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MiX Telematics Reports Full Fiscal Year 2023 IFRS Financial Results

www.mixtelematics.com

2023

MiX Telematics Reports Full Fiscal Year 2023 IFRS Financial Results

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.

Full Fiscal Year 2023 Highlights:

- **Net subscriber additions of 186,700, bringing the total base to over a million subscribers**
- **Total revenue of R2,463 million, up 10% year-over-year (constant currency)**
- **Subscription revenue of R2,151 million, up 12% year-over-year (constant currency)**
- **Annual recurring revenue (“ARR”) of R2,359 million, up 15% year-over-year (constant currency)**
- **Concluded the acquisition of Trimble’s Field Service Management business (“FSM”)**
- **Profit for the year of R74 million**
- **Adjusted EBITDA of R547 million, at an Adjusted EBITDA margin of 22.2%**
- **Net cash and cash equivalents of R263 million at period end**
- **Board increases quarterly dividend by 12.5%**

Midrand, South Africa and Boca Raton, May 25, 2023 - MiX Telematics Limited (“MiX Telematics” or the “Company”) (NYSE: MIXT, JSE: MIX), a leading global Software-as-a-Service (“SaaS”) provider of connected fleet management solutions, today announced preliminary financial results for its full fiscal year 2023, which ended March 31, 2023.

Management Commentary

“Closing out the fiscal year, we are proud to have surpassed the one million subscriber milestone,” said CEO Stefan Joselowitz. “In addition during the second half of the fiscal year, we expanded our adjusted EBITDA to 25% and generated strong, positive free cash flow. Throughout the second half of the fiscal year, we executed well against our plan and finished the year in-line with our expectations.

“As we move into fiscal year 2024, despite general uncertainties in the macro-economic environment, we remain confident that we have the necessary levers within our operational structure to maintain our balanced approach to growth, while delivering strong free cash flow and profitability. Our team continues to work towards delivering consistent ‘rule of 40’ performance in the medium-term. M&A still remains a key component of our long-term objectives, and our corporate development team is actively evaluating a range of potential prospects.”

Financial performance for the fiscal year ended March 31, 2023

Subscription revenue: Subscription revenue increased to R2,151.3 million, an increase of 17.2% compared to R1,836.1 million for fiscal year 2022. The FSM business acquired on September 2, 2022 contributed R94.3 million to the subscription revenue during fiscal year 2023. Subscription revenue increased by 11.9% on a constant currency basis, of which 4.5% is attributable to the FSM business acquisition. During fiscal year 2023, the Company’s subscriber base grew by a net 186,700 subscribers. Subscription revenue represented 87.4% of total revenue during fiscal year 2023.

Total revenue: Total revenue was R2,462.8 million, an increase of 15.7% compared to R2,129.1 million for fiscal year 2022. On a constant currency basis, total revenue increased by 10.3%. Hardware and other revenue was R311.5 million, an increase of 6.3%, compared to R293.0 million for fiscal year 2022. Hardware and other revenue increased by 0.3% on a constant currency basis.

Gross margin: Gross profit was R1,526.6 million, an increase of 13.6% compared to R1,343.8 million for fiscal year 2022. Gross profit margin decreased 110 basis points to 62.0%, compared to 63.1% for fiscal year 2022. The subscription revenue margin during fiscal year 2023 was 67.9%, compared to 69.9% for fiscal year 2022.

Operating margin: Operating profit was R217.1 million, compared to R227.2 million for fiscal year 2022. The operating margin decreased 190 basis points to 8.8%, compared to the 10.7% for fiscal year 2022. Operating expenses represented 53.6% of revenue compared to 52.6% of revenue for fiscal year 2022. The increase in operating expenses was mainly due to an increase in restructuring costs of R15.0 million as a result of restructuring plans implemented and acquisition-related costs of R13.3 million. The Company expects the related cost savings and resultant operating margin improvement as a result of restructuring plans implemented to take effect during fiscal year 2024.

Profit for the year and earnings per share: Profit for fiscal year 2023 was R74.5 million, compared to R134.2 million for fiscal year 2022. Profit for the year included a net foreign exchange gain of R18.9 million before tax, as well as a R62.4 million charge from the income tax effect of net foreign exchange gains (which includes a R59.8 million deferred tax charge on the U.S. Dollar intercompany loan between MiX Telematics and MiX Telematics Investments Proprietary Limited (“MiX Investments”), a wholly-owned subsidiary of the Company, and a R2.6 million deferred tax charge on other foreign exchange gains). During fiscal year 2022, a net foreign exchange loss of R9.6 million was recognized and a R11.2 million credit from income tax effect of net foreign exchange losses (which includes R9.3 million deferred tax credit on a U.S. Dollar intercompany loan between MiX Telematics and MiX Investments, and a R1.9 million deferred tax credit on other foreign exchange losses).

Earnings per diluted ordinary share were 13 South African cents, compared to 24 South African cents for fiscal year 2022. For fiscal 2023, the calculation was based on diluted weighted average ordinary shares in issue of 556.1 million, compared to 564.4 million diluted weighted average ordinary shares in issue during fiscal year 2022.

Adjusted EBITDA: Adjusted EBITDA, a non-IFRS measure, was R547.3 million, compared to R513.0 million for fiscal year 2022. The Adjusted EBITDA margin, a non-IFRS measure, for fiscal year 2023 decreased 190 basis points to 22.2%, compared to 24.1% for fiscal year 2022.

Adjusted earnings for the year and adjusted earnings per share: Adjusted earnings, a non-IFRS measure, for fiscal year 2023 were R136.2 million, compared to R134.7 million for fiscal year 2022. Adjusted earnings per diluted ordinary share, a non-IFRS measure, were 24 South African cents, compared to 24 South African cents for fiscal year 2022.

Adjusted Effective Tax Rate: The Company’s effective tax rate was 67.0%, compared to 34.0% for fiscal year 2022. Adjusted effective tax rate, a non-IFRS measure, which excludes the impact of net foreign exchange gains and losses, acquisition-related costs, contingent consideration remeasurement and restructuring costs, net of tax, is the tax rate, which is used in calculating adjusted earnings above. Adjusted effective tax rate was 40.6% compared to 37.5% in fiscal year 2022.

