

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): November 9, 2023

**POWERFLEET, INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware (State or Other Jurisdiction of Incorporation)	001-39080 (Commission File Number)	83-4366463 (IRS Employer Identification No.)
123 Tice Boulevard, Woodcliff Lake, New Jersey (Address of Principal Executive Offices)		07677 (Zip Code)

Registrant's telephone number, including area code (201) 996-9000

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	PWFL	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On November 9, 2023, PowerFleet, Inc. (the "Registrant") issued a press release regarding financial results for the fiscal quarter ended September 30, 2023. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 7.01. Regulation FD Disclosure.**

As previously announced, the Registrant will hold a conference call on November 9, 2023 at 8:30 a.m. Eastern time (5:30 a.m. Pacific time) to discuss the financial results for the fiscal quarter ended September 30, 2023. During the call, management will also discuss the previously announced business combination with MiX Telematics Limited ("MiX Telematics"). A copy of the prepared remarks for the conference call is being furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in this report is being furnished pursuant to Items 2.02 and 7.01 of Form 8-K. In accordance with General Instruction B.2. of Form 8-K, the information in this report, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as may be expressly set forth by specific reference in such a filing.

**Cautionary Note Regarding Forward-Looking Statements**

This report, including Exhibits 99.1 and 99.2 furnished herewith, contains forward-looking statements within the meaning of federal securities laws. Forward-looking statements include statements with respect to the Registrant's beliefs, plans, goals, objectives, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond the Registrant's control, and which may cause its actual results,

performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. For example, forward-looking statements include statements regarding: the proposed transaction with MiX Telematics; prospects for additional customers; potential contract values; market forecasts; projections of earnings, revenues, synergies, accretion or other financial information; emerging new products; and plans, strategies and objectives of management for future operations, including growing revenue, controlling operating costs, increasing production volumes and expanding business with core customers. The risks and uncertainties referred to above include, but are not limited to, future economic and business conditions, the ability to recognize the anticipated benefits of the proposed transaction with MiX Telematics, the loss of key customers or reduction in the purchase of products by any such customers, the failure of the market for the Registrant's products to continue to develop, the inability to protect the Registrant's intellectual property, the inability to manage growth, the effects of competition from a variety of local, regional, national and other providers of wireless solutions, risks related to the proposed transaction with MiX Telematics and other risks detailed from time to time in the Registrant's filings with the Securities and Exchange Commission (the "SEC"), including the Registrant's most recent annual report on Form 10-K. These risks could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Registrant. Unless otherwise required by applicable law, the Registrant assumes no obligation to update any forward-looking statements, and expressly disclaims any obligation to do so, whether as a result of new information, future events or otherwise.

#### **Additional Information and Where to Find It**

In connection with the proposed transaction with MiX Telematics, the Registrant and MiX Telematics intend to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of the Registrant and MiX Telematics and a prospectus of the Registrant.

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Additionally, MiX Telematics intends to prepare a scheme circular for MiX Telematics shareholders in accordance with the South African Companies Act and the listings requirements of the Johannesburg Stock Exchange with respect to a shareholder meeting at which MiX Telematics shareholders will be asked to vote on the proposed transaction. The scheme circular will be issued to MiX Telematics shareholders together with the joint proxy statement/prospectus. Any holder of MiX Telematics ordinary shares through an intermediary such as a broker/dealer or clearing agency or MiX Telematics American Depositary Shares should consult with their intermediary or The Bank of New York Mellon, the depository for the MiX Telematics American Depositary Shares, as applicable, about how to obtain information on the MiX Telematics shareholder meeting.

After the Registrant's registration statement on Form S-4 has been filed and declared effective by the SEC, the Registrant will send a definitive proxy statement/prospectus to its stockholders entitled to vote at the meeting relating to the proposed transaction, and MiX Telematics will send the scheme circular, together with the definitive proxy statement/prospectus, to its shareholders entitled to vote at the meeting relating to the proposed transaction. The Registrant and MiX Telematics may file other relevant materials with the SEC in connection with the proposed transaction. INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4, JOINT PROXY STATEMENT/PROSPECTUS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO AND ANY DOCUMENTS INCORPORATED BY REFERENCE THEREIN), THE SCHEME CIRCULAR AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and shareholders will be able to obtain free copies of these documents (if and when available) and other documents containing important information about the Registrant and MiX Telematics once such documents are filed with the SEC through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). The Registrant and MiX Telematics will make available copies of materials they file with, or furnish to, the SEC free of charge at <https://ir.powerfleet.com> and <https://investor.mixtelematics.com>, respectively.

#### **No Offer or Solicitation**

This report shall not constitute an offer to buy or sell any securities, or the solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

#### **Participants in the Solicitation**

The Registrant, MiX Telematics and their respective directors, executive officers and certain employees and other persons may be deemed to be participants in the solicitation of proxies from the Registrant's stockholders and MiX Telematics' shareholders in connection with the proposed transaction. Securityholders may obtain information regarding the names, affiliations and interests of the Registrant's directors and executive officers in its Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which was filed with the SEC on March 31, 2023, its amended Annual Report on Form 10-K/A for the year ended December 31, 2022, which was filed with the SEC on May 1, 2023, and its definitive proxy statement for its 2023 annual meeting of stockholders, which was filed with the SEC on June 21, 2023. Securityholders may obtain information regarding the names, affiliations and interests of MiX Telematics' directors and executive officers in its Annual Report on Form 10-K for the year ended March 31, 2023, which was filed with the SEC on June 22, 2023, and its definitive proxy statement for its 2023 annual general meeting of shareholders, which was filed with the SEC on July 28, 2023. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus, the scheme circular and other relevant materials to be filed with the SEC regarding the proposed transaction when such materials become available. Investors should read the joint proxy statement/prospectus and the scheme circular carefully when they become available before making any voting or investment decisions. You may obtain free copies of these documents from the Registrant or MiX Telematics using the sources indicated above.

