> PS Market Research. 2019. Used Car Global Industry Analysis and applying Transunion, E-natis (double counting eliminated) & Lightstone data

<sup>(2)</sup> As of February 28 2021 per "Recent Developments" in the F-1

# WHY WE WIN



**Intuitive, comprehensive & differentiated**  
SaaS platform



High **customer ROI**



**Vertically-integrated** business model



**Strong brand** in our key markets



**Fast & agile decision-making**

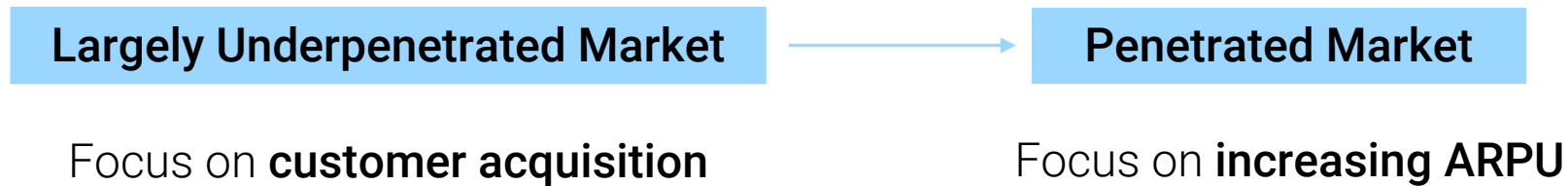
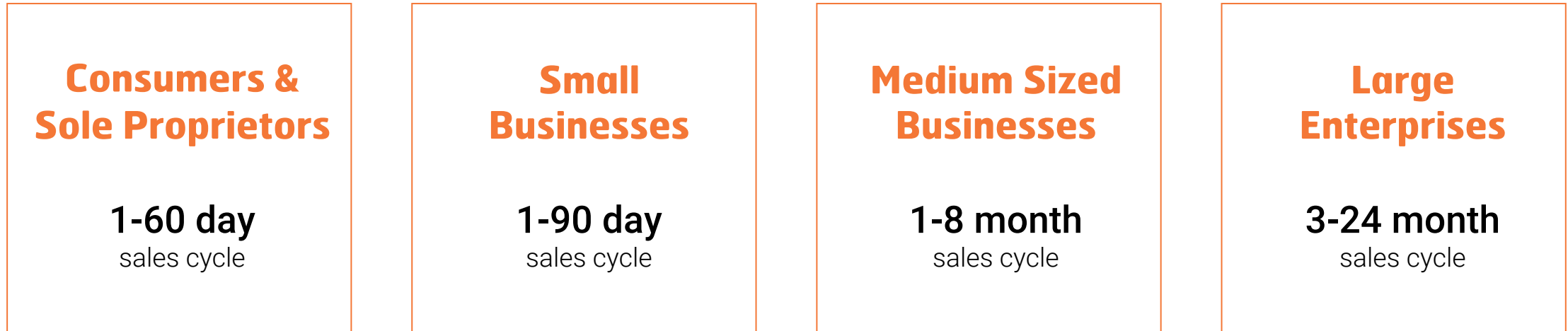


