CARTRACK

PUTTING YOU IN CONTROL

HY21 Interim Financial Results

We will officially be live at 2.10pm SA time (GMT +2) 14th October 2020

Morné Grundlingh
Group CFO

Zak Calisto
Group CEO

Richard Schubert
Group COO

A Powerful Telematics Software-as-a-Service Platform that delivers Real-Time Data, Visibility and Impact for any Fleet Operation and Consumer

16 years of growth and innovation in automotive technology

Globally Competitive SaaS Platform

Over 1.2 million

active subscribers as at 14th of October 2020

Strong Subscriber Growth with Large Data Sets

31,000+ smart IoT in-vehicle devices installed each month since July 2020

50+ billion data points collected a month and climbing

A Global Footprint with a Trusted Record

Founded in 2001 and operational in 2004 with a fully vertically integrated business model, we have full ownership of our solutions and service.

23 countries on 5 continents

2,600+ employees

The Cartrack Advantage

A strong ability to adapt and innovate with a proven track record

Founder-Led Business

- Shareholder gains and losses are in direct proportion to the Founder/CEO
- Management have an owner-orientated mindset

Geared for Organic Growth

- Customer-centric culture with high customer retention
- High staff loyalty and retention
- Strong implementation and execution mindset
- Evolving distribution model with a proven track record

Differentiated Technology Platform

- Vertically integrated business model
- Proprietary software and systems
- Highly scalable business and technology platform

Innovative Culture

- High speed innovation
- Strong ability to adapt and set market trends
- Vibrant entrepreneurial environment

Compelling Financials

- Consistently delivering strong Subscription Revenue, Earnings and EBITDA growth
- Consistently delivering strong operating margins
- Always maintained a strong Balance Sheet and Capital Structure

A Proven Distribution Model with a Long Runway for Growth

Global Addressable Market remains Materially Underpenetrated

The global automotive telematics market size was valued at $50.4 billion in 2018, and is projected to reach $320.6 billion by 2026, registering a CAGR of 26.8% from 2019 to 2026. (Allied Market Research, 2019)]

Cartrack's historical and current sales growth trend supports management's view that the operating territories remain significantly underpenetrated with a long runway for growth.

Totally Organically Grown

Business expansion and Subscriber Acquisition have been internally driven

A Continuously Evolving Marketing and Sales Strategy

Ability to adapt during Covid-19 pandemic resulting in robust customer acquisition performance

Best-in-Class Software and Engineering Teams

Innovation backed by 900+ mobile workshops

Allied Market Research. 2019. *Global Automotive Telematics Market* - *https://www.alliedmarketresearch.com/automotive-telematics-market*

Streamlining and aligning Business Functions

Understanding our customer needs and creating real solutions

A Single Platform

- Increased data reliability and usability
- Reduced manual inputs
- Connect operational and financial activities
- Everything in one place

Scalable Platform

- Seamless performance for fleets of any size
- Easy integration of additional fleet management features
- Stable platform that can be accessed by multiple users simultaneously
- Simple and cost-effective pricing model

Intuitive and Powerful

- A strong focus on user experience and interface design to ensure that our platform is easy-to-use
- Smart business insights and contextualised data for easy business decision making
- Sophisticated in-house technology yielding actionable data in areas where management typically have limited visibility

Enhancing Cartrack's Comprehensive Fleet Management Platform

New Transformational Software Initiatives in Cartrack's Next Generation Vertical SaaS Platform

- **LiveVision** real-time video streaming
- **MiFleet** advanced fleet administration & business intelligence
- **Communicator** mobile workforce management & routing
- **CRM** customer relationship management
- **OEM Data Switch** OEM & 3rd party integration
- **Insurance Aggregator** insurance multi-quote platform

Customer Profile

Broad industry approach with a low customer and industry concentration risk helped weather the storm of the pandemic

Low Customer Concentration Risk

Our largest customer accounts for less than 2.25% of our total subscription revenue and has over 30,000 vehicles under subscription.

Low Industry Concentration Risk

As an example, short-term car rental (AVIS, Hertz and others) accounts for less than 1.5% of revenue and less than 1.75% of our subscriber base.

Large Enterprise Fleets and Fleets Greater than 500 vehicles

We service more than 430 fleets with over 100 vehicles of which more than 60 fleets have over 500 vehicles.

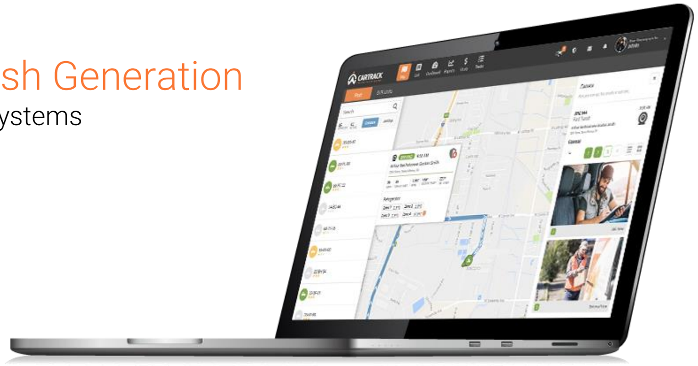
A Leading Financial Model positioned for Sustainable Growth

SaaS model with stable Average Revenue Per Subscriber
Geared to increase market share once the market matures

Strong Comparative Benefits from Economies of Scale
(Costs of Servicing a Subscriber + Fixed Costs)/Number of Subscribers

Industry low Cost of Acquiring a Subscriber
Total Capitalised Costs of Acquiring Subscribers/ Gross Subscriber Adds

Industry-leading Margins and Cash Generation
On the back of rigorous monitoring and control systems



