MiX Telematics Reports First Half of Fiscal 2021 IFRS Financial Results

MiX Telematics changed from being a foreign private issuer to a U.S. domestic issuer, with effect from April 1, 2020. As a result of the change in status, the Company is required to comply with and report its financial results in accordance with generally accepted accounting principles in the United States ("GAAP") in U.S. Dollars from a Securities and Exchange Commission ("SEC") perspective as well as International Financial Reporting Standards ("IFRS") in Rands from a South African Companies Act 71 of 2008 and JSE Listings Requirements perspective. Therefore, this press release is being distributed in South Africa and the Company is also releasing a press release in the United States in order to meet the above requirements.

An explanation of non-IFRS measures used in this press release is set out in the ***Non-IFRS financial measures*** *section of this press release. A reconciliation of these non-IFRS measures to the most directly comparable IFRS measures is provided in the financial tables that accompany this release.*

First Half of Fiscal 2021 Highlights:

- **Subscription revenue of R933 million, representing 91.5% of revenue**
- **Net subscriber base of over 767,000 subscribers**
- **Net income of R98 million**
- **Adjusted EBITDA of R308 million, representing a 30.2% Adjusted EBITDA margin**
- **Net cash generated from operating activities of R379 million leading to positive free cash flow of R287 million**
- **Cash and cash equivalents of R575 million at period end**

Midrand, South Africa and Boca Raton, October 29, 2020 - MiX Telematics Limited (NYSE: MIXT, JSE: MIX), a leading global provider of fleet and mobile asset management solutions delivered as Software-as-a-Service ("SaaS"), today announced financial results for its first half of fiscal 2021, which ended on September 30, 2020.

"MiX Telematics' results were highlighted by profitability and cash generation that was significantly ahead of expectations. We experienced modest signs of improvement within some customer verticals and fleet segments due to increases in usage activity from the COVID-related shutdowns seen in the first quarter," said Stefan Joselowitz, Chief Executive Officer of MiX Telematics.

Joselowitz continued, "Our sharp focus on customer success and the tangible ROI our comprehensive telematics platform can provide to fleet operators has reinforced MiX's strategic value in the market. We are confident this will generate a return to meaningful subscription revenue growth once economic conditions normalize."

Financial performance for the first half of fiscal 2021

Subscription revenue: Subscription revenue increased to R933.1 million, an increase of 0.7% compared to R926.2 million for the first half of fiscal 2020. Subscription revenue represented 91.5% of total revenue during the first half of fiscal 2021. On a constant currency basis, subscription revenue decreased by 6.6%, year over year. The decline in constant currency subscription revenue was primarily due to the contraction in the Company's subscriber base as a result of economic conditions attributable to the COVID-19 pandemic. During the first half of fiscal 2021, the Company's subscriber base contracted by a net 50,700 subscribers.

Total revenue: Total revenue was R1,019.4 million, a decrease of 3.8% compared to R1,060.0 million for the first half of fiscal 2020. Total revenue decreased by 11.2% on a constant currency basis, year over year. Hardware and other revenue was R86.3 million, a decrease of 35.5%, compared to R133.8 million for the first half of fiscal 2020 as a result of a global economic slowdown following the disruption caused by the COVID-19 pandemic.

Gross margin: Gross profit was R682.5 million, a decrease of 1.8% compared to R695.2 million for the first half of fiscal 2020. Gross profit margin was 67.0%, compared to 65.6% for the first half of fiscal 2020.

Operating margin: Operating profit was R127.7 million, compared to R173.4 million in the first half of fiscal 2020. The operating margin was 12.5%, compared to 16.4% in the first half of fiscal 2020. Operating expenses represented 54.4% of revenue compared to 49.2% in the first half of fiscal 2020.

Adjusted EBITDA: Adjusted EBITDA was R307.5 million compared to R326.3 million for the first half of fiscal 2020. Adjusted EBITDA margin was 30.2%, compared to 30.8% in the first half of fiscal 2020.

Profit for the period and earnings per share: Profit for the period was R98.2 million, compared to R111.2 million in the first half of fiscal 2020. Profit for the period included a net foreign exchange loss of R3.2 million before tax, as well as a R17.3 million deferred tax credit on a U.S. Dollar intercompany loan between MiX Telematics and MiX Telematics Investments Proprietary Limited ("MiX Investments"), a wholly-owned subsidiary of the Company. During the first half of fiscal 2020, a net foreign exchange gain of R0.2 million was recognized while the Company incurred a R11.0 million deferred tax charge on a U.S. Dollar intercompany loan between MiX Telematics and MiX Investments.

Earnings per diluted ordinary share were 18 South African cents, compared to 19 South African cents in the first half of fiscal 2020. For the first half of fiscal 2021, the calculation was based on diluted weighted average ordinary shares in issue of 558.2 million, compared to 574.5 million diluted weighted average ordinary shares in issue during the first half of fiscal 2020.

The Company's effective tax rate was 16.8%, compared to 35.5% for the first half of fiscal 2020. Ignoring the impact of net foreign exchange gains and losses net of tax and share-based compensation costs related to performance share awards, net of tax, the effective tax rate, which is used in calculating adjusted earnings, was 30.0% compared to 29.5% in the first half of fiscal 2020.

Adjusted earnings for the period and adjusted earnings per share: Adjusted earnings for the period were R86.9 million, compared to R127.5 million in the first half of fiscal 2020. Adjusted earnings per diluted ordinary share were 16 South African cents, compared to 22 South African cents for the first half of fiscal 2020.

Cash and Cash Equivalents and Cash Flow: At September 30, 2020, the Company had R521.1 million of net cash and cash equivalents, compared to R275.7 million at March 31, 2020.