**Customer-centric culture** with high  
referrals

## WE PARTNER WITH OUR CUSTOMERS

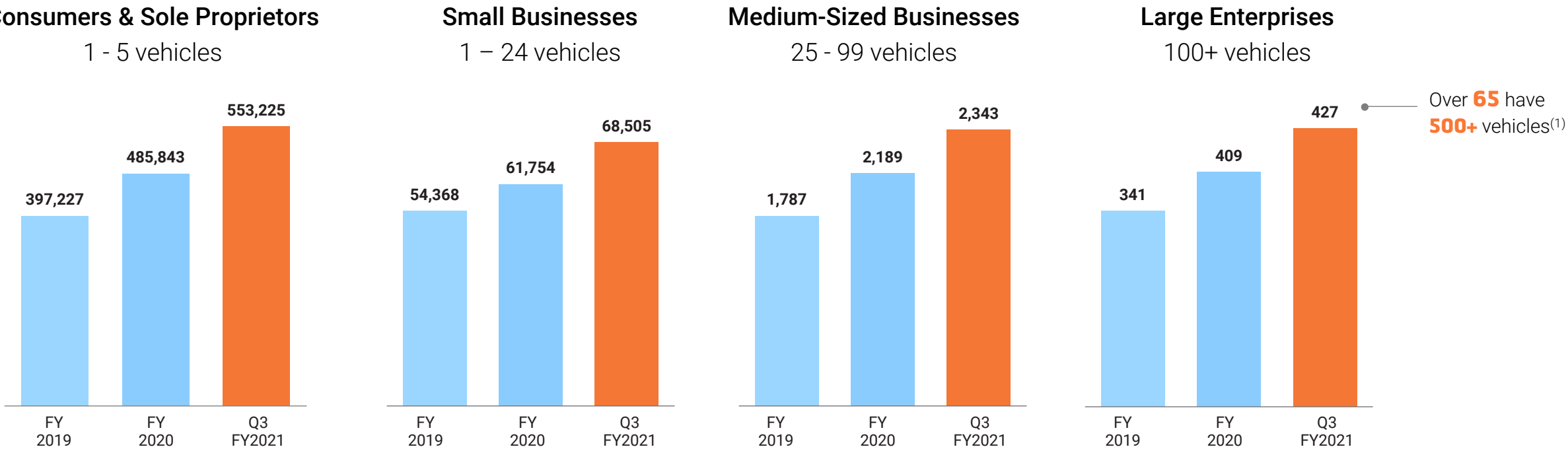


# GO-TO-MARKET STRATEGY





# CUSTOMER GROWTH DESPITE COVID-19



Low industry & customer concentration risk

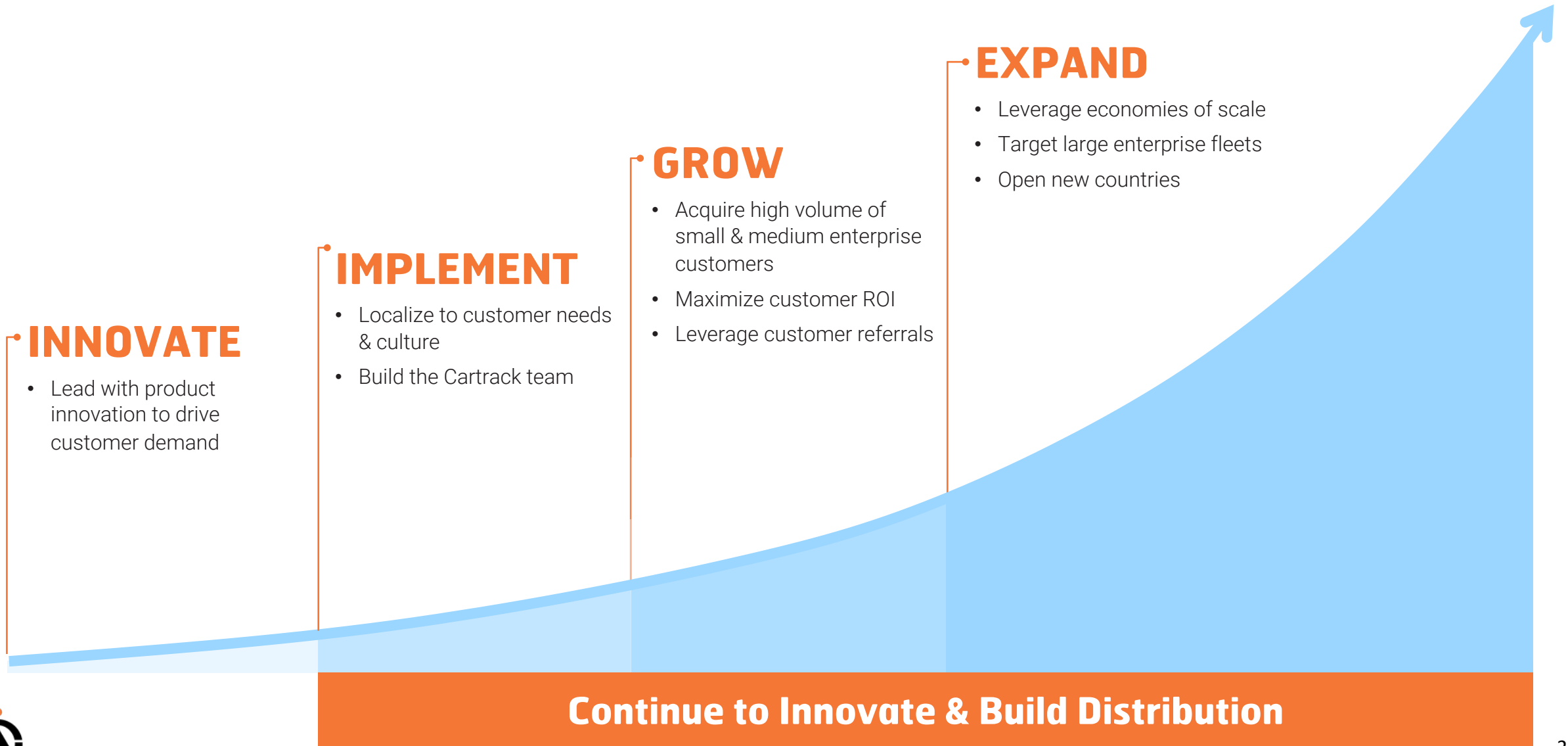
	Revenue
Car Rental Industry	<1.1% <sup>(1)</sup>
Largest Customer	<1.9% <sup>(1)</sup>