#### **Item 9.01. Financial Statements and Exhibits.**

- (d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press release, dated November 9, 2023.</a>
99.2	<a href="#">Prepared remarks for conference call on November 9, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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#### **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**POWERFLEET, INC.**

By: /s/ David Wilson  
Name: David Wilson  
Title: Chief Financial Officer





### Powerfleet Reports Third Quarter and Nine Month 2023 Financial Results

*Q3 2023 total revenue increased 7% sequentially to \$34.2 million, marking the highest revenue performance in four quarters*

*Company's SaaS-centric business model transformation continues at pace with high-margin service revenue increasing 11% in Q3 2023 and 14% for the year to date compared to prior year periods (constant currency)*

*AEBITDA increased threefold following the execution of annualized \$4 million cost reduction measures to absorb AI and data science talent acquired with the Movingdots transaction*

*North America total business grew 12% year over year in the quarter leading to service revenue YTD growth of 15%, reflecting the adoption of the Unity data platform for new and existing customers*

*Previously announced transformative business combination with MiX Telematics expected to double revenue and provide the foundation for future Rule of 40 financial performance*

WOODCLIFF LAKE, NJ – November 9, 2023 – **Powerfleet, Inc.** (Nasdaq: **PWFL**), reported results for the third quarter and nine months ended September 30, 2023.

#### THIRD QUARTER 2023 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Business returned to topline growth with revenue of \$34.2 million, up 7% sequentially with the increase of new sales centered on Unity and safety led solutions outstripping the shuttering low value and non-core business.
- Service revenue increased 11% year-over-year (constant currency) to \$21.0 million, or 62% of total revenue, demonstrating the company's transformation to a SaaS centric business model.
- Product revenue increased 19% sequentially and product gross margin expanded to 33% from 22% in the prior quarter, showcasing the company's strategy to pivot selling high-margin products that drive enduring SaaS revenue.
- Total North American business revenue increased 12% year-over-year, with service revenue growing by 15% year to date fueled by Unity data platform success.
- Adjusted EBITDA totaled \$2.0 million; three times higher than Q2 2023 following cost reduction activities of \$4 million per year absorbing the incremental operating expenses from the Q1 2023 Movingdots acquisition.
- Subscriber count increased 8% year-over-year, totaling 707,342 at quarter end.



#### MANAGEMENT COMMENTARY

“These highly satisfying quarterly results underscore remarkable execution by our global team and are particularly impressive as they were achieved during our pursuit and signing of a transformative business combination with MiX Telematics,” said Powerfleet **CEO Steve Towe**.

“Business expansion continues to be led by North America with total revenue increasing by an impressive 12% in the quarter and 15% for the first nine months of the year. This performance provides compelling proof points of the adoption of our Unity data integration platform and its potential to drive meaningful recurring SaaS revenues and best-in-class net dollar retention. The success of our Powerfleet business model transformation, shifting focus from devices to the Unity SaaS platform, was always expected to be evident in quarters rather than months. We made bold strategic choices to close out non-core and low-margin product lines while strengthening the pipeline of SaaS-centric offerings to enable high quality revenue growth. I am delighted to share that we have now moved past the expected inflection point with our Q3 results posting a 7% sequential increase in total revenue, and the highest revenue performance in four quarters.”

“Our announced combination with MiX is a game changer and meets multiple strategic objectives for the company, deepening our opportunity to create meaningfully increased shareholder value while simultaneously addressing the current balance sheet overhang. We are excited about the business combination and the momentum we are building and look forward to sharing more about our future vision for shareholder value creation, the integration strategy, growth drivers, go-to-market approach, technology roadmap, and financial targets for the combined business during our Investor Day.”

**David Wilson, Powerfleet CFO**, added: “We are successfully executing our strategic priorities to build a high-value business focused on high-quality, recurring SaaS revenue. Our Q3 performance is a clear testament to our transformation, both financially and operationally. Notably, our rapid execution of strategic measures, including a \$4 million cost-cutting initiative for Movingdots, directly led to a threefold increase in adjusted EBITDA.”



#### KEY THIRD QUARTER 2023 FINANCIAL RESULTS

Total revenue was \$34.2 million, compared to \$34.3 million in the same year-ago period, an increase of 5% on a constant currency basis with \$2.0 million of low value product

revenue actively shed from the business and replaced with high margin service revenue which increased by 11% on a constant currency basis.

Gross profit margin of 50.1%, was in line with the prior year period with improved product margins offset by the commencement of depreciation expense for the Unity platform.

Operating expenses were \$20.4 million compared to \$18.4 million in the same year-ago period. Current year operating expenses included \$1.4 million in one-time rationalization and deal costs related to the announced business combination with Mix Telematics; and \$1.2 million in Movingdots' run rate expense.

Net loss attributable to common stockholders totaled \$(5.0) million, or \$(0.14) per basic and diluted share (based on 35.7 million weighted average shares outstanding) while adjusted EBITDA, a non-GAAP metric, totaled \$2.0 million. See the section below titled "Non-GAAP Financial Measures" for more information about adjusted EBITDA and its reconciliation to GAAP net income (loss).

Powerfleet had \$19.6 million in cash and cash equivalents and a working capital position of \$34.5 million at quarter-end.

## INVESTOR CONFERENCE CALL

Powerfleet management will discuss these results and business outlook on a conference call today (Thursday, November 9, 2023) at 8:30 a.m. Eastern time (5:30 a.m. Pacific time).