The Company generated R378.7 million in net cash from operating activities for the first half of fiscal 2021 and invested R91.3 million in capital expenditures during the period (including investments in in-vehicle devices of R45.2 million), leading to free cash flow of R287.3 million, compared to free cash flow of R50.4 million for the first half of fiscal 2020. Capital expenditures in the first half of fiscal 2020 were R178.3 million and included in-vehicle devices of R122.4 million.

The Company utilized R36.9 million in financing activities, compared to R171.3 million utilized during the first half of fiscal 2020. The cash utilized in financing activities during the first half of fiscal 2021 mainly consisted of dividends paid of R43.7 million and the payment of lease liabilities of R7.6 million, offset by the proceeds from the issuance of ordinary shares related to the exercise of share options of R14.4 million. The cash utilized during the first half of fiscal 2020 consisted primarily of dividends paid of R44.8 million, share repurchases of R119.5 million and the payment of lease liabilities of R7.0 million.

Segment commentary for the first half of fiscal 2021

The segment results below are presented on an integral margin basis. In respect of revenue, this method of measurement entails reviewing the segmental results based on external revenue only. In respect of Adjusted EBITDA (the non-IFRS profit measure identified by the Group), the margin generated by our Central Services Organization ("CSO"), net of any unrealized inter-company profit, is allocated to the geographic region where the external revenue is recorded by our Regional Sales Offices ("RSOs").

CSO continues as a central services organization that wholesales our products and services to our RSOs who, in turn, interface with our end-customers and distributors. CSO is also responsible for the development of our hardware and software platforms and provides common marketing, product management, technical and distribution support to each of our other operating segments. CSO's operating expenses are not allocated to each RSO.

Each RSO's results reflect the external revenue earned, as well as the Adjusted EBITDA earned (or loss incurred) by each operating segment before the CSO and corporate cost allocations.

Segment	Subscription Revenue Half-year 2021 R'000	Total Revenue Half-year 2021 R'000	Adjusted EBITDA Half-year 2021 R'000	Adjusted EBITDA Half-year % change on prior period	Adjusted EBITDA Margin Half-year 2021
Africa	501,954	540,950	252,817	2.7%	46.7%
	Subscription revenue decreased by 4.0% on a constant currency basis as a result of a 3.4% decrease in subscribers since October 1, 2019. Total revenue decreased by 4.6% on a constant currency basis. The region reported an Adjusted EBITDA margin of 46.7%, up from the 44.2% Adjusted EBITDA margin reported in the first half of fiscal 2020.				
Americas	156,298	163,195	62,412	(19.9%)	38.2%
	Subscription revenue decreased by 21.0% on a constant currency basis in the segment as a result of both a 9.7% decrease in subscribers since October 1, 2019 and pricing concessions granted to customers as a result of economic conditions attributable to the COVID-19 pandemic. Total revenue decreased by 26.2% on a constant currency basis. The region reported an Adjusted EBITDA margin of 38.2%, down from the 42.3% Adjusted EBITDA margin reported in the first half of fiscal 2020.				
Middle East and Australasia	139,520	168,429	75,399	(6.8%)	44.8%
	Subscription revenue decreased by 6.1% on a constant currency basis in the segment following pricing concessions granted to customers as a result of economic conditions attributable to the COVID-19 pandemic. Subscribers decreased by 0.2% since October 1, 2019. Total revenue decreased by 17.8% on a constant currency basis. In addition to the decline in subscription revenues, hardware revenues also declined by 48.5% in constant currency compared to the first half of fiscal 2020. The region reported an Adjusted EBITDA margin of 44.8%, down from the 47.1% Adjusted EBITDA margin reported in the first half of fiscal 2020.				
Europe	100,616	111,212	49,502	39.8%	44.5%
	Subscription revenue increased by 1.1% on a constant currency basis in the segment as a result of a 0.7% increase in subscribers since October 1, 2019. Total revenue decreased by 9.4% on a constant currency basis as hardware revenues declined by 54.4% in constant currency compared to the first half of fiscal 2020. The region reported an Adjusted EBITDA margin of 44.5%, up from the 35.0% Adjusted EBITDA margin reported in the first half of fiscal 2020.				
Brazil	34,175	35,058	13,479	(28.3%)	38.4%
	Subscription revenue increased by 3.9% on a constant currency basis in the segment as an increase in subscribers of 9.0% since October 1, 2019 was partially offset by pricing concessions granted to customers as a result of economic conditions attributable to the COVID-19 pandemic. Total revenue decreased by 9.2% on a constant currency basis as hardware revenues declined by 84.5% in constant currency compared to the first half of fiscal 2020. The segment reported an Adjusted EBITDA margin of 38.4%, down from the 42.9% Adjusted EBITDA margin reported in the first half of fiscal 2020.				
Central Services Organization	559	564	(61,701)	18.0%	—
	CSO is responsible for the development of our hardware and software platforms and provides common marketing, product management, technical and distribution support to each of our other operating segments. The negative Adjusted EBITDA reported arises as a result of operating expenses carried by the segment.				

Global outbreak of COVID-19 could harm our business and impact operations and the results

The effects of the COVID-19 outbreak and measures taken in response thereto are detailed in Item 1A. *Risk Factors* of our Quarterly Report on Form 10-Q for Quarter 1 of fiscal 2021 filed with the SEC.

Business Outlook

Due to the uncertainty surrounding the level of business disruption as a result of the spread of COVID-19, the Company has suspended its practice of issuing financial guidance and as a consequence no guidance has been issued for the full 2021 fiscal year.

Conference Call Information

MiX Telematics management will host a conference call and audio webcast at 8:00 a.m. (Eastern Daylight Time) and 2:00 p.m. (South African Time) on October 29, 2020 to discuss the Group's financial results and current business outlook:

- The live webcast of the call will be available at the "Investor Information" page of the Group's website, http://investor.mixtelematics.com.
- To access the call, dial 1-877-451-6152 (within the United States) or 0 800 983 831 (within South Africa) or 1-201-389-0879 (outside of the United States). The conference ID is 13712007.
- A replay of this conference call will be available for a limited time at +1-844-512-2921 (within the United States) or 1-412-317-6671 (within South Africa or outside of the United States). The replay conference ID is 13712007.
- A replay of the webcast will also be available for a limited time at http://investor.mixtelematics.com.