95% Commercial Customer Retention Rate<sup>(2)</sup>



<sup>(1)</sup>As of November 30 2020  
<sup>(2)</sup> Customer retention rate for small, medium and large enterprises calculated over a 3-year average as of November 30, 2020 by comparing the number of customers at the end of a year that had been with us at the start of that year

# OUR GROWTH STRATEGY



# A SOLID & EXPERIENCED MANAGEMENT TEAM WITH A WINNING CULTURE



**Zak Calisto**  
Chief Executive  
Officer & Founder



**Pedro Ventura**  
Chief Technology  
Officer



**Morné Grundlingh**  
Chief Financial  
Officer



**Richard Schubert**  
Chief Operating  
Officer



**Fatima Hassim**  
Chief Financial  
Controller



**Juan Marais**  
Joint Chief Revenue  
Officer



**Carmen Calisto**  
Chief Marketing &  
Joint Revenue Officer



**Wei Ling Tan**  
Joint  
Chief People Officer



**Neo Nkobo**  
Joint  
Chief People Officer



**Harry Louw**  
CEO  
South Africa



**Joshua Victor**  
Deputy CEO  
South Africa



**Brendan Horan**  
Investor Relations  
& Assistant to CEO



**Hong Yap Lau**  
Group Consolidation  
Officer



**Siok Lan Lai**  
Group Internal Systems  
Officer



**Innovative**

**Customer-centric**

**Business savvy**

# INVESTMENT HIGHLIGHTS



Large & growing market opportunity with a **long runway for sustainable growth**



**Integrated cloud software platform** for enterprises and consumers



**Proven scalability** with **1.3M+ subscribers**<sup>(1)</sup> generating **50Bn+ data points**<sup>(2)</sup> per month



**Innovative culture** with a track record of delivering **new applications** as customer needs evolve



**Multiple levers for expansion** that will contribute to sustained growth



**Positioned for accelerated growth** with **consistent strong historical operating & EBITDA margins**



**Founder-led management team** with experience **operating as a public company** in South Africa



<sup>(1)</sup> As of February 28 2021 per “Recent Developments” in the F-1

<sup>(2)</sup> For the 6 month period ended January 30, 2021

# ATTRACTIVE LONG-TERM FINANCIAL MODEL

SaaS Model with Stable  
Average Revenue Per  
Subscriber

Low Cost of Acquiring a  
Subscriber

Strong Comparative  
Benefits from  
Economies of Scale

**High Margins & Cash Generation**



# KEY METRICS



**98%**

Subscription revenue<sup>(1)</sup>

**High Revenue Visibility**



**~\$163M USD**

ARR<sup>(2,3)</sup>

**Strong Subscriptions**



**51%**

High EBITDA margins<sup>(1)</sup>

**High Profitability**



**1.3M+**

As of February 2021<sup>(3)</sup>

**Total Subscribers**



**~60**

Months

**Subscriber Life Expectancy**



**95%**

Customer retention rate<sup>(4)</sup>

**Loyal Customers**

<sup>(1)</sup>For the 9 months ended November 30, 2020

<sup>(2)</sup>Exchange rate of 14.6250 ZAR:USD as of February 28, 2021

<sup>(3)</sup>As of February 28 2021 per "Recent Developments" in the F-1

<sup>(4)</sup>Customer retention rate for small, medium & large enterprises calculated over a 3-year average as of November 30, 2020 by comparing the number of customers at the end of a year that had been with us at start of that year



