

Quartix Technologies plc
("Quartix", "the Group" or "the Company")
Interim Results Timetable and Trading Update

Quartix Technologies plc, a leading supplier of subscription-based vehicle tracking systems, analytical software and services, is pleased to announce that it will publish interim results for the six-month period ending 30 June 2023 (the "Period") on Monday 31 July 2023. They will be posted on the Company's website that morning, together with accompanying presentations.

H1 Trading

The Company is pleased to report year-on-year growth in our subscription base during the first half of 2023 of 14%. Year-on-year subscription base growth in H1 was moderate, as Q1 2022 benefited from a large annualised order in the UK, however Q2 saw growth resume to expected levels. New units installed totalled 33,400 units, which was a record number of new subscriptions for a 6-month period. As a consequence, the vehicle subscription base as at 30 June 2023 increased to 252,000 vehicles, with the annualised subscription base value increased by £2.1m (2022 £2.6m) on a constant-currency¹ basis to £28.0m.

Recurring revenues remained high at 94% of sales. Price erosion over 12 months, calculated at constant currency rates, continues to improve and was 4.6% compared to 4.8% in the same period in 2022. Attrition has been higher at 13.5% (11.6% PY), primarily due to an increase in business closures and customers downsizing their fleet sizes, caused by external market conditions. The cash balance as at 30 June was £3.2m. For the full year the Board expects revenue, adjusted EBITDA, and free cash flow to be in line with consensus market forecasts².

Year-on-year subscription base growth in France and our other European territories was excellent at 32% and 53% respectively. Our more mature UK operation continues to perform well and saw 6% year-on-year growth. Strategic changes have redirected investment from our wider US business to territories that will present improved returns on investment in the shorter term. The US strategy will therefore have a narrower, field sales approach, focused specifically on Texas moving forward.

Year-on-year growth in subscription bases by geography as at 30th June are shown in the table below. Exact totals may vary slightly in preparation of the interim results.

	H1 2023	H1 2022	Growth
UK	140,991	133,020	6%
France	61,298	46,387	32%
USA	30,352	29,888	2%
Spain, Italy, Germany	19,146	12,505	53%
Total	251,787	221,800	14%

Richard Lilwall, Chief Executive Officer of Quartix commented:

"Quartix has performed well in the first half of 2023. Subscriptions to new customers have been particularly pleasing, and mitigated economic headwinds impacting both repeat units from existing customers, which are much more sensitive to business confidence, and attrition, which has seen an increase from customer insolvencies and fleet downsizing.

I am particularly pleased with the performance of our France based operations, which saw investments in field-sellers over the previous two years deliver excellent returns. Our other European territories also showed excellent levels of subscription base growth. In the UK, where economic challenges are more significant due to the larger subscription base, growth was supported by a strong performance in new customer acquisition, which significantly mitigated this impact. In the US we have made several strategic decisions including a focus on field sellers and a single State.

We have a strong sales pipeline for the second half for both our core platform and upsell product lines, EVolve and Qcheck, and have confidence in achieving market expectations in 2023."

[1] Based on currency rates as at 30 June 2023.

[2] The Board believes that consensus market expectations for 2023, prior to this announcement, were as follows: Revenue £30.8m, Adjusted EBITDA £6.2m, and Free Cash Flow of £4.3m

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as retained as part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended.

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