

MiX Telematics Announces Financial Results for Second Quarter and First Half of Fiscal 2020

10/31/2019

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.

References in this announcement to “**R**” are to South African Rand and references to “**U.S. Dollars**” and “**\$**” are to United States Dollars. Unless otherwise stated MiX Telematics has translated U.S. Dollar amounts from South African Rand at the exchange rate of R15.1619 per \$1.00, which was the R/\$ exchange rate reported by **Oanda.com** as at September 30, 2019.

Highlights:

Second quarter fiscal 2020 (year over year):

- Subscription revenue of R471 million (\$31.1 million), an increase of 12.2% (10.7% on a constant currency basis)
- Net subscriber additions of over 22,600, bringing the total base to over 789,000 subscribers, up 11%
- Adjusted EBITDA of R172 million (\$11.3 million), up 12%
- Adjusted EBITDA margin of 31.9%, up 110 basis points
- Diluted adjusted earnings per share of 12 South African cents, or 19 U.S. cents per diluted ADS, up 20%

First half fiscal 2020 (year over year):

- Subscription revenue of R926 million (\$61.1 million), an increase of 14.3% (10.9% on a constant currency basis)
- Net subscriber additions of 39,100, compared to 37,100 additions in the first half of fiscal 2019
- Adjusted EBITDA of R326 million (\$21.5 million), up 17%

- Adjusted EBITDA margin of 30.8%, up 150 basis points
- Diluted adjusted earnings per share of 22 South African cents, or 37 U.S. cents per diluted ADS, up 16%
- Free cash flow of R50 million (\$3.3 million), up 35%

MIDRAND, South Africa--(BUSINESS WIRE)-- 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 second quarter and first half of fiscal 2020, which ended on September 30, 2019.

"Our results were once again highlighted by double-digit subscription revenue growth, solid subscriber additions as well as continued EBITDA margin expansion and positive free cash flow" said Stefan Joselowitz, Chief Executive Officer of MiX Telematics. "Our revised guidance reflects some caution around macro issues, which are resulting in elongated sales cycles in certain verticals, as well as strategic investments in sales and marketing. We remain confident that our diversified global footprint and the unmatched range and quality of our product portfolio will continue to support our growth and profitability objectives."

Financial performance for the three months ended September 30, 2019

Subscription revenue: Subscription revenue was R471.2 million (\$31.1 million), an increase of 12.2% compared to R420.2 million (\$27.7 million) for the second quarter of fiscal 2019. Subscription revenue increased by 10.7% on a constant currency basis. Subscription revenue benefited from a net increase of over 75,500 subscribers from October 2018 to September 2019, representing an increase in the subscriber base of 10.6% during that period.

Total revenue: Total revenue was R538.2 million (\$35.5 million), an increase of 8.4% compared to R496.7 million (\$32.8 million) for the second quarter of fiscal 2019. Hardware and other revenue was R67.0 million (\$4.4 million), a decrease of 12.5% compared to R76.6 million (\$5.1 million) for the second quarter of fiscal 2019.

Gross Margin: Gross profit was R352.4 million (\$23.2 million), compared to R336.6 million (\$22.2 million) for the second quarter of fiscal 2019. Gross profit margin was 65.5%, compared to 67.8% for the second quarter of fiscal 2019.

Operating Margin: Operating profit was R91.6 million (\$6.0 million), compared to R86.7 million (\$5.7 million) for the second quarter of fiscal 2019. Operating margin was 17.0%, compared to 17.5% for the second quarter of fiscal 2019. Operating expenses of R260.6 million (\$17.2 million) increased by R10.3 million (\$0.7 million), or 4.1%, compared to the second quarter of fiscal 2019. Operating expenses for the second quarter of fiscal 2020 include share based payment costs of R5.3 million (\$0.3 million) relating to Performance Share Awards issued post the second quarter of fiscal 2019 in terms of the MiX Telematics Limited Long Term Incentive Plan. Operating expenses represented 48.4% of revenue compared to 50.4% of revenue in the second quarter of fiscal 2019.

Adjusted EBITDA: Adjusted EBITDA, a non-IFRS measure, was R171.5 million (\$11.3 million), compared to R152.9 million (\$10.1 million) for the second quarter of fiscal 2019. Adjusted EBITDA margin, a non-IFRS measure, for the second quarter of fiscal 2020 was 31.9%, compared to 30.8% for the second quarter of fiscal 2019.

Profit for the period and earnings per share: Profit for the period was R44.5 million (\$2.9 million), compared to R54.4 million (\$3.6 million) in the second quarter of fiscal 2019. Profit for the period included a net foreign exchange loss of R0.5 million (\$0.03 million) before tax. During the second quarter of fiscal 2019, profit for the period included a net foreign exchange gain of R0.5 million (\$0.03 million).

Diluted earnings per ordinary share were 8 South African cents, compared to 9 South African cents in the second quarter of fiscal 2019. For the second quarter of fiscal 2020, the calculation was based on diluted weighted average ordinary shares in issue of 570.0 million, compared to 587.6 million diluted weighted average ordinary shares in issue during the second quarter of fiscal 2019.

The Company's effective tax rate was 50.3%, compared to 37.7% for the second quarter of fiscal year 2019. Ignoring the impact of net foreign exchange gains and losses, and related tax consequences, the tax rate which is used in determining adjusted earnings below, was 30.0% compared to 29.4% in the second quarter of fiscal 2019.

On a U.S. Dollar basis, using the September 30, 2019 exchange rate of R15.1619 per U.S. Dollar, and a ratio of 25 ordinary shares to one American Depositary Share ("ADS"), profit for the period was \$2.9 million, or 13 U.S. cents per diluted ADS compared to \$3.6 million, or 15 U.S. cents per diluted ADS in the second quarter of fiscal 2019.

Adjusted earnings for the period and adjusted earnings per share: Adjusted earnings for the period, a non-IFRS measure, were R66.9 million (\$4.4 million) compared to R61.2 million (\$4.0 million) for the second quarter of fiscal 2019. Adjusted earnings per diluted ordinary share, also a non-IFRS measure, were 12 South African cents, compared to 10 South African cents in the second quarter of fiscal 2019.

On a U.S. Dollar basis, using the September 30, 2019 exchange rate of R15.1619 per U.S. Dollar, and a ratio of 25 ordinary shares to one ADS, adjusted earnings for the period were \$4.4 million, or 19 U.S. cents per diluted ADS, compared to 17 U.S. cents per diluted ADS in the second quarter of fiscal 2019.

Statement of Financial Position and Cash Flow: At September 30, 2019, the Company had R253.1 million (\$16.7 million) of net cash and cash equivalents, compared to R353.2 million (\$23.3 million) at March 31, 2019. The Company generated R137.7 million (\$9.1 million) in net cash from operating activities for the three months ended September 30, 2019 and invested R98.2 million (\$6.6 million) in capital expenditures during the quarter (including investments in in-vehicle devices of R70.5 million (\$4.6 million)), leading to free cash flow, a non-IFRS measure, of R39.5 million (\$2.6 million) compared to free cash flow of R92.8 million (\$6.1 million) for the second quarter of fiscal 2019. The Company utilized R146.0 million (\$9.6 million) in financing activities, compared to R10.6 million (\$0.7 million) utilized during the second quarter of fiscal 2019. The cash utilized in financing activities during the second quarter of fiscal 2020 mainly consisted of dividends paid of R22.5 million (\$1.5 million), share repurchases of R119.5 million (\$7.9 million) and the payment of lease liabilities of R4.1 million (\$0.3 million). The cash utilized in financing activities during the second quarter of fiscal 2019 mainly consisted of dividends paid of R16.9 million (\$1.1 million) and payment of lease liabilities of R4.7 million (\$0.3 million), offset by the proceeds from the issuance of shares in respect of employee share options of R11.1 million (\$0.7 million).

Financial performance for the first half of fiscal 2020

Subscription revenue: Subscription revenue increased to R926.2 million (\$61.1 million), an increase of 14.3% compared to R810.5 million (\$53.5 million) for the first half of fiscal 2019. On a constant currency basis, subscription revenue increased by 10.9%. Subscription revenue benefited from a net increase of over 75,500 subscribers from October 2018 to September 2019, representing an increase in subscribers of 10.6% during that period.