# OUR ORGANIC SUBSCRIPTION REVENUE GROWTH

**98%**<sup>(1)</sup>

Subscription Revenue

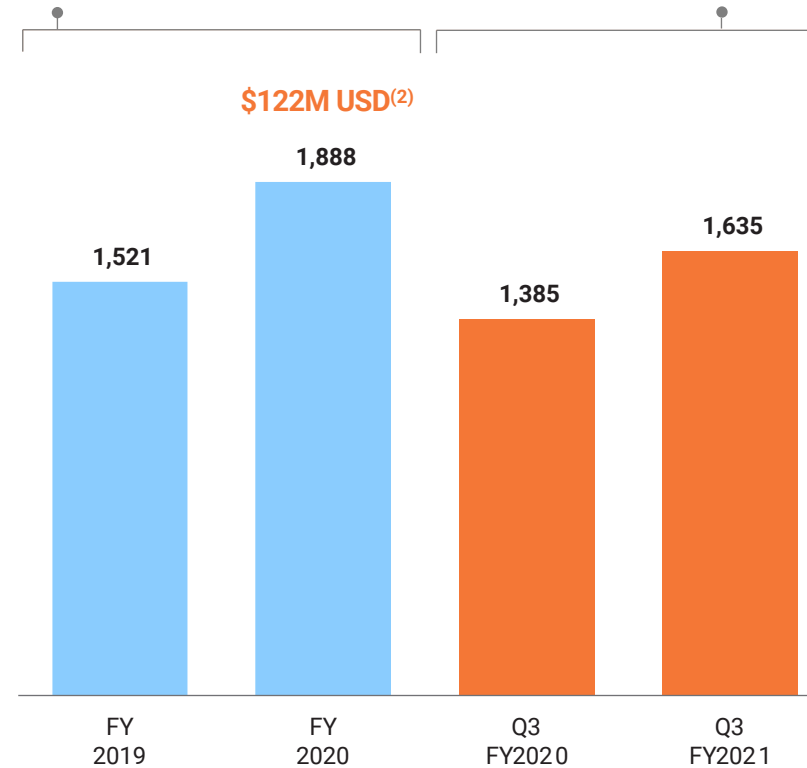
ZAR M

**24%**

YoY growth rate

**18%**

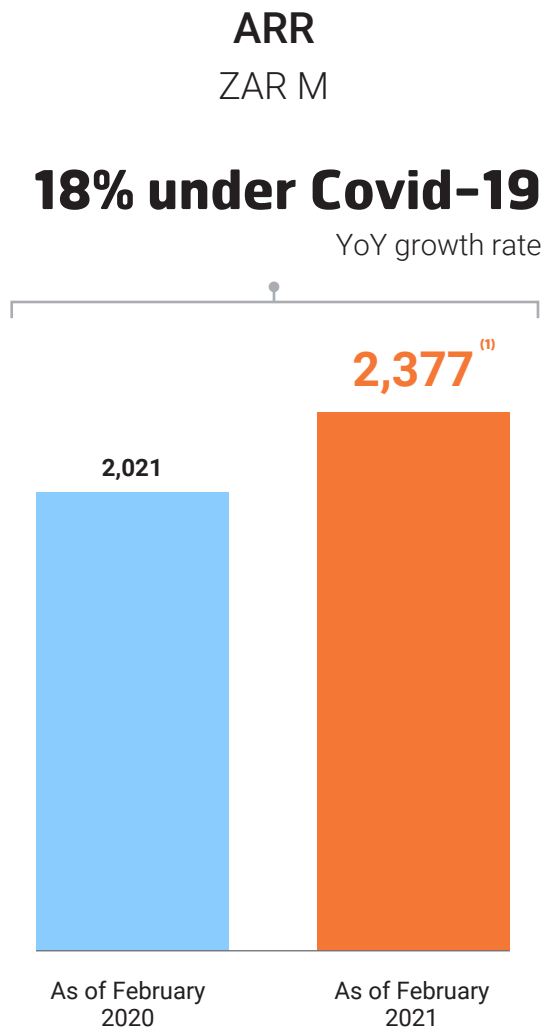
YoY growth rate



<sup>(1)</sup>For 9 months ended November 30, 2020

<sup>(2)</sup>Exchange rate of 15.43 ZAR:USD as of November 30, 2020

# ROBUST ARR GROWTH DURING PANDEMIC



- Strong ARR growth despite Covid-19 due to agile adaptability
- Quarter ending May FY2021 most affected by hard lockdowns
  - › Despite this we still achieved robust ARR growth
- Subscriber growth accelerated in HY2021
  - › **All-time record for subscriber growth & financial performance with 70,916 net new subscribers added to platform in the 3 months ended November 30, 2020**



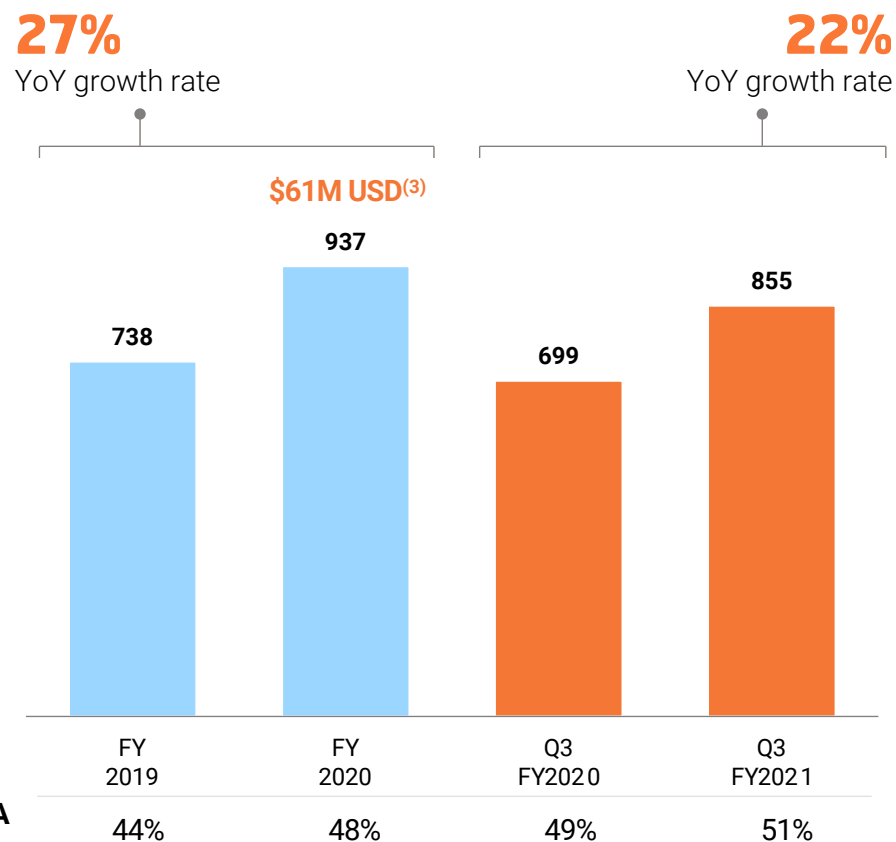
<sup>(1)</sup>As of February 28 2021 per "Recent Developments" in the F-1