About MiX Telematics Limited

MiX Telematics is a leading global provider of fleet and mobile asset management solutions delivered as SaaS to customers managing over 767,000 assets in approximately 120 countries. The Group's products and services provide enterprise fleets, small fleets and consumers with solutions for safety, efficiency, risk and security. MiX Telematics was founded in 1996 and has offices in South Africa, the United Kingdom, the United States, Uganda, Brazil, Australia, Romania, Thailand and the United Arab Emirates as well as a network of more than 130 fleet partners worldwide. MiX Telematics shares are publicly traded on the Johannesburg Stock Exchange (JSE: MIX) and MiX Telematics American Depositary Shares are listed on the New York Stock Exchange (NYSE: MIXT). For more information, visit www.mixtelematics.com.

Forward-Looking Statements

This press release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, statements concerning our position to execute on our growth strategy, and our ability to expand our leadership position. These forward-looking statements include, but are not limited to, Company's beliefs, plans, goals, objectives, expectations, assumptions, estimates, intentions, future performance, other statements that are not historical facts and statements identified by words such as "expects", " anticipates", " intends", " plans", " believes", " seeks", " estimates" or words of similar meaning. Forward-looking statements also include statements regarding the projected impact of the recent global outbreak of the coronavirus on our business activities, operating results, cash flows and financial position. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, those described under the caption "Risk Factors" in the Group's Annual Report on Form 10-K filed with the SEC for the fiscal year ended March 31, 2020, as updated by other reports that the Group files with or furnishes to the SEC. The Group assumes no obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

Non-IFRS financial measures

Adjusted EBITDA

To provide investors with additional information regarding its financial results, the Group has disclosed within this press release, Adjusted EBITDA and Adjusted EBITDA margin. Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures, and they do not represent cash flows from operations for the periods indicated, and should not be considered an alternative to net income as an indicator of the Group's results of operations, or as an alternative to cash flows from operations as an indicator of liquidity. Adjusted EBITDA is defined as the profit for the period before income taxes, net finance income/(costs) including foreign exchange gains/(losses), depreciation of property, plant and equipment including capitalized customer in-vehicle devices and right-of-use assets, amortization of intangible assets including capitalized in-house development costs and intangible assets identified as part of a business combination, share-based compensation costs, restructuring costs, profits/(losses) on the disposal or impairments of assets or subsidiaries, insurance reimbursements relating to impaired assets and certain litigation costs.

The Group has included Adjusted EBITDA and Adjusted EBITDA margin in this press release because they are key measures that the Group's management and Board of Directors use to understand and evaluate its core operating performance and trends; to prepare and approve its annual budget; and to develop short and long-term operational plans. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA and Adjusted EBITDA margin can provide a useful measure for period-to-period comparisons of the Group's core business. Accordingly, the Group believes that Adjusted EBITDA and Adjusted EBITDA margin provide useful information to investors and others in understanding and evaluating its operating results.

The Group's use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider this performance measure in isolation from or as a substitute for analysis of our results as reported under IFRS. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, the Group's working capital needs;
- Adjusted EBITDA does not consider the potentially dilutive impact of equity-based compensation;
- Adjusted EBITDA does not reflect tax payments or the payment of lease liabilities that may represent a reduction in cash available to the Group;
- other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure; and
- certain of the adjustments (such as restructuring costs, impairment of long-lived assets and others) made in calculating Adjusted EBITDA are those that management believes are not representative of our underlying operations and, therefore, are subjective in nature.

Because of these limitations, you should consider Adjusted EBITDA and Adjusted EBITDA margin alongside other financial performance measures, including operating profit, profit for the year and our other results.

Headline Earnings

Headline earnings is a profit measure required for JSE-listed companies and is calculated in accordance with circular 1/2019 issued by the South African Institute of Chartered Accountants. The profit measure is determined by taking the profit for the period prior to certain separately identifiable re-measurements of the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability net of related tax (both current and deferred) and related non-controlling interest.

Adjusted Earnings and Adjusted Earnings Per Share

Adjusted earnings per share is defined as profit attributable to owners of the parent, MiX Telematics Limited, excluding net foreign exchange gains/(losses) net of tax and share based compensation costs related to Performance Share Awards net of tax, divided by the weighted average number of ordinary shares in issue during the period.

We have included Adjusted earnings per share in this press release because it provides a useful measure for period-to-period comparisons of the Group's core business by excluding net foreign exchange gains/(losses) from earnings, as well as share based compensation costs related to performance share awards. Performance share awards were awarded under the MiX Telematics Long-Term Incentive Plan for the first time in November 2018 and are aimed at incentivising management to achieve cumulative subscription revenue and Adjusted EBITDA targets for the 2019 and 2020 fiscal years.

Accordingly, we believe that Adjusted earnings per share provides useful information to investors and others in understanding and evaluating the Group's operating results.

Free cash flow

Free cash flow is determined as net cash generated from operating activities less capital expenditure for investing activities. We believe that free cash flow provides useful information to investors and others in understanding and evaluating the Group's cash flows as it provides detail of the amount of cash the Group generates or utilizes after accounting for all capital expenditures including investments in in-vehicle devices and development expenditure.

Constant currency financial information

Constant currency financial information presented as part of the commentary constitutes pro-forma financial information under the JSE Listings Requirements.

Constant currency information has been presented to illustrate the impact of changes in currency rates on the Group's results. The constant currency information has been determined by adjusting the current financial reporting period results to the prior period average exchange rates, determined as the average of the monthly exchange rates applicable to the period. The measurement has been performed for each of the Group's currencies, including the U.S. Dollar and British Pound. The constant currency growth percentage has been calculated by utilizing the constant currency results compared to the prior period results.