Statement of Financial Position and Cash Flow: At March 31, 2023, the Company had R262.9 million of net cash and cash equivalents, compared to R407.8 million at March 31, 2022.

The Group generated R412.9 million in net cash from operating activities for fiscal year 2023 and invested R449.3 million in capital expenditures during the year (including investments in in-vehicle devices of R320.5 million), leading to negative free cash flow, a non-IFRS measure, of R36.3 million, compared to negative free cash flow, a non-IFRS measure of R85.7 million for fiscal year 2022. Capital expenditures in fiscal year 2022 were R409.6 million and included in-vehicle devices of R272.4 million.

The Group utilized R112.5 million in financing activities, compared to R148.3 million utilized during fiscal year 2022. The cash utilized in financing activities in fiscal year 2023 mainly consisted of dividends paid of R88.3 million, the repayment of lease liabilities of R17.6 million, and the repurchase of shares of R6.6 million. The cash utilized in financing activities in fiscal year 2022 mainly consisted of dividends paid of R88.1 million, the repayment of lease liabilities of R15.5 million, and the repurchase of shares of R44.7 million.

Segment commentary for the fiscal year ended March 31, 2023

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 Fiscal 2023 R'000	Total Revenue Fiscal 2023 R'000	Adjusted EBITDA Fiscal 2023 R'000	Adjusted EBITDA % change on prior year	Adjusted EBITDA Margin Fiscal 2023
Africa	1,255,613	1,349,541	555,654	2.6%	41.2%
	Subscription revenue increased by 12.2% on a constant currency basis following a 24.6% increase in subscribers since April 1, 2022. Total revenue increased by 8.4% on a constant currency basis. The region reported an Adjusted EBITDA margin of 41.2%, down from the 43.8% Adjusted EBITDA margin reported in fiscal year 2022.				
Americas	315,194	343,606	69,426	454.7%	20.2%
	Subscription revenue increased by 32.2% on a constant currency basis in the segment. The FSM business acquired on September 2, 2022 contributed subscription revenue of R94.3 million for fiscal year 2023 and increased the segment's subscriber base by 88%. Total revenue increased by 29.8% on a constant currency basis. The region reported an Adjusted EBITDA margin of 20.2%, up from the 5.4% Adjusted EBITDA margin reported in fiscal year 2022.				
Middle East and Australasia	277,082	406,596	152,828	2.5%	37.6%
	Subscription revenue increased by 0.9% on a constant currency basis following a 5.1% increase in subscribers since April 1, 2022. Total revenue increased by 11.5% on a constant currency basis. The region reported an Adjusted EBITDA margin of 37.6%, down from the 44.5% Adjusted EBITDA margin reported in fiscal year 2022.				
Europe	206,463	246,011	91,918	(2.4%)	37.4%
	Subscription revenue decreased by 1.8% on a constant currency basis in the segment following a 2.1% decrease in subscribers since April 1, 2022. Total revenue decreased by 8.2% on a constant currency basis. The region reported an Adjusted EBITDA margin of 37.4%, up from the 36.7% Adjusted EBITDA margin reported in fiscal year 2022.				
Brazil	95,750	115,709	36,221	93.4%	31.3%
	Subscription revenue increased by 28.0% on a constant currency basis in the segment following a 20.5% increase in subscribers since April 1, 2022. Total revenue increased by 41.4% on a constant currency basis. The segment reported an Adjusted EBITDA margin of 31.3%, up from the 27.1% Adjusted EBITDA margin reported in fiscal year 2022.				
Central Services Organization	1,194	1,291	(176,804)	(17.0%)	—
	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.				

Preliminary financial information

The reviewed, but unaudited, financial information set forth in this press release is preliminary and subject to potential adjustments. Adjustments to the consolidated financial statements may be identified when audit work has been finalized for the Group's year-end audit, which could result in potential differences from this preliminary reviewed but unaudited condensed financial information. Any changes to the financial information from the completion of the audit will be announced on SENS.

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 Thursday, May 25, 2023 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 13738806.

MiX Telematics Limited

- 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 13738806.
- 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 connected fleet and mobile asset solutions delivered as SaaS to over a million subscribers in over 120 countries. The Company's products and services provide enterprise fleets, small fleets and consumers with solutions for efficiency, safety, compliance and security. MiX Telematics was founded in 1996 and has offices in South Africa, the United Kingdom, the United States, Uganda, Brazil, Australia, Romania and the United Arab Emirates as well as a network of more than 130 fleet value-added resellers 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 regarding 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, the 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. 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. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in, or suggested by, these forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved.

Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of known and unknown risks and uncertainties, some of which are beyond our control including, without limitation:

- our ability to attract, sell to and retain customers;
- our ability to improve our growth strategies successfully, including our ability to increase sales to existing customers;
- our ability to adapt to rapid technological change in our industry and the use of artificial intelligence;
- competition from industry consolidation and new entrants into the industry;
- loss of key personnel or our failure to attract, train and retain other highly qualified personnel;
- our ability to integrate any businesses we acquire;
- the introduction of new solutions and international expansion;
- the impact of the global component shortage and supply chain disruptions;
- our dependence on key suppliers and vendors to manufacture our hardware;
- our dependence on our network of dealers and distributors to sell our solutions;
- our ability to navigate and adapt in adverse global economic and market conditions;
- businesses may not continue to adopt fleet management solutions;
- our future business and system development, results of operations and financial condition;
- expected changes in our profitability and certain cost or expense items as a percentage of our revenue;
- changes in the practices of insurance companies;
- the impact of laws and regulations relating to the Internet and data privacy;
- our ability to ensure compliance with export laws, customs and import regulations, economic sanctions and Export Administration Regulations;
- our ability to protect our intellectual property and proprietary technologies and address any infringement claims;
- our ability to defend ourselves from litigation or administrative proceedings relating to labor, regulatory, tax or similar issues;
- significant disruption in service on, or security breaches of, our websites or computer systems;
- our dependence on third-party technology;
- fluctuations in the value of the South African Rand;
- economic, social, political, labor and other conditions and developments in South Africa and globally;
- our ability to issue securities and access the capital markets in the future; and
- other risks set forth in our filings with the U.S. Securities Exchange Commission.