Powerfleet management will host the presentation, followed by a question-and-answer session.

Toll Free: 888-506-0062

International: 973-528-0011

Participant Access Code: 531533

Webcast: <https://www.webcaster4.com/Webcast/Page/2467/49375>

The conference call will be available for replay [here](#) and via the investor section of the company's website at [ir.powerfleet.com](http://ir.powerfleet.com).

If you have any difficulty connecting with the conference call, please contact Powerfleet's investor relations team at 949-574-3860.

## INVESTOR DAY

As previously announced, Powerfleet and MiX Telematics are hosting a joint Investor Day for financial analysts and institutional investors on Thursday, November 16 at The InterContinental New York Barclay hotel in New York, NY.



Powerfleet and MiX Telematics leadership teams will share the strategic rationale and expected benefits for the previously announced business combination, which will create one of the largest mobile asset Internet of Things (IoT) Software-as-a-Service (SaaS) providers in the world. Senior leaders from the Powerfleet and MiX organizations will present the vision, integration strategy, growth drivers, go-to-market approach, Unity platform and AI roadmap, customer success stories, and financial targets for the combined business, followed by a live Q&A.

In-person attendance is by invitation only. For those who would like to attend the event in-person, please contact respectively Powerfleet's investor relations team at [PWFL@gateway-grp.com](mailto:PWFL@gateway-grp.com) or MiX's investor relations team at [MiXT@gatewayir.com](mailto:MiXT@gatewayir.com).

A live [webcast](#) will be available on the investor relations section of each company's website. A replay of the [webcast](#) will be available shortly after the event concludes.

## NON-GAAP FINANCIAL MEASURES

To supplement its financial statements presented in accordance with Generally Accepted Accounting Principles (GAAP), Powerfleet provides certain non-GAAP measures of financial performance. These non-GAAP measures include adjusted EBITDA and total revenue and service revenue excluding foreign exchange effect. Reference to these non-GAAP measures should be considered in addition to results prepared under current accounting standards, but are not a substitute for, or superior to, GAAP results. These non-GAAP measures are provided to enhance investors' overall understanding of Powerfleet's current financial performance. Specifically, Powerfleet believes the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses and fluctuations in currency rates that may not be indicative of its core operating results and business outlook. These non-GAAP measures are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as an alternative to net income or cash flow from operating activities as an indicator of operating performance or liquidity. Because Powerfleet's method for calculating the non-GAAP measures may differ from other companies' methods, the non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Reconciliation of all non-GAAP measures included in this press release to the nearest GAAP measures can be found in the financial tables included in this press release.



### POWERFLEET, INC. AND SUBSIDIARIES RECONCILIATION OF GAAP TO ADJUSTED EBITDA FINANCIAL MEASURES

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2023	2022	2023
Net loss attributable to common stockholders	\$ (3,535,000)	\$ (4,969,000)	\$ (8,994,000)	\$ (5,749,000)
Non-controlling interest	1,000	-	3,000	3,000
Preferred stock dividend and accretion	1,235,000	1,295,000	3,647,000	3,867,000
Interest (income) expense, net	502,000	560,000	1,493,000	1,534,000

Other (income) expense, net	0	5,000	(1,000)	4,000
Income tax (benefit) expense	770,000	262,000	107,000	698,000
Depreciation and amortization	2,019,000	2,409,000	6,152,000	6,926,000
Stock-based compensation	1,070,000	1,100,000	3,156,000	2,785,000
Foreign currency translation	731,000	(72,000)	(959,000)	(1,014,000)
Severance related expenses	486,000	142,000	1,332,000	701,000
Gain on Bargain purchase - Movingdots	-	-	-	(7,517,000)
Acquisition Related Expenses	-	1,232,000	-	1,772,000
<b>Adjusted EBITDA</b>	<b>\$ 3,279,000</b>	<b>\$ 1,964,000</b>	<b>\$ 5,936,000</b>	<b>\$ 4,010,000</b>

## ABOUT POWERFLEET

Powerfleet (Nasdaq: PWFL; TASE: PWFL) is a global leader of internet of things (IoT) software-as-a-service (SaaS) solutions that optimize the performance of mobile assets and resources to unify business operations. Our data science insights and advanced modular software solutions help drive digital transformation through our customers' and partners' ecosystems to help save lives, time, and money. We help connect companies, enabling customers and their customers to realize more effective strategies and results. Powerfleet's tenured and talented team is at the heart of our approach to partnership and tangible success. The company is headquartered in Woodcliff Lake, New Jersey, with our Pointer Innovation Center (PIC) in Israel and field offices around the globe. For more information, please visit [www.powerfleet.com](http://www.powerfleet.com).

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of federal securities laws. Forward-looking statements include statements with respect to Powerfleet's beliefs, plans, goals, objectives, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond Powerfleet's control, and which may cause its actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. For example, forward-looking statements include statements regarding the proposed transaction with MiX Telematics; prospects for additional customers; potential contract values; market forecasts; projections of earnings, revenues, synergies, accretion, or other financial information; emerging new products; and plans, strategies, and objectives of management for future operations, including growing revenue, controlling operating costs, increasing production volumes, and expanding business with core customers. The risks and uncertainties referred to above include, but are not limited to, future economic and business conditions, the ability to recognize the anticipated benefits of the proposed transaction with MiX Telematics, the loss of key customers or reduction in the purchase of products by any such customers, the failure of the market for Powerfleet's products to continue to develop, the inability to protect Powerfleet's intellectual property, the inability to manage growth, the effects of competition from a variety of local, regional, national and other providers of wireless solutions, risks related to the proposed transaction with MiX Telematics and other risks detailed from time to time in Powerfleet's filings with the Securities and Exchange Commission (the "SEC"), including Powerfleet's most recent annual report on Form 10-K. These risks could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Powerfleet. Unless otherwise required by applicable law, Powerfleet assumes no obligation to update the information contained in this press release, and expressly disclaims any obligation to do so, whether a result of new information, future events, or otherwise.



## ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed transaction with MiX, Powerfleet intends to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of Powerfleet and MiX and a prospectus of Powerfleet. Furthermore, Powerfleet intends to procure a secondary inward listing on the Johannesburg Stock Exchange to accommodate existing and future South African Shareholders.

Additionally, MiX intends to prepare a scheme circular for MiX shareholders in accordance with the Companies Act of South Africa (including the Companies Act Regulations, 2011 thereunder) and the JSE's listings requirements with respect to a shareholder meeting at which MiX shareholders will be asked to vote on the proposed transaction. The scheme circular will be issued to MiX shareholders together with the proxy statement/prospectus. If you hold MiX ordinary shares through an intermediary such as a broker/dealer or clearing agency, or if you hold MiX ADSs, you should consult with your intermediary or The Bank of New York Mellon, the depository for the MiX ADSs, as applicable, about how to obtain information on the MiX shareholder meeting.

After Powerfleet's registration statement has been filed and declared effective by the SEC, Powerfleet will send the definitive proxy statement/prospectus to Powerfleet stockholders entitled to vote at the meeting relating to the proposed transaction, and MiX will send the scheme circular, together with the definitive proxy statement/prospectus, to MiX shareholders entitled to vote at the meeting relating to the proposed transaction. MiX and Powerfleet may file other relevant materials with the SEC in connection with the proposed transaction. INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, JOINT PROXY STATEMENT/PROSPECTUS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO AND ANY DOCUMENTS INCORPORATED BY REFERENCE THEREIN), THE SCHEME CIRCULAR AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and shareholders will be able to obtain free copies of these documents (if and when available) and other documents containing important information about Powerfleet and MiX once such documents are filed with the SEC through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Powerfleet or MiX make available copies of materials they file with, or furnish to, the SEC free of charge at <https://ir.powerfleet.com> and <http://investor.mixtelematics.com>, respectively.

## NO OFFER OR SOLICITATION

This communication shall not constitute an offer to buy or sell any securities, or the solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.



## PARTICIPANTS IN THE SOLICITATION

Powerfleet, MiX and their respective directors, executive officers and certain employees and other persons may be deemed to be participants in the solicitation of proxies from the shareholders of Powerfleet and MiX in connection with the proposed transaction. Securityholders may obtain information regarding the names, affiliations and interests of Powerfleet's directors and executive officers in its Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which was filed with the SEC on March 31, 2023, its amended Annual Report on Form 10-K/A for the year ended December 31, 2022, which was filed with the SEC on May 1, 2023, and its definitive proxy statement for its 2023 annual meeting of stockholders, which was filed with the SEC on June 21, 2023. Securityholders may obtain information regarding the names, affiliations and interests of MiX's directors and executive officers in its Annual Report on Form 10-K for the year ended March 31, 2023, which was filed with the SEC on June 22, 2023, and its definitive proxy statement for its 2023 annual general meeting of shareholders, which was filed with the SEC on July 28, 2023. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction when such materials become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Powerfleet or MiX using the sources indicated above.

#### Powerfleet Investor Contact

Matt Glover  
Gateway Group, Inc.  
[PWFL@gatewayir.com](mailto:PWFL@gatewayir.com)  
(949) 574-3860

#### Powerfleet Media Contact

Andrea Hayton  
Powerfleet, Inc.  
[ahayton@powerfleet.com](mailto:ahayton@powerfleet.com)  
(610) 401-1999



### POWERFLEET, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS DATA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)
Revenue:				
Products	\$ 14,021,000	\$ 13,147,000	\$ 43,231,000	\$ 36,563,000
Services	20,267,000	21,048,000	58,812,000	62,521,000
Total Revenues	34,288,000	34,195,000	102,043,000	99,084,000
Cost of revenue:				
Cost of products	9,839,000	8,843,000	33,152,000	26,394,000
Cost of services	7,268,000	8,237,000	21,081,000	22,923,000
Total cost of revenues:	17,107,000	17,080,000	54,233,000	49,317,000
Gross Profit	17,181,000	17,115,000	47,810,000	49,767,000
Operating expenses:				
Selling, general and administrative expenses	16,664,000	17,988,000	47,393,000	51,763,000
Research and development expenses	1,735,000	2,384,000	6,965,000	6,285,000
Total Operating Expenses	18,399,000	20,372,000	54,358,000	58,048,000
Loss from operations	(1,218,000)	(3,257,000)	(6,548,000)	(8,281,000)
Interest income	20,000	23,000	48,000	69,000
Interest expense	(522,000)	(583,000)	(1,541,000)	(1,603,000)
Gain on Bargain purchase - Movingdots	-	-	-	7,517,000
Foreign currency translation of debt	191,000	429,000	2,803,000	1,139,000
Other (expense) income, net	-	(24,000)	1,000	(22,000)
Net (loss) / income before income taxes	(1,529,000)	(3,412,000)	(5,237,000)	(1,181,000)
Income tax benefit (expense)	(770,000)	(262,000)	(107,000)	(698,000)
Net (loss) / income before non-controlling interest	(2,299,000)	(3,674,000)	(5,344,000)	(1,879,000)
Non-controlling interest	(1,000)	-	(3,000)	(3,000)
Net (loss) / income	(2,300,000)	(3,674,000)	(5,347,000)	(1,882,000)
Accretion of preferred stock	(168,000)	(167,000)	(504,000)	(503,000)
Preferred stock dividend	(1,067,000)	(1,128,000)	(3,143,000)	(3,364,000)
Net (loss) / income attributable to common stockholders	\$ (3,535,000)	\$ (4,969,000)	\$ (8,994,000)	\$ (5,749,000)
Net (loss) / income per share - basic	\$ (0.10)	\$ (0.14)	\$ (0.25)	\$ (0.16)