This pro-forma financial information is the responsibility of the Group's Board of Directors and is presented for illustrative purposes. Because of its nature, the pro-forma financial information may not fairly present MiX Telematics' financial position, changes in equity, results of operations or cash flows. The pro-forma financial information does not constitute pro-forma information in accordance with the requirements of Regulation S-X of the SEC or generally accepted accounting principles in the United States. In addition, the rules and regulations related to the preparation of pro-forma financial information in other jurisdictions may also vary significantly from the requirements applicable in South Africa. The pro-forma financial information contained in this results announcement has not been reviewed by our auditors.

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JSE Sponsor
Java Capital

October 29, 2020

CONDENSED CONSOLIDATED INCOME STATEMENT

South African Rand Figures are in thousands unless otherwise stated	Six months ended September 30, 2020 Unaudited	Six months ended September 30, 2019 Unaudited
Revenue	1,019,408	1,059,961
Cost of sales	(336,875)	(364,722)
Gross profit	682,533	695,239
Other income/(expenses) - net	131	58
Operating expenses	(554,966)	(521,893)
-Sales and marketing	(90,584)	(97,775)
-Administration and other charges[1]	(464,382)	(424,118)
Operating profit	127,698	173,404
Finance (costs)/income - net	(9,668)	(872)
-Finance income	3,729	6,710
-Finance costs	(13,397)	(7,582)
Profit before taxation	118,030	172,532
Taxation	(19,827)	(61,328)
Profit for the period	98,203	111,204
Attributable to:		
Owners of the parent	98,207	111,204
Non-controlling interest	(4)	*
	98,203	111,204
Earnings per share		
-basic (R)	0.18	0.20
-diluted (R)	0.18	0.19
Earnings per American Depositary Share		
-basic (R)	4.48	4.98
-diluted (R)	4.40	4.84
Ordinary shares ('000)[2]		
-in issue at September 30	551,064	550,118
-weighted average	547,569	558,401
-diluted weighted average	558,216	574,462
Weighted average American Depositary Shares ('000)[2]		
-in issue at September 30	22,043	22,005
-weighted average	21,903	22,336
-diluted weighted average	22,329	22,978

** Amounts less than R1,000*

[1] includes R39.6 million (September 30, 2019: R22.6 million) relating to IFRS 9 expected credit losses on trade receivables.

[2] September 30, 2020 figure excludes 53,816,750 (September 30, 2019: 53,816,750) treasury shares held by MiX Telematics Investments Proprietary Limited ("MiX Investments"), a wholly owned subsidiary of the Group.

MIX TELEMATICS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	South African Rand	
Figures are in thousands unless otherwise stated	**Six months ended September 30, 2020 Unaudited**	Six months ended September 30, 2019 Unaudited
Profit for the period	**98,203**	111,204
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**(30,760)**	18,292
- Attributable to owners of the parent	**(30,760)**	18,291
- Attributable to non-controlling interest	**—**	1
Taxation relating to components of other comprehensive income	**40**	(1)
Other comprehensive income for the period, net of tax	**(30,720)**	18,291
Total comprehensive income for the period	**67,483**	129,495
Attributable to:		
Owners of the parent	**67,487**	129,494
Non-controlling interest	**(4)**	1
Total comprehensive income for the period	**67,483**	129,495

HEADLINE EARNINGS

Reconciliation of headline earnings

Figures are in thousands unless otherwise stated	South African Rand Six months ended September 30, 2020 Unaudited	 Six months ended September 30, 2019 Unaudited
Profit for the period attributable to owners of the parent	**98,207**	111,204
Adjusted for:		
Loss/(profit) on disposal of property, plant and equipment and intangible assets	**138**	(711)
Impairment of intangible assets	**125**	421
Income tax effect on the above adjustments	**(36)**	1,806
Headline earnings attributable to owners of the parent	**98,434**	112,720
Headline earnings		
Headline earnings per share		
-basic (R)	**0.18**	0.20
-diluted (R)	**0.18**	0.20
Headline earnings per American Depositary Share		
-basic (R)	**4.49**	5.05
-diluted (R)	**4.41**	4.91

ADJUSTED EARNINGS

Reconciliation of adjusted earnings

South African Rand Figures are in thousands unless otherwise stated	Six months ended September 30, 2020 Unaudited	Six months ended September 30, 2019 Unaudited
Profit for the period attributable to owners of the parent	**98,207**	111,204
Net foreign exchange losses/(gains)	**3,198**	(167)
IFRS 2 charge on performance share awards	**3,024**	8,532
Income tax effect on the above components	**(17,486)**	7,927
Adjusted earnings attributable to owners of the parent	**86,943**	127,496
Reconciliation of earnings per share to adjusted earnings per share		
Basic earnings per share (R)	**0.18**	0.20
Net foreign exchange losses/(gains)	**0.01**	#
IFRS 2 charge on performance share awards	**0.01**	0.02
Income tax effect on the above components	**(0.04)**	0.01
Basic adjusted earnings per share (R)	**0.16**	0.23
Adjusted earnings per share		
-basic (R)	**0.16**	0.23
-diluted (R)	**0.16**	0.22
Adjusted earnings per American Depositary Share		
-basic (R)	**3.97**	5.71
-diluted (R)	**3.89**	5.55

