

**Quartix Technologies plc**  
**("Quartix", "the Group" or "the Company")**

**Final Results**

***Strong growth in Revenue, Profit, Cashflow and Annualised Recurring Revenue***

Quartix Technologies plc (AIM:QTX), one of Europe's leading suppliers of subscription-based vehicle tracking systems, analytical software and services, is pleased to announce its audited results for the year ended 31 December 2025.

**Change in accounting policy and prior year restatement**

The group has transitioned its accounting policy regarding the treatment of equipment, installation and carriage costs to align with IAS 16. This change has been applied retrospectively, and accordingly, the financial information for the prior year ended 31<sup>st</sup> December 2024 has been restated to ensure comparability

For a detailed explanation of the change in accounting policy and the specific impact on the financial statements, please refer to note 9.

**Financial highlights:**

- Group revenue increased by 12% to £35.7m (2024: £31.8m)
- EBITDA<sup>1</sup> increased by 23% to £13.2m (2024: £10.7m)
- Adjusted EBIT<sup>2</sup> increased by 38% to £8.8m (2024: £6.4m)
- Profit before tax increased by 34% to £8.7m (2024: £6.5m)
- Profit for the year increased by 25% to £6.4m (2024: £5.1m)
- Diluted earnings per share<sup>3</sup> increased by 25% to 13.17p (2024: 10.51p)
- Free cash flow<sup>4</sup> increased by 102% to £5.2m (2024: £2.6m).
- Final proposed dividend payment of 7.50p per share (2024: 3.00p) giving a total dividend for the year, including the interim dividend, of 10p per share (2024: 4.50p)

<sup>1</sup> *Earnings before interest, tax, depreciation, amortisation (see note 3)*

<sup>2</sup> *Earnings before interest, tax and share based payment expense (see note 4)*

<sup>3</sup> *Diluted earnings per share before adjustments (see Strategic Report: Financial Review, Financial Overview and note 5)*

<sup>4</sup> *Cash flow from operations after tax and investing activities*

**Full Financial Results Report**

The Group's Financial Statements and results presentations for the year ended 31 December 2025 are available in the "Investors" section of our website at: [www.quartix.com/investors](http://www.quartix.com/investors)

**Principal activities and performance measures**

The Group's main strategic objective is to achieve profitable growth in its fleet subscription base and the associated annualised recurring revenue.

Annualised recurring revenue (for "ARR" see definition in Key Performance Indicators ("KPI") table below footnote 4), when measured in constant currency year on year, is the most significant forward-looking key performance measure. The Group's ARR increased by £4.5m (+14%) during the year to £37.0m, representing record growth in this measure and a year-on-year increase of 25% compared with the ARR growth achieved in 2024 (£3.6m on constant currency).

The KPIs used by the Board to assess the performance of the business are listed in the table below and discussed in the Chairman's Statement and Strategic Report.

Key Performance Indicators ("KPIs")

| Year ended 31 December                           | 2025    | 2024    | % change |
|--------------------------------------------------|---------|---------|----------|
| New Fleet subscriptions <sup>1</sup> (new units) | 79,576  | 74,673  | 7        |
| Fleet subscription base <sup>2</sup> (units)     | 333,922 | 300,168 | 11       |

|                                                         |               |        |    |
|---------------------------------------------------------|---------------|--------|----|
| Fleet customer base <sup>3</sup>                        | <b>32,942</b> | 30,134 | 9  |
| Customer Acquisition (new customers)                    | <b>7,501</b>  | 6,863  | 9  |
| Annualised recurring revenue (ARR) <sup>4</sup> (£'000) | <b>37,004</b> | 32,547 | 14 |
| Net Revenue Retention (NRR) <sup>5</sup> (%)            | <b>98.1</b>   | 95.7   | 3  |
| Fleet invoiced recurring revenue <sup>6</sup> (£'000)   | <b>34,375</b> | 30,442 | 13 |

<sup>1</sup> *New vehicle tracking unit subscriptions added to the subscription base before gross attrition*

<sup>2</sup> *The number of vehicle tracking units subscribed to the Group's fleet tracking services, including units waiting to be installed for which subscription payments have started or are committed*

<sup>3</sup> *The number of customers associated with the fleet subscription base*

<sup>4</sup> *Annualised data services revenue for the subscription base at the year end, before deferred revenue, including revenue for units waiting to be installed for which subscription payments have started or are committed, all measured in constant currency*

<sup>5</sup> *NRR is measured on a constant-currency basis and represents the annualised value of recurring revenues for the customer base at the end of the year, excluding recurring revenues for customers acquired during the course of the year, divided by the annualised value at the start of the year, and expressed as a percentage*

<sup>6</sup> *Invoiced subscription charges before provision for deferred revenue*

**Andy Walters, Executive Chairman of Quartix**, commented:

"2025 was an exceptionally good year for Quartix both financially and strategically: profit before tax increased by 34% to £8.7m on revenue of £35.7m. Earnings per share increased by 25% to 13.18p. Annualised recurring revenue, our most significant indicator of future revenues, grew by a record £4.5m, or 14%, to £37m. The subscription base grew by 11% in the year to 334,000 vehicles, of which 50% are outside the UK.