Total revenue: Total revenue was R1,060.0 million (\$69.9 million), an increase of 11.2% compared to R953.6 million (\$62.9 million) for the first half of fiscal 2019. Hardware and other revenue was R133.8 million (\$8.8 million), compared to R143.0 million (\$9.4 million) for the first half of fiscal 2019.

Gross margin: Gross profit was R695.2 million (\$45.9 million), an increase of 8.2% compared to R642.4 million (\$42.4 million) for the first half of fiscal 2019. Gross profit margin was 65.6%, compared to 67.4% for the first half of fiscal 2019.

Operating margin: Operating profit was R173.4 million (\$11.4 million), compared to R154.4 million (\$10.2 million) in the first half of fiscal 2019. The operating margin was 16.4%, compared to 16.2% in the first half of fiscal 2019. Operating expenses of R521.9 million (\$34.4 million) increased by R33.5 million (\$2.2 million), or 6.9%, compared to the first half of fiscal 2019. Operating expenses for the first half of fiscal 2020 include share based payment costs of R8.5 million (\$0.6 million) relating to Performance Share Awards issued post the first half of fiscal 2019 in terms of the MiX Telematics Limited Long Term Incentive Plan. Operating expenses represented 49.2% of revenue compared to 51.2% in the first half of fiscal 2019.

Adjusted EBITDA: Adjusted EBITDA was R326.3 million (\$21.5 million) compared to R279.4 million (\$18.4 million) for the first half of fiscal 2019. Adjusted EBITDA margin was 30.8%, compared to 29.3% in the first half of fiscal 2019.

Profit for the period and earnings per share: Profit for the period was R111.2 million (\$7.3 million), compared to R68.8 million (\$4.5 million) in the first half of fiscal 2019. Profit for the period included a net foreign exchange gain of R0.2 million (\$0.01 million) before tax. During the first half of fiscal 2019, a net foreign exchange gain of R0.3 million (\$0.02 million) was recorded.

Diluted earnings per ordinary share were 19 South African cents, compared to 12 South African cents in the first half of fiscal 2019. For the first half of fiscal 2020, the calculation was based on diluted weighted average ordinary shares in issue of 574.5 million, compared to 587.2 million diluted weighted average ordinary shares in issue during the first half of fiscal 2019.

The Company's effective tax rate was 35.5%, compared to 55.6% for the first half of fiscal 2019. Ignoring the impact of net foreign exchange gains and losses, and related tax consequences, the effective tax rate, which is used in calculating adjusted earnings, was 29.5% compared to 29.0% in the first half of fiscal 2019.

Adjusted earnings for the period and adjusted earnings per share: Adjusted earnings for the period were R127.5 million (\$8.4 million), compared to R109.9 million (\$7.2 million) in the first half of fiscal 2019. Adjusted earnings per diluted ordinary share were 22 South African cents, compared to 19 South African cents for the first half of fiscal 2019. The impact of foreign exchange movements and the related tax effects on the Group's effective tax rate is included in note 17 of the unaudited Group interim financial results for the six months ended September 30, 2019.

On a U.S. Dollar basis, using the September 30, 2019 exchange rate of R15.1619 per U.S. Dollar, and a ratio of 25 ordinary shares to one ADS, adjusted earnings were \$8.4 million, or 37 U.S. cents per diluted ADS, compared to \$7.2 million, or 31 U.S. cents per diluted ADS in the first half of fiscal 2019.

Cash Flow: The Company generated R228.6 million (\$15.1 million) in net cash from operating activities for the first half of fiscal 2020 and invested R178.3 million (\$11.8 million) in capital expenditures during the period (including investments in in-vehicle devices of R122.4 million (\$8.1 million), leading to free cash flow of R50.4 million (\$3.3 million), compared to free cash flow of R37.3 million (\$2.5 million) for the first half of fiscal 2019. Capital expenditures in the first half of fiscal 2019 were R164.2 million (\$10.8 million) and included in-vehicle devices of R119.2 million (\$7.9 million).

The Company utilized R171.3 million (\$11.3 million) in financing activities, compared to R29.7 million (\$2.0 million) utilized during the first half of fiscal 2019. The cash utilized in financing activities during the first half of fiscal 2020 mainly consisted of dividends paid of R44.8 million (\$3.0 million), share repurchases of R119.5 million (\$7.9 million) and the payment of lease liabilities of R7.0 million (\$0.5 million). The cash utilized during the first half of fiscal 2019 consisted primarily of dividends paid of R33.8 million (\$2.2 million) and the payment of lease liabilities of R6.9 million (\$0.5 million).

Segment commentary for the first half of fiscal 2020

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.

For further information in this regard, please refer to note 3 of the unaudited Group interim financial results for the six months ended September 30, 2019.

| Segment | Subscription Revenue Half-year 2020 R'000 | Total Revenue Half-year 2020 R'000 | Adjusted EBITDA Half-year 2020 R'000 | Adjusted EBITDA Half-year % change on prior period | Adjusted EBITDA Margin Half-year 2020 |
|-------------------------------|---|------------------------------------|--------------------------------------|--|---------------------------------------|
| Africa | 516,654 | 557,597 | 246,193 | 6.9% | 44.2% |
| | Subscription revenue increased by 9.8% in the segment as a result of a 10.6% increase in subscribers since October 1, 2018. Total revenue increased by 9.9%. The region reported an Adjusted EBITDA margin above 40%. | | | | |
| Americas | 164,739 | 184,226 | 77,952 | 4.1% | 42.3% |
| | Subscription revenue growth on a constant currency basis was 11.0%. Subscribers increased by 8.1% since October 1, 2018. Subscription revenue continued to receive assistance from the market's ongoing preference for bundled deals across new and existing customers. Total revenue improved by 12.0% on a constant currency basis as hardware and other revenue increased by 31.8%. The region reported an Adjusted EBITDA margin above 40%. | | | | |
| Middle East and Australasia | 124,646 | 171,808 | 80,916 | 19.4% | 47.1% |
| | Subscription revenue increased by 8.6% on a constant currency basis. Subscribers increased by 9.8% since October 1, 2018. Total revenue in constant currency improved by 5.1% following lower hardware revenues compared to fiscal 2019. The region reported an Adjusted EBITDA margin of 47.1% (up from the 45.1% Adjusted EBITDA margin reported in fiscal 2019). | | | | |
| Europe | 82,098 | 101,238 | 35,421 | (5.3%) | 35.0% |
| | Subscription revenue growth on a constant currency basis was 21.8%. However, total revenue decreased by 10.3% on a constant currency basis following lower hardware revenues compared to fiscal 2019. Subscribers increased by 8.6% since October 1, 2018. The region reported an Adjusted EBITDA margin of 35.0% (up from the 32.3% Adjusted EBITDA margin reported in fiscal 2019). | | | | |
| Brazil | 37,310 | 43,789 | 18,807 | 66.6% | 42.9% |
| | Subscription revenue increased by 21.8% on a constant currency basis. The increase was due to an increase in subscribers of 22.1% since October 1, 2018. On a constant currency basis, total revenue increased by 36.9% following a significant increase in hardware revenues. The segment reported an Adjusted EBITDA margin of 42.9% (up from the 40.3% Adjusted EBITDA margin reported in fiscal 2019). | | | | |
| Central Services Organization | 740 | 1,303 | (75,204) | 8.6% | — |
| | 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. | | | | |

Business Outlook

MiX Telematics has translated U.S. Dollar amounts in this Business Outlook paragraph from South African Rand at the exchange rate of R14.5750 per \$1.00, which was the R/\$ exchange rate reported by **Oanda.com** as at October 28, 2019.

Based on information as of today, October 31, 2019, for the third quarter of fiscal 2020, the Group expects subscription revenue to be in the range of R475 million to R480 million (\$32.6 million to \$32.9 million) which would represent subscription revenue growth of 8.2% to 9.4% compared to the third quarter of fiscal 2019. On a constant currency basis, this would represent subscription revenue growth of 7.8% to 9.0%.

