

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.

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 announce that it will publish its results for the twelve-month period ending 31 December 2024 (the "Period") on Monday 3 March 2025. The results will be posted on the investor section of the Company's website (www.quartix.com) that morning.

Estimates provided in this Trading Statement may be subject to revision following the finalisation of December's trading results and audit.

Financial results

The Board estimates that the Group will report revenue, adjusted EBITDA, pre-tax profit and free cashflow for the Period of £32.4m, £6.2m, £6.0m and £2.5m respectively. The Company's net cash balance at period-end was £3.1m.

Estimates for adjusted EBITDA and pre-tax profit are stated after recognition of approximately £0.5m of costs and provisions relating to the operation and liquidation of the Konetik Deutschland GmbH subsidiary ("Konetik").

Operating cashflow was reduced by the cost of the 4G upgrade programme in France (approximately €1.6m during the Period) and by operating and liquidation costs associated with Konetik.

Free cashflow was also impacted by final payments of £0.2m to shareholders of Konetik. The Company does not anticipate any further costs or material cash drain from Konetik, which is now proceeding through liquidation in the German commercial courts.

The Company finished 2024 on a strong note and the Board now believes that this will lead to a slightly higher level of profit in 2025 than previously estimated¹.

Annualised Recurring Revenue ("ARR")

ARR is the key forward-looking measure of growth for the Company and an important indicator of shareholder value. ARR reported by the Company relates solely to committed software subscription revenues and does not include other service revenues which may recur. The Company's ARR increased by £3.5m (+12%) during the Period to £32.2m, representing an increase of 67% over the ARR growth achieved in 2023. Measures of ARR and ARR growth are calculated on a constant-currency basis².

The Company aims to achieve at least £3.5m in ARR growth during 2025.

Price indexation

Quartix invests heavily in the high level of customer service for which it is known. The Company consistently maintains a 5-star rating on TrustPilot and believes that its customers place significant value on this high standard. For the first time in the Company's history a small increase in pricing was implemented at the start of 2024 to existing contracts, amounting to an average of approximately 3% across the base. This had no noticeable impact on attrition levels and an annual adjustment now forms part of virtually all customer contracts. The adjustment for 2025 is underway and is expected to average approximately 5% in value across the base.

Customer acquisition

New customer acquisition during the Period increased by 19% to 6,863 new customers and new subscriptions increased by 16% to 74,673. The customer base increased by 11% to 30,134, and the total subscription base increased by 13% to 300,168.

These improvements in growth compared with 2023 were driven by renewed focus on channels to market in the Company's 6 target territories. New customer acquisition, in particular, accelerated through the year, reaching a rate of more than 700 new customers acquired in a rolling 30-day period by December - an increase of 50% over the rate of acquisition at the end of 2023.

The key metrics shown below include growth expressed as a % for the Period compared to the same period in 2023.

Country	ARR (£m)	%	Subscription Base (units)	%	Customer Base	%	New Subscriptions (units)	%	New Customers Acquired	%
UK/EI	17.72	+7%	156,506	+6%	11,668	+3%	30,481	+15%	1,592	+22%
France	8.26	+16%	80,579	+19%	9,174	+11%	23,032	+4%	2,293	+0%
USA	3.36	+7%	29,879	+2%	3,896	+1%	6,837	+14%	794	13%
Italy	1.31	+53%	14,612	+52%	2,276	+47%	6,329	+42%	955	+60%
Spain	0.90	+40%	11,429	+43%	2,081	+35%	4,655	+35%	811	+31%
Germany	0.65	+63%	6,620	+57%	055	+43%	3,120	+80%	412	+65%

Germany	0.03	+0.3% 102/0	0,020	+0.1% 102/0	700	+40% 102/0	5,127	+0.7% 102/0	712	+0.2% 102/0
Other	0.04		543		84		210		6	
Total	32.24	+12%	300,168	+13%	30,134	+11%	74,673	+15%	6,863	+19%

Regional commentary

UK/EI

ARR growth of £1.1m was achieved in 2024 (+7% to £17.72m): this was three times the level of growth achieved in 2023. New customer acquisition increased by 22% to 1,592 over the year and accelerated during the second half as cost savings in administrative overheads in the business were used for marketing investment. New subscriptions increased by 15% and prospects for H1 2025 are good.

France

ARR grew by 16% to £8.26m and the high levels of customer acquisition and new installations achieved in 2023 were maintained. The customer and subscription bases increased by 11% and 19%, respectively.