We assume no obligation to update any forward-looking statements contained in this press release and expressly disclaim any obligation to do so, whether as a result of new information, future events or otherwise, except as required by law.

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/loss 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, contingent consideration remeasurement and acquisition-related costs. We define Adjusted EBITDA margin as Adjusted EBITDA divided by total revenue.

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 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 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 1/2021 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, acquisition-related costs net of tax, contingent consideration remeasurement net of tax and restructuring costs net of tax, divided by the weighted average number of ordinary shares in issue during the period. The adjusted earnings definition has been updated in fiscal year 2023 to also exclude contingent consideration remeasurements and restructuring costs.

During fiscal year 2023, the Company incurred significant restructuring costs due to restructuring plans implemented as part of a cost saving initiative. The Company does not believe that such costs relate to ongoing, core operations. Therefore, the adjusted net income definition has been updated in the current period to exclude restructuring costs, thereby allowing investors and others to understand and evaluate the Company's operating results. The comparative period in the Adjusted earning table below has been re-presented to conform to the updated definition.

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 acquisition-related costs, contingent consideration remeasurement and restructuring costs.

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 U.S Dollar and British Pound average exchange rates used in the Group's constant currency calculations are disclosed in note 12. 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 been reported on by our auditors, Deloitte & Touche and their unmodified report thereon is available for inspection at the Company's registered office.

Key Business Metrics

Annual Recurring Revenue

We believe that ARR is a key indicator of the trajectory of our business performance and serves as an indicator of future subscription revenue growth. We define ARR as the annualized value of subscription contracts that have commenced revenue recognition as of the measurement date. ARR is calculated by taking the subscription revenue for the last month of the period, multiplied by 12. It provides a 12 month forward view of revenue, assuming unit numbers, pricing and foreign exchange rates (the average monthly exchange rates applicable to the last month of the period) remain unchanged during the year. Constant currency ARR growth has been determined by adjusting the prior financial reporting period results to the last month of the current period average exchange rates, determined as the average monthly exchange rates applicable to the last month of the period.

ARR does not have a standardized meaning and is not necessarily comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and is not intended to be combined with or to replace it. ARR is not a forecast and the active contracts at the date used in calculating ARR may or may not be extended or renewed.

Commentary

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JSE Sponsor

Java Capital

May 25, 2023

Report on Review of Preliminary Condensed Consolidated Financial Statements

To the shareholders of MiX Telematics Limited

We have reviewed the condensed consolidated financial statements of Mix Telematics Limited, contained in the accompanying preliminary report, which comprises the preliminary condensed consolidated statement of financial position as of 31 March 2023 and the preliminary condensed consolidated statement of comprehensive income, preliminary condensed consolidated statement of changes in equity and preliminary condensed consolidated statement of cash flows for the year then ended, and notes to preliminary condensed consolidated financial results.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these preliminary condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listing Requirements for preliminary reports as set out in note 1 to the preliminary condensed consolidated financial statements, and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a preliminary report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting.

Auditor's Responsibility

Our responsibility is to express a conclusion on these preliminary condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on these preliminary condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the preliminary condensed consolidated financial statements of Mix Telematics Limited for the year ended 31 March 2023, are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listing Requirements for preliminary reports, as set out in note 1 to the preliminary condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.



Deloitte & Touche
Registered Auditor
Per: D Hooijer
Partner
25 May 2023



National Executive: *R Redfean Chief Executive Officer *GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer
*N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer *NA le Riche Chief Growth Officer *ML Tshabalala Audit & Assurance AM Babu Consulting
TA Oduko Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Group financial results

for the fiscal year ended March 31, 2023

MIX TELEMATICS LIMITED PRELIMINARY CONDENSED CONSOLIDATED INCOME STATEMENT

		South African Rand	
		Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Figures are in thousands unless otherwise stated			
	Notes		
Revenue	12	2,462,754	2,129,100
Cost of sales		(936,156)	(785,288)
Gross profit		1,526,598	1,343,812
Other income/(expenses)		9,904	2,683
Operating expenses		(1,319,366)	(1,119,304)
-Sales and marketing		(292,041)	(229,353)
-Administration and other charges		(955,946)	(851,934)
-Expected credit losses		(71,379)	(38,017)
Operating profit		217,136	227,191
Finance income/(costs) - net		8,879	(23,676)
-Finance income		38,531	6,240
-Finance costs		(29,652)	(29,916)
Profit before taxation		226,015	203,515
Taxation		(151,516)	(69,293)
Profit for the year		74,499	134,222
Attributable to:			
Owners of the parent		74,494	134,224
Non-controlling interest		5	(2)
		74,499	134,222
Earnings per share			
-basic (R)		0.13	0.24
-diluted (R)		0.13	0.24
Earnings per American Depositary Share (Unaudited)			
-basic (R)		3.37	6.08
-diluted (R)		3.35	5.95

Group financial results

for the fiscal year ended March 31, 2023

MIX TELEMATICS LIMITED

PRELIMINARY CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	South African Rand	
	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Figures are in thousands unless otherwise stated		
Profit for the year	74,499	134,222
Other comprehensive income/(loss):		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences on translating foreign operations	136,682	(23,196)
- Attributable to owners of the parent	136,680	(23,196)
- Attributable to non-controlling interest	2	—
Taxation relating to components of other comprehensive income/(loss)	(6,340)	(745)
Other comprehensive income/(loss) for the year, net of tax	130,342	(23,941)
Total comprehensive income for the year	204,841	110,281
Attributable to:		
Owners of the parent	204,834	110,283
Non-controlling interest	7	(2)
Total comprehensive income for the year	204,841	110,281