Based on information as of today, October 31, 2019, the Group is issuing the following financial guidance for the full 2020 fiscal year:

- Subscription revenue - R1,886 million to R1,901 million (\$129.4 million to \$130.4 million), which would represent subscription revenue growth of 11.4% to 12.3% compared to fiscal 2019. On a constant currency basis, this would represent subscription revenue growth of 9.3% to 10.2%.
- Total revenue - R2,119 million to R2,144 million (\$145.4 million to \$147.1 million), which would represent revenue growth of 7.2% to 8.5% compared to fiscal 2019. On a constant currency basis, this would represent revenue growth of 5.2% to 6.4%.
- Adjusted EBITDA - R650 million to R665 million (\$44.6 million to \$45.6 million), which would represent Adjusted EBITDA growth of 7.8% to 10.3% compared to fiscal 2019.
- Adjusted earnings per diluted ordinary share of 41.6 to 45.1 South African cents based on 570 million diluted ordinary shares in issue, and based on an effective tax rate of 28.0% to 29.0%. At a ratio of 25 ordinary shares to one ADS, this equates to adjusted earnings per diluted ADS of 71.4 to 77.4 U.S. cents.

The key assumptions used in deriving the forecast are as follows:

- Growth in subscription revenue and subscribers are based on expected growth rates related to market conditions and takes into account growth rates achieved previously.
- Achieving hardware sales according to expectations, as hardware sales are dependent on the volumes of bundled solutions selected by customers.
- An average forecast exchange rate for the 2020 fiscal year of R14.5800 per \$1.00.

The forecast is the responsibility of the Board of Directors and has not been reviewed or reported on by the Group's external auditors. The Group's policy is to give guidance on a quarterly basis, if necessary, and does not update guidance between quarters.

The Group provides earnings guidance only on a non-IFRS basis and does not provide a reconciliation of forward-looking Adjusted EBITDA and Adjusted Earnings per Diluted Ordinary Share guidance to the most directly comparable IFRS financial measures because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments that could be made for foreign exchange gains/(losses) and related tax consequences, restructuring costs, share-based compensation costs, and other charges reflected in the Group's reconciliation of historic non-IFRS financial measures, the amounts of which, based on past experience, could be material.

The information disclosed in this “**Business Outlook**” paragraph complies with the disclosure requirements in terms of paragraph 8.38 of the JSE Listings Requirements which deals with profit forecasts.

Quarterly Reporting Policy in respect of JSE Listings Requirements

Following the listing of the Group’s ADSs on the New York Stock Exchange, the Group has adopted a quarterly reporting policy. As a result of such quarterly reporting the Group is, in terms of paragraph 3.4(b)(ix) of the JSE Listings Requirements, not required to publish trading statements in terms of paragraph 3.4(b)(i) to (viii) of the JSE Listings Requirements.



Conference Call Information

MiX Telematics management will also 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 31, 2019 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 13695048.
- 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 13695048.
- 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 789,000 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, Mexico, 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 financial guidance for the third quarter and full year of fiscal 2020, our position to execute on our growth strategy, and our ability to expand our leadership 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 20-F filed with the Securities and Exchange Commission (the "SEC") for the fiscal year ended March 31, 2019, as updated by other reports that the Company files with or furnishes to the SEC. The Company 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; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

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 4/2018 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 and U.S. Dollar financial information

Financial information presented in United States Dollars and constant currency financial information presented as part of the segment commentary constitute pro forma financial information under the JSE Listings Requirements. Unless otherwise stated, MiX Telematics has translated U.S. Dollar amounts from South African Rand at the exchange rate of R15.1619 per \$1.00, which was the R/\$ exchange rate reported by **Oanda.com** as at September 30, 2019.

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.

CONDENSED CONSOLIDATED INCOME STATEMENT

| South African Rand Figures are in thousands unless otherwise stated | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|--|---|---|---|---|
| Revenue | 1,059,961 | 953,559 | 538,226 | 496,737 |
| Cost of sales | (364,722) | (311,168) | (185,807) | (160,107) |
| Gross profit | 695,239 | 642,391 | 352,419 | 336,630 |
| Other income/(expenses) - net | 58 | 423 | (186) | 435 |
| Operating expenses | (521,893) | (488,383) | (260,640) | (250,359) |
| -Sales and marketing | (97,775) | (98,811) | (46,286) | (51,955) |
| -Administration and other charges | (424,118) | (389,572) | (214,354) | (198,404) |
| Operating profit | 173,404 | 154,431 | 91,593 | 86,706 |
| Finance (costs)/income - net | (872) | 628 | (1,942) | 473 |
| -Finance income | 6,710 | 5,970 | 3,254 | 3,524 |
| -Finance costs | (7,582) | (5,342) | (5,196) | (3,051) |
| Profit before taxation | 172,532 | 155,059 | 89,651 | 87,179 |
| Taxation | (61,328) | (86,274) | (45,130) | (32,829) |
| Profit for the period | 111,204 | 68,785 | 44,521 | 54,350 |
| Attributable to: | | | | |
| Owners of the parent | 111,204 | 68,786 | 44,520 | 54,350 |
| Non-controlling interest | * | (1) | 1 | * |
| | 111,204 | 68,785 | 44,521 | 54,350 |
| Earnings per share | | | | |
| -basic (R) | 0.20 | 0.12 | 0.08 | 0.10 |
| -diluted (R) | 0.19 | 0.12 | 0.08 | 0.09 |
| Earnings per American Depositary Share | | | | |
| -basic (R) | 4.98 | 3.04 | 2.01 | 2.40 |
| -diluted (R) | 4.84 | 2.93 | 1.95 | 2.31 |
| Ordinary shares ('000)1 | | | | |
| -in issue at September 30 | 550,118 | 569,756 | 550,118 | 569,756 |
| -weighted average | 558,401 | 565,249 | 554,781 | 566,025 |
| -diluted weighted average | 574,462 | 587,152 | 570,011 | 587,616 |
| Weighted average American Depositary Shares ('000)1 | | | | |
| -in issue at September 30 | 22,005 | 22,790 | 22,005 | 22,790 |
| -weighted average | 22,336 | 22,610 | 22,191 | 22,641 |
| -diluted weighted average | 22,978 | 23,486 | 22,800 | 23,505 |

1 September 30, 2019 figure excludes 53,816,750 (September 30, 2018: 40,000,000) treasury shares held by MiX Telematics Investments Proprietary Limited ("MiX Investments"), a wholly owned subsidiary of the Group.

CONDENSED CONSOLIDATED INCOME STATEMENT

| United States Dollar | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|---|---|---|---|
| Figures are in thousands unless otherwise stated | | | | |
| Revenue | 69,910 | 62,892 | 35,499 | 32,762 |
| Cost of sales | (24,056) | (20,523) | (12,255) | (10,560) |
| Gross profit | 45,854 | 42,369 | 23,244 | 22,202 |
| Other income/(expenses) - net | 4 | 28 | (12) | 29 |
| Operating expenses | (34,422) | (32,211) | (17,191) | (16,513) |
| -Sales and marketing | (6,449) | (6,517) | (3,053) | (3,427) |
| -Administration and other charges | (27,973) | (25,694) | (14,138) | (13,086) |
| Operating profit | 11,436 | 10,186 | 6,041 | 5,718 |
| Finance (costs)/income - net | (57) | 42 | (128) | 31 |
| -Finance income | 443 | 394 | 215 | 232 |
| -Finance costs | (500) | (352) | (343) | (201) |
| Profit before taxation | 11,379 | 10,228 | 5,913 | 5,749 |
| Taxation | (4,045) | (5,690) | (2,977) | (2,164) |
| Profit for the period | 7,334 | 4,538 | 2,936 | 3,585 |
| Attributable to: | | | | |
| Owners of the parent | 7,334 | 4,538 | 2,936 | 3,585 |
| Non-controlling interest | * | * | * | * |
| | 7,334 | 4,538 | 2,936 | 3,585 |
| Earnings per share | | | | |
| -basic (\$) | 0.01 | 0.01 | 0.01 | 0.01 |
| -diluted (\$) | 0.01 | 0.01 | 0.01 | 0.01 |
| Earnings per American Depositary Share | | | | |
| -basic (\$) | 0.33 | 0.20 | 0.13 | 0.16 |
| -diluted (\$) | 0.32 | 0.19 | 0.13 | 0.15 |
| Ordinary shares ('000) ¹ | | | | |
| -in issue at September 30 | 550,118 | 569,756 | 550,118 | 569,756 |
| -weighted average | 558,401 | 565,249 | 554,781 | 566,025 |
| -diluted weighted average | 574,462 | 587,152 | 570,011 | 587,616 |
| Weighted average American Depositary Shares ('000) ¹ | | | | |
| -in issue at September 30 | 22,005 | 22,790 | 22,005 | 22,790 |
| -weighted average | 22,336 | 22,610 | 22,191 | 22,641 |
| -diluted weighted average | 22,978 | 23,486 | 22,800 | 23,505 |