# ACCELERATING ADJUSTED EBITDA WITH A POSITIVE CASH FLOW

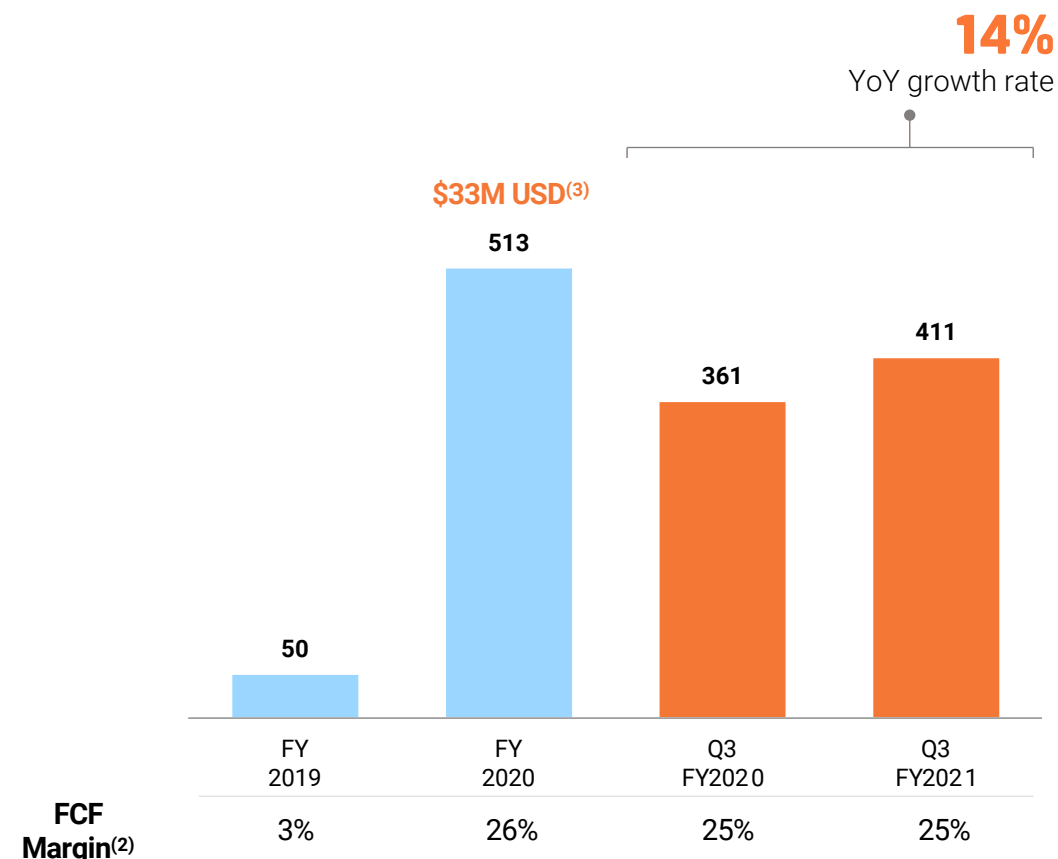
Adjusted EBITDA<sup>(1)</sup>

ZAR M



FCF<sup>(2)</sup>

ZAR M



<sup>(1)</sup> Adjusted EBITDA & adjusted EBITDA margin are non-IFRS metrics. Please see appendix for reconciliation to closest metric calculated in accordance with IFRS

<sup>(2)</sup> Free cash flow defined as net cash generated from operating activities less purchase of property, plant & equipment. Free cash flow & free cash flow margin are non-IFRS metrics. Please see appendix for reconciliation to closest metric calculated in accordance with IFRS.