Group financial results

for the fiscal year ended March 31, 2023

MIX TELEMATICS LIMITED

HEADLINE EARNINGS

Reconciliation of Headline Earnings

	South African Rand	
	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Figures are in thousands unless otherwise stated		
Profit for the year attributable to owners of the parent	74,494	134,224
<i>Adjusted for:</i>		
Profit on disposal of property, plant and equipment and intangible assets	(497)	(534)
Impairment of intangible assets	554	784
Impairment of property, plant and equipment	1,217	—
Income tax effect on the above adjustments	(338)	(70)
Headline earnings attributable to owners of the parent	75,430	134,404
Headline earnings		
-basic (R)	0.14	0.24
-diluted (R)	0.14	0.24
Headline earnings per American Depositary Share (Unaudited)		
-basic (R)	3.41	6.09
-diluted (R)	3.39	5.95
Ordinary shares ('000) ⁽¹⁾		
-in issue at March 31	554,937	551,360
-weighted average	552,603	551,923
-diluted weighted average	556,144	564,372
Weighted average American Depositary Shares ('000) ⁽¹⁾ (Unaudited)		
-in issue at March 31	22,197	22,054
-weighted average	22,104	22,077
-diluted weighted average	22,246	22,575

⁽¹⁾ March 31, 2023 figure excludes 53,816,750 (March 31, 2022: 53,816,750) treasury shares held by MiX Telematics Investments Proprietary Limited ("MiX Investments"), a wholly owned subsidiary of the Group.

Group financial results

for the fiscal year ended March 31, 2023

MIX TELEMATICS LIMITED

ADJUSTED EARNINGS

Reconciliation of Adjusted Earnings

	South African Rand	
	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Re-presented
Figures are in thousands unless otherwise stated		
Profit for the year attributable to owners of the parent	74,494	134,224
Net foreign exchange (gains)/losses	(18,851)	9,623
Income tax effect of net foreign exchange gains/ (losses)	62,371	(11,247)
Acquisition-related costs	13,313	—
Income tax effect of acquisition related costs	(3,062)	—
Contingent consideration remeasurement	(8,565)	—
Income tax effect of the contingent consideration remeasurement	1,970	—
Restructuring costs ⁽¹⁾	17,361	2,432
Income tax effect of restructuring costs	(2,848)	(306)
Adjusted earnings attributable to owners of the parent	136,183	134,726
Basic earnings per share (R)	0.13	0.24
Net foreign exchange (gains)/losses	(0.03)	0.02
Income tax effect of net foreign exchange gains/ (losses)	0.13	(0.02)
Acquisition-related costs	0.02	—
Income tax effect of acquisition related costs	(0.01)	—
Contingent consideration remeasurement	(0.02)	—
Income tax effect of the contingent consideration remeasurement	0.01	—
Restructuring costs	0.03	#
Income tax effect of restructuring costs	(0.01)	#
Basic adjusted earnings per share (R)	0.25	0.24
Adjusted earnings per share		
-basic (R)	0.25	0.24
-diluted (R)	0.24	0.24
Adjusted earnings per American Depositary Share (Unaudited)		
-basic (R)	6.16	6.01
-diluted (R)	6.12	5.97

Amounts less than R0.01

⁽¹⁾ During fiscal year 2023, the Company incurred significant restructuring costs due to restructuring plans implemented as part of a cost saving initiative during the fourth quarter of fiscal year 2023. The Company does not believe that such costs relate to ongoing, core operations. Therefore, the Adjusted Earnings definition has been updated in the current period to exclude restructuring costs, thereby allowing investors and others to understand and evaluate the Company's operating results. The comparative period in the above table has been re-presented to conform to the updated definition. This resulted in an immaterial increase of R2.1 million in Adjusted Earnings and an increase of 0.4 cents in basic adjusted earnings per share for fiscal year 2022.

Group financial results

for the fiscal year ended March 31, 2023

MIX TELEMATICS LIMITED

PRELIMINARY CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	South African Rand	
	March 31, 2023 Reviewed	March 31, 2022 Audited
Figures are in thousands unless otherwise stated		
ASSETS		
Non-current assets		
Property, plant and equipment	652,177	458,812
Intangible assets	1,184,504	1,021,168
Capitalized commission assets	108,121	59,920
Loans to external parties	8,950	9,616
Deferred tax assets	40,565	57,259
Finance lease receivable	5,243	—
Total non-current assets	1,999,560	1,606,775
Current assets		
Inventory	88,727	48,637
Trade and other receivables	576,696	498,553
Indemnification asset	8,525	—
Taxation receivable	26,899	31,807
Restricted cash	14,043	14,223
Cash and cash equivalents	537,094	488,921
Total current assets	1,251,984	1,082,141
Total assets	3,251,544	2,688,916
EQUITY		
Stated capital	605,406	612,015
Other reserves	286,858	151,276
Retained earnings	1,121,054	1,134,986
Equity attributable to owners of the parent	2,013,318	1,898,277
Non-controlling interest	13	6
Total equity	2,013,331	1,898,283
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	242,451	140,085
Provisions	2,829	7,102
Recurring commission liability	4,391	2,850
Capitalized lease liability	53,324	52,964
Total non-current liabilities	302,995	203,001
Current liabilities		
Trade and other payables	543,752	451,045
Contingent consideration	64,158	—
Capitalized lease liability	12,377	13,512
Taxation payable	5,352	8,556
Loss contingency	8,525	—
Provisions	26,846	33,403
Bank overdraft	274,208	81,116
Total current liabilities	935,218	587,632
Total liabilities	1,238,213	790,633
Total equity and liabilities	3,251,544	2,688,916

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for the fiscal year ended March 31, 2023