*Amounts less than \$1,000

¹September 30, 2019 figure excludes 53,816,750 (September 30, 2018: 40,000,000) 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

| Figures are in thousands unless otherwise stated | South African Rand | | United States Dollar | |
|---|--|--|--|--|
| | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited |
| Profit for the period | 111,204 | 68,785 | 7,334 | 4,538 |
| Other comprehensive income: | | | | |
| Items that may be subsequently reclassified to profit or loss | | | | |
| Exchange differences on translating foreign operations | 18,292 | 96,206 | 1,206 | 6,345 |
| - Attributable to owners of the parent | 18,291 | 96,203 | 1,206 | 6,345 |
| - Attributable to non-controlling interest | 1 | 3 | * | * |
| Taxation relating to components of other comprehensive income | (1) | (262) | * | (17) |
| Other comprehensive income for the period, net of tax | 18,291 | 95,944 | 1,206 | 6,328 |
| Total comprehensive income for the period | 129,495 | 164,729 | 8,540 | 10,866 |
| Attributable to: | | | | |
| Owners of the parent | 129,494 | 164,727 | 8,540 | 10,866 |
| Non-controlling interest | 1 | 2 | * | * |
| Total comprehensive income for the period | 129,495 | 164,729 | 8,540 | 10,866 |

* Amounts less than \$1,000

HEADLINE EARNINGS

Reconciliation of headline earnings

| Figures are in thousands unless otherwise stated | South African Rand | | United States Dollar | |
|---|--|--|--|--|
| | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited |
| Profit for the period attributable to owners of the parent | 111,204 | 68,786 | 7,334 | 4,538 |
| Adjusted for: | | | | |
| Profit on disposal of property, plant and equipment and intangible assets | (711) | (238) | (47) | (16) |
| Impairment of product development costs capitalized | 421 | 51 | 28 | 3 |
| Income tax effect on the above components | 1,806 | 53 | 119 | 3 |
| Headline earnings attributable to owners of the parent | 112,720 | 68,652 | 7,434 | 4,528 |
| Headline earnings | | | | |
| Headline earnings per share | | | | |
| -basic (R/\$) | 0.20 | 0.12 | 0.01 | 0.01 |
| -diluted (R/\$) | 0.20 | 0.12 | 0.01 | 0.01 |
| Headline earnings per American Depositary Share | | | | |
| -basic (R/\$) | 5.05 | 3.04 | 0.33 | 0.20 |
| -diluted (R/\$) | 4.91 | 2.92 | 0.32 | 0.19 |

ADJUSTED EARNINGS

Reconciliation of adjusted earnings

South African Rand

Figures are in thousands unless otherwise stated

| | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|---|---|---|---|
| Profit for the period attributable to owners of the parent | 111,204 | 68,786 | 44,520 | 54,350 |
| Net foreign exchange (gains)/losses | (167) | (309) | 516 | (540) |
| IFRS 2 charge on performance share awards | 8,532 | — | 5,329 | — |
| Income tax effect on the above component | 7,927 | 41,434 | 16,546 | 7,352 |
| Adjusted earnings attributable to owners of the parent | 127,496 | 109,911 | 66,911 | 61,162 |

Reconciliation of earnings per share to adjusted earnings per share

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Basic earnings per share (R) | 0.20 | 0.12 | 0.08 | 0.10 |
| Net foreign exchange (gains)/losses | # | # | # | # |
| IFRS 2 charge on performance share awards | 0.02 | — | # | — |
| Income tax effect on the above component | 0.01 | 0.07 | 0.03 | 0.01 |
| Basic adjusted earnings per share (R) | 0.23 | 0.19 | 0.12 | 0.11 |
| Adjusted earnings per share | | | | |
| -basic (R) | 0.23 | 0.19 | 0.12 | 0.11 |
| -diluted (R) | 0.22 | 0.19 | 0.12 | 0.10 |
| Adjusted earnings per American Depositary Share | | | | |
| -basic (R) | 5.71 | 4.86 | 3.02 | 2.70 |
| -diluted (R) | 5.55 | 4.68 | 2.93 | 2.60 |

Amounts less than R0.01

United States Dollar

Figures are in thousands unless otherwise stated

| | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|---|---|---|---|
| Profit for the period attributable to owners of the parent | 7,334 | 4,538 | 2,936 | 3,585 |
| Net foreign exchange (gains)/losses | (11) | (20) | 34 | (36) |
| IFRS 2 charge on performance share awards | 563 | — | 351 | — |
| Income tax effect on the above component | 523 | 2,733 | 1,091 | 485 |
| Adjusted earnings attributable to owners of the parent | 8,409 | 7,251 | 4,412 | 4,034 |

Reconciliation of earnings per share to adjusted earnings per share

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Basic earnings per share (\$) | 0.01 | 0.01 | 0.01 | 0.01 |
| Net foreign exchange (gains)/losses | # | # | # | # |
| IFRS 2 charge on performance share awards | # | — | # | — |
| Income tax effect on the above component | # | # | # | # |
| Basic adjusted earnings per share (\$) | 0.02 | 0.01 | 0.01 | 0.01 |
| Adjusted earnings per share | | | | |
| -basic (\$) | 0.02 | 0.01 | 0.01 | 0.01 |
| -diluted (\$) | 0.01 | 0.01 | 0.01 | 0.01 |
| Adjusted earnings per American Depositary Share | | | | |
| -basic (\$) | 0.38 | 0.32 | 0.20 | 0.18 |
| -diluted (\$) | 0.37 | 0.31 | 0.19 | 0.17 |

Amounts less than \$0.01

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Figures are in thousands unless otherwise stated | South African Rand | | United States Dollar | |
|--|------------------------------------|------------------------------|------------------------------------|--------------------------------|
| | September 30, 2019 Unaudited | March 31, 2019 Audited | September 30, 2019 Unaudited | March 31, 2019 Unaudited |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 560,805 | 457,446 | 36,988 | 30,171 |
| Intangible assets | 977,374 | 955,646 | 64,463 | 63,029 |
| Capitalized commission assets | 61,701 | 54,066 | 4,069 | 3,566 |
| Loans to external parties | 8,771 | — | 578 | — |
| Deferred tax assets | 57,603 | 51,666 | 3,799 | 3,408 |
| Total non-current assets | 1,666,254 | 1,518,824 | 109,897 | 100,174 |
| Current assets | | | | |
| Assets classified as held for sale (Note 6) | — | 17,058 | — | 1,125 |
| Inventory | 56,610 | 51,263 | 3,734 | 3,381 |
| Trade and other receivables | 443,203 | 376,475 | 29,231 | 24,830 |
| Taxation | 19,098 | 24,119 | 1,260 | 1,591 |
| Restricted cash | 21,473 | 20,187 | 1,416 | 1,331 |
| Cash and cash equivalents | 292,314 | 383,443 | 19,280 | 25,290 |
| Total current assets | 832,698 | 872,545 | 54,921 | 57,548 |
| Total assets | 2,498,952 | 2,391,369 | 164,818 | 157,722 |
| EQUITY | | | | |
| Stated capital | 667,154 | 786,633 | 44,002 | 51,882 |
| Other reserves | 106,547 | 83,212 | 7,028 | 5,489 |
| Retained earnings | 948,045 | 881,819 | 62,527 | 58,160 |
| Equity attributable to owners of the parent | 1,721,746 | 1,751,664 | 113,557 | 115,531 |
| Non-controlling interest | 14 | 13 | 1 | 1 |
| Total equity | 1,721,760 | 1,751,677 | 113,558 | 115,532 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 162,590 | 139,049 | 10,724 | 9,171 |
| Provisions | 2,193 | 2,226 | 145 | 147 |
| Recurring commission liability | 913 | 1,798 | 60 | 119 |
| Capitalized lease liability | 100,064 | 31,183 | 6,600 | 2,057 |
| Total non-current liabilities | 265,760 | 174,256 | 17,529 | 11,494 |
| Current liabilities | | | | |
| Trade and other payables | 430,278 | 399,869 | 28,379 | 26,371 |
| Capitalized lease liability | 18,241 | 10,745 | 1,203 | 709 |
| Taxation | 3,840 | 2,511 | 253 | 166 |
| Provisions | 19,876 | 22,049 | 1,311 | 1,454 |
| Bank overdraft | 39,197 | 30,262 | 2,585 | 1,996 |
| Total current liabilities | 511,432 | 465,436 | 33,731 | 30,696 |
| Total liabilities | 777,192 | 639,692 | 51,260 | 42,190 |
| Total equity and liabilities | 2,498,952 | 2,391,369 | 164,818 | 157,722 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | South African Rand | | United States Dollar | |
|---|--------------------|--------------------|----------------------|--------------------|
| | Six months ended | Six months ended | Six months ended | Six months ended |
| | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Figures are in thousands unless otherwise stated | Unaudited | Unaudited | Unaudited | Unaudited |
| Cash flows from operating activities | | | | |
| Cash generated from operations | 269,019 | 221,187 | 17,743 | 14,588 |
| Net financing income | 1,987 | 4,133 | 131 | 273 |
| Taxation paid | (42,360) | (23,851) | (2,794) | (1,573) |
| Net cash generated from operating activities | 228,646 | 201,469 | 15,080 | 13,288 |
| Cash flows from investing activities | | | | |
| Capital expenditure payments | (178,272) | (164,192) | (11,758) | (10,829) |
| Proceeds on sale of property, plant and equipment and intangible assets | 19,281 | 412 | 1,582 | 27 |
| Loans advanced to external parties | (5,086) | — | (645) | — |
| Decrease in restricted cash | 9,679 | 323 | 638 | 21 |
| Increase in restricted cash | (10,858) | (1,057) | (716) | (70) |
| Net cash used in investing activities | 165,257 | (164,514) | (10,899) | (10,851) |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of ordinary shares | — | 11,070 | — | 730 |
| Share repurchase | (119,479) | — | (7,880) | — |
| Repayment of capitalized lease liability | (6,976) | (6,914) | (460) | (456) |
| Dividends paid to Company's owners | (44,812) | (33,822) | (2,956) | (2,231) |
| Net cash used in financing activities | (171,267) | (29,666) | (11,296) | (1,957) |
| Net (decrease)/increase in cash and cash equivalents | (107,877) | 7,289 | (7,115) | 480 |
| Net cash and cash equivalents at the beginning of the period | 353,181 | 290,538 | 23,294 | 19,162 |
| Exchange gains on cash and cash equivalents | 7,813 | 14,449 | 516 | 951 |
| Net cash and cash equivalents at the end of the period | 253,117 | 312,276 | 16,695 | 20,593 |