Proven Business Model with a Consistent Track Record

HY21 snapshot

Total Subscribers

1,175,173

HY-o-HY Net Subscriber Growth

136,203

Strong Customer Retention

60+ months Subscriber Life Expectancy

Subscription Revenue

98% of Total Revenue

Operating Profit Margin

34%

Industry leading EBITDA Margin

53%

HY-o-HY comparison

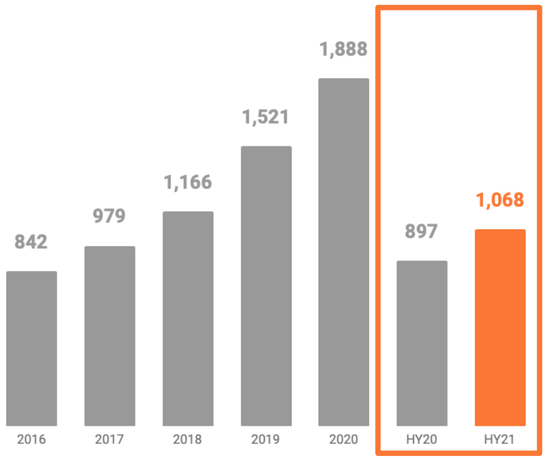
+19%	Subscription Revenue
+16%	Operating Profit
+20%	EBITDA
+21%	EPS
+21%	HEPS
+13%	Net Cash from Operations
+335%	Dividend in respect of HY21

Consistent Double Digit Growth on Key Metrics

Subscription based business model with a strong visibility into future Subscription Revenue

Subscription Revenue

R million

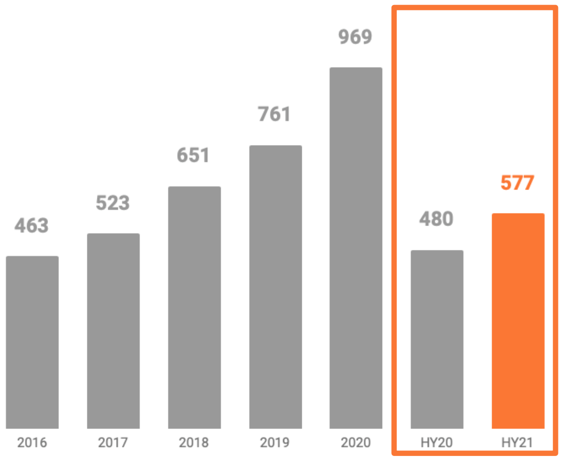


19%

HY-o-HY growth rate

EBITDA

R million



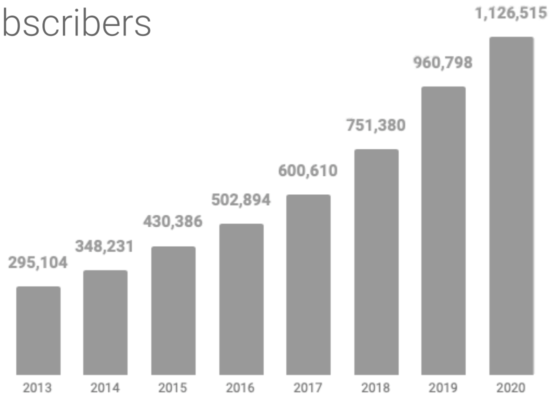
20%

HY-o-HY growth rate

A Subscriber Base driven by Digitalisation

Despite Covid-19 restrictions, which impact our ability to install our IoT devices into vehicles, we continue to experience strong demand for our SaaS platform