<sup>(3)</sup> Exchange rate of 15.43 ZAR:USD as of November 30, 2020

# BALANCE SHEET

## Balance sheet summary

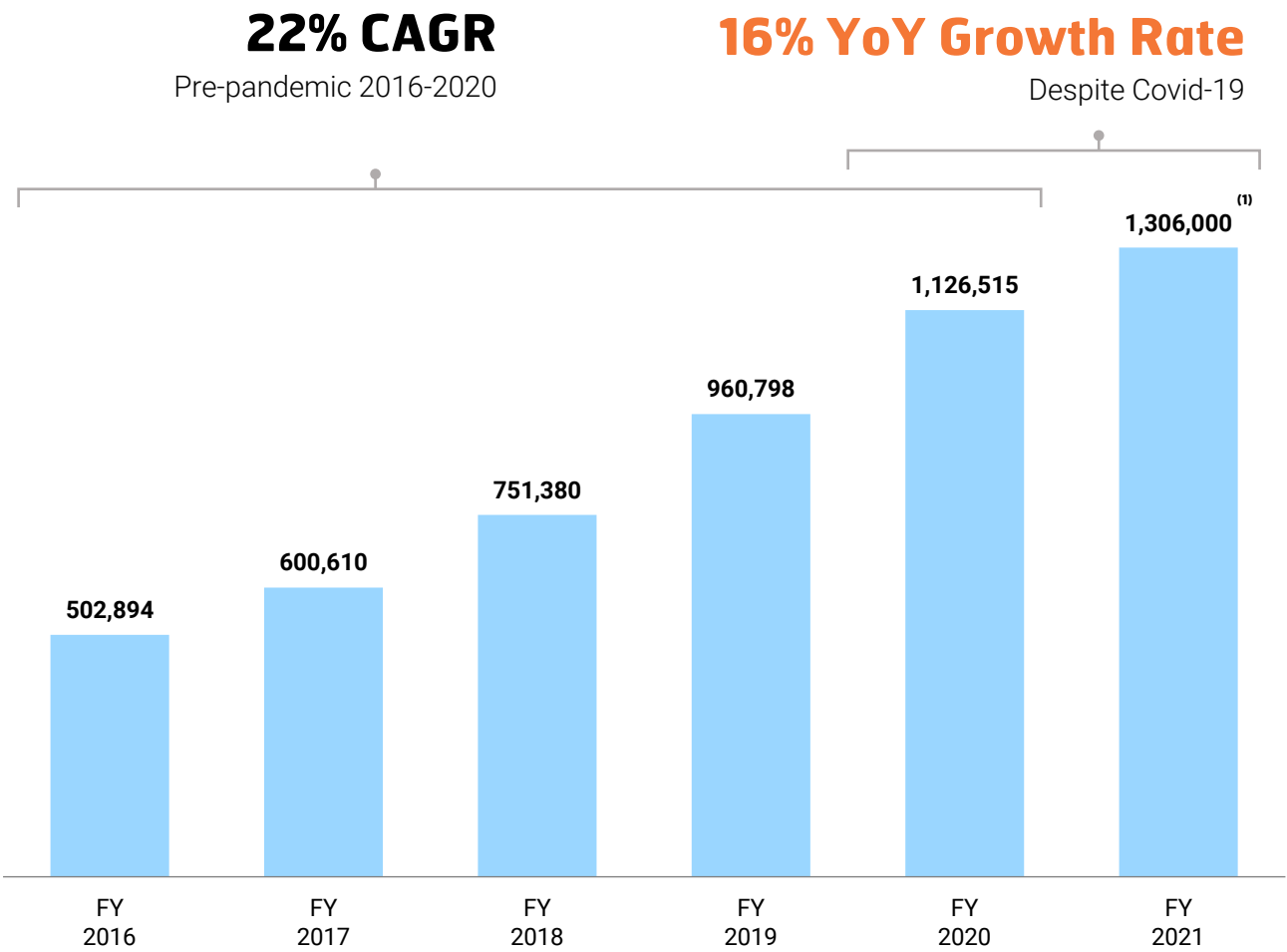
ZAR M	FY2019	FY2020	Q3 FY2021
Total cash	52	147	88
Total capitalized assets <sup>(1)</sup>	677	894	955
<b>Total assets</b>	<b>1,529</b>	<b>1,845</b>	<b>2,002</b>
Total deferred revenue	--	209	248
Total debt	239	23	18
<b>Total liabilities</b>	<b>692</b>	<b>620</b>	<b>807</b>



<sup>(1)</sup>Capitalized assets include capitalized telematics devices & intangible assets