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 April 1, 2018 (Audited) | 846,405 | (51,614) | 747,055 | 1,541,846 | 10 | 1,541,856 |
| Total comprehensive income | — | 95,941 | 68,786 | 164,727 | 2 | 164,729 |
| Profit for the period | — | — | 68,786 | 68,786 | (1) | 68,785 |
| Other comprehensive income | — | 95,941 | — | 95,941 | 3 | 95,944 |
| Transactions with owners | 11,070 | 6,772 | (33,873) | (16,031) | — | (16,031) |
| Shares issued in relation to share options exercised | 11,070 | — | — | 11,070 | — | 11,070 |
| Share-based payment transaction | — | 4,167 | — | 4,167 | — | 4,167 |
| Share-based payment - change in excess tax benefit | — | 2,605 | — | 2,605 | — | 2,605 |
| Dividends declared | — | — | (33,873) | (33,873) | — | (33,873) |
| Balance at September 30, 2018 (Unaudited) | 857,475 | 51,099 | 781,968 | 1,690,542 | 12 | 1,690,554 |
| Total comprehensive income | — | 19,803 | 133,550 | 153,353 | 1 | 153,354 |
| Profit for the period | — | — | 133,550 | 133,550 | 1 | 133,551 |
| Other comprehensive income | — | 19,803 | — | 19,803 | — | 19,803 |
| Transactions with owners | (70,842) | 12,310 | (33,699) | (92,231) | — | (92,231) |
| Shares issued in relation to share options exercised | 2,706 | — | — | 2,706 | — | 2,706 |
| Share-based payment transaction | — | 7,973 | — | 7,973 | — | 7,973 |
| Share-based payment - change in excess tax benefit | — | 4,337 | — | 4,337 | — | 4,337 |
| Dividends declared | — | — | (33,699) | (33,699) | — | (33,699) |
| Share repurchase (note 8) | (73,548) | — | — | (73,548) | — | (73,548) |
| Balance at March 31, 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 - change in excess tax benefit | — | (7,686) | — | (7,686) | — | (7,686) |
| Dividends declared (note 9) | — | — | (44,978) | (44,978) | — | (44,978) |
| Share repurchase (note 8) | (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 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| United States Dollar 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 April 1, 2018 (Unaudited) | 55,825 | (3,404) | 49,272 | 101,693 | 1 | 101,694 |
| Total comprehensive income | — | 6,328 | 4,537 | 10,865 | — | 10,865 |
| Profit for the period | — | — | 4,537 | 4,537 | — | 4,537 |
| Other comprehensive income | — | 6,328 | — | 6,328 | — | 6,328 |
| Transactions with owners | 730 | 447 | (2,234) | (1,057) | — | (1,057) |
| Shares issued in relation to share options exercised | 730 | — | — | 730 | — | 730 |
| Share-based payment transaction | — | 275 | — | 275 | — | 275 |
| Share-based payment - change in excess tax benefit | — | 172 | — | 172 | — | 172 |
| Dividends declared | — | — | (2,234) | (2,234) | — | (2,234) |
| Balance at September 30, 2018 (Unaudited) | 56,555 | 3,371 | 51,575 | 111,501 | 1 | 111,502 |
| Total comprehensive income | — | 1,306 | 8,808 | 10,114 | — | 10,114 |
| Profit for the period | — | — | 8,808 | 8,808 | — | 8,808 |
| Other comprehensive income | — | 1,306 | — | 1,306 | — | 1,306 |
| Transactions with owners | (4,673) | 812 | (2,223) | (6,084) | — | (6,084) |
| Shares issued in relation to share options exercised | 178 | — | — | 178 | — | 178 |
| Share-based payment transaction | — | 526 | — | 526 | — | 526 |
| Share-based payment - change in excess tax benefit | — | 286 | — | 286 | — | 286 |
| Dividends declared | — | — | (2,223) | (2,223) | — | (2,223) |
| Share repurchase (note 8) | (4,851) | — | — | (4,851) | — | (4,851) |
| Balance at March 31, 2019 (Unaudited) | 51,882 | 5,489 | 58,160 | 115,531 | 1 | 115,532 |
| Total comprehensive income | — | 1,206 | 7,334 | 8,540 | — | 8,540 |
| Profit for the period | — | — | 7,334 | 7,334 | — | 7,334 |
| Other comprehensive income | — | 1,206 | — | 1,206 | — | 1,206 |
| Transactions with owners | (7,880) | 333 | (2,967) | (10,514) | — | (10,514) |
| Share-based payment transaction | — | 840 | — | 840 | — | 840 |
| Share-based payment - change in excess tax benefit | — | (507) | — | (507) | — | (507) |
| Dividends declared (note 9) | — | — | (2,967) | (2,967) | — | (2,967) |
| Share repurchase (note 8) | (7,880) | — | — | (7,880) | — | (7,880) |
| Balance at September 30, 2019 (Unaudited) | 44,002 | 7,028 | 62,527 | 113,557 | 1 | 113,558 |

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, 2019

These condensed unaudited Group interim financial results for the half year ended September 30, 2019 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, 2019, which have been prepared in accordance with IFRS.

The preparation of interim financial results requires management to make judgments, 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 judgment 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, 2019.

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 31, 2019.

Financial results for the second quarter of fiscal 2020

In addition to the condensed unaudited Group interim financial results for the half year ended September 30, 2019, additional financial information in respect of the second quarter of fiscal 2020 has been presented together with the relevant comparative information. The quarterly information comprises a condensed consolidated income statement, a reconciliation of adjusted earnings to profit for the period, a reconciliation of Adjusted EBITDA to profit for the period (note 4), a reconciliation of free cash flow to net cash generated from operating activities (note 7), other operating and financial data (note 11) and development costs historical data (note 16).

The quarterly financial results have not been audited or reviewed by the Group's external auditors.

Presentation currency and convenience translation

The Group's presentation currency is South African Rand. In addition to presenting these interim financial results in

South African Rand, supplementary information in U.S. Dollars has been prepared for the convenience of users of the Group interim financial results. Unless otherwise stated, the Group has translated U.S. Dollar amounts from South African Rand at the exchange rate of R15.1619 per \$1.00, which was the R/\$ exchange rate reported by **Oanda.com** as at September 30, 2019. The U.S. Dollar figures may not compute as they are rounded independently.