Net (loss) / income per share - diluted	\$ (0.10)	\$ (0.14)	\$ (0.25)	\$ (0.16)
Weighted average common shares outstanding - basic	35,406,000	35,653,000	35,375,000	35,602,000
Weighted average common shares outstanding - diluted	35,406,000	35,653,000	35,375,000	35,602,000



POWERFLEET, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEET DATA

	As of	
	December 31, 2022	September 30, 2023 (Unaudited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 17,680,000	\$ 19,297,000
Restricted cash	309,000	310,000
Accounts receivable, net	32,493,000	33,606,000
Inventory, net	22,272,000	21,055,000
Deferred costs - current	762,000	191,000
Prepaid expenses and other current assets	7,709,000	8,721,000
Total current assets	81,225,000	83,180,000
Fixed assets, net	9,249,000	10,222,000
Goodwill	83,487,000	83,487,000
Intangible assets, net	22,908,000	21,157,000
Right of use asset	7,820,000	6,490,000
Severance payable fund	3,760,000	3,427,000
Deferred tax asset	3,225,000	1,915,000
Other assets	5,761,000	6,228,000
Total assets	\$ 217,435,000	\$ 216,106,000
<b>LIABILITIES</b>		
Current liabilities:		
Short-term bank debt and current maturities of long-term debt	\$ 10,312,000	\$ 12,137,000
Accounts payable and accrued expenses	26,598,000	28,109,000
Deferred revenue - current	6,363,000	6,101,000
Lease liability - current	2,441,000	2,286,000
Total current liabilities	45,714,000	48,633,000
Long-term debt, less current maturities	11,403,000	9,617,000
Deferred revenue - less current portion	4,390,000	4,804,000
Lease liability - less current portion	5,628,000	4,415,000
Accrued severance payable	4,365,000	4,142,000
Deferred tax liability	4,919,000	4,283,000
Other long-term liabilities	636,000	649,000
Total liabilities	77,055,000	76,543,000
<b>MEZZANINE EQUITY</b>		
Convertible redeemable Preferred stock: Series A	57,565,000	59,176,000
<b>STOCKHOLDERS' EQUITY</b>		
Total Powerfleet, Inc. stockholders' equity	82,737,000	80,324,000
Non-controlling interest	78,000	63,000
Total equity	82,815,000	80,387,000
Total liabilities and stockholders' equity	\$ 217,435,000	\$ 216,106,000



POWERFLEET, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW DATA

	Nine Months Ended September 30,	
	2022	2023 (Unaudited)



<b>Cash flows from operating activities (net of net assets acquired):</b>			
Net (loss) / income	\$	(5,347,000)	\$ (1,882,000)
Adjustments to reconcile net loss to cash (used in) provided by operating activities:			
Non-controlling interest		3,000	3,000
Gain on bargain purchase		-	(7,517,000)
Inventory reserve		177,000	619,000
Stock based compensation expense		3,156,000	2,785,000
Depreciation and amortization		6,152,000	6,926,000
Right-of-use assets, non-cash lease expense		2,071,000	1,900,000
Bad debt expense		102,000	1,161,000
Deferred taxes		107,000	674,000
Other non-cash items		660,000	172,000
Changes in:			
Operating assets and liabilities		(8,795,000)	(5,073,000)
Net cash (used in) provided by operating activities		(1,714,000)	(232,000)
<b>Cash flows from investing activities:</b>			
Acquisitions, net of cash assumed		-	8,722,000
Purchase of investment		-	(100,000)
Capitalized software development costs		-	(2,727,000)
Capital expenditures		(4,001,000)	(2,626,000)
Net cash (used in) investing activities		(4,001,000)	3,269,000
<b>Cash flows from financing activities:</b>			
Payment of preferred stock dividend		-	(2,257,000)
Repayment of long-term debt		(4,279,000)	(3,986,000)
Short-term bank debt, net		3,949,000	4,995,000
Purchase of treasury stock upon vesting of restricted stock		(193,000)	(138,000)
Proceeds from exercise of stock options		-	37,000
Net cash (used in) provided by financing activities		(523,000)	(1,349,000)
Effect of foreign exchange rate changes on cash and cash equivalents		(3,510,000)	(70,000)
<b>Net increase in cash, cash equivalents and restricted cash</b>		(9,748,000)	1,618,000
Cash, cash equivalents and restricted cash - beginning of period		26,760,000	17,989,000
<b>Cash, cash equivalents and restricted cash - end of period</b>	\$	17,012,000	\$ 19,607,000



#### CONSTANT CURRENCY

Constant currency information has been presented to illustrate the impact of changes in currency rates on the company'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 company's currencies. The constant currency growth percentage has been calculated by utilizing the constant currency results compared to the prior period results.

The constant currency information represents non-GAAP information. The company believes this provides a useful basis to measure the performance of its business as it removes distortion from the effects of foreign currency movements during the period; however, this information should be considered as supplemental in nature and should not be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. See the section above titled "Non-GAAP Financial Measures" for more information.

Due to a portion of the company's customers who are invoiced in non-U.S. Dollar denominated currencies, the company also calculates subscription revenue growth rate on a constant currency basis, thereby removing the effect of currency fluctuation on results of operations.

