

Quartix Technologies plc
("Quartix", "the Group" or "the Company")
Trading Statement

Quartix Technologies plc, a leading supplier of subscription-based vehicle tracking systems, software and services, is pleased to provide the following trading statement, covering the nine months to 30 September 2024 (the "9m Period").

Recurring revenues, pricing and customer base

Renewed focus on the Company's core business continued to drive strong growth in its Annualised Recurring Revenue ("ARR"). ARR is the key forward-looking measure of growth and financial performance for the Company. The Company's ARR increased by £3.1m (+11%) in the 12 months from 1 October 2023 to 30 September 2024. ARR growth is measured on a constant currency basis, using the rates applicable at 30 September 2024.

During the 9m Period, the Company's ARR grew by £2.7m, an increase of more than 60% on ARR growth achieved for the equivalent period in 2023. (£1.7m)

Average revenue per unit ("ARPU") during the 9m Period decreased by 0.1% on a constant currency basis, representing a significant improvement in performance when compared to the same period in 2023, during which we experienced a decrease of 3.4%. The Company has now implemented an appropriate annual price indexation policy and process for future price revisions and will continue to focus on this key metric.

Attrition as at 30 September (on a trailing 12 months' basis) was 13.8%, showing a slight improvement on performance at the end of H1 (14.0%). Attrition in the 9m Period has reduced in most territories and it also remains an important area of focus.

The key metrics shown below include growth expressed as a % since 1 October 2023, with the exception of the figures given for new subscriptions and new customers, for which the growth shown is for the 9m Period (from 1 January 2024 to 30 September 2024) compared to the same period in 2023.

Renewed focus on customer acquisition drove a 29% increase in this measure in the third quarter compared to Q3 2023, and this improvement is expected to continue.

Country	ARR (£m)	%	Subscription Base (units)	%	Customer Base	%	New Subscriptions (units)	%	New Customers	%
UK/EI	17.49	+5%	154,448	+7%	11,555	+2%	22,980	+14%	1,174	+16%
France	8.05	+18%	77,667	+21%	8,907	+12%	17,341	+4%	1,730	+2%
USA	3.01	+2%	29,268	-1%	3,798	-2%	4,853	-1%	531	-8%
Italy	1.21	+61%	13,412	+59%	2,101	+49%	4,514	+48%	703	+68%
Spain	0.84	+41%	10,669	+46%	1,958	+37%	3,484	+37%	611	+30%
Germany	0.59	+64%	5,972	+58%	893	+45%	2,260	+103%	320	+82%
Other	0.05		590		90		100		3	
Total	31.26	+11%	292,026	+13%	29,302	+10%	55,532	+14%	5,072	+16%

Market performance

UK

A continued emphasis on the Company's core business has driven a strong increase in customer acquisition and new subscriptions, leading to a 7% increase in the subscription base and 5% growth in ARR. Improvements were made in the management of each of our channels to market.

France

The subscription and customer bases grew by 21% and 12% respectively on a trailing 12-month basis. New subscriptions and customer acquisition were 4% and 2% ahead of the same period last year, respectively, and good progress is now being made through all channels.

USA

In the past few months we have started to rebuild our sales and support capacity for the USA, effectively reversing the organisational and strategic changes made during 2022 and 2023. Attrition also reduced and, in the past three months, the customer and subscription bases returned to modest growth. As a consequence, the Company achieved growth in ARR in the first 9 months of 0.1m versus a deficit of 0.2m last year. Enquiry levels are good and customer acquisition rates in the third quarter were more than double the rate for Q3 2023.

Italy, Spain and Germany

The company recorded strong growth on all key performance measures in each of these countries. New customer acquisition rates in Italy were particularly strong, as was growth in new installations in Germany. All three countries offer substantial opportunities for business development and we will make further investment in the remainder of the year and in 2025.

Financial results for the Period

The Board is confident of meeting market expectations for the year¹ for both profit and free cashflow. The Company's net cash balance at period-end (30 September 2024) was £2.3m, following payment of an Interim Dividend of 1.5p per share and the final contracted purchase payment to shareholders of Konetik Deutschland GmbH ("Konetik"); both of which were made during September. Liquidation of Konetik is now largely complete and anticipated costs of closure were provided for in the Company's Interim Results. The anticipated divergence

now largely complete, and anticipated costs of closure were provided for in the Company's interim results. The anticipated divergence between free cashflow and EBITDA in 2024 is a result of the Company's committed programme of equipment upgrades in France and the investment in growth in the subscription base.

More than 40% of the Company's revenue is derived from the EU and USA, and continuing growth in the strength of the pound has therefore had a marginal impact on the Board's previous estimates of revenue for the year. This, as noted above, is not expected to affect profit or cash generation.

Andy Walters, Executive Chairman of Quartix, commented:

"The rate of growth in the Company's recurring revenues, customer base and new subscriptions over the period is very pleasing. I am immensely grateful to all my colleagues and the management team at Quartix who have so successfully refocused the company on its core business activity since my return to the Board a year ago, and we look forward to the future with confidence."

¹Note: the Company believes that, prior to this announcement, market expectations for 2024 performance in terms of revenue, adjusted EBITDA and unadjusted free cashflow were £32.9m, £5.8m and £2.1m respectively.

For further information contact:

Andy Walters, Executive Chairman.

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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