The supplementary information prepared in U.S. Dollars constitutes pro forma financial information under the JSE Listings Requirements. 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 relating to the preparation of pro forma financial information in other jurisdictions may also vary significantly from the requirements applicable in South Africa.

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, 2019.

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.

3. Segment information (continued)

| 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, 2019 (Unaudited) | | | | |
| 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 |

| Six months ended September 30, 2018 (Unaudited) | Subscription revenue | Hardware and other revenue | Total revenue | Adjusted EBITDA |
|---|-------------------------|-------------------------------|------------------|--------------------|
| Africa | 470,565 | 37,031 | 507,596 | 230,200 |
| Europe | 64,784 | 43,624 | 108,408 | 37,403 |
| Americas | 136,223 | 14,786 | 151,009 | 74,858 |
| Middle East and Australasia | 109,168 | 46,280 | 155,448 | 67,762 |
| Brazil | 29,417 | 1,290 | 30,707 | 11,292 |
| Total Regional Sales Offices | 810,157 | 143,011 | 953,168 | 421,515 |
| Central Services Organization | 385 | 6 | 391 | (82,283) |
| Total Segment Results | 810,542 | 143,017 | 953,559 | 339,232 |
| Corporate and consolidation entries | — | — | — | (59,879) |
| Total | 810,542 | 143,017 | 953,559 | 279,353 |

3. Segment information (continued)

| United States Dollar Figures are in thousands unless otherwise stated | Subscription revenue | Hardware and other revenue | Total revenue | Adjusted EBITDA |
|--|-------------------------|-------------------------------|------------------|--------------------|
| Six months ended September 30, 2019 (Unaudited) | | | | |
| Africa | 34,076 | 2,701 | 36,777 | 16,238 |
| Europe | 5,415 | 1,262 | 6,677 | 2,336 |
| Americas | 10,865 | 1,286 | 12,151 | 5,141 |
| Middle East and Australasia | 8,221 | 3,111 | 11,332 | 5,337 |
| Brazil | 2,461 | 427 | 2,888 | 1,240 |
| Total Regional Sales Offices | 61,038 | 8,787 | 69,825 | 30,292 |
| Central Services Organization | 48 | 37 | 85 | (4,960) |
| Total Segment Results | 61,086 | 8,824 | 69,910 | 25,332 |
| Corporate and consolidation entries | — | — | — | (3,811) |
| Total | 61,086 | 8,824 | 69,910 | 21,521 |

| Six months ended September 30, 2018 (Unaudited) | Subscription revenue | Hardware and other revenue | Total revenue | Adjusted EBITDA |
|---|-------------------------|-------------------------------|------------------|--------------------|
| Africa | 31,036 | 2,442 | 33,478 | 15,183 |
| Europe | 4,273 | 2,877 | 7,150 | 2,467 |
| Americas | 8,985 | 975 | 9,960 | 4,937 |
| Middle East and Australasia | 7,200 | 3,053 | 10,253 | 4,469 |
| Brazil | 1,940 | 85 | 2,025 | 745 |
| Total Regional Sales Offices | 53,434 | 9,432 | 62,866 | 27,801 |
| Central Services Organization | 25 | 1 | 26 | (5,427) |
| Total Segment Results | 53,459 | 9,433 | 62,892 | 22,374 |
| Corporate and consolidation entries | — | — | — | (3,950) |
| Total | 53,459 | 9,433 | 62,892 | 18,424 |

4. Reconciliation of Adjusted EBITDA to Profit for the Period

| South African Rand | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|---|---|---|---|
| Figures are in thousands unless otherwise stated | | | | |
| Adjusted EBITDA | 326,293 | 279,353 | 171,540 | 152,910 |
| Add: | | | | |
| Decrease in restructuring cost provision | 8 | — | 8 | — |
| Net profit on sale of property, plant and equipment and intangible assets | 711 | 238 | 635 | 217 |
| Less: | | | | |
| Depreciation (1) | (106,275) | (86,180) | (55,264) | (45,522) |
| Amortization (2) | (34,182) | (32,454) | (16,971) | (16,359) |
| Impairment of product development costs capitalized | (421) | (51) | (421) | (51) |
| Equity-settled share-based compensation costs | (12,730) | (4,167) | (7,934) | (2,159) |
| Increase in restructuring cost provision | — | (2,308) | — | (2,330) |
| Operating profit | 173,404 | 154,431 | 91,593 | 86,706 |
| Add: Finance (costs)/income - net | (872) | 628 | (1,942) | 473 |
| Less: Taxation | (61,328) | (86,274) | (45,130) | (32,829) |
| Profit for the period | 111,204 | 68,785 | 44,521 | 54,350 |

(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).

4. Reconciliation of Adjusted EBITDA to Profit for the Period (continued)

| United States Dollar | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|---|---|---|---|
| Figures are in thousands unless otherwise stated | | | | |
| Adjusted EBITDA | 21,521 | 18,424 | 11,313 | 10,085 |
| Add: | | | | |
| Decrease in restructuring cost provision | 1 | — | 1 | — |
| Net profit on sale of property, plant and equipment and intangible assets | 47 | 16 | 42 | 13 |
| Less: | | | | |
| Depreciation (1) | (7,009) | (5,684) | (3,645) | (3,002) |
| Amortization (2) | (2,254) | (2,140) | (1,119) | (1,079) |
| Impairment of product development costs capitalized | (30) | (3) | (28) | (3) |
| Equity-settled share-based compensation costs | (840) | (275) | (523) | (142) |
| Increase in restructuring cost provision | — | (152) | — | (154) |
| Operating profit | 11,436 | 10,186 | 6,041 | 5,718 |
| Add: Finance (costs)/income - net | (57) | 42 | (128) | 31 |
| Less: Taxation | (4,045) | (5,690) | (2,977) | (2,164) |
| Profit for the period | 7,334 | 4,538 | 2,936 | 3,585 |

(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, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|--|--|--|--|
| Adjusted EBITDA margin | 30.8% | 29.3% | 31.9% | 30.8% |
| Add: | | | | |
| Decrease in restructuring cost provision | 0.0% | — | 0.0% | — |
| Net profit on sale of property, plant and equipment and intangible assets | 0.1% | 0.0% | 0.1% | 0.0% |
| Less: | | | | |
| Depreciation | (10.0%) | (9.0%) | (10.2%) | (9.1%) |
| Amortization | (3.2%) | (3.5%) | (3.2%) | (3.3%) |
| Impairment of product development costs capitalized | (0.1%) | (0.0%) | (0.1%) | (0.0%) |
| Equity-settled share-based compensation costs | (1.2%) | (0.4%) | (1.5%) | (0.4%) |
| Increase in restructuring cost provision | — | (0.2%) | — | (0.5%) |
| Operating profit margin | 16.4% | 16.2% | 17.0% | 17.5% |
| Add: Finance (costs)/income - net | (0.1%) | 0.1% | (0.3%) | 0.1% |
| Less: Taxation | (5.8%) | (9.1%) | (8.4%) | (6.7%) |
| Profit for the period margin | 10.5% | 7.2% | 8.3% | 10.9% |

6. Assets Classified as Held for Sale

The assets previously classified as held for sale in the comparative period and Q1 2020, related to the property owned by the Central Services Organization, a division of MiX Telematics International Proprietary Limited. MiX Telematics entered into agreements pertaining to a Broad-Based Black Economic Empowerment (“B-BBEE”) transaction, in which the sale of this property is included. Refer below for additional information. The transaction was subject to certain conditions precedent which were fulfilled on May 17, 2019. The sale and leaseback of this property was recognized during the current quarter as the transfer of this property was concluded on July 25, 2019.

B-BBEE Property Transaction

MiX has concluded a B-BBEE transaction which involves the following:

- Acquiring Erf 1335 Vorna Valley Extension 21 Township, Registration Division IR, Province of Gauteng situated in Midrand (“the Midrand property”) for R44.0 million (\$2.9 million) from TPF Investments (Pty) Ltd (“TPF”), which Midrand property was previously leased from TPF. TPF is an associate of Robin Frew, the non-executive Chairperson of MiX Telematics and therefore the acquisition was a small related party transaction under the JSE Listings Requirements.
- In a back-to-back transaction, sold the Midrand property for R44.0 million (\$2.9 million), as well as the Group’s property in Stellenbosch which previously was classified as held for sale (discussed above) for R23.5 million (\$1.5 million) to Black Industrialists Group Property Management Company (Pty) Ltd (“BIG”).
- The Group funding R4.3 million (\$0.3 million) of the sales proceeds of the Midrand property; and R4.7 million (\$0.3 million) of the Stellenbosch property.