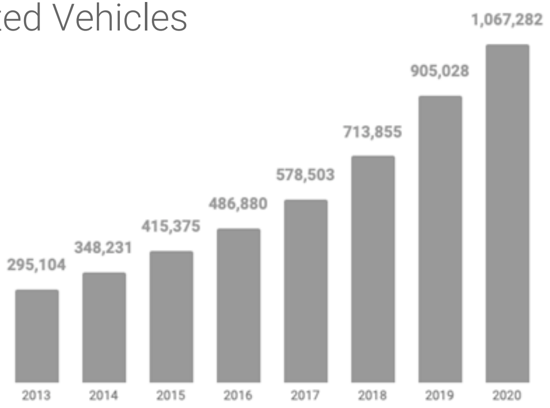
Total Subscribers



13%

HY-o-HY growth rate

Connected Vehicles



15%

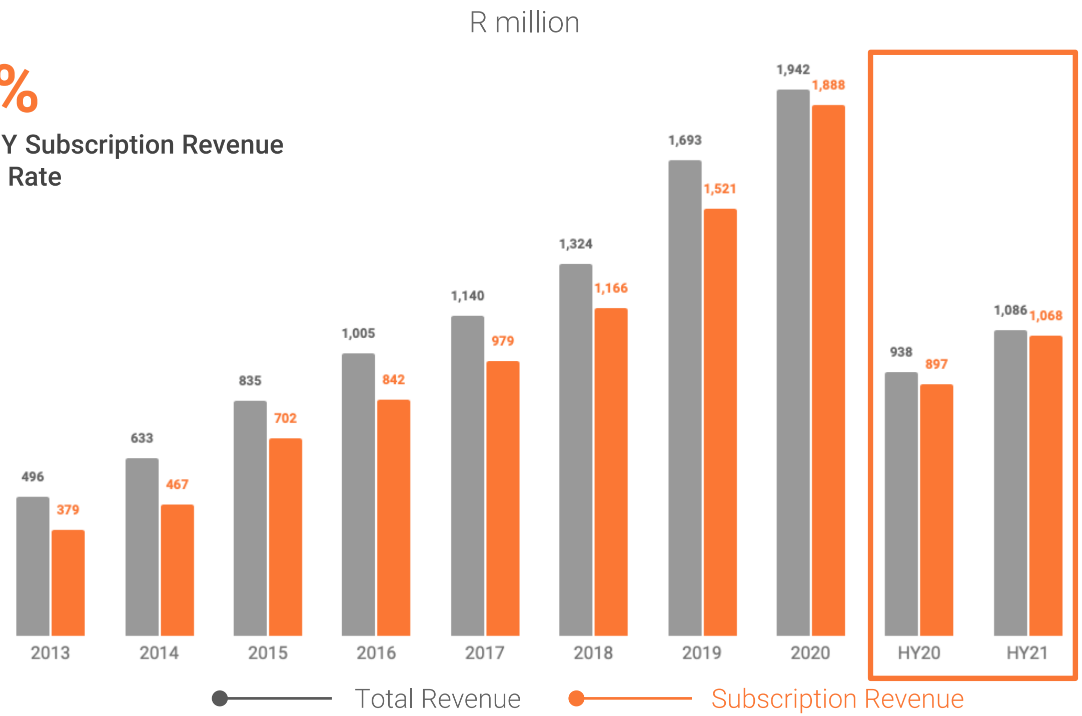
HY-o-HY growth rate

Total Revenue and Subscription Revenue Growth

Customers continue to choose bundled SaaS platform contracts

19%

HY-o-HY Subscription Revenue Growth Rate



Highlight

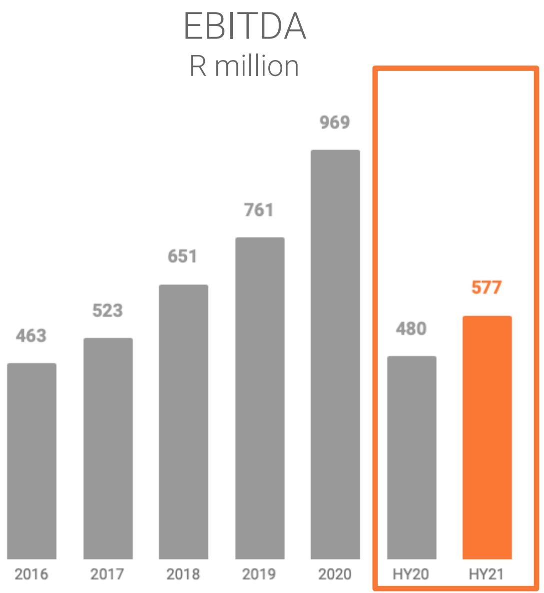
- Subscription Revenue as a percentage of Total Revenue reached a new high of 98% (HY20: 96%)
- Robust Growth despite us allowing discounts to certain customers that were hard hit by the pandemic

Commentary

- Strong customer-centric sales culture
- Strong demand for the Cartrack SaaS platform despite the pandemic

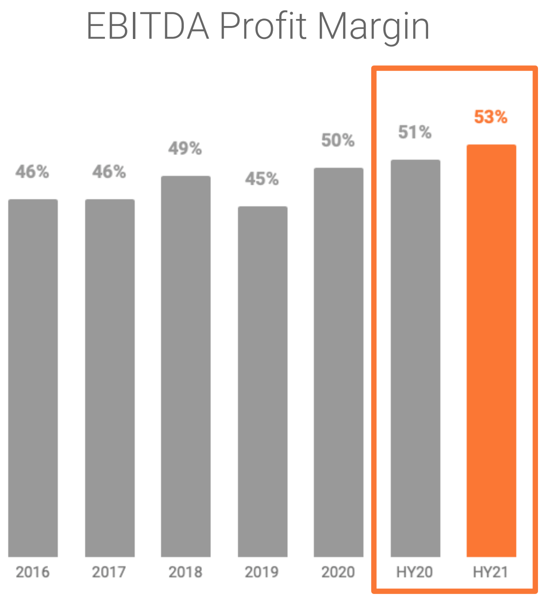
Accelerating EBITDA and Margin Expansion

Industry leading EBITDA margins despite the costs associated with continuous and sustainable growth