 # Amounts less than R0.01

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	South African Rand	
Figures are in thousands unless otherwise stated	September 30, 2020 Unaudited	March 31, 2020 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	**453,013**	529,832
Intangible assets	**1,019,580**	1,020,505
Capitalized commission assets	**58,687**	64,773
Loans to external parties	**9,075**	8,794
Deferred tax assets	**66,162**	62,962
Total non-current assets	**1,606,517**	1,686,866
Current assets		
Inventory	**63,624**	58,618
Trade and other receivables	**403,667**	523,779
Taxation	**27,019**	34,565
Restricted cash	**13,570**	16,221
Cash and cash equivalents	**575,303**	318,071
Total current assets	**1,083,183**	951,254
Total assets	**2,689,700**	2,638,120
EQUITY		
Stated capital	**656,747**	642,362
Other reserves	**219,864**	237,201
Retained earnings	**992,400**	937,971
Equity attributable to owners of the parent	**1,869,011**	1,817,534
Non-controlling interest	**7**	11
Total equity	**1,869,018**	1,817,545
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	**200,812**	225,743
Provisions	**2,514**	2,596
Recurring commission liability	**1,400**	1,828
Capitalized lease liability	**81,948**	96,950
Total non-current liabilities	**286,674**	327,117
Current liabilities		
Trade and other payables	**397,539**	394,779
Capitalized lease liability	**25,379**	19,596
Taxation	**26,293**	13,191
Provisions	**30,639**	23,476
Bank overdraft	**54,158**	42,416
Total current liabilities	**534,008**	493,458
Total liabilities	**820,682**	820,575
Total equity and liabilities	**2,689,700**	2,638,120

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	South African Rand	
Figures are in thousands unless otherwise stated	**Six months ended September 30, 2020 Unaudited**	Six months ended September 30, 2019 Unaudited
Cash flows from operating activities		
Cash generated from operations	**410,071**	269,019
Net financing income	**(3,676)**	1,987
Taxation paid	**(27,724)**	(42,360)
Net cash generated from operating activities	**378,671**	228,646
Cash flows from investing activities		
Capital expenditure payments	**(91,330)**	(178,272)
Proceeds on sale of property, plant and equipment and intangible assets	**—**	19,281
Loans advanced to external parties	**—**	(5,086)
Decrease in restricted cash	**4,657**	9,679
Increase in restricted cash	**(2,071)**	(10,858)
Net cash used in investing activities	**(88,744)**	(165,256)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	**14,385**	—
Share repurchase	**—**	(119,479)
Repayment of capitalized lease liability	**(7,618)**	(6,976)
Dividends paid to Company's owners	**(43,705)**	(44,812)
Net cash used in financing activities	**(36,938)**	(171,267)
Net increase/(decrease) in cash and cash equivalents	**252,989**	(107,877)
Net cash and cash equivalents at the beginning of the period	**275,655**	353,181
Exchange (losses)/gains on cash and cash equivalents	**(7,499)**	7,813
Net cash and cash equivalents at the end of the period	**521,145**	253,117

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

South African Rand Figures are in thousands unless otherwise stated	Attributable to owners of the parent: Stated capital	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at April 1, 2019 (Audited)	786,633	83,212	881,819	1,751,664	13	1,751,677
Total comprehensive income	—	18,291	111,204	129,495	1	129,496
Profit for the period	—	—	111,204	111,204	—	111,204
Other comprehensive income	—	18,291	—	18,291	1	18,292
Transactions with owners	(119,479)	5,044	(44,978)	(159,413)	—	(159,413)
Share-based payment transaction	—	12,730	—	12,730	—	12,730
Share-based payment - excess tax benefit	—	(7,686)	—	(7,686)	—	(7,686)
Dividends declared (note 10)	—	—	(44,978)	(44,978)	—	(44,978)
Share repurchase (note 9)	(119,479)	—	—	(119,479)	—	(119,479)
Balance at September 30, 2019 (Unaudited)	667,154	106,547	948,045	1,721,746	14	1,721,760
Total comprehensive income	—	129,248	33,818	163,066	(3)	163,063
Profit for the period	—	—	33,818	33,818	(4)	33,814
Other comprehensive income	—	129,248	—	129,248	1	129,249
Transactions with owners	(24,792)	1,406	(43,892)	(67,278)	—	(67,278)
Share-based payment transaction	—	10,642	—	10,642	—	10,642
Share-based payment - excess tax benefit	—	(9,236)	—	(9,236)	—	(9,236)
Dividends declared (note 10)	—	—	(43,892)	(43,892)	—	(43,892)
Share repurchase (note 9)	(24,792)	—	—	(24,792)	—	(24,792)
Balance at March 31, 2020 (Audited)	642,362	237,201	937,971	1,817,534	11	1,817,545
Total comprehensive income	**—**	**(30,720)**	**98,207**	**67,487**	**(4)**	**67,483**
Profit for the period	**—**	**—**	**98,207**	**98,207**	**(4)**	**98,203**
Other comprehensive income	**—**	**(30,720)**	**—**	**(30,720)**	**—**	**(30,720)**
Transactions with owners	**14,385**	**13,383**	**(43,778)**	**(16,010)**	**—**	**(16,010)**
Shares issued in relation to share options exercised	**14,385**	**—**	**—**	**14,385**	**—**	**14,385**
Share-based payment transaction	**—**	**13,406**	**—**	**13,406**	**—**	**13,406**
Share-based payment - change in excess tax benefit	**—**	**(23)**	**—**	**(23)**	**—**	**(23)**
Dividends declared (note 10)	**—**	**—**	**(43,778)**	**(43,778)**	**—**	**(43,778)**
Balance at September 30, 2020 (Unaudited)	**656,747**	**219,864**	**992,400**	**1,869,011**	**7**	**1,869,018**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL RESULTS

1. Basis of preparation and accounting policies

Condensed unaudited Group interim financial results for the half year ended September 30, 2020

These condensed unaudited Group interim financial results for the half year ended September 30, 2020 have been prepared in accordance with International Financial Reporting Standard ("IFRS"), IAS 34: Interim financial reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Listings Requirements and the requirements of the South African Companies Act, No. 71 of 2008. The interim financial results have not been audited or reviewed by the Group's external auditors.

The condensed unaudited Group interim financial results do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended March 31, 2020, which have been prepared in accordance with IFRS.