MIX TELEMATICS LIMITED PRELIMINARY CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	South African Rand	
	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Figures are in thousands unless otherwise stated		
Cash flows from operating activities		
Cash generated from operations	455,811	437,386
Net finance costs paid	(8,128)	(6,620)
Taxation paid	(34,738)	(106,877)
Net cash generated from operating activities	412,945	323,889
Cash flows from investing activities		
Purchases of property, plant and equipment	(336,563)	(301,911)
Purchases of intangible assets	(112,729)	(107,707)
Cash paid for business combination	(64,633)	—
Proceeds on sale of property, plant and equipment and intangible assets	1,200	897
Decrease in restricted cash	2,170	1,222
Increase in restricted cash	(1,405)	(2,776)
Net cash utilized in investing activities	(511,960)	(410,275)
Cash flows from financing activities		
Repayment of capitalized lease liability	(17,572)	(15,523)
Share repurchase (note 7)	(6,609)	(44,732)
Dividends paid to Company's owners (note 8)	(88,280)	(88,091)
Net cash utilized in financing activities	(112,461)	(148,346)
Net decrease in cash and cash equivalents	(211,476)	(234,732)
Net cash and cash equivalents at the beginning of the year	407,805	653,571
Exchange gains/(losses) on cash and cash equivalents	66,557	(11,034)
Net cash and cash equivalents at the end of the year	262,886	407,805

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for the fiscal year ended March 31, 2023

MIX TELEMATICS LIMITED PRELIMINARY CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

South African Rand Figures are in thousands unless otherwise stated	Attributable to owners of the parent				Non- controlling interest	Total equity
	Stated capital	Other reserves	Retained earnings	Total		
Balance at March 31, 2021 (Audited)	656,747	146,287	1,089,136	1,892,170	8	1,892,178
Total comprehensive income	—	(23,941)	134,224	110,283	(2)	110,281
Profit for the year	—	—	134,224	134,224	(2)	134,222
Other comprehensive loss	—	(23,941)	—	(23,941)	—	(23,941)
Total transactions with owners	(44,732)	28,930	(88,374)	(104,176)	—	(104,176)
Share-based payment transaction	—	19,683	—	19,683	—	19,683
Share-based payment - excess tax benefit	—	9,247	—	9,247	—	9,247
Dividends declared (note 8)	—	—	(88,374)	(88,374)	—	(88,374)
Share repurchase (note 7)	(44,732)	—	—	(44,732)	—	(44,732)
Balance at March 31, 2022 (Audited)	612,015	151,276	1,134,986	1,898,277	6	1,898,283
Total comprehensive income	—	130,340	74,494	204,834	7	204,841
Profit for the year	—	—	74,494	74,494	5	74,499
Other comprehensive income	—	130,340	—	130,340	2	130,342
Total transactions with owners	(6,609)	5,242	(88,426)	(89,793)	—	(89,793)
Share-based payment transaction	—	8,532	—	8,532	—	8,532
Share-based payment - excess tax benefit	—	(3,290)	—	(3,290)	—	(3,290)
Dividends declared (note 8)	—	—	(88,426)	(88,426)	—	(88,426)
Share repurchase (note 7)	(6,609)	—	—	(6,609)	—	(6,609)
Balance at March 31, 2023 (Reviewed)	605,406	286,858	1,121,054	2,013,318	13	2,013,331

Group financial results

for the fiscal year ended March 31, 2023

NOTES TO PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS

1. Basis of preparation and accounting policies

The preliminary condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34, the requirements of the JSE Limited (“JSE”) Listings Requirements for preliminary condensed financial statements and the requirements of the Companies Act No 71 of 2008 of South Africa, as amended, applicable to financial statements. The JSE Listings Requirements require preliminary condensed financial statements to be prepared in accordance with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the preliminary condensed consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The preliminary condensed consolidated financial statements were prepared under the supervision of the Group Chief Financial Officer, PM Dell. The results were made available on May 25, 2023.

Presentation currency

The Group’s presentation currency is South African Rand.

2. Independent review

The preliminary condensed consolidated financial statements for the year ended March 31, 2023 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion thereon. The auditor’s review conclusion does not necessarily report on all the information contained in these financial results. The auditor’s review report is included within these preliminary condensed consolidated financial statements. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Company’s auditors.

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 as the Chief Executive Officer who makes 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.

Group financial results

for the fiscal year ended March 31, 2023

SEGMENTAL ANALYSIS

South African Rand Figures are in thousands unless otherwise stated	Subscription revenue	Hardware and other revenue ⁽¹⁾	Total revenue	Adjusted EBITDA
Year ended March 31, 2023 (Reviewed)				
Regional Sales Offices				
Africa	1,255,613	93,928	1,349,541	555,654
Europe	206,463	39,548	246,011	91,918
Americas	315,194	28,412	343,606	69,426
Middle East and Australasia	277,082	129,514	406,596	152,828
Brazil	95,750	19,959	115,709	36,221
Total Regional Sales Offices	2,150,102	311,361	2,461,463	906,047
Central Services Organization	1,194	97	1,291	(176,804)
Total Segment Results	2,151,296	311,458	2,462,754	729,243
Corporate and consolidation entries	—	—	—	(181,992)
Total	2,151,296	311,458	2,462,754	547,251

South African Rand Figures are in thousands unless otherwise stated	Subscription revenue	Hardware and other revenue ⁽¹⁾	Total revenue	Adjusted EBITDA
Year ended March 31, 2022 (Audited)				
Regional Sales Offices				
Africa	1,111,082	124,805	1,235,887	541,832
Europe	200,715	55,639	256,354	94,152
Americas	208,550	22,849	231,399	12,517
Middle East and Australasia	251,841	83,264	335,105	149,088
Brazil	63,188	5,953	69,141	18,727
Total Regional Sales Offices	1,835,376	292,510	2,127,886	816,316
Central Services Organization	703	511	1,214	(151,081)
Total Segment Results	1,836,079	293,021	2,129,100	665,235
Corporate and consolidation entries	—	—	—	(152,222)
Total	1,836,079	293,021	2,129,100	513,013

⁽¹⁾ Other revenue comprises driver training, installation and other revenue.