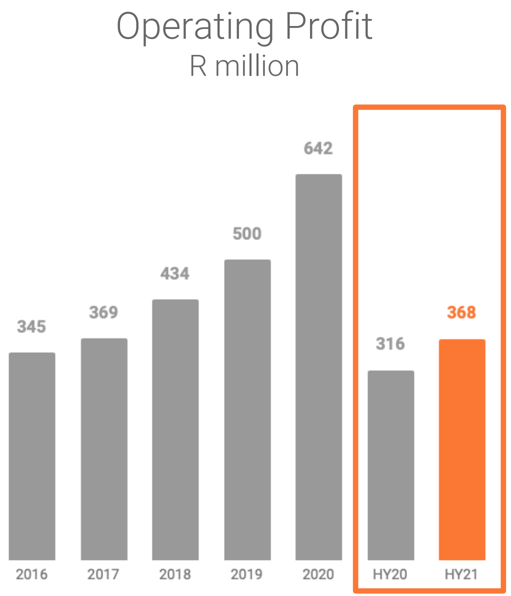


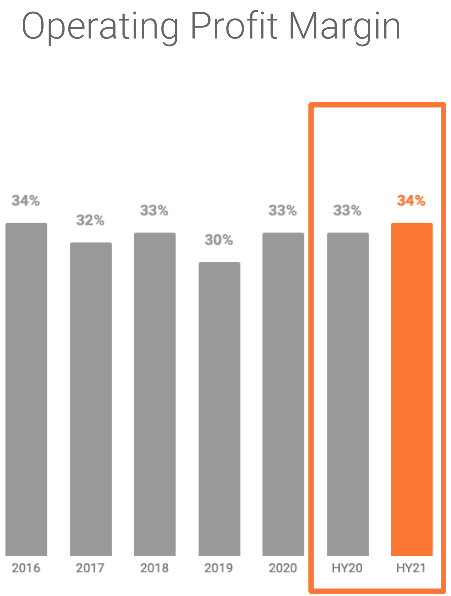
20%

HY-o-HY growth rate



Operating Profit weathers the Pandemic and Operating Margin remains intact





16%

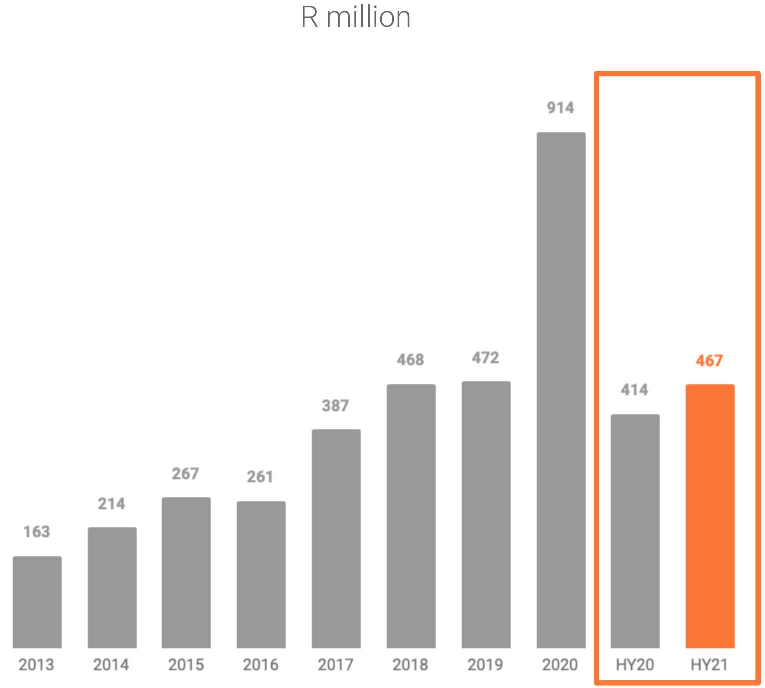
HY-o-HY growth rate

Commentary

- Operating Profit was negatively impacted by the pandemic as we experienced many unproductive days

Strong Net Cash Flow from Operating Activities

Reinforcing the Group's highly cash generative business model and balance sheet



13%

HY-o-HY Net Cash Flow from Operating Activities Growth Rate

HY-o-HY comparison

39%	Return on Equity HY20: 47%
26%	Return on Assets HY20: 28%
1.5	Current Ratio HY20: 1.7
1.1	Quick Ratio HY20: 1.1

+36%

HY-o-HY Free Cash Flow Growth Rate

(all amounts are in R'000s)

	HY20	HY21
Profit before Taxation	306,020	367,032
Depreciation and Amortisation	163,958	208,660
Capitalised Commission Assets under IFRS15	(31,856)	(35,481)
Other Adjustments	(24,445)	(72,989)
Net Cash Flow from Operating Activities	**413,677**	**467,222**
Capitalised Property, Plant & Equipment (excl. Commissions)	(186,676)	(164,131)
Other CapEx	(24,489)	(26,980)
Investment CapEx	**(211,165)**	**(191,111)**
Free Cash Flow	**202,512**	**276,111**

Highlight

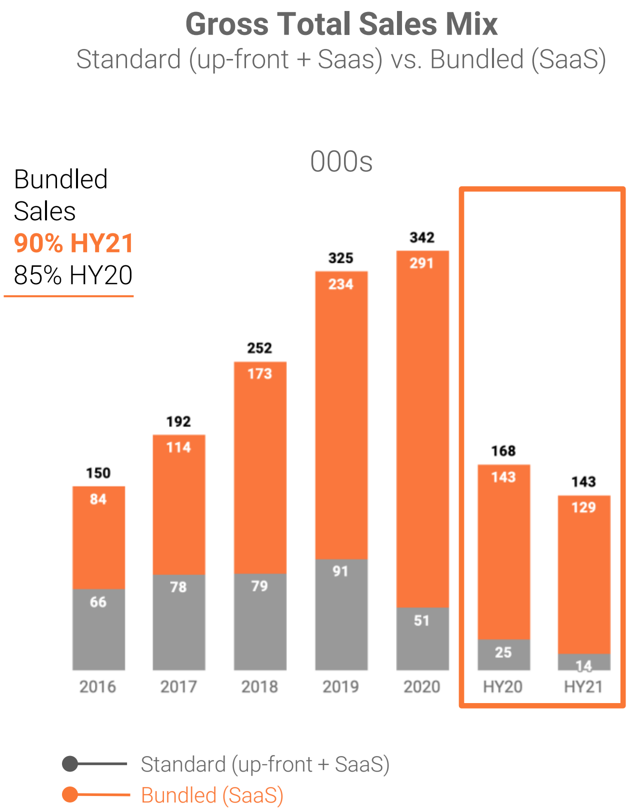
- Gross sales are now 90% Bundled (HY20 85%)

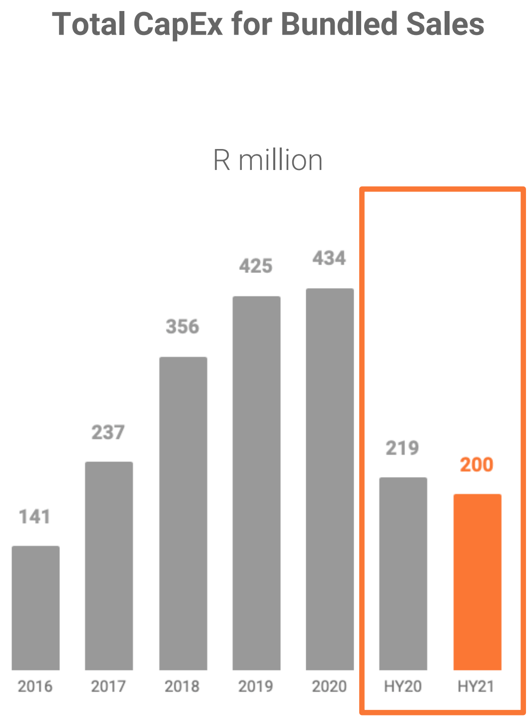
Commentary

- As to be expected, strong Free Cash Flow generated as a result of a relative decrease in capital allocated to expansion from lower than anticipated sales as a result of the hard lockdowns

Industry Low Cost of Acquiring Subscribers on Bundled Contracts

Gross subscriber additions lower than prior year as a result of pandemic related hard lockdowns. However, the latter two consecutive months have been record new subscriber addition months





+67%

Auto Tech Research and Development investment

(all amounts are in R'000s)

	HY20	HY21
Research and Development in Operating Expenses	**22,980**	**39,933**
R&D Expensed as a % of total R&D Capital Allocated	67%	70%
Research and Development Capitalized	**11,412**	**16,214**
R&D Capitalized as a % of total R&D Capital Allocated	33%	30%
Total	**34,392**	**56,147**
HY-on-HY Growth		67%