The preparation of interim financial results requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. In preparing these condensed interim financial results, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended March 31, 2020.

The condensed unaudited Group interim financial results were prepared under the supervision of the Chief Financial Officer, John Granara. These results were made available on October 29, 2020.

Presentation currency

The Group's presentation currency is South African Rand.

2. Accounting policies

The accounting policies used in preparing these financial results are in terms of IFRS and are consistent in all material respects with those applied in the preparation of the Group's annual financial statements for the year ended March 31, 2020.

3. Segment information

Our operating segments are based on the geographical location of our Regional Sales Offices ("RSOs") and also include our Central Services Organization ("CSO"). CSO is our central services organization that wholesales our products and services to our RSOs who, in turn, interface with our end-customers, distributors and dealers. CSO is also responsible for the development of our hardware and software platforms and provides common marketing, product management, technical and distribution support to each of our other operating segments.

The chief operating decision maker ("CODM") reviews the segment results on an integral margin basis as defined by management. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified collectively as the executive committee and the Chief Executive Officer who make strategic decisions. In respect of revenue, this method of measurement entails reviewing the segmental results based on external revenue only. In respect of Adjusted EBITDA (the profit measure identified by the CODM), the margin generated by CSO, net of any unrealized intercompany profit, is allocated to the geographic region where the external revenue is recorded by our RSOs. The costs remaining in CSO relate mainly to research and development of hardware and software platforms, common marketing, product management and technical and distribution support to each of the RSOs. CSO is a reportable segment of the Group because it produces discrete financial information which is reviewed by the CODM and has the ability to generate external revenues.

Each RSO's results therefore reflect the external revenue earned, as well as the Adjusted EBITDA earned (or loss incurred) by each operating segment before the remaining CSO and corporate costs allocations. Segment assets are not disclosed as segment information is not reviewed on such a basis by the CODM.

South African Rand Figures are in thousands unless otherwise stated	**Subscription revenue**	**Hardware and other revenue**	**Total revenue**	**Adjusted EBITDA**
Six months ended September 30, 2020 (Unaudited)				
Africa	**501,954**	**38,996**	**540,950**	**252,817**
Europe	**100,616**	**10,596**	**111,212**	**49,502**
Americas	**156,298**	**6,897**	**163,195**	**62,412**
Middle East and Australasia	**139,520**	**28,909**	**168,429**	**75,399**
Brazil	**34,175**	**883**	**35,058**	**13,479**
Total Regional Sales Offices	**932,563**	**86,281**	**1,018,844**	**453,609**
Central Services Organization	**559**	**5**	**564**	**(61,701)**
Total Segment Results	**933,122**	**86,286**	**1,019,408**	**391,908**
Corporate and consolidation entries	**—**	**—**	**—**	**(84,361)**
Total	**933,122**	**86,286**	**1,019,408**	**307,547**

Six months ended September 30, 2019 (Unaudited)	Subscription revenue	Hardware and other revenue	Total revenue	Adjusted EBITDA
Africa	516,654	40,943	557,597	246,193
Europe	82,098	19,140	101,238	35,421
Americas	164,739	19,487	184,226	77,952
Middle East and Australasia	124,646	47,162	171,808	80,916
Brazil	37,310	6,479	43,789	18,807
Total Regional Sales Offices	925,447	133,211	1,058,658	459,289
Central Services Organization	740	563	1,303	(75,204)
Total Segment Results	926,187	133,774	1,059,961	384,085
Corporate and consolidation entries	—	—	—	(57,792)
Total	926,187	133,774	1,059,961	326,293

4. Reconciliation of Adjusted EBITDA to Profit for the Period

South African Rand Figures are in thousands unless otherwise stated	**Six months ended September 30, 2020 Unaudited**	Six months ended September 30, 2019 Unaudited
Adjusted EBITDA	**307,547**	326,293
Add:		
Decrease in restructuring cost provision	**—**	8
Net (loss)/profit on sale of property, plant and equipment and intangible assets	**(138)**	711
Less:		
Depreciation [1]	**(111,549)**	(106,275)
Amortization [2]	**(37,242)**	(34,182)
Impairment of intangible assets	**(125)**	(421)
Equity-settled share-based compensation costs	**(13,406)**	(12,730)
Increase in restructuring cost provision	**(17,389)**	—
Operating profit	**127,698**	173,404
Add: Finance (costs)/income - net	**(9,668)**	(872)
Less: Taxation	**(19,827)**	(61,328)
Profit for the period	**98,203**	111,204

(1) Includes depreciation of property, plant and equipment (including in-vehicle devices).

(2) Includes amortization of intangible assets (including product development costs and intangible assets identified as part of a business combination).

5. Reconciliation of Adjusted EBITDA margin to Profit for the Period margin

	Six months ended September 30, 2020 Unaudited	Six months ended September 30, 2019 Unaudited
Adjusted EBITDA margin	**30.2%**	30.8%
Add:		
Decrease in restructuring cost provision	**—**	0.0%
Net (loss)/profit on sale of property, plant and equipment and intangible assets	**(0.0%)**	0.1%
Less:		
Depreciation	**(10.9%)**	(10.0%)
Amortization	**(3.8%)**	(3.2%)
Impairment of product development costs capitalized	**(0.0%)**	(0.1%)
Equity-settled share-based compensation costs	**(1.3%)**	(1.2%)
Increase in restructuring cost provision	**(1.7%)**	—
Operating profit margin	**12.5%**	16.4%
Add: Finance (costs)/income - net	**(0.9%)**	(0.1%)
Less: Taxation	**(2.0%)**	(5.8%)
Profit for the period margin	**9.6%**	10.5%

6. Restructuring costs

During the six months ended September 30, 2020, the Company committed to plans to restructure certain parts of its business as a measure to minimize the adverse economic and business effect of the COVID-19 pandemic and to re-align resources to its current business outlook and cost structure. Following the announcement of the plans to affected parties, which occurred prior to June 30, 2020, the Company recognized R17.4 million of restructuring costs, which related to employee termination benefits. Restructuring costs are included in Administration and other expenses in the Condensed Consolidated Income Statement.