"Improved operational efficiency, cost reductions, increased marketing investment and technical innovation all contributed to this strong set of results. Free cashflow more than doubled to £5.2m and we are recommending a final dividend of 7.5p per share, giving a total of 10.0p for 2025.

"The outlook for 2026 is very encouraging and I would like to take the opportunity to thank and congratulate my colleagues on the Board, in the management team and throughout the Company for their support and achievements in 2025."

**For further information, please contact:**

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### **About Quartix**

Founded in 2001, Quartix is a leading supplier of subscription-based vehicle tracking systems, software and services. The Group provides an integrated tracking and telematics data analysis solution for fleets of commercial vehicles that is designed to improve productivity and lower costs by capturing, analysing and reporting vehicle and driver data.

Quartix is based in the UK and is listed on the AIM market of the London Stock Exchange (AIM:QTX).

## **Chairman's Statement**

### **Introduction**

In 2024 I described how the Group had refocused on its core strengths and returned to a pattern of profitable, organic growth from its subscription base. The financial year to 31 December 2025 marked a further step forward. As announced in the Group's Trading Update on 8 January 2026, annualised recurring revenue increased by £4.5m to £37.0m - an increase of 14% compared to 2024 - and profit before tax increased by 34% to £8.7m. This performance reflects the accelerated growth in value of the Group's fleet subscription base in both the UK and internationally, together with the benefits of reduced manufacturing cost and the effects of continued focus on overhead efficiency.

### **Annualised Recurring Revenue ("ARR")**

ARR is the key forward-looking measure of growth for the Group and an important indicator of shareholder value. ARR reported by the Group relates solely to committed software subscription revenues and does not include other service revenues which may occur. The Group's ARR increased by £4.5m (14%) during the Period, representing an increase

revenues which may recur. The Group'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 basis

### 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                      |            |
| <b>Total</b> | <b>37.0</b> | <b>+14%</b> | <b>333,922</b>            | <b>+11%</b> | <b>32,942</b> | <b>+9%</b> | <b>79,576</b>             | <b>+7%</b> | <b>7,501</b>           | <b>+9%</b> |

### Net Revenue Retention ("NRR")

NRR is defined as the annualised value of recurring revenues for the customer base at the end of the year, excluding recurring revenues for customers acquired during the course of the year, divided by the annualised value at the start of the year, and expressed as a percentage. This is measured on a constant-currency basis. Positive factors contributing to this measure are incremental orders and upgrades from existing customers or price increases ("expansion"). Negative contributors are reductions in fleet sizes and price erosion ("contraction") and customer losses ("attrition").

For the year as a whole NRR was 98.1% (2024: 95.7%). Price indexation, when averaged across the base, amounted to approximately 4.2% in 2025. Through continued focus on customer retention, improvement in pricing control and the promotion of upgrades and enhancements the Group aims to increase NRR further in 2026, with a longer-term objective of exceeding 100% in all territories.

### Regional review

#### UK/EI

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 Group'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 Group 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.

## Results

Group revenue for the year increased by 12% to £35.7m (2024: £31.8m). Revenue growth on a constant currency basis, using applicable exchanges rate at 31 December 2025, was also 12%.

In 2025, under the revised accounting policy, EBITDA increased by 23% on a comparable basis to £13.2m (2024: £10.7m). Adjusted EBIT for the year increased by 38% to £8.8m (2024: £6.4m). Adjusted EBIT excludes non-cash share payments but includes restructuring costs incurred during the year of approximately £0.4m.

Profit before tax for the year increased by 34% to £8.7m (2024: £6.5m) and profit after tax for the year increased by 25% to £6.4m (2024: £5.1m).

Free cash flow (cash flow from operations after tax and investing activities), was £5.2m (2024: £2.6m), despite significant outflows in the year for the 4G upgrade programme in France (approximately £1.0m), restructuring costs in the first half (approx. £0.4m); and a pre-payment of £0.7m in corporation tax made in December (as the Group's anticipated profit level means that it is considered to be a very large company for HMRC payment-on-account purposes). Net cash increased to £5.6m at 31 December 2025 (2024: £3.1m).

By the end of 2025, there remained 17,000 2G units (31 December 2024: 33,000 units) to replace in France before 31 December 2026 with a total estimated remaining cost of 1.3 million Euros.

## Earnings per share

Basic earnings per share increased to 13.18p per share (2024: 10.58 per share). Diluted earnings per share increased to 13.17p per share (2024: 10.51p per share).

## Dividend policy

It is the Board's objective to deliver a progressive dividend over time, with the aim of at least maintaining the dividend per share in ordinary circumstances. In setting the dividend each year, the Board will seek to grow the dividend sustainably, while giving priority to funding organic investment in the business, pursuing value enhancing opportunities and maintaining a strong and efficient balance sheet. The Board will also take into account the Group's cash generation, future cash requirements and the broader macro economic environment.