(\$ in Thousands)	Three Months Ended Sept 30,		Year Over Year Change	
	2022	2023	\$	%
<b>Service Revenue:</b>				
Service Revenue as reported	\$ 20,267	\$ 21,048	\$ 781	3.9%
Conversion impact of U.S. Dollar		\$ 1,470	\$ 1,470	
<b>Service revenue on a constant currency basis</b>	\$ 20,267	\$ 22,518	\$ 2,251	11.1%
(\$ in Thousands)	Three Months Ended Sept 30,		Year Over Year Change	
	2022	2023	\$	%
<b>Product Revenue:</b>				
Product Revenue as reported	\$ 14,021	\$ 13,147	\$ (874)	(6.2%)
Conversion impact of U.S. Dollar		\$ 154	\$ 154	
<b>Product revenue on a constant currency basis</b>	\$ 14,021	\$ 13,301	\$ (720)	(5.1%)

(\$ in Thousands)	Three Months Ended Sept 30,		Year Over Year Change	
	2022	2023	\$	%
<b>Total Revenue:</b>				
Total Revenue as reported	\$ 34,288	\$ 34,195	\$ (93)	(0.3%)
Conversion impact of U.S. Dollar		\$ 1,624	\$ 1,624	
<b>Total revenue on a constant currency basis</b>	<b>\$ 34,288</b>	<b>\$ 35,819</b>	<b>\$ 1,531</b>	<b>4.5%</b>

## POWERFLEET®

(\$ in Thousands)	Nine Months Ended September 30,		Year Over Year Change	
	2022	2023	\$	%
<b>Service Revenue:</b>				
Service Revenue as reported	\$ 58,812	\$ 62,521	\$ 3,709	6.3%
Conversion impact of U.S. Dollar		\$ 4,420	\$ 4,420	
<b>Service revenue on a constant currency basis</b>	<b>\$ 58,812</b>	<b>\$ 66,941</b>	<b>\$ 8,129</b>	<b>13.8%</b>

(\$ in Thousands)	Nine Months Ended September 30,		Year Over Year Change	
	2022	2023	\$	%
<b>Product Revenue:</b>				
Product Revenue as reported	\$ 43,231	\$ 36,563	\$ (6,668)	(15.4%)
Conversion impact of U.S. Dollar		\$ 348	\$ 348	
<b>Product revenue on a constant currency basis</b>	<b>\$ 43,231</b>	<b>\$ 36,911</b>	<b>\$ (6,320)</b>	<b>(14.6%)</b>

(\$ in Thousands)	Nine Months Ended September 30,		Year Over Year Change	
	2022	2023	\$	%
<b>Total Revenue:</b>				
Total Revenue as reported	\$ 102,043	\$ 99,084	\$ (2,959)	(2.9%)
Conversion impact of U.S. Dollar		\$ 4,768	\$ 4,768	
<b>Total revenue on a constant currency basis</b>	<b>\$ 102,043</b>	<b>\$ 103,852</b>	<b>\$ 1,809</b>	<b>1.8%</b>

**Powerfleet Q3 2023 Conference Call Script**  
**Thursday, November 9, 2023 at 8:30 a.m. Eastern time**

**Steve Towe – CEO**

Good morning, everyone, and thank you for being here today.

In today's call, I will share an update on our Q3 performance, as well as spending some time reviewing progress on the strategic pillars of the business.

Turning first to our Q3 performance, we are delighted to report a strong set of Q3 financial results. Our commitment to evolve into a high-quality SaaS business, required us to take brave decisions to manage existing revenues in ways where our success would become clearer in quarters rather than months. In essence, we have been executing a private equity style transformative playbook in the public market.

Central to this strategy, is building a pipeline of strategic product sales that pulls through sticky high margin SaaS revenue, while shedding non-core and non-profitable product business. We have been clear that executing this transition would result in revenues coming down through early to mid-2023 before reaching an inflection point where higher product revenue would begin flowing through the P&L in second half 2023.

I'm pleased to report this inflection point is now evident in our numbers. Our Q3 total revenue performance was our best result in four quarters. Total revenue increased by 7% sequentially, Q3 product revenue increased quarter over quarter by an impressive 19% at a much-improved gross margin. At the same time our service revenue increased by 11% on a constant currency basis year over year.

Looking at adjusted EBTIDA we made a commitment that we would take the necessary steps to absorb the cost and cash burn of our investment in engineering talent following our Q1 Movingdots acquisition. Clear success here is evident in our Q3 numbers with sequential adjusted EBITDA increasing threefold to \$2 million.

David will dive into more details on our financial performance shortly.

I view the quarterly earnings cycle as an opportunity to provide an overview of strategic and operational changes in the business and as a regular opportunity for our stakeholders to evaluate whether we are achieving the objectives we set for the revised business strategy, following my appointment in January 2022.

The overriding reason I took the helm at Powerfleet was a conviction that it provided a starting foundation to build a world class business and ultimately create a highly valued and appreciated SaaS asset in the industry.

To realize this vision, it was essential to execute a substantial transformation plan at pace. To succeed, we took aggressive and decisive actions designed to enable Powerfleet to have a credible shot at being at the forefront of the data led SaaS revolution of the industry in the years to come. This remains a bold and ambitious mission for Powerfleet, our investors, and now our partners from MiX Telematics.

Trust is a key currency in successfully navigating this kind of transition and is built by following through on your commitments. A common mantra for those of you who have joined me on this journey, is the commitment of the Powerfleet team to "say what we do and do what we say."

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To demonstrate that these words have substance, I'll now share proof points from the revolutionary change program focusing on the three major areas we knew we would need to significantly transform in the first two years of my tenure: First Scale; second Technology; and third the shape and health of our P&L and Balance Sheet.