Highlight

- Next-Generation SaaS Platform driving global competitiveness and growth

Commentary

- Total R&D spend increase is in line with the innovation and the continued enhancement of our platform
- Creating a fully comprehensive mobility platform

Operating Expenses by Function

(all amounts are in R'000s)

	HY20	HY21
General & Administration	**229,534**	**278,674**
General & Administration as a % of Subscription Revenue	26%	26%
HY-on-HY Growth		19%
Sales & Marketing	**88,809**	**102,301**
Sales & Marketing as a % of Subscription Revenue	10%	10%
HY-on-HY Growth		15%
Research and Development	**22,980**	**39,933**
Research and Development as a % of Subscription Revenue	3%	4%
HY-on-HY Growth		74%
Total	**341,323**	**420,908**
HY-on-HY Growth		23%

Highlight

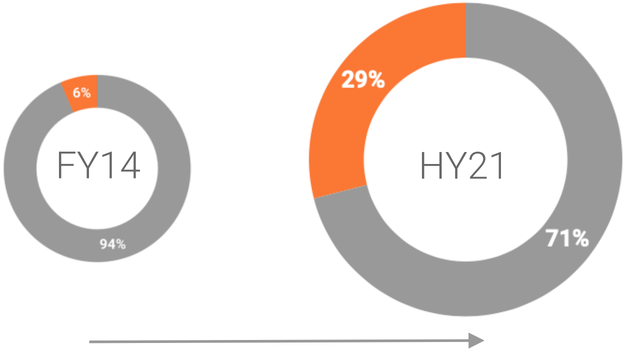
- Focus is allocating capital to R&D and to Sales and Marketing

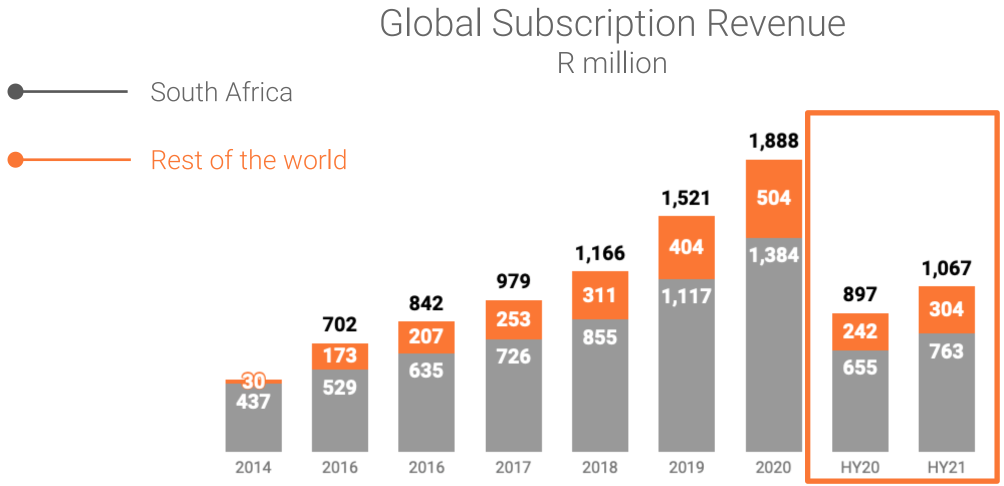
Commentary

- Increase R&D spend is in line with the innovation of our platform

Non-South African Subscription Revenue continues to Grow

Non-South African Subscription Revenue now accounts for 29% of Group Subscription Revenue (HY20:27%)





South Africa

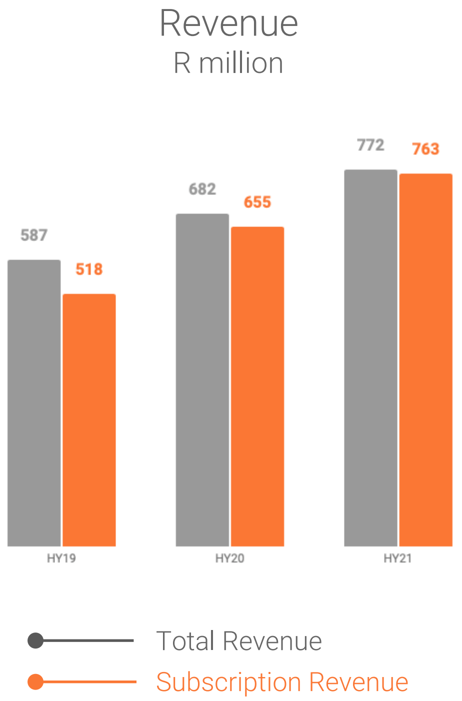
HY21 segment performance

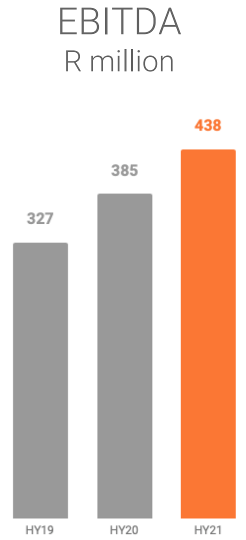
+13% Increase in Subscribers

+17% Increase in Subscription Revenue

+14% EBITDA Growth

57% EBITDA Margin





Asia Pacific

HY21 segment performance

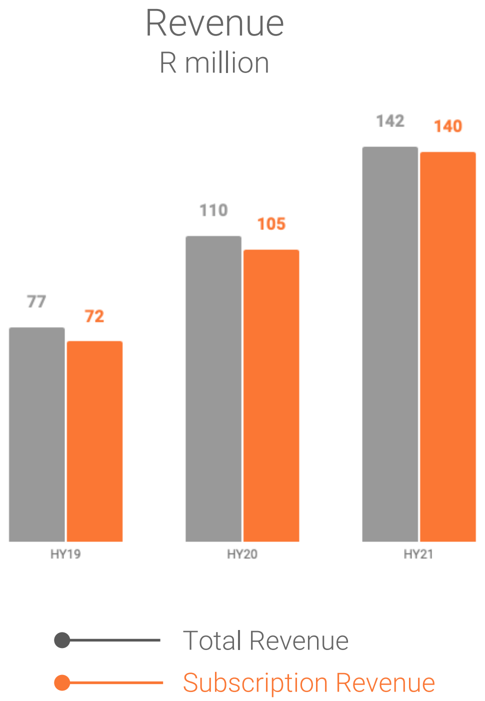
New managerial and senior operational staff destined for territorial deployment have been stranded in Singapore due to flight and cross-border restrictions

