

MiX TELEMATICS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1995/013858/06)

JSE share code: MIX ISIN: ZAE000125316

NYSE share code: MIXT

LEI Code: 529900S6HHR7CK7BU646

(“MiX Telematics” or “the Company” or “the Group”)



SHORT-FORM ANNOUNCEMENT: MiX TELEMATICS REPORTS FIRST HALF OF FISCAL 2022 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 accounting principles generally accepted 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.

First Half of Fiscal 2022 Highlights:

- **Subscription revenue of R891 million, representing 87% of revenue**
- **Net subscriber additions of 25,500, bringing the total base to over 770,000 subscribers**
- **Net income of R74 million**
- **Adjusted EBITDA of R255 million, representing a 24.9% Adjusted EBITDA margin**
- **Net cash and cash equivalents of R570 million at period end**

“MiX is back on a growth trajectory, highlighted by our second consecutive quarter of year-over-year revenue expansion. In Q2, we almost doubled the number of net subscriber adds compared to the first quarter, contributing to Annualized Recurring Revenue growth of 5% since the beginning of the year. We are seeing positive trends in both our light- and premium- fleet portfolios, and the business environment in many of our key end markets has strengthened,” said Stefan Joselowitz, Chief Executive Officer of MiX Telematics.

Joselowitz continued, “We are committed to investing in our growth initiatives while continuing to deliver high levels of profitability. Our performance in the first half of the year positions the company well to achieve our financial and operational objectives for fiscal 2022.”

Financial performance for the first half of fiscal 2022

Subscription revenue: Subscription revenue decreased to R891.2 million, a decrease of 4.5% compared to R933.1 million for the first half of fiscal 2021. Subscription revenue represented 87.3% of total revenue during the first half of fiscal 2022. On a constant currency basis, subscription revenue increased by 3.1%, year over year. During the first half of fiscal 2022, the Company’s subscriber base grew by a net 25,500 subscribers.

Total revenue: Total revenue was R1,020.5 million, an increase of 0.1% compared to R1,019.4 million for the first half of fiscal 2021. Total revenue increased by 8.5% on a constant currency basis, year over year. Hardware and other revenue was R129.4 million, an increase of 49.9%, compared to R86.3 million for the first half of fiscal 2021.

Gross margin: Gross profit was R651.8 million, compared to R682.5 million for the first half of fiscal 2021. Gross profit margin was 63.9%, compared to 67.0% for the first half of fiscal 2021. The decline in the gross profit margin was due to the increase in hardware and other revenues which carry lower margins than subscription revenue. The subscription revenue margin during the first half of fiscal year 2022 was 70.0%.

Operating margin: Operating profit was R122.7 million, compared to R127.7 million in the first half of fiscal 2021. The operating margin was 12.0%, compared to 12.5% in the first half of fiscal 2021. Operating expenses represented 52.0% of revenue compared to 54.4% in the first half of fiscal 2021.

Adjusted EBITDA: Adjusted EBITDA was R254.6 million compared to R307.5 million for the first half of fiscal 2021. Adjusted EBITDA margin was 24.9%, compared to 30.2% in the first half of fiscal 2021.

Profit for the period and earnings per share: Profit for the period was R74.2 million, compared to R98.2 million in the first half of fiscal 2021. Profit for the period included a net foreign exchange loss of R0.2 million before tax, as well as a R3.9 million deferred tax charge 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 2021, a net foreign exchange loss of R3.2 million was recognized while the Company incurred a R17.3 million deferred tax credit on a U.S. Dollar intercompany loan between MiX Telematics and MiX Investments.

Earnings per diluted ordinary share were 13 South African cents, compared to 18 South African cents in the first half of fiscal 2021. For the first half of fiscal 2022, the calculation was based on diluted weighted average ordinary shares in issue of 565.5 million, compared to 558.2 million diluted weighted average ordinary shares in issue during the first half of fiscal 2021.

The Company’s effective tax rate was 36.1%, compared to 16.8% for the first half of fiscal 2021. 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 32.1% compared to 30.0% in the first half of fiscal 2021.

Adjusted earnings for the period and adjusted earnings per share: Adjusted earnings for the period were R78.9 million, compared to R86.9 million in the first half of fiscal 2021. Adjusted earnings per diluted ordinary share were 14 South African cents, compared to 16 South African cents for the first half of fiscal 2021.

Cash and cash equivalents and Cash Flow: At September 30, 2021, the Company had R570.1 million of net cash and cash equivalents, compared to R653.6 million at March 31, 2021.