Looking at scale, we are not here to be an "also ran" in this industry, we're here to secure a place at the very top table. I'm convinced that there will be four or five consolidated global players that will dominate the space over time, and we very much intend to be one of them.

To get there, we need the depth of resources to invest at the level the market demands; and have breadth of data led solution capability to feed, refine and evolve best-in-class AI engines, earning the right to be a mission critical provider, in an integrated fashion, for an energized customer base.

With the announcement of the MiX combination, both organizations have taken a massive step towards securing the necessary scale. Anticipated achievements of the transaction to support the combined strategy include:

- Annual revenue increasing from ~\$135M to ~\$280M.
- Adjusted EBITDA increasing from \$7M to \$39M.
- The number of subscribers on our platforms increasing from 700K to 1.8 million.
- The engineering team growing from 90 to over 230 colleagues.
- Enterprise customers growing from 3,500 to more than 7,500.

Now onto Technology, where the Unity AI and data platform strategy has been validated by customers and industry analysts alike. It was also pivotal to MiX's decision to combine forces with Powerfleet. Joss and his team have produced a successful and incredibly well-run business that's been steeped in the industry for over 25-years. The fact they believe wholeheartedly that the Unity vision is the right one to take a leading position in our fast-evolving industry, is a compelling validation for the unique Unity data highway and integrated ecosystem.

Another proud achievement this year remains the Q1 acquisition of Movingdots, which secured some unique IP in the Insurance space, alongside a sizable team of data scientists and AI experts with deep domain knowledge. We believe that the combined engineering teams and datasets of Powerfleet and MiX will provide the strategic pillars for us to be a technological and market leader in the rapidly emerging Artificial Intelligence of things, or AIOT, space, driven through the Unity platform.

**Now onto the Evolution of our P&L and Balance Sheet**

I shared at the start of this call our progress against our strategy to evolve the P&L to successfully build a pipeline of strategic product sales that pulls through sticky high margin SaaS revenue, while shedding non-core and non-profitable product business, and that we have reached the inflection point in our strong Q3 performance. I'd like to add some more color on the strategic evolution of our P&L and Balance Sheet.

Looking at the geographic distribution of revenue, we have been very clear that we would directly address the mindshare and hidden cost drag of our subscale businesses in Brazil, Argentina and South Africa. At a single stroke, our announced combination with MiX enables us to retain and scale these books of business, particularly in South Africa,

which will combine with MiX's powerful local operation, and Brazil where we reach critical mass on a combined basis.

With regards to the balance sheet, the MiX combination provides an elegant and shareholder friendly pathway to meet our commitment to address the challenging Abry preferred instrument.

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Based on any measure these are major accomplishments across all three areas and this is a testament to the ability of the team to deliver compelling results against ambitious targets.

As I approach my two-year anniversary, I'm proud to say that the prospects and the strategic potential of the business are transformed. The right chess pieces are now in the place for the next phase of our journey; a phase that is centered on realizing significant enterprise value for our shareholders.

Ahead of sharing insights and thoughts on this, I'll ask David to walk you through our third quarter results in detail. David?

**David Wilson – CFO**

Thanks, Steve, and good morning, everyone.

Continuing the spirit of transparency and accountability, I'll firstly provide an update on the key strategic priorities that I called out on our prior call before providing additional insight on the numbers.

Strategic priority number one is to accelerate our business transformation while living within the limits of our current balance sheet. Our October 10<sup>th</sup> MiX merger announcement is a game changer while the realized results from our cut to cover activities for Movingdots, with adjusted EBITDA trebling sequentially, demonstrates a team that can execute decisively and at pace.

While these initiatives are major wins they naturally created some headwind in our short-term financial results with \$1.4 million in one-time transaction and rationalization expenses incurred in the quarter.

Priority number two is to improve the underlying operating leverage of our business by implementing a common and scalable software platform across all geographies.

The central tenet of this initiative is the roll out of a global ERP system and, as I'm sure you can appreciate, our business combination with MiX significantly increases the scale of this endeavor and presented us with alternative pathways. Based on an initial review, we concluded that the most expeditious option to get the entire global business on single ERP instance is to standardize on MiX's Dynamics 365 solution that is actively being rolled out.

A global ERP is of critical importance for both realizing millions of dollars in spend efficiencies and building out a rich set of SaaS metrics that provide proof points on the durability of revenue and operating leverage inherent in our business model. ERP is a major workstream for integration planning and execution and we will continue to provide regular insights and updates on future calls.

Now onto our financial performance for the quarter.

Starting with revenue where the underlying quality is radically improved versus the prior year. While Total revenue for the quarter ended September 30, 2023, of \$34.2 million was in line with last year, approximately \$2 million of low value product revenue has actively been shed from the business and replaced with high margin service revenue, up 4% on an absolute basis and over 11% on a constant currency basis. Additionally, our product sales are increasingly high-margin; differentiated; and centered on pulling through sticky SaaS revenue. Success here is evident in sequential performance where product margins increased from 22% to over 30%.

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Total gross profit margin for the quarter of 50% was in line with the prior year. Product gross margin of 33% benefited from \$0.4M of out of period import duty recovery. On an adjusted basis product gross margin was 30%. Meanwhile Service gross margin of 61% was hindered by \$0.4M in out of period infrastructure expense and \$0.3M in Unity depreciation expense. Adjusting for these items, service gross margin was in line with the 64% posted in the prior year.

Onto operating expenses which increased by \$2.0 million to \$20.4 million compared to the same year-ago period with the current year impacted by one time deal and rationalization costs of \$1.4 million.