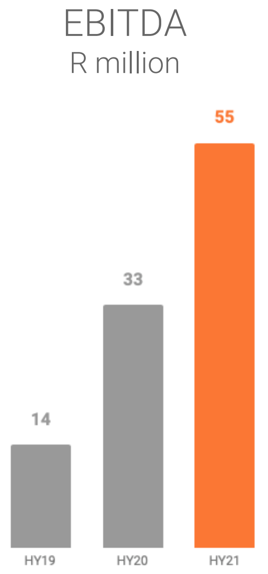
+28% Increase in Subscribers

+33% Increase in Subscription Revenue

+66% EBITDA Growth

39% EBITDA Margin





Europe

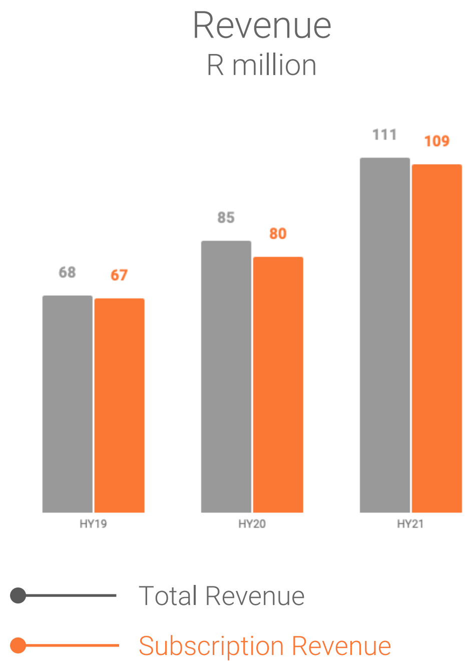
HY21 segment performance

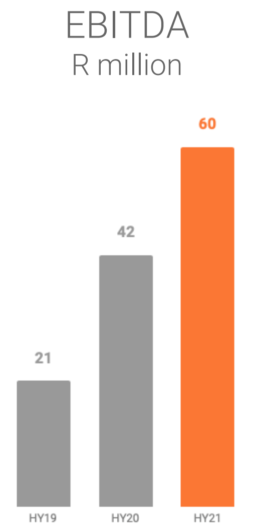
+11% Increase in Subscribers

+34% Increase in Subscription Revenue

+43% EBITDA Growth

54% EBITDA Margin





Africa (excluding South Africa)
HY21 segment performance

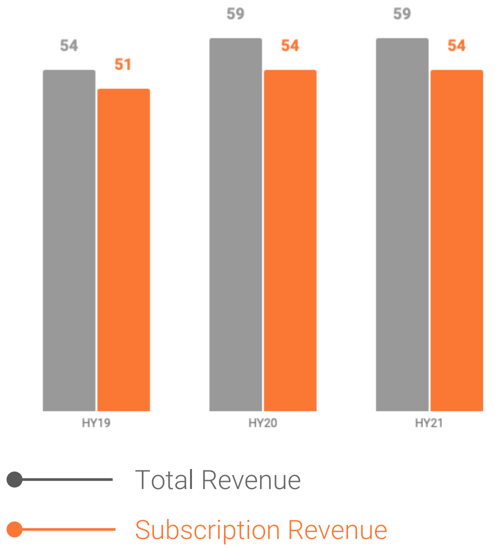
+2% Increase in Subscribers

+0% Increase in Subscription Revenue

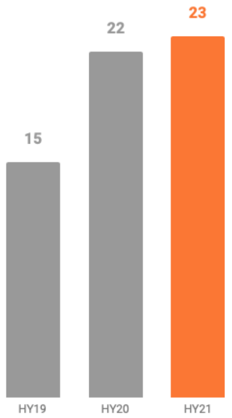
+6% EBITDA Growth

40% EBITDA Margin

Revenue
R million

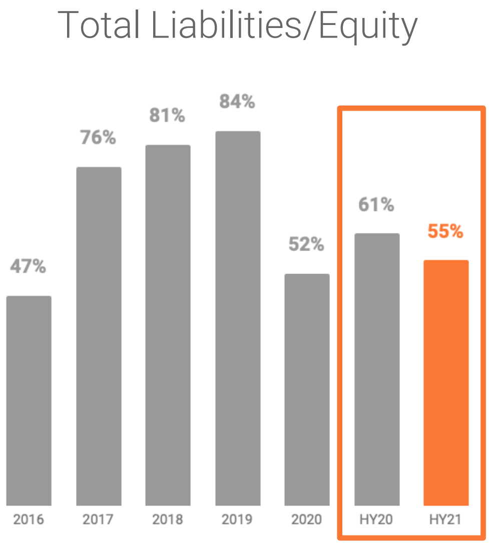


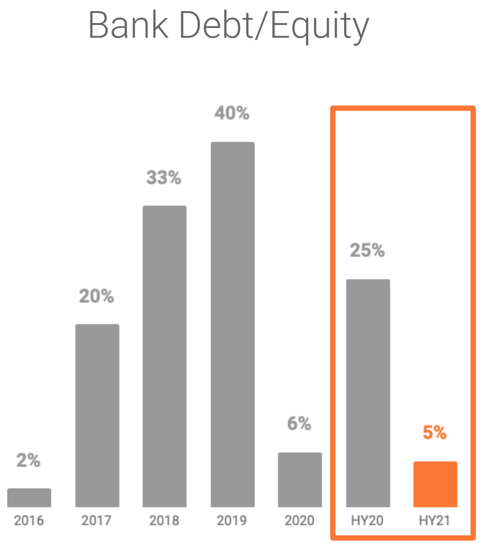
EBITDA
R million



Strong Balance Sheet backed by Prudent Capital Allocation and Industry Leading Margins