The Company generated R170.6 million in net cash from operating activities for the first half of fiscal 2022 and invested R203.1 million in capital expenditures during the period (including investments in in-vehicle devices of R140.1 million), leading to a negative free cash flow of R32.5 million, compared to free cash flow of R287.3 million for the first half of fiscal 2021. Capital expenditures in the first half of fiscal 2021 were R91.3 million and included in-vehicle devices of R45.2 million.

The Company utilized R51.2 million in financing activities, compared to R36.9 million utilized during the first half of fiscal 2021. The cash utilized in financing activities during the first half of fiscal 2022 mainly consisted of dividends paid of R44.0 million and the payment of lease liabilities of R7.2 million. The cash utilized during the first half of fiscal 2021 consisted primarily 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.

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 2022 fiscal year.

**SUMMARIZED CONSOLIDATED INCOME
STATEMENT**

	Six months ended September 30, 2021	Six months ended September 30, 2020
Figures are in thousands unless otherwise stated		
Revenue	1,020,517	1,019,408
Operating profit	122,689	127,698
Adjusted EBITDA	254,581	307,547
Profit for the period attributable to owners of the parent	74,195	98,207
Adjusted earnings attributable to owners of the parent ¹	78,891	86,943
Headline earnings attributable to owners of the parent	74,037	98,434
Basic earnings per share - (R)	0.13	0.18
Basic adjusted earnings per share - (R) ¹	0.14	0.16
Basic headline earnings per share - (R)	0.13	0.18
Dividends per share - (R)	0.08	0.08
Ordinary shares ('000) ²		
-in issue at September 30	552,618	551,064
-weighted average	552,124	547,569
-diluted weighted average	565,465	558,216

¹ 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.

² September 30, 2021 figure excludes 53,816,750 (September 30, 2020: 53,816,750) treasury shares held by MiX Investments, a wholly owned subsidiary of the Group.

**SUMMARIZED CONSOLIDATED
STATEMENT OF FINANCIAL
POSITION**

September 30,
2021

March 31,
2021

Figures are in thousands unless
otherwise stated

ASSETS

Non-current assets	1,563,732	1,470,120
Current assets	1,124,574	1,149,456
Total assets	2,688,307	2,619,576

EQUITY AND LIABILITIES

Equity	1,935,258	1,892,178
Non-current liabilities	234,396	239,606
Current liabilities	518,653	487,792
Total equity and liabilities	2,688,307	2,619,576
Net cash	570,093	653,571
Cash and cash equivalents	602,438	678,546
Net asset value per share (R)	3.50	3.43

Dividend declared

The Board of Directors declared in respect of the second quarter of fiscal year 2022, which ended on September 30, 2021, a dividend of 4 South African cents per ordinary share to be paid on Monday, November 22, 2021.

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

Last day to trade cum dividend	Tuesday, November 16, 2021
Securities trade ex dividend	Wednesday, November 17, 2021
Record date	Friday, November 19, 2021
Payment date	Monday, November 22, 2021

Share certificates may not be dematerialized or rematerialized between Wednesday, November 17, 2021 and Friday, November 19, 2021, 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 606,434,616 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 18, 2021
Record date	Friday, November 19, 2021
Approximate date of currency conversion	Monday, November 22, 2021
Approximate dividend payment date	Thursday, December 2, 2021

Short-form announcement

This short-form announcement is the responsibility of the Board of Directors and the contents have been approved by the Board of Directors on October 26, 2021. This short-form announcement is a summary of the full

announcement released on SENS and published on the Group's website (<https://www.mixtelematics.com/investor-relations/sens>) on October 28, 2021. This short-form announcement does not contain the complete or full announcement details. Any investment decision by investors and/or shareholders should be based on consideration of the full announcement. The short-form announcement has not been audited or reviewed by the Group's external auditors. A copy of the full announcement may be requested from the Company Secretary at CelesteS@statucor.co.za or the sponsor, Java Capital at sponsor@javacapital.co.za. Any investment decision should be based on the full announcement available on the Company's website.

The full announcement is available at <https://senspdf.jse.co.za/documents/2021/jse/isse/MIX/FY-Q22021.pdf>.

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

Registered office

Matrix Corner, Howick Close, Waterfall Park, Midrand

Auditors

Deloitte & Touche

Sponsor

Java Capital

October 28, 2021

Sponsor

The logo for Java Capital, featuring the word "JAVA" in a large, bold, sans-serif font, followed by "CAPITAL" in a smaller, all-caps, sans-serif font. A stylized blue swoosh underline is positioned beneath the "A" in "JAVA".