Group financial results

for the fiscal year ended March 31, 2023

4. Reconciliation of Adjusted EBITDA to Profit for the year

	South African Rand	
	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Figures are in thousands unless otherwise stated		
Adjusted EBITDA	547,251	513,013
<i>Add:</i>		
Net profit on sale of property, plant and equipment and intangible assets	497	534
<i>Less:</i>		
Depreciation ⁽¹⁾	(181,776)	(176,221)
Amortization ⁽²⁾	(116,425)	(78,460)
Impairment of product development costs capitalized	(554)	(784)
Impairment of property, plant and equipment	(1,216)	—
Non-recurring legal costs	—	(8,776)
Acquisition-related costs	(13,313)	—
Contingent consideration remeasurement	8,565	—
Share-based compensation costs (Equity-settled)	(8,532)	(19,683)
Increase in restructuring costs provision	(17,361)	(2,432)
Operating profit	217,136	227,191
<i>Add:</i> Finance income/(costs) - net	8,879	(23,676)
<i>Less:</i> Taxation	(151,516)	(69,293)
Profit for the year	74,499	134,222

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

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

Group financial results

for the fiscal year ended March 31, 2023

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

	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Adjusted EBITDA margin	22.2%	24.1%
<i>Add:</i>		
Net profit on sale of property, plant and equipment and intangible assets	0.0%	0.0%
<i>Less:</i>		
Depreciation	(7.4%)	(8.3%)
Amortization	(4.7%)	(3.7%)
Impairment of product development costs capitalized	(0.0%)	(0.0%)
Impairment of property, plant and equipment	(0.0%)	—
Non-recurring legal costs	—	(0.4%)
Acquisition-related costs	(0.5%)	—
Contingent consideration remeasurement	0.3%	—
Share-based compensation costs (Equity-settled)	(0.3%)	(0.9%)
Increase in restructuring costs provision	(0.8%)	(0.1%)
Operating profit margin	8.8%	10.7%
<i>Add:</i> Finance (costs)/income - net	0.4%	(1.1%)
<i>Less:</i> Taxation	(6.2%)	(3.3%)
Profit for the year margin	3.0%	6.3%

6. Free Cash Flow

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

	South African Rand	
	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Figures are in thousands unless otherwise stated		
Net cash generated from operating activities	412,945	323,889
Capital expenditure payments	(449,292)	(409,618)
Free cash flow	(36,347)	(85,729)

7. Share Repurchase

On May 23, 2017, the MiX Telematics Board of Directors (“the Board”) approved a share repurchase program of up to R270 million under which the Company may repurchase its ordinary shares, including American Depositary Shares (“ADSs”). On December 3, 2021, the Board approved an increase to the share repurchase program under which the Company may repurchase ordinary shares, including ADSs. Post this increase, and after giving effect to shares already purchased under the program as at December 2, 2021, the Company could repurchase additional shares with a cumulative value of R160 million. The total value of the whole share repurchase program post the December 3, 2021 increase is R396.5 million. Subsequent to the approved increase in the share repurchase program shares with a value of R44.7 million were repurchased during fiscal year 2022 and R6.6 million during fiscal year 2023. At March, 31 2023, additional shares to the value of R108.7 million may still be repurchased.

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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, 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.

During fiscal year 2022 the following purchases were made under the share repurchase program:

	Total number of shares repurchased	Average price paid per share ⁽¹⁾ R	Shares canceled under the share repurchase program	Total 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
December 2021	1,567,791	7.52	—	11,795	148,220
January 2022	2,004,618	7.31	2,330,135	14,649	133,571
February 2022	911,600	7.56	—	6,893	126,678
March 2022	1,536,076	7.42	3,689,950	11,395	115,283
	6,020,085	7.43	6,020,085	44,732	115,283

⁽¹⁾ Including transaction costs.

Share repurchases in Q3 2022 and Q4 2022 were delisted in Q4 2022 and now form part of the authorized unissued share capital of the Company. No shares were repurchased during Q1 2022 and Q2 2022.

During fiscal year 2023 the following purchases were made under the share repurchase program:

	Total number of shares repurchased	Average price paid per share ⁽¹⁾ R	Shares canceled under the share repurchase program	Total 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
August 2022	328,228	5.33	328,228	1,749	113,534
February 2023	673,008	5.79	—	3,894	109,640
March 2023	165,423	5.84	838,431	966	108,674
	1,166,659	5.66	1,166,659	6,609	108,674

⁽¹⁾ Including transaction costs.

Share repurchases in Q2 2023 and Q4 2023 were delisted in Q2 2023 and Q4 2023, respectively, and now form part of the authorized unissued share capital of the Company. No shares were repurchased during Q1 2023 and Q3 2023.

8. Dividends Paid

Dividend payments are currently considered on a quarter-by-quarter basis.

Group financial results

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The following dividends were declared by the Company in fiscal year 2023 (excluding dividends paid on treasury shares):

- In respect of the fourth quarter of fiscal year 2022, a dividend of 4 South African cents per ordinary share was paid on June 20, 2022. Using shares in issue of 551,359,733 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million;
- In respect of the first quarter of fiscal 2023, a dividend of 4 South African cents per ordinary share was paid on August 22, 2022. Using shares in issue of 552,414,160 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million;
- In respect of the second quarter of fiscal year 2023, a dividend of 4 South African cents per ordinary share was paid on November 21, 2022. Using shares in issue of 553,323,208 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million; and
- In respect of the third quarter of fiscal year 2023, a dividend of 4 South African cents per ordinary share was paid on February 20, 2023. Using shares in issue of 553,502,302 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million.

The following dividends were declared by the Company in fiscal year 2022 (excluding dividends paid on treasury shares):

- In respect of the fourth quarter of fiscal year 2021, a dividend of 4 South African cents per ordinary share was paid on June 21, 2021. Using shares in issue of 552,212,726 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million;
- In respect of the first quarter of fiscal year 2022, a dividend of 4 South African cents per ordinary share was paid on August 23, 2021. Using shares in issue of 552,263,053 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million;
- In respect of the second quarter of fiscal year 2022, a dividend of 4 South African cents per ordinary share was paid on November 22, 2021. Using shares in issue of 552,617,866 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million; and
- In respect of the third quarter of fiscal year 2022, a dividend of 4 South African cents per ordinary share was paid on February 28, 2022. Using shares in issue of 552,245,215 (excluding 53,816,750 treasury shares), this equated to a dividend of R22.1 million.

9. Fair values 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 overdrafts 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.

10. Contingencies

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, a subsidiary of the Group, 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 R20.5 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.