Net loss attributable to common stockholders totaled \$5.0 million, or \$(0.14) per basic and diluted share and adjusted EBITDA was \$2.0 million, three times higher than the prior quarter following cut to cover activities for Movingdots.

Our balance sheet remained strong at quarter-end, with \$19.6 million in cash and cash equivalents and a working capital position of \$34.5 million.

Looking to the future, we recognize that the macro environment poses certain challenges in specific markets and regions. Specifically, the ongoing conflict in Israel has, understandably, brought about temporary fluctuations in product demand and foreign currency challenges.

It is worthy to note that over 80% of our book of business in the Israel is recurring subscription revenue that is centered on transportation safety and security, an essential versus discretionary need.

Most importantly, I'm relieved to report that despite the horrific ongoing events and related strain to all those impacted, our Israeli team members are currently safe, and our facilities remain unaffected. While we continue to closely monitor the situation, this assurance of safety is paramount. We have also enacted our Business Continuity Plan to ensure we have redundant capabilities for the services our Israeli team provides to our global business particularly around Supply Chain and Distribution.

That concludes my remarks. Steve?

**Steve Towe – CEO**

Thanks, David.

Our Q3 financial results are a testament to the exceptional execution by our global team. These on-plan results are particularly impressive when you take into consideration they were achieved in the midst of an immense effort to sign our transformative business combination with MiX.

Moving back to the overall view of the business, we continue to gain strong traction. This is especially true as we witness the resounding success of Unity, our safety-driven industrial solutions, and our connected car offerings.

In Q3 we are delighted to announce new logo wins in North America with the likes of Valvoline, Summit Construction and Development, Oi Glass, and CMC, and major account expansion projects with the likes of NACPC, Brinks, General Motors, Georgia Pacific and Femsu.

From a market development perspective, Safety remains at the heart of what we do. Here are some examples we achieved in Q3:

- Powerfleet expanded its existing relationship with Mitsubishi Logisnext America (MLA), the fourth largest forklift manufacturer in the world. We signed a white-label agreement, creating a competitive advantage for MLA and an additional revenue stream for Powerfleet.
- The U.S. Department of Transportation launched an initiative and subsequent campaign to reduce the rising number of serious injuries and deaths on America's highways, roads, and streets. After an extensive review process, Powerfleet and our Unity platform was selected as a partner to join the U.S. Department of Transportation effort to improve road safety.
- ABI Research, a leading analyst in the IoT industry released a competitive report that compared vendors of video safety solutions to provide a third party assessment and ranking. After a full assessment process - which included innovation criteria like solution options, user experience, and use cases - Powerfleet was named a Top Innovator, ranked in the top 5 in the world.

To close off our prepared remarks, I'll now set expectations on what the combined Powerfleet and MiX team is committed to deliver over the coming quarters, in a similar fashion to the initial commitments I made for the business at the beginning of 2022.

Delivery will be across the following three vectors: Technology; Financial performance; and realizing Shareholder value.

Starting with **Technology**.

We will continue to strengthen and broaden the capabilities of Unity and demonstrate this is a true software platform capable of expanding wallet share with our existing customers as well as acting as a powerful magnet for new ones. Unity is on the path to become a platform and ecosystem that in the future will go well beyond traditional telematics. Scaling our device agnostic and data ingestion capabilities, harnessing our AI led insights for customers and providing flexibility on how they consume those insights, whether through our advanced applications or other integration points positions Unity as a true data highway and ecosystem hub for broader IoT use cases.

Looking at **Financial Performance** we expect to deliver accelerated revenue growth:

- We expect to realize readily available revenue synergies from the MiX combination sourced from compelling cross sell and upsell opportunities through the combined complementary product portfolios. Powerfleet's solutions will also benefit from the global reach of MiX's 120 indirect channel partners.
- Expect Unity to be an engine driving a steady quarterly climb of net dollar retention to best in class levels as:
  - the device agnostic capabilities of Unity expands the set of revenue generating subscribers well beyond those we directly supply;
  - our value-added modules and integration points provide significant headroom on the amount of revenue we can generate per subscriber; and
  - our solutions become increasingly sticky as the value of the data that we provide reaches well beyond the underlying asset owner in organizations.

- Expect rapidly expanding adjusted EBITDA. The opportunities coming out of the combination are both substantial and readily accessible and we expect adjusted EBITDA to more than double from a trailing twelve months starting point.
- Expect best in class Rule of 40 financial performance within two years of close.

Now onto **Shareholder Value Creation** where we expect to take major strides in recalibrating the way Powerfleet is viewed and valued by the market. Areas of focus include:

- the MiX combination provides size and scale that will enable us to attract a much broader set of investors;
- the steady release of Unity AIOT powered offerings will enable us to break away from the market's traditional view of telematics providers;
- the roll out our global ERP for the combined company will allow us to report an increasingly rich set of SaaS metrics which will provide clarity and transparency on the quality and durability of our recurring revenue book of business with a specific focus on net dollar retention; and finally
- securing an enterprise value that is underpinned by a Rule of 40 revenue multiple.

We clearly now have a compelling short to mid-term value proposition to present to the markets and as a result we will be intensifying our Investor outreach.

This starts next week where the Joint Powerfleet and MiX team will attend the Roth investor conference in mid-town Manhattan on November 15<sup>th</sup>; we will host our joint investor day with MiX at The InterContinental New York Barclay Hotel in Mid-Town Manhattan at 2pm ET on November 16<sup>th</sup>; David will be joining the MiX team at the Raymond James TMT conference in New York on December 5<sup>th</sup>; and finally we plan to execute an investor roadshow early in the new year. We look forward to seeing as many of you as possible at these events.

I'll now turn it back over to the operator for Q&A. Operator?