

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

Strong growth in subscriptions, ARR, revenue, profit and cashflow

Quartix Technologies plc, a leading supplier of subscription-based vehicle tracking systems, software and services, is pleased to provide an update on trading for the year ended 31 December 2025 (the "Period").

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 is pleased to report that it expects revenue and adjusted EBITDA (under current accounting policies²) are expected to be ahead of current market expectations¹.

Free cashflow is expected to have been £5.1m, despite significant outflows in the Period for: (i) 4G upgrade programme in France (approximately £1.0m); (ii) restructuring costs in the first half (approx. £0.4m); and (iii) a further pre-payment of £0.7m in corporation tax made in December (as the Company's anticipated profit level means that it is now considered to be a very large company for HMRC payment-on-account purposes).

The Company ended the year with a cash balance of £5.6m.

Dividend and dividend policy

The Board intends consolidating its separate ordinary and supplementary dividends into a single ordinary dividend. The new policy governing this will be detailed in the annual report, and it is also expected that a final dividend payment of 7.5 pence will be recommended. The total ordinary dividend for the year would therefore be 10 pence per share, subject to approval of the new policy and this amount at the AGM.

Annualised recurring revenue ("ARR") and Net Revenue Retention ("NRR")

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 £4.5m (+14%) during the Period, representing an increase of 25% over the growth achieved in 2024 (£3.6m on constant currency). Measures of ARR and ARR growth are calculated on a constant-currency basis³.

For the year as a whole NRR was 98.1% (2024: 95.7%).

The Company aims to achieve further progress in these two key measures in 2026.

Customer acquisition

New customer acquisition during the Period increased by 9% to 7,501 and new subscriptions increased by 7% to 79,576. The customer base increased by 9% to 32,942, and the total subscription base increased by 11% to 333,922.

The key metrics shown below include growth expressed as a % for the Period compared to the same period in 2024.

Country	ARR (£m)	%	Subscription Base (units)	%	Customer Base	%	New Subscriptions (units)	%	New Customers Acquired	%
UK/EI	19.65	+11%	168,313	+8%	11,984	+3%	31,125	+2%	1,599	+0%
France	9.94	+15%	91,675	+14%	9,784	+7%	24,370	+6%	2,229	-3%
USA	3.28	+6%	29,787	+0%	4,069	+4%	7,168	+5%	930	+17%
Italy	1.96	+43%	20,715	+42%	3,263	+43%	8,450	+34%	1,371	+44%
Spain	1.27	+35%	15,004	+31%	2,595	+25%	5,613	+21%	913	+13%
Germany	0.86	+26%	8,029	+21%	1,188	+24%	2,808	-10%	456	+11%
Other	0.04		399		59		42		3	

Total	37.0	+14%	333,922	+11%	32,942	+9%	79,576	+7%	7,501	+9%
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Regional commentary

UK

ARR growth of £1.9m was achieved in 2025 (+11% to £19.7m). New customer acquisition marginally improved to 1,599 over the year whilst new subscriptions increased by 2%. An upsell programme involving the Company's new dashboard camera option also made a significant contribution to this record level of ARR growth in the UK.

France

ARR grew by 15% to £9.94m and the high levels of new installations achieved in 2024 were maintained. The customer and subscription bases increased by 7% and 14%, respectively.

USA

ARR increased by 6% to £3.28m and the higher levels of customer acquisition and new installations achieved in 2024 were maintained in 2025. The customer base increased by 4%. Further improvement is necessary and targeted for 2026.

Spain, Italy and Germany.

Progress in Italy and Spain accelerated, but performance in Germany was lower than expected. Collectively, ARR in these territories grew by 36% to £4.1m; new customer acquisition improved by 26% to 2,740; and new subscriptions grew by 20% to 16,871. The Company will continue to develop and invest in its channels to market in these countries, with a number of new recruitments already underway at the end of 2025 for indirect channels to market.

The Board maintains its belief that there is significant scope for continued growth in its existing six markets in 2026 and investment is planned and underway to support this. In addition to further growth from incremental investment the Company expects to achieve continued optimisation and improvement of existing marketing and sales channels.