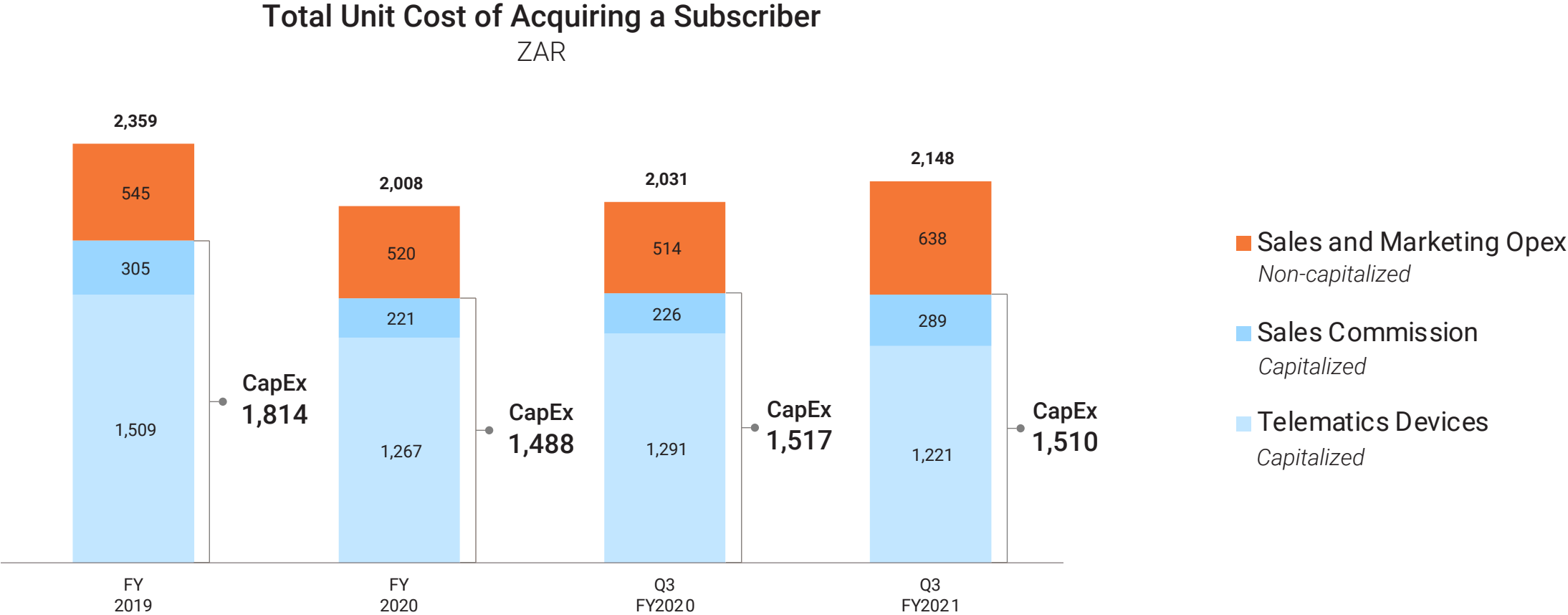
# SCALING OUR SUBSCRIBER BASE

Total Active Subscribers



<sup>(1)</sup>As of February 28 2021 per "Recent Developments" in the F-1

# OUR LOW COST OF ACQUIRING A SUBSCRIBER



# LONG-TERM FINANCIAL GOALS WITHOUT ADDITIONAL PLATFORM VERTICALS

Reflect our accelerated and aggressive growth strategy

	Actual FY2019	Actual FY2020	Actual Q3 FY2021	Long-term targets <sup>(1)</sup>
Gross margin	71%	70%	72%	69-72%
Research & development as a % of Subscription Revenue	3%	2%	3%	4-6%
<b>Total capital allocated to Research &amp; development as a % of Subscription Revenue<sup>(2)</sup></b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>5-7%</b>
Sales & marketing as a % of Subscription Revenue	12%	10%	10%	17-19%
General & administrative as a % of Subscription Revenue	29%	24%	23%	12-16%
Operating profit margin	30%	33%	34%	32-36%
Adjusted EBITDA margin %	44%	49%	51%	50-54%



<sup>(1)</sup> The long-term targets on this slide reflect the company's long-term goals and are not projections or estimates of future results. The company's ability to achieve any such long-term targets is subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from these targets, and there can be no assurance that the company will achieve any such targets within any particular timeframe, or at all. See slide 2 for further information on forward-looking statements.

<sup>(2)</sup> Refer to pg. 46 for reconciliation of total capital allocated to R&D