Balance sheet strength despite Covid-19 challenges





Commentary

Prudent balance sheet management with strong Equity Cover and low Debt to Equity Ratios

Covid-19 impact on Balance Sheet

Increased Inventory 3% HY-on-HY increase due to contraction in sales in Q1 from a limited capacity to install the in-vehicle IoT devices as Covid-19 imposed operating restrictions took effect

Average debtors days of 35 an improved performance from Q1: 40 days (HY20: 29 days)

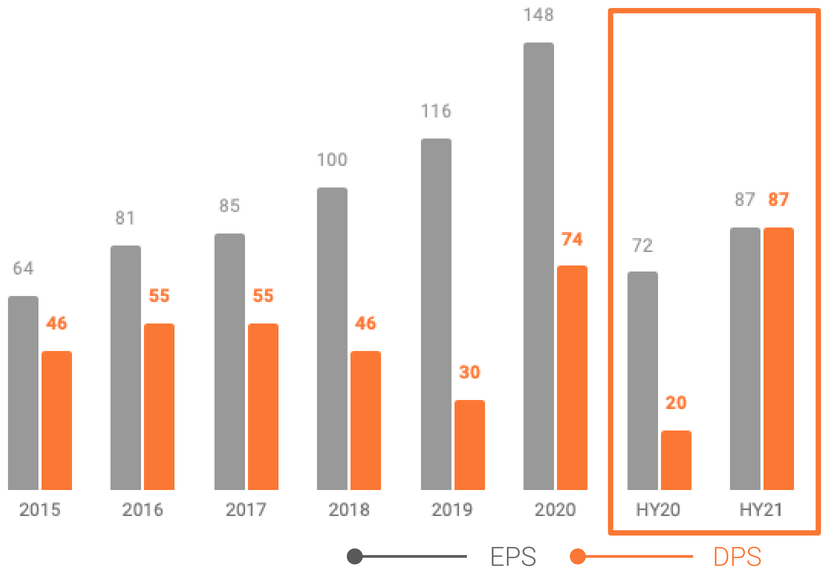
Increase in Cash on hand due to decreased expansion costs resulting in strong free cash flows simulating a short-term scenario of business maturation, and giving shareholders a view of the long-term cash generation potential

Debt facilities remain unutilised R600m facility remains unutilised

Increased Full Year Dividends on the back of Robust Free Cash Flow Generation and Earnings

21%

HY-o-HY EPS Growth



Highlights

- Interim Dividend of 87c
- 335% increase in Interim Dividend on the back of strong Free Cash Flow and improved Earnings
- 18% EPS 5-year CAGR

Management's Assessment of the Impact of COVID-19 on FY21

Cartrack's global operations are subject to risks associated with actions taken by governmental authorities as a result of the COVID-19 pandemic.

Although Cartrack operates with great resilience, these events, together with a number of evolving factors, including the duration and spread of the pandemic, the severity of the impact of the pandemic on economic activity and the changing actions of governmental authorities across the globe, has impacted on the Group's HY21 results predominantly due to limited capacity to install the in-vehicle IoT technology and the inability to deploy talent currently in Singapore into the Asia Pacific region. Whilst difficult to quantify, Cartrack's current assumption is that the disruptions caused by COVID-19 will have less of an impact on Q3 and Q4 of FY21 and that new subscriber add-ons and subscription revenues will likely experience solid growth when compared to HY21.

Cartrack is actively monitoring these ongoing and potential impacts of COVID-19 in order to mitigate and minimise the impact on its business.

The Group operates as a key "must have" service to its customers, driving efficiency through a digital transformation platform. Its vertically integrated business model is well positioned to weather the COVID-19 storm with an unleveraged balance sheet and 98% of revenues being recurring in nature. Cartrack generates strong cash flows and operates with industry leading margins, giving it a level of operating safety and the Group has access to an unutilised R600 million term facility provided by RMB. The debtor collection is tightly managed and the Group remains highly liquid. A stress tested cash flow forecast for the ensuing year , based on the assumption that business activities start to normalise in the second half, shows that the Group will continue to be highly cash generative.

The Group has sufficient inventory on hand to last for 9 months at budgeted volumes (pre COVID-19 budget) and, at present, supply chains are not affected. In addition to this, Cartrack is prudently balancing its costs with the opportunities that may present themselves when the pandemic passes.

So, whilst it is anticipated that the COVID-19 pandemic will impact Cartrack's performance for the year ending 28 February 2021, it is not responsible at this juncture, given all the uncertainties, to share a firm outlook for FY21.