MiX Telematics Limited

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The Tribunal has set the matter for hearing from June 24, to July 2, 2024. Leading up to that date various intermediary steps such as discovery, filing of witness statements and trial bundle exchanges will take place.

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 currently not made any provisions for this matter.

11. Taxation

Tax rates on adjusted earnings

The impact of foreign exchange movements and the related tax effects on the Group's effective tax rate for fiscal year 2023 is shown below:

South African Rand	Year ended March 2023 Reviewed					
	Profit for the period	Foreign exchange gains	Acquisition-related costs	Contingent consideration remeasurement	Restructuring costs ⁽¹⁾	Adjusted earnings
Profit before tax	226,015	(18,851)	13,313	(8,565)	17,361	229,273
Taxation	(151,516)	62,371	(3,062)	1,970	(2,848)	(93,085)
Profit after tax	74,499	43,520	10,251	(6,595)	14,513	136,188
Attributable to:						
Owners of the parent	74,494	43,520	10,251	(6,595)	14,513	136,183
Non-controlling interest	5	—	—	—	—	5
	74,499	43,520	10,251	(6,595)	14,513	136,188
Effective tax rate	67.0 %	—	—	—	—	40.6 %

⁽¹⁾ During fiscal year 2023, the Company incurred significant restructuring costs due to restructuring plans implemented as part of a cost saving initiative during the fourth quarter of fiscal year 2023. The Company does not believe that such costs relate to ongoing, core operations. Therefore, the Adjusted Earnings definition has been updated in the current period to exclude restructuring costs, thereby allowing investors and others to understand and evaluate the Company's operating results. The comparative period in the above table has been re-presented to conform to the updated definition. This resulted in an immaterial increase of R2.1 million in Adjusted Earnings for fiscal year 2022.

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The impact of foreign exchange movements and the related tax effects on the Group's effective tax rate for fiscal year 2022 is shown below:

South African Rand

	Year ended March 2022 Re-presented ⁽¹⁾			
	Profit for the period	Foreign exchange losses	Restructuring costs ⁽¹⁾	Adjusted earnings
Profit before tax	203,515	9,623	2,432	215,570
Taxation	(69,293)	(11,247)	(306)	(80,846)
Profit after tax	134,222	(1,624)	2,126	134,724
Attributable to:				
Owners of the parent	134,224	(1,624)	2,126	134,726
Non-controlling interest	(2)	—	—	(2)
	134,222	(1,624)	2,126	134,724
Effective tax rate	34.0 %	—	—	37.5 %

Excluding the impact of foreign exchange gains and losses, acquisition-related costs and the contingent consideration remeasurement and the related tax consequences, the adjusted effective tax rate in fiscal year 2023 is 3.1% above the effective tax rate in fiscal year 2022.

⁽¹⁾ During fiscal year 2023, the Company incurred significant restructuring costs due to restructuring plans implemented as part of a cost saving initiative during the fourth quarter of fiscal year 2023. The Company does not believe that such costs relate to ongoing, core operations. Therefore, the Adjusted Earnings definition has been updated in the current period to exclude restructuring costs, thereby allowing investors and others to understand and evaluate the Company's operating results. The comparative period in the above table has been re-presented to conform to the updated definition. This resulted in an immaterial increase of R2.1 million in Adjusted Earnings and an increase of 0.4 cents in basic adjusted earnings per share for fiscal year 2022.

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12. Other Operating and Financial Data

	South African Rand	
	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Figures are in thousands except for subscribers		
Total revenue	2,462,754	2,129,100
Subscription revenue	2,151,296	1,836,079
Hardware revenue	262,645	249,397
Driver training, installation and other revenue	48,813	43,624
Adjusted EBITDA	547,251	513,013
Cash and cash equivalents	537,094	488,921
Net cash ⁽¹⁾	262,886	407,805
Capital expenditure incurred	442,818	417,003
Property, plant and equipment expenditure ⁽²⁾	330,089	309,619
Intangible asset expenditure	112,729	107,384
Capital expenditure authorized but not spent	135,423	319,703
Total development costs incurred	161,409	138,902
Development costs capitalized	89,037	75,816
Development costs expensed within administration and other charges	72,372	63,086
Subscribers (number)	1,001,881	815,165
Net asset value per share (R)	3.63	3.44
Net tangible asset value per share (R) ⁽³⁾	1.30	1.48

⁽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.

⁽³⁾ Net tangible asset value excludes intangible assets and capitalized commission assets.

	Year ended March 31, 2023 Reviewed	Year ended March 31, 2022 Audited
Exchange Rates		
The following major rates of exchange were used:		
South African Rand: United States Dollar		
– closing	17.98	14.49
– average	16.99	14.86
South African Rand: British Pound		
– closing	22.21	19.03
– average	20.45	20.29

13. Acquisition

MiX Telematics North America, a 100% owned subsidiary of the Company, acquired Trimble's FSM business in North America on September 2, 2022 (the "Transaction").

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FSM's North American operations include the sale and support of telemetry and video solutions that enable back-office monitoring and visualization for fleet services management in a number of industries. The Transaction presents an opportunity for the Company to increase its scale in North America and to further diversify its North America business by expanding its presence in market verticals such as construction and last mile logistics.

All existing FSM subscription contracts and the related revenue streams were acquired by MiX Telematics North America.

The purchase consideration for the FSM business comprised of the following:

- An upfront cash payment of \$3.7 million (R64.6 million) on September 2, 2022 ("Closing Date"), based on an upfront fee of \$300 per subscription contract where the FSM customer has purchased or agreed to purchase 4G hardware as of the day immediately prior to the Closing Date and where the contractual term expires on or after the 18-month anniversary of the Closing Date.
- Additional payments to be made in respect of the renewal of existing subscriptions as well as for new subscriptions entered into by customers (that were customers on the Closing Date) with MiX Telematics North America. Depending on the hardware requirements of these customers and specific contract terms, Trimble will be paid between \$200 and \$300 per subscription contract. The additional payments will be made approximately every three months, ending on March 2, 2024, and have been treated as contingent consideration. The initial fair value of the contingent consideration of \$4.1 million (R70.4 million) was included in the purchase price for purposes of calculating goodwill and reflects an expectation of approximately a 75% retention rate. Subsequent changes in fair value will be recognized in the Consolidated Statements of Income. The estimated total consideration for additional payments should not exceed \$6.4 million which assumes a 100% conversion rate, which the Company believes is unlikely.