# INVESTMENT HIGHLIGHTS



Large & growing market opportunity with a **long runway for sustainable growth**



**Integrated cloud software platform** for enterprises and consumers



**Proven scalability** with **1.3M+ subscribers**<sup>(1)</sup> generating **50Bn+ data points**<sup>(2)</sup> per month



**Innovative culture** with a track record of delivering **new applications** as customer needs evolve



**Multiple levers for expansion** that will contribute to sustained growth



**Positioned for accelerated growth** with **consistent strong historical operating & EBITDA margins**



**Founder-led management team** with experience **operating as a public company** in South Africa



<sup>(1)</sup> As of February 28 2021 per “Recent Developments” in the F-1

<sup>(2)</sup> For the 6 month period ended January 30, 2021



**CARTRACK**

**Thank You**



**Appendix**



# KEY INCOME STATEMENT METRICS

Reflecting our historical growth trajectory & robust operating metrics

	FY19	FY20	Q3 FY20	Q3 FY21
Annual Recurring Revenue ( ZAR '000s)	1,674,522	2,021,880	2,020,420	2,372,705
Average monthly Revenue per Subscriber (ZAR)	148	151	150	153
YoY Subscription Revenue Growth	30% <sup>(1)</sup>	24%	N/A	18%
Gross Margin	71%	70%	70%	72%
Research & Development as a % of Subscription Revenue	3%	2%	2%	3%
Sales & Marketing as a % of Subscription Revenue	12%	10%	10%	10%
General & Administrative as a % of Subscription Revenue	29%	24%	24%	23%
Operating Profit Margin	30%	33%	33%	34%
Adjusted EBITDA margin	44%	49%	49%	51%
FCF margin	3%	26%	25%	25%



# FREE CASH FLOW BRIDGE

ZAR (000s)	FY2019	FY2020	Q3 FY2020	Q3 FY2021
Revenue	1,693	1,942	1,431	1,675
Subscription revenue	1,521	1,888	1,385	1,635
Cash flow from operations	472	901	665	714
Purchase of PPE	(422)	(389)	(304)	(304)
Free cash flow <sup>(1)</sup>	50	513	361	411
Free cash flow margin	3%	26%	25%	25%



<sup>(1)</sup>Free cash flow defined as net cash generated from operating activities less purchase of property, plant and equipment

# RECONCILIATION OF PROFIT TO ADJUSTED EBITDA

ZAR ('000)	FY19	FY20	Q3 FY20	Q3 FY21
Profit for the year	361,048	443,526	329 419	394 864
Less: Finance Income	(2,749)	(2,592)	(1,606)	(3,852)
Add: Finance Costs	31,438	16,831	14,238	4,833
Add: Taxation	110,182	173,157	126,329	170,130
Add: Depreciation and Amortization	238,515	295,762	219,990	289,065
<b>EBITDA</b>				
Add: Corporate	-	10,801	10,604	301
Adjusted EBITDA	738,434	937,485	698,974	855,341



# RECONCILIATION OF FREE CASH FLOW & FREE CASH FLOW MARGIN

ZAR ('000)	FY19	FY20	Q3 FY20	Q3 FY21
Net Cash Generated from Operating Activities	472,258	901,224	664,465	714,234
Less: Purchase of Property, Plant and Equipment	(422,061)	(388,723)	(303,888)	(303,719)
Free Cash Flow	50,197	512,501	360,577	410,515
Net Cash Generated from Operating Activities as % of Revenue	27.9%	46.4%	46.4%	42.6%
Less: Purchase of Property, Plant and Equipment as % of revenue	24.9%	20.0%	21.2%	18.1%
Free Cash Flow Margin %	3.0%	26.4%	25.2%	24.5%



# RECONCILIATION OF EBITDA & OPERATING EXPENSE

## Karoo0000 vs. Cartrack

ZAR ('000)	FY2019	FY2020	Q3 FY2020	Q3 FY2021
EBITDA Karoo0000	738,434	926,684	688,370	855,040
Add: Corporate / Karoo0000 expenses	-	10,801	10,604	301
Adjusted EBITDA Cartrack	738,434	937,485	698,974	855,341
EBITDA Margin Karoo0000	44%	48%	48%	51%
Adjusted EBITDA Margin Cartrack	44%	48%	49%	51%
Operating Expenses				
General & Administration Expenses	443,562	460,402	334,525	371,351
General & Administration Expenses as a % of Subscription Revenue	29.2%	24.4%	24.2%	22.7%
Adjusted for Karoo0000 Expenses	-	(10,801)	(10,604)	(301)
Adjusted General & Administration Expenses	443,562	449,601	323,921	371,050
General & Administration Expenses as a % of Subscription Revenue	29.2%	23.8%	23.4%	22.7%



# RECONCILIATION OF RESEARCH & DEVELOPMENT CAPITAL ALLOCATION & EXPENSED

ZAR (M)	FY2019	FY2020	Q3 FY2021
<b>Subscription Revenue</b>	<b>1,521</b>	<b>1,888</b>	<b>1,635</b>
R&D: Operating Expenses	48.3	44.9	54.2
R&D: Capitalized	13.6	31.2	30.9
Total Capital Allocated to R&D	61.9	76.1	85.1
<b>Total R&amp;D Capital Allocated as a % of Subscription Revenue</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>
R&D: Operating Expenses	48.3	44.9	54.2
R&D: Amortization of Capitalized R&D included in G&A	-	9.2	16.2
Total R&D Expensed	48.3	54.1	70.4
<b>Total R&amp;D Expensed as a % of Subscription Revenue</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>