7. Contract modifications

As a result of the adverse impact that the COVID-19 pandemic has had on certain of the Company's customers, various pricing concessions relating to subscriptions, in the form of payment holidays and discounts on monthly billings, were granted during the six months ended September 30, 2020. These pricing concessions were accounted for as contract modifications under IFRS 15 *Revenue from Contracts with Customers*, which had the effect of reducing the transaction prices allocated to the remaining distinct performance obligations in the contracts. Accordingly, the effect of the pricing concessions is being recognized as those remaining subscription services are provided. A contract asset of R10.8 million, representing amounts that will only be billed in future periods, has been recognized as of September 30, 2020, and is included in Trade and other receivables on the Condensed Consolidated Statement of Financial Position.

8. Reconciliation of Free Cash Flow to Net Cash generated from Operating Activities

South African Rand Figures are in thousands unless otherwise stated	Six months ended September 30, 2020 Unaudited	Six months ended September 30, 2019 Unaudited
Net cash generated from operating activities	**378,671**	228,646
Capital expenditure payments	**(91,330)**	(178,272)
Free cash flow	**287,341**	50,374

9. Share Repurchase

On May 23, 2017, the MiX Telematics Board of Directors approved a share repurchase program of up to R270 million under which the Company may repurchase its ordinary shares, including American Depositary Shares ("ADSs"). The Company may repurchase its shares from time to time at its discretion through open market transactions and block trades, based on ongoing assessments of the capital needs of the Company, the market price of its securities and general market conditions. This share repurchase program may be discontinued at any time by the Board of Directors, and the Company has no obligation to repurchase any amount of its securities under the program. The repurchase program will be funded out of existing cash resources.

No repurchases were made under the share repurchase program during the first half of fiscal 2021.

Refer below for purchases made in fiscal 2020. Further information is detailed in item 5, *Market for registrant's common equity, related stockholder matters and issuer purchases of equity securities* of the Form 10-K filed for fiscal 2020. This is also included in the Group's published annual financial statements for fiscal 2020.

South African Rand	Total number of shares repurchased	Average price paid per share (R) [(1)]	Shares canceled under the share repurchase program	Value of shares purchased as part of publicly announced program (R'000)	Maximum value of shares that may yet be purchased under the program (R'000)
Opening balance April 1, 2019	**14,173,355**	**6.51**	**14,173,355**	**92,214**	**177,786**
Transactions per quarter	**16,856,001**	**8.54**	**3,039,251**	**144,271**	**33,515**
ended June 30, 2019	**—**	**—**	**—**	**—**	**177,786**
ended September 30, 2019	**13,816,750**	**8.62**	**—**	**119,125**	**58,661**
ended December 31, 2019	**166,615**	**7.25**	**—**	**1,207**	**57,454**
ended March 31, 2020	**2,872,636**	**8.33**	**3,039,251**	**23,939**	**33,515**
Closing balance March 31, 2020	**31,029,356**	**7.61**	**17,212,606**	**236,485**	**33,515**

10. Dividends Paid

The following dividends were declared by the Company during the six months ended September 30, 2020 (excluding dividends paid on treasury shares):

- In respect of the fourth quarter of fiscal year 2020, a dividend of 4 South African cents per ordinary share was declared on May 28, 2020 and paid on June 22, 2020. Using shares in issue of 547,117,143 (excluding 53,816,750 treasury shares), this equated to a dividend of R21.9 million; and
- In respect of the first quarter of fiscal 2021, a dividend of 4 South African cents per ordinary share was declared on July 28, 2020 and paid on August 24, 2020. Using shares in issue of 547,316,244 (excluding 53,816,750 treasury shares), this equated to a dividend of R21.9 million.

11. Contingent Liabilities

Service agreement

In terms of an amended network services agreement with Mobile Telephone Networks Proprietary Limited ("MTN"), MTN is entitled to claw back payments from MiX Telematics Africa Proprietary Limited in the event of early cancellation of the agreement or certain base connections not being maintained over the term of the agreement. No connection incentives will be received in terms of the amended network services agreement. The maximum potential liability under the arrangement is R32.1 million. No loss is considered probable under this arrangement.

Competition Commission of South Africa matter

On April 15, 2019 the Competition Commission of South Africa ("Commission") referred a matter to the Competition Tribunal of South Africa ("Tribunal"). The Commission contends that the Group and a number of our channel partners have engaged in market division. Should the Tribunal rule against MiX Telematics, the Group may be liable to an administrative penalty in terms of the Competition Act, No. 89 of 1998. The Group had cooperated fully with the Commission during its preliminary investigation. We cannot predict the timing of a resolution or the ultimate outcome of the matter, however, the Group and our external legal advisers continue to believe that we have consistently adhered to all applicable laws and regulations and that the referral from the Commission is without merit. We have therefore not made any provisions for this matter as yet as we do not believe that an outflow of economic resources is probable.