- Leasing both properties from BIG for an initial period of 5 years with an option to renew the lease for a further 5 year period.



The terms of the loan funding provided to BIG are not market-related. As a result, the fair value of the loans on initial recognition are less than their face value.

The back-to-back purchase and sale of the Midrand property has been accounted for simply as a loan to BIG because of the inter-dependent nature of the transactions and the simultaneous flow of cash. A firm commitment to provide this off-market loan was recognised in Q1 2020, as the conditions precedent had been fulfilled, resulting in the recognition of a loss of R1.0 million (\$0.07 million). This loss was recognised in administration expenses. Accounting for the lease of the Midrand property resulted in the initial recognition of a right-of-use asset and corresponding lease liability of R47.5 million (\$3.1 million).

A profit of R0.7 million (\$0.05 million) was recognised on the sale and leaseback of the Stellenbosch property during the current quarter of fiscal 2020. The accounting for the sale and leaseback reflected the initial fair value of the loan to BIG being R1.1 million (\$0.07 million) less than its face value, the right-of-use asset being recognised initially at a proportion of the previous book value of the Stellenbosch property of R14.6 million (\$1.0 million) and raising a lease liability of R19.2 million (\$1.3 million).

The loans to BIG have been recognised as non-current since there will be no cash flows during the first three years of the loans.

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

| South African Rand | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|--|---|---|---|---|
| Figures are in thousands unless otherwise stated | | | | |
| Net cash generated from operating activities | 228,646 | 201,469 | 137,712 | 178,711 |
| Capital expenditure payments | (178,273) | (164,192) | (98,226) | (85,886) |
| Free cash flow | 50,373 | 37,277 | 39,486 | 92,825 |

| United States Dollar | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|--|---|---|---|---|
| Figures are in thousands unless otherwise stated | | | | |
| Net cash generated from operating activities | 15,080 | 13,288 | 9,083 | 11,787 |
| Capital expenditure payments | (11,758) | (10,829) | (6,478) | (5,665) |
| Free cash flow | 3,322 | 2,459 | 2,605 | 6,122 |

8. Share Repurchase

On May 23, 2017, the MiX Telematics Board approved a share repurchase program of up to R270 million (\$17.8 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.



The following purchases had been made under the share repurchase program during fiscal 2020:

| South African Rand | Total number of shares repurchased | Average price paid per share (R)(1) | 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 could 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 ended June 30, 2019 | 13,816,750 | 8.62 | — | 119,125 | 58,661 |
| ended September 30, 2019 | — | — | — | — | 177,786 |
| Closing balance September 30, 2019 | 13,816,750 | 8.62 | — | 119,125 | 58,661 |
| Closing balance September 30, 2019 | 27,990,105 | 7.55 | 14,173,355 | 211,339 | 58,661 |

| United States Dollar | Total number of shares repurchased | Average price paid per share (\$)(1) | Shares canceled under the share repurchase program | Total value of shares purchased as part of publicly announced program (\$'000) | Maximum value of shares that could be purchased under the program (\$'000) |
|--|------------------------------------|--------------------------------------|--|--|--|
| Opening balance April 1, 2019 | 14,173,355 | 0.43 | 14,173,355 | 6,082 | 11,726 |
| Transactions per quarter ended June 30, 2019 | 13,816,750 | 0.57 | — | 7,857 | 3,869 |
| ended September 30, 2019 | — | — | — | — | 11,726 |
| Closing balance September 30, 2019 | 13,816,750 | 0.57 | — | 7,857 | 3,869 |
| Closing balance September 30, 2019 | 27,990,105 | 0.50 | 14,173,355 | 13,939 | 3,869 |

(1) Including transaction costs.

Purchases made in fiscal 2019 and fiscal 2018 are detailed in item 18, financial statements of the Form 20-F filed for fiscal 2019. This is also included in the Group's published annual financial statements for fiscal 2019.

9. Dividends Paid

The following dividends were declared by the Company during the six months ended September 30, 2019 (excluding dividends paid on treasury shares):

- In respect of the fourth quarter of fiscal year 2019, a dividend of R22.5 million (\$1.5 million) was declared on May 7, 2019 and paid on May 31, 2019. Using shares in issue of 561,455,639 (excluding 40,000,000 treasury shares), this equated to a dividend of 4 South African cents or 0.3 U.S. cents per ordinary share; and
- In respect of the first quarter of fiscal 2020, a dividend of R22.5 million (\$1.5 million) was declared on July 30, 2019 and paid on August 26, 2019. Using shares in issue of 548,720,519 (excluding 53,816,750 treasury shares), this equated to a dividend of 4 South African cents or 0.3 U.S. cents per share.

10. 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 R36.8 million or \$2.4 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.

11. Other Operating and Financial Data

South African Rand

Figures are in thousands except for subscribers

| | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|---|---|---|---|
| Total revenue | 1,059,961 | 953,559 | 538,226 | 496,737 |
| Subscription revenue | 926,187 | 810,542 | 471,234 | 420,152 |
| Hardware revenue | 110,915 | 122,900 | 55,434 | 66,369 |
| Driver training, installation and other revenue | 22,859 | 20,117 | 11,558 | 10,216 |
| Adjusted EBITDA | 326,293 | 279,353 | 171,540 | 152,910 |
| Cash and cash equivalents | 292,314 | 347,253 | 292,314 | 347,253 |
| Net cash (1) | 253,117 | 312,276 | 253,117 | 312,276 |
| Capital expenditure incurred | 178,175 | 168,093 | 96,553 | 85,349 |
| Property, plant and equipment expenditure (2) | 122,946 | 125,368 | 69,741 | 61,245 |
| Intangible asset expenditure | 55,229 | 42,725 | 26,812 | 24,104 |
| Capital expenditure authorized but not spent | 57,936 | 48,389 | 57,936 | 48,389 |
| Total development cost incurred | 66,255 | 68,091 | 32,660 | 33,983 |
| Development cost capitalized | 34,823 | 34,816 | 17,173 | 17,571 |
| Development cost expensed within administration and other charges | 31,432 | 33,275 | 15,487 | 16,412 |
| Subscribers | 789,559 | 714,011 | 789,559 | 714,011 |

South African Rand

| | September 30, 2019 Unaudited | March 31, 2019 Audited |
|------------------------------------|------------------------------------|------------------------------|
| Net asset value per share | 3.13 | 3.12 |
| Net tangible asset value per share | 1.24 | 1.32 |

(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.

| United States Dollar | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|---|---|---|---|---|
| Figures are in thousands except for subscribers | | | | |
| Total revenue | 69,910 | 62,892 | 35,499 | 32,762 |
| Subscription revenue | 61,086 | 53,459 | 31,080 | 27,711 |
| Hardware revenue | 7,315 | 8,106 | 3,656 | 4,377 |
| Driver training, installation and other revenue | 1,509 | 1,327 | 763 | 674 |
| Adjusted EBITDA | 21,521 | 18,424 | 11,313 | 10,085 |
| Cash and cash equivalents | 19,280 | 22,903 | 19,280 | 22,903 |
| Net cash(1) | 16,694 | 20,596 | 16,694 | 20,596 |
| Capital expenditure incurred | 11,752 | 11,087 | 6,368 | 5,629 |
| Property, plant and equipment expenditure (2) | 8,109 | 8,269 | 4,600 | 4,039 |
| Intangible asset expenditure | 3,643 | 2,818 | 1,768 | 1,590 |
| Capital expenditure authorized but not spent | 3,821 | 3,191 | 3,821 | 3,191 |
| Total development cost incurred | 4,370 | 4,491 | 2,154 | 2,241 |
| Development cost capitalized | 2,297 | 2,296 | 1,133 | 1,159 |
| Development cost expensed within administration and other charges | 2,073 | 2,195 | 1,021 | 1,082 |
| Subscribers | 789,559 | 714,011 | 789,559 | 714,011 |
| United States Dollar | September 30, 2019 Unaudited | March 31, 2019 Unaudited | | |
| Net asset value per share | 0.21 | 0.21 | | |
| Net tangible asset value per share | 0.08 | 0.09 | | |

(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.