Product innovation

The Company made very significant progress in new product innovation during 2025:

Standardised core telematics architecture

The new TCSV17 telematics system continues to perform well and has now completely replaced the previous generation system in production. The new, plug-in OBD (user-installed) version of this architecture for UK/European networks ("TCSV18") has completed type approval and is entering production. It will play a significant role in the remainder of the 4G upgrade programme for France, as noted below. A further derivative of the TCSV18 for the US market is now at prototype stage, and it is anticipated that this will enter type testing in Q1 2026. As well as 4G support these products offer significant performance improvement and reduced cost compared to previous generations.

Standardised user interface and common code base for both web and mobile applications

The reorganisation and consolidation of existing software teams and creation of a new UI/ front-end application team referred to in July continue to foster significant improvement in development progress. Feedback on the alpha release of the Company's new web application user interface has been very positive. In addition to further enhancements made towards the end of the year it will be released in beta version to customers at the end of January. This code base will form the basis of the next generation of mobile application, also intended for release this year.

Connected dashboard cameras - fully integrated with the web application

Launched in 2024, the connected dashcam solution provides our customers with detailed, high-resolution coverage of collisions and other significant events during vehicle usage. The uploading of footage is either initiated by accelerometer triggers in the telematics system or user requests. This information is then attached to and integrated within the report suite, supporting customers in driver training, insurance matters and in reducing fraudulent claims against them. Options include both forward and driver-facing cameras.

Further development of this option will include launch in selected new market applications as well as the integrated use of tracking and location information from the camera in our web and mobile applications.

4G upgrade programmes

Good progress has been made in carrying out the 4G upgrade programme in France. Approximately 18,000 of the original 50,000 tracking systems now remain to be upgraded by the end of 2026. Of these, two thirds are user-installed units which have been purposefully left until this year; partly in awaiting the availability of the TCSV18 (referenced above) and partly in case of further delays in the network change programme. The Company is confident of completing this project on time.

In the Company's trading update in October 2025 it expressed its then-held view that sunsetting of the 2G network in the UK would not occur before 2030. Since then its principal supplier of SIM cards and network services (with which the Company has a successful 25-year relationship) has brought forward the expected start of the programme to 2029. It has, however, provided additional contractual support to the Company and, together with the Company's plans to accelerate the natural replacement of 2G units, this means that the associated replacement costs are not anticipated to result in any additional material or exceptional impact on the Company's reported financial results.

Reporting review with the Financial Reporting Council ("the FRC") ²

The Company is discussing certain aspects of its financial reporting with the FRC and is co-operating fully with the FRC's review.

The review is principally concerned with the treatment of tracking system and associated costs. Currently these costs are capitalised, and subsequently amortised, under IFRS 15 as contract cost assets, using the weighted average initial contract period (of approximately 20 months). As the tracking systems remain under Quartix's ownership throughout their usage the discussion centres principally on whether they should be dealt with under IAS 16 instead and depreciated over the total useful economic life of the product (which is typically much longer). This would affect both new tracking system installations and replacement units fitted as part of repair or upgrade programmes. It would have no impact on revenue or free cashflow reporting.

At this stage, no conclusions have been reached, and a further update will be provided for investors as appropriate.

Andy Walters, Executive Chairman of Quartix Technologies plc commented:

"We are delighted with the progress made in 2025: ARR growth increased by a record £4.5m to £37m. This is significantly ahead of our expectations at the beginning of the year and stands us in excellent stead for further revenue growth in 2026. Strong progress was made across our key markets. Free cashflow was a particular highlight of the Company's financial performance.

I am immensely grateful to and congratulate all our colleagues and the management team at Quartix for the achievement of these results. We look forward to 2026 and beyond with confidence."

Notes:

- 1 The Company believes that, prior to this announcement, market expectations for 2025 performance in terms of revenue, adjusted EBITDA and free cashflow were £36.2m, £7.7m and £4.4m respectively.
- 2 Adjusted EBITDA is expected to be impacted by any revision to accounting policies considered appropriate as a result of the FRC review.
- 3 Comparisons made on the basis of constant-currency measurements are based on closing exchange rates applicable at 31/12/2025 of €1.1454 and 1.3451 to pounds sterling.

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