12. Other Operating and Financial Data

South African Rand Figures are in thousands except for subscribers	**Six months ended September 30, 2020 Unaudited**	Six months ended September 30, 2019 Unaudited
Total revenue	**1,019,408**	1,059,961
Subscription revenue	**933,122**	926,187
Hardware revenue	**70,714**	110,915
Driver training, installation and other revenue	**15,572**	22,859
Adjusted EBITDA	**307,547**	326,293
Cash and cash equivalents	**575,303**	292,314
Net cash [(1)]	**521,145**	253,117
Capital expenditure incurred	**89,457**	178,175
Property, plant and equipment expenditure [(2)]	**46,408**	122,946
Intangible asset expenditure	**43,049**	55,229
Capital expenditure authorized but not spent	**49,889**	57,936
Total development cost incurred	**59,711**	66,255
Development cost capitalized	**33,092**	34,823
Development cost expensed within administration and other charges	**26,619**	31,432
Subscribers	**767,749**	789,559

South African Rand	**September 30, 2019 Unaudited**	March 31, 2020 Audited
Net asset value per share	**3.39**	3.32
Net tangible asset value per share	**1.43**	1.34

(1) *Net cash is calculated as being net cash and cash equivalents, excluding restricted cash.*
(2) *Excludes non-cash additions related to the right-of-use assets arising from IFRS 16 Leases.*

	Six months ended September 30, 2020 Unaudited	Six months ended September 30, 2019 Unaudited
Exchange Rates		
The following major rates of exchange were used:		
South African Rand: United States Dollar		
-closing	**17.00**	15.16
-average	**17.44**	14.53
South African Rand: British Pound		
-closing	**21.86**	18.59
-average	**22.07**	18.29

13. Fair Value of Financial Assets and Liabilities Measured at Amortized Cost

The fair values of trade and other receivables, restricted cash, cash and cash equivalents, trade payables, accruals, bank overdraft and other payables approximate their book values as the impact of discounting is not considered material due to the short-term nature of both the receivables and payables.

14. Restricted share units granted under the MiX Telematics Limited Long-Term Incentive Plan

Under the MiX Telematics Limited Long-Term Incentive Plan, Restricted share units (“RSUs”) may be issued to certain directors and key employees. The scheme rules allow for a maximum of 2 million RSUs to be granted in any financial year and for a maximum of 12 million RSUs to be granted in aggregate over the life of the plan.

2 million time-based RSUs were granted for the first time under the scheme on June 1, 2020, and will vest in tranches of 50% per annum, commencing on the second anniversary of the grant date. Vesting is conditional upon remaining within the employment of the Company. Management estimates forfeiture to be approximately 5%. Settlement will take place in the Company’s shares. The Company has no legal or constructive obligation to settle the RSUs in cash. The weighted average grant date fair value per RSU granted during the quarter ended June 30, 2020 was R5.75. The grant date fair value was determined by deducting the present value of expected dividends to be paid per share prior to vesting from the closing market price of the Company’s shares on grant date.

15. Taxation

Impact of foreign exchange movements

The impact of foreign exchange movements and the related tax effects on the Group's effective tax rate is shown below:

South African Rand	Six months ended September 2020 Unaudited				Six months ended September 2019 Unaudited			
	Profit for the period	Foreign exchange losses	Share-based compensation costs	Adjusted earnings	Profit for the period	Foreign exchange losses	Share-based compensation costs	Adjusted earnings
Profit before tax	118,030	3,198	3,024	124,252	172,532	(168)	8,532	180,896
Taxation	(19,827)	(17,486)	—	(37,313)	(61,328)	8,893	(965)	(53,400)
Profit after tax	98,203	(14,288)	3,024	86,939	111,204	8,725	7,567	127,496
Attributable to:								
Owners of the parent	98,207	(14,288)	3,024	86,943	111,204	8,725	7,567	127,496
Non-controlling interest	(4)	—	—	(4)	—	—	—	—
	98,203	(14,288)	3,024	86,939	111,204	8,725	7,567	127,496
Effective tax rate	16.8%	—	—	30.0%	35.5%	—	11.3%	29.5%

Excluding the impact of foreign exchange gains and losses and its related tax consequences, the effective tax rate is 0.5% higher than the first six months of fiscal 2020.

16. Events after the reporting period

The directors are not aware of any matter material or otherwise arising since September 30, 2020 and up to the date of this report, not otherwise dealt with herein.

Dividend Declared

The Board of Directors declared in respect of the second quarter of fiscal year 2021, which ended on September 30, 2020, a dividend of 4 South African cents per ordinary share to be paid on Monday, November 23, 2020.

The details with respect to the dividends declared for ordinary shareholders are as follows:

Last day to trade *cum* dividend	Tuesday, November 17, 2020
Securities trade *ex* dividend	Wednesday, November 18, 2020
Record date	Friday, November 20, 2020
Payment date	Monday, November 23, 2020

Share certificates may not be dematerialized or rematerialized between Wednesday, November 18, 2020 and Friday, November 20, 2020, both days inclusive.

Shareholders are advised of the following additional information:

- the dividend has been declared out of income reserves;
- the local dividends tax rate is 20%;
- the gross local dividend amounts to 4 South African cents per ordinary share;
- the net local dividend amount is 3.2 South African cents per ordinary share for shareholders liable to pay dividends tax;
- the issued ordinary share capital of MiX Telematics is 604,880,384 ordinary shares of no par value; and
- the Company's tax reference number is 9155/661/84/7.

The details with respect to the dividends declared for holders of our ADSs are as follows:

Ex dividend on New York Stock Exchange (NYSE)	Thursday, November 19, 2020
Record date	Friday, November 20, 2020
Approximate date of currency conversion	Monday, November 23, 2020
Approximate dividend payment date	Tuesday, December 8, 2020

For and on behalf of the Board of Directors:

RA Frew **SB Joselowitz**

Midrand

October 29, 2020

For more information, please visit our website at: **www.mixtelematics.com**

MiX Telematics Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1995/013858/06)
JSE share code: MIX   NYSE code: MIXT   ISIN: ZAE000125316
("MiX Telematics" or "the Company" or "the Group")

Registered office
Matrix Corner, Howick Close, Waterfall Park, Midrand

Directors
RA Frew* (Chairman), SB Joselowitz (CEO), SR Bruyns*# (Lead Independent Director), JR Granara (CFO), F Futwa*#, IV Jacobs*#, F Roji-Maplanka*#, CWR Tasker
* Non-executive
# Independent

Company secretary
Statucor Proprietary Limited

Auditors
Deloitte & Touche

Sponsor
Java Capital

October 29, 2020