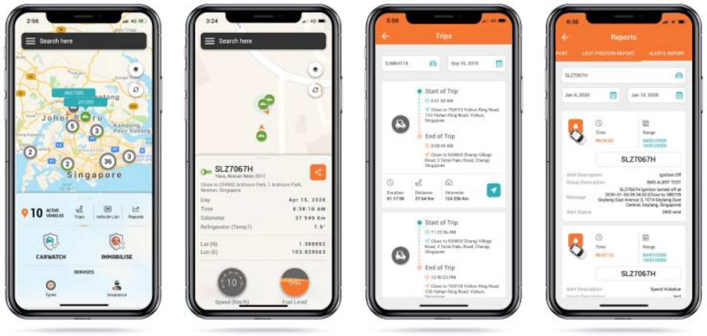
Medium and Long Term Targets

Geared for a World Facing Digitalisation

Subscription Revenue to continue to experience Double Digit Growth

EBITDA to continue to experience Double Digit Growth

Innovative Smart Transportation Platform to continue to Drive Demand



Disclaimer

These materials may contain forward-looking statements. These statements include, but are not limited to, discussions regarding industry outlook, the Company's expectations regarding the performance of its business, its liquidity and capital resources, and the other non-historical statements. These statements can be identified by the use of words such as "believes" "anticipates," "expects," "intends," "plans," "continues," "estimates," "predicts," "projects," "forecasts," , “targets” and similar expressions. All forward-looking statements are based on the Company's current expectations and beliefs only as of the date of these materials and there are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors relating to our ability to acquire new subscribers and retain existing subscribers; our anticipated growth strategies, including our ability to increase sales to existing customers and the introduction of new solutions; the effects of a pandemic or widespread outbreak of an illness, such as the novel coronavirus (COVID-19) pandemic; our ability to adapt to rapid technological change in our industry; competition from industry consolidation; our ability to expand into new geographies or integrate any businesses we acquire;
market adoption of fleet management solutions; automotive market conditions and the evolving nature of the automotive industry towards autonomous vehicles; changes in operating expenses; our ability to maintain or enhance our brand recognition; our ability to maintain our key personnel or attract, train and retain other highly qualified personnel; the impact of laws and regulations relating to the internet and data privacy; our ability to protect our intellectual property and proprietary technologies and address any infringement claims; significant disruption in service on, or security breaches of, our websites or computer systems; dependence on third-party technology; fluctuations in inflation and exchange rates, general economic, social, political conditions and developments in South Africa and globally, and other factors that may affect our financial condition, liquidity and results of operations. Should one or more of these risks or uncertainties materialise or the consequences of such a development worsen, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. The Company disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Market data and other statistical information used throughout this presentation are based on industry publications and surveys, reports by market research firms or other published independent sources. Some data is based on the Company's internal estimates which are derived from the review of internal surveys, as well as the independent sources. The Company's estimates, in particular as they relate to the Company's general expectations, involve risks and uncertainties and are subject to change based on various factors. Although the Company believes these sources are reliable, it has not independently verified the information and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. The Company and its subsidiaries, managers, directors, officers, agents or advisors shall have no liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information and opinions contained in this presentation do not purport to be comprehensive, are provided as at the date of this presentation and are subject to change without notice.

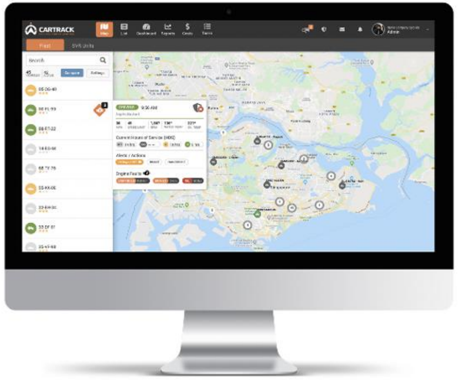
In presenting the Company's results, management has included and discussed certain non-IFRS measures. Management believes that these non-IFRS measures, which may be defined differently by other companies, better explain the Company's results of operations in a manner that allows for a more complete understanding of the underlying trends in the Company's business. However, these measures should not be viewed as a substitute for those determined in accordance with IFRS.

CARTRACK

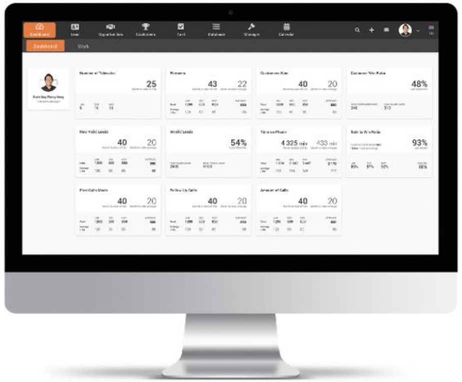
PUTTING YOU IN CONTROL

Thank You

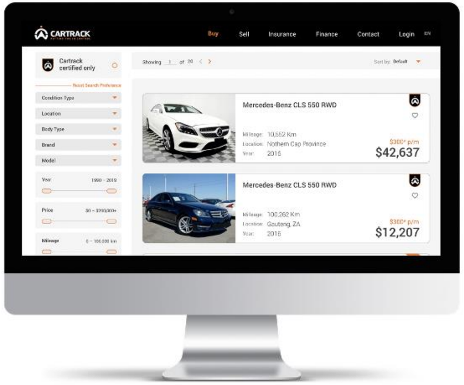
Q&A



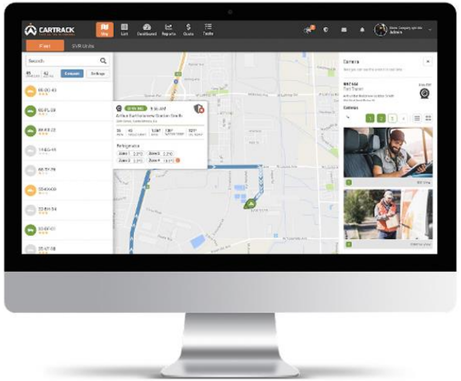
Cartrack Fleet



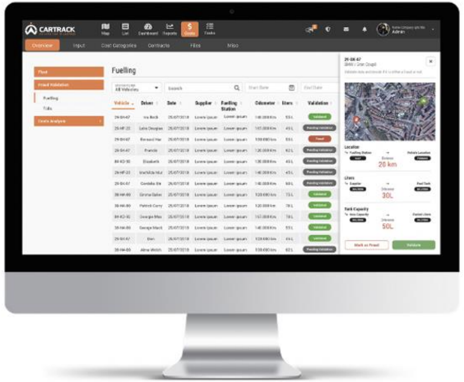
Cartrack CRM



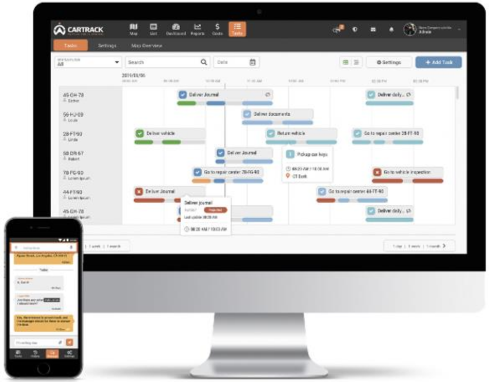
Cartrack Vehicle Marketplace



Cartrack LiveVision



Cartrack MiFleet



Cartrack Communicator