USA

The USA had suffered from a series of organisational and strategic changes made in 2022 and 2023. This has necessitated the rebuilding of sales channels from scratch. Good progress was achieved in recruitment by the middle of 2024 and a 0.22m fall in ARR in 2023 was reversed in 2024, producing an increase of 0.26m (+7% ARR growth in sterling terms). Most of the staff recruited are experienced telematics sales executives, and pricing for new contracts has been increased by approximately 22% to bring the Company more into line with the competition. New subscriptions increased by 14% and customer acquisition improved by 13%. Most of these improvements developed in the final four months of the year, and 2024 ended on a positive note.

Spain, Italy and Germany

Progress in these exciting new markets for the Company accelerated: ARR grew by 51% to £2.86m; new customer acquisition improved by 49% to 2,178; and new subscriptions grew by 48% to 14,113. The Company will continue to develop and invest in its channels to market in each of these countries.

The Board believes that there is significant scope for continued growth in its existing 6 markets and this will remain the focus for 2025 and 2026.

New product development

Telematics hardware and firmware

Development of the Company's latest generation of telematics system, the TCSV17, was initiated and released to production in the Period. The development marked the most significant revision of both hardware and firmware design for at least a decade. The design objectives were focused principally on cost reduction, but some significant advances have also been made in performance.

Manufacturing cost of the TCSV17 is approximately £8 per unit lower than the Company's current 4G product, which will have a significant impact on both the cost of new subscriptions and the remaining cost of the French 4G upgrade programme. The switch to this product is being phased in during Q1, and full production will occur during Q2. This product will be used for virtually all installations, service replacements and upgrades in the UK and the rest of Europe from the second half of 2025, which are expected to amount to approximately 7,000 units per month.

The TCSV17 simultaneously uses four constellations of satellites (GPS, GLONASS, Galileo and BeiDou) and tracks more than 30 satellites in normal operation, producing excellent positional accuracy.

Application software

Initial versions of revised web-based and mobile tracking applications were developed and released during the year. The new web-based application has been released to new customers since July 2024 and completion of the application and its introduction to existing customers will be accelerated in 2025.

Overhead efficiency

Significant reductions have been made in administrative and management overheads and all operating costs associated with the Konetik subsidiary were terminated in the first half of the Period. In addition to this the Company has steadily improved upon the optimisation of its operational systems, which were migrated to Microsoft Azure in 2022 and 2023, during the course of the year. Text based alerts for customers have been incorporated in app-based notifications in the most recent mobile app, achieving further savings in system and communications costs.

These cost savings have enabled increased investment in sales and marketing which has contributed to the stronger growth in customer acquisition seen towards the end of the year.

4G upgrade programme in France

Good progress has been made in carrying out the upgrade programme for France. Approximately 32,000 of the original 50,000 tracking systems now remain to be upgraded by the end of 2026 and the Company is confident of completing this project on time.

Appointment of finance director

Quartix is pleased to announce the promotion of Sally Morton to the position Director of Finance. Sally is now appointed as a director of the principal trading subsidiary of the Company, Quartix Ltd and will therefore be considered a PDMR.

Sally joined Quartix as Group Financial Accountant in December 2019 and was promoted to Head of Finance in September 2022. In this position she played a leading role in introducing new accounting systems, whilst also establishing the Group's trading subsidiary in France and resolving the challenges associated with the Konetik acquisition.

Sally graduated from Rhodes University in South Africa in commerce and accounting prior to joining Grant Thornton in the UK where she qualified as a chartered accountant.

Andy Walters, Executive Chairman of Quartix, commented:

"Progress in each of our markets was excellent: the Company's fleet subscription base grew by 13% to more than 300,000 vehicles across 30,000 clients. Annualised subscription revenues rose by 12% to £32.2m. We have reduced management and administrative overheads and increased our investment in market development, whilst also increasing profitability. Business outlook for 2025 is very good and I would like to take the opportunity to thank my colleagues on the Board, in the management team and throughout the Company for their support and achievements in 2024."

Notes:

- 1 The Company believes that, prior to this announcement, market expectations for profit achievement in 2025 were £6.4m adjusted EBITDA and £6.1m adjusted PBT.
- 2 Comparisons made on the basis of constant-currency measurements are based on exchange rates applicable at 31/12/2024 of 1.250 and €1.206 to pounds sterling.

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