The acquisition of the FSM business was considered a business combination and was accounted for under the acquisition method of accounting. The following table summarizes the consideration transferred, the assets acquired and liabilities assumed as of the acquisition date:

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	September 2, 2022 R'000
Fair value of consideration transferred	
Cash	64,633
Contingent consideration	70,411
Recognized amounts of identifiable assets acquired and liabilities assumed	
Intangible assets	103,720
Finance lease receivable	7,122
Indemnification asset ⁽¹⁾	25,509
Loss contingency ⁽¹⁾	(25,509)
Product warranties	(702)
Goodwill	24,904

⁽¹⁾ With the acquisition, the Company assumed a Hardware Purchase Plan (“HPP”) loss contingency of \$1.5 million (R25.5 million) with a corresponding indemnification asset against Trimble. The HPP represents a contractual obligation, requiring the replacement of equipment should this become technically obsolete. The key event triggering the provision is the imminent shut down of the 3G network across different states in America. The Company has entered into an agreement with Trimble whereby Trimble will be responsible for covering these costs.

The initial accounting for the business combination is complete at the reporting date. The fair values of the identifiable assets acquired and liabilities assumed is final and therefore, adjustments to them and the resulting goodwill will not occur in future.

During a transitional period, until all the FSM subscribers have been migrated to the Company's SaaS platform, Trimble will (i) supply certain hardware comprising telematics kits and other parts as required for the fulfillment of subscription contracts; (ii) grant MiX Telematics North America a non-exclusive, non-transferable license to certain software in respect of hardware used by subscribers; and (iii) provide access to certain applications and network connections to support ongoing operations and customer account management. The Company however remains liable to the customer for the services.

Acquisition-related costs of \$0.8 million (R13.3 million) were incurred, and are included in administration and other charges in the income statement.

The goodwill is attributable to the workforce of the acquired business and the opportunity for the Company to increase its scale in North America and to further diversify its North America business. The goodwill is assigned to the Americas segment and is deductible for tax purposes.

The customer relationships acquired will be amortized over a weighted average amortization period of 4 years.

The acquired business contributed revenues of R94.4 million and earnings of R3.3 million for the period from September 2, 2022 to March 31, 2023. If the business was acquired on April 1, 2022, the acquired business would have contributed revenues of R180.2 million and earnings of R16.6 million, after amortization of customer relationships, for the year ended March 31, 2023.

At March 31, 2023 a gain of \$0.5 million (R8.6 million) was recognized in other income in the income statement for the remeasurement of the contingent consideration to fair value. The remeasurement of the contingent consideration does not constitute a measurement period adjustment because it reflects new conditions subsequent to acquisition rather than more information about conditions that existed at the acquisition date.

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Valuation Methodology

The customer relationships were valued using the multi-period excess earnings method under the income approach, which estimates associated revenues and costs to determine the projected cash flows derived from this asset. The discount rate used reflects the risk and uncertainty of the cash flows relative to the overall business. The useful lives of customer relationships were established by reference to the payback period of the asset.

Assumptions used in forecasting cash flows included consideration of the following:

- Historical performance including sales and profitability
- Contributory asset charges
- Business prospects, industry expectations and competitive environment
- Estimated economic life of the asset
- Revenue attributable to existing customers
- Attrition of existing customers

The fair value of the contingent consideration was estimated using the income approach, based on applying a discounted cash flow valuation. Key inputs in the valuation include forecasted existing subscriber conversions, subscriber discount rate, and payor counterparty credit risk discount rate.

14. Changes to the board of directors

Mr Robin Frew, resigned as a non-executive director and chairman of the Company with effect from November 2, 2022. Mr Ian Jacobs a current independent non-executive director was appointed by the Board as chairman of MiX Telematics with effect from November 3, 2022.

15. Events after the reporting period

Other than the items below, the directors are not aware of any matter material or otherwise arising since March 31, 2023 and up to the date of this report.

Dividend declared

The Board declared in respect of the fourth quarter of fiscal 2023 which ended on March 31, 2023, a dividend of 4.50000 South African cents per ordinary share to be paid on June 19, 2023.

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

Last day to trade cum dividend	Monday, June 12, 2023
Securities trade ex dividend	Tuesday, June 13, 2023
Record date	Thursday, June 15, 2023
Payment date	Monday, June 19, 2023

Share certificates may not be dematerialized or rematerialized between Tuesday, June 13, 2023 and Thursday, June 15, 2023, 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 4.50000 South African cents per ordinary share;
- the net local dividend amount is 3.60000 South African cents per ordinary share for shareholders liable to pay dividends tax;
- the issued ordinary share capital of MiX Telematics is 608,753,569 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, June 15, 2023
Record date	Friday, June 16, 2023
Approximate date of currency conversion	Monday, June 19, 2023
Approximate dividend payment date	Thursday, June 29, 2023

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Annual general meeting

The annual general meeting of shareholders of MiX Telematics will be held at Matrix Corner, Howick Close, Waterfall Park, Midrand, Johannesburg on Thursday, September 7, 2023 at 2:30 p.m. (South African time). For South African shareholders, the last day to trade in order to be eligible to participate in and vote at the annual general meeting is Tuesday, August 29, 2023 and the record date for voting purposes is Friday, September 1, 2023. The notice of the annual general meeting will be distributed to shareholders no later than Friday July 28, 2023.

For and on behalf of the Board:

IV Jacobs

Midrand

May 25, 2023

SB Joselowitz

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

IV Jacobs* (Chairman), SB Joselowitz (CEO), SR Bruyns*# (Lead Independent Director), PM Dell (CFO), F Futwa*#, CD Flemming*#, CWR Tasker

* Non-executive

Independent

Company secretary

Statucor Proprietary Limited

Auditors

Deloitte & Touche

Sponsor

Java Capital

May 25, 2023