11. Other operating and financial data (continued)

| | Six months ended September 30, 2019 Unaudited | Six months ended September 30, 2018 Unaudited | Three months ended September 30, 2019 Unaudited | Three months ended September 30, 2018 Unaudited |
|--|---|---|---|---|
| Exchange Rates | | | | |
| The following major rates of exchange were used: | | | | |
| South African Rand: United States Dollar | | | | |
| -closing | 15.16 | 14.14 | 15.16 | 14.14 |
| -average | 14.53 | 13.34 | 14.68 | 14.07 |
| South African Rand: British Pound | | | | |
| -closing | 18.59 | 18.43 | 18.59 | 18.43 |
| -average | 18.29 | 17.75 | 18.10 | 18.33 |

12. 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.

13. Events after the reporting dates

The directors are not aware of any matter material or otherwise arising since September 30, 2019 and up to the date of this report, not otherwise dealt with herein.

14. Dividend Declared

The Board declared in respect of the second quarter of fiscal year 2020, which ended on September 30, 2019, a dividend of 4 South African cents (0.3 U.S. cents) per ordinary share to be paid on Monday, November 25, 2019.

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

| | |
|--------------------------------|------------------------------|
| Last day to trade cum dividend | Tuesday, November 19, 2019 |
| Securities trade ex dividend | Wednesday, November 20, 2019 |
| Record date | Friday, November 22, 2019 |
| Payment date | Monday, November 25, 2019 |

Share certificates may not be dematerialized or rematerialized between Wednesday, November 20, 2019 and Friday, November 22, 2019, 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 603,934,955 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)
 Record date
 Approximate date of currency conversion
 Approximate dividend payment date

Thursday, November 21, 2019
 Friday, November 22, 2019
 Monday, November 25, 2019
 Tuesday, December 10, 2019

15. Changes to the Board

John Granara has been appointed as Chief Financial Officer (“CFO”) and Executive Vice President, effective July 8, 2019. John Granara will succeed Paul Dell, who has filled the role of interim CFO since early 2017 and who resigned from the Board as interim CFO and Director of the Company with effect from July 8, 2019. Paul will continue at MiX Telematics in an alternative senior role.

Anthony (Tony) Welton retired with effect from September 30, 2019. Following Tony’s retirement, the Board of Directors has elected Fundiswa (Fundi) Roji-Maplanka, an independent non-executive Director and a member of the Audit and Risk Committee, as chairperson of the Audit and Risk Committee. Fikile Futwa, an independent non-executive Director, assumed the role of chairperson of the Social and Ethics Committee with effect from October 1, 2019.

16. Development costs historical data

The table below sets out development costs incurred and capitalized for each of the last eight quarters including the period ended September 30, 2019.

| Figures are in thousands (Unaudited) | South African Rand Three months ended | | | | | | | |
|--|--|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | March 31, 2018 | December 31, 2017 |
| Total development costs incurred | 32,660 | 33,595 | 31,543 | 32,707 | 33,983 | 34,108 | 30,488 | 32,336 |
| Development costs capitalized | 17,173 | 17,650 | 17,189 | 17,907 | 17,571 | 17,245 | 16,543 | 15,996 |
| Development costs expensed within administration and other charges | 15,487 | 15,945 | 14,354 | 14,800 | 16,412 | 16,863 | 13,945 | 16,340 |

United States
Dollar
Three months
ended

Figures are in thousands (Unaudited)

| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | March 31, 2018 | December 31, 2017 |
|--|--------------------------|---------------------|----------------------|-------------------------|--------------------------|---------------------|----------------------|-------------------------|
| Total development costs incurred | 2,154 | 2,216 | 2,081 | 2,157 | 2,241 | 2,249 | 2,011 | 2,133 |
| Development costs capitalized | 1,133 | 1,164 | 1,134 | 1,181 | 1,159 | 1,137 | 1,091 | 1,055 |
| Development costs expensed within administration and other charges | 1,021 | 1,052 | 947 | 976 | 1,082 | 1,112 | 920 | 1,078 |

17. Taxation

Section 11D Allowances relating to tax assets recognized

MiX Telematics International Proprietary Limited ("MiX International"), a subsidiary of the Group, historically claimed a 150% allowance for research and development spend in terms of section 11D ("S11D") of the South African Income Tax Act No. 58 of 1962 ("the Act"). As of October 1, 2012, the legislation relating to the allowance was amended. The amendment requires pre-approval of development project expenditure on a project specific basis by the South African Department of Science and Technology ("DST") in order to claim a deduction of the additional 50% over and above the expenditure incurred (150% allowance). Since the amendments to S11D of the Act, MiX International had been claiming the 150% deduction resulting in a recognized tax benefit. MiX International has complied with the amended legislation by submitting all required documentation to the DST in a timely manner, commencing in October 2012.

In June 2014, correspondence was received from the DST indicating that the research and development expenditure on certain projects for which the 150% allowance was claimed in the 2013 and 2014 fiscal years did not, in the DST's opinion, constitute qualifying expenditure in terms of the Act. MiX International, through due legal process, had formally requested a review of the DST's decision not to approve this expenditure. While approvals were obtained for a portion of this project expenditure as a result of a further review performed by the DST in February 2017, we continue to seek approval for the remaining projects and as such the legal process is ongoing. In addition to the approvals that were subject to the legal process, further approvals have been obtained for certain project expenditure, relating to both current and prior financial years. However, at period end, an uncertain tax position remains in relation to S11D deductions in respect of which approvals remain pending.

Since the introduction of the DST pre-approval process, the Group has recognized in the income statement cumulative tax incentives in addition to the incurred cost of R26.5 million (\$1.7million) in respect of S11D deductions, of which R2.2 million (\$0.1 million) was recognized during the six months ended September 30, 2019. R23.7 million (\$1.6 million) relates to deductions in respect of development project expenditure which has been approved by the DST. R2.8 million (\$0.2 million) relates to an uncertain tax position in respect of projects where

approvals have not yet been received from the DST. If the Group is unsuccessful in this regard, the Group will not recover the R2.8 million (\$0.2 million) raised at September 30, 2019.

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 2019 | | | | Six months ended September 2018 | | | |
|--------------------------|---------------------------------|-------------------------|--------------------------------|-------------------|---------------------------------|-------------------------|--------------------------------|-------------------|
| | 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 | 172,532 | (168) | 8,532 | 180,896 | 155,059 | (309) | — | 154,750 |
| Taxation | (61,328) | 8,893 | (965) | (53,400) | (86,274) | 41,434 | — | (44,840) |
| Profit after tax | 111,204 | 8,725 | 7,567 | 127,496 | 68,785 | 41,125 | — | 109,910 |
| Attributable to: | | | | | | | | |
| Owners of the parent | 111,204 | 8,725 | 7,567 | 127,496 | 68,786 | 41,125 | — | 109,911 |
| Non-controlling interest | — | — | — | — | (1) | — | — | (1) |
| | 111,204 | 8,725 | 7,567 | 127,496 | 68,785 | 41,125 | — | 109,910 |
| Effective tax rate | 35.5% | — | 11.3% | 29.5% | 55.6% | — | — | 29.0% |

| United States Dollar | Six months ended September 2019 | | | | Six months ended September 2018 | | | |
|--------------------------|---------------------------------|-------------------------|--------------------------------|-------------------|---------------------------------|-------------------------|--------------------------------|-------------------|
| | 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 | 11,379 | (11) | 563 | 11,931 | 10,228 | (20) | — | 10,208 |
| Taxation | (4,045) | 587 | (64) | (3,522) | (5,690) | 2,733 | — | (2,957) |
| Profit after tax | 7,334 | 576 | 499 | 8,409 | 4,538 | 2,713 | — | 7,251 |
| Attributable to: | | | | | | | | |
| Owners of the parent | 7,334 | 576 | 499 | 8,409 | 4,538 | 2,713 | — | 7,251 |
| Non-controlling interest | — | — | — | — | — | — | — | — |
| | 7,334 | 576 | 499 | 8,409 | 4,538 | 2,713 | — | 7,251 |
| Effective tax rate | 35.5% | — | — | 29.5% | 55.6% | — | — | 29.0% |

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 2019.

For and on behalf of the Board:

RA Frew
Midrand
October 31, 2019

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

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 31, 2019

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Investors

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JSE Sponsor

Java Capital

Source: MiX Telematics