## Dividend

For the year ended 31 December 2025, the Company paid an interim dividend of 2.5p per share in September 2025 and the Board proposes a final dividend of 7.5p per share for approval at the AGM. This results in a total dividend of 10p per share for the financial year ended 31 December 2025, representing a yield of 3.6% based on the closing share price for 2025, or 4.4% based on the average share price for the year.

Subject to the approval at the forthcoming AGM, the final dividend of 7.50p per share will be paid on 30 April 2026 to shareholders on the register as at 7 April 2026. The ex-dividend date is therefore 2 April 2026.

## Outlook

We made outstanding progress in 2025 on all key measures: ARR and revenue growth; profitability; subscription base expansion; new product development and cost control. Closing ARR was higher than Group revenue for the year, and this augurs well for the achievement of our financial goals for 2026. We have maintained our excellent reputation for customer service and this has been amply demonstrated by the results achieved in 2025.

We will continue to invest in developing and exploiting the many opportunities we have for growth through our channels to market in each of our current six target markets and we look forward to reporting on further substantial progress in 2026.

## AGM

The Group's AGM will be held at 10.30 a.m. on 22 April 2026 at the Company's registered address One Cambridge Square, Cambridge North, Cambridge, CB4 0AE.

## Andrew Walters

Executive Chairman

## Strategic Report: Operational Review

### Strategy and business model

Our strategy is to become the leading provider of mobile services in the UK. We will achieve this by focusing on three key areas: product development, operational efficiency and customer service. Our business model is based on a subscription-based service, which provides a predictable and recurring revenue stream. We will continue to invest in research and development to ensure we remain at the forefront of mobile technology. Our operational efficiency will be achieved through a combination of automation and process improvements. Finally, our customer service is a key differentiator and we will continue to invest in training and resources to ensure we provide the highest quality of service to our customers.

Quartix is a market-led group with a keen focus on product and service quality. The Group's target market segment consists principally of small-to-medium businesses with mobile workforces - mainly tradespeople. Quartix provides its 33,000 customers with operational information and data which help increase their capacity utilisation - enabling them to improve both revenue and productivity. 97% of its 1,230 Trustpilot reviews are either 5\* or 4\*, giving Quartix an overall score of 4.8 and a 5-star rating.

Quartix's service has been operated on a subscription basis since the Group's foundation in 2001. A key measure of the Group's efficiency is that of its subscription revenues (ARR) per employee. This measure and some other important metrics for the business are summarised below:

|                            |          |                                  |         |
|----------------------------|----------|----------------------------------|---------|
| · ARR/employee (FTE):      | £208,000 | · Subscription base (vehicles)   | 333,922 |
| · ARR/vehicle              | £111     | · Subscription base growth (TTM) | 11%     |
| · Subscriptions as % sales | 96%      | · ARR growth (TTM)               | 14%     |
| · Hardware as % sales      | 1%       | · Largest client as % sales      | < 1%    |

Renewed focus on these metrics over the past two years has contributed to strong results, and the Group will continue to base its future development on the following five pillars of its core strategy:

1. *Market development:* Quartix will continue to focus on the development of channels to market in each of its six target markets.
2. *Cost leadership:* excellent progress has been made in optimising manufacturing and operating costs. In 2026 further emphasis will be placed on the optimisation of the cost of customer acquisition.
3. *Continuous enhancement of the Group's core software and telematics services:* excellent progress was made during the year on both its telematics (hardware/ firmware) platforms and its user applications (both web and mobile). In addition to this, substantial new ARR was generated through the release of product enhancements, notably through dashboard cameras.
4. *Outstanding service:* Quartix maintained its excellent reputation with fleet customers throughout the year, consistently being rated as "excellent" by Trustpilot users.
5. *Standardisation and centralisation:* the expansion into European markets has been achieved by staff operating under the existing operational structures in place in the UK, with some sales staff being located in France. Support and service functions continued to be performed from the UK. We will increasingly make use of new tools, including AI, to assist in this

Our fleet customers typically use the Group's vehicle telematics services for many years following an initial contract. Accordingly, the Group focuses its business model on the development of subscription revenue, with high levels of revenue retention, providing the best return to the Group over the long term.

The number of vehicles connected to our subscription platform and the value of recurring subscription revenue derived from it are the key measures of our performance in the fleet sector. As noted in the Principal activities and performance measures section, the annualised recurring revenue increased by £4.5m, at a constant currency rate, to £37.0m at 31 December 2025.

## People

We take great pride in the service we provide, and it is rewarding to see this reflected in the feedback we receive. Fleet customers consistently give us excellent reviews, including over 1,200 Trustpilot reviews with an impressive score of 4.8.

These achievements highlight the dedication, creativity, and teamwork of our people and underscore our commitment to delivering an outstanding customer experience. Quartix was awarded a Gold Award in 2023 following an assessment by Investors in Customers, a testament to our exceptional customer service.

Our brand's reputation for excellence was further validated this year as we received the *Fleet News 2026 Reader Recommended Award* for the second consecutive year, demonstrating the positive perception and strong awareness of the Quartix brand. Building on this momentum, Quartix was named 'Telematics Supplier of the Year' at the 2026 *What Van? Awards*, a distinction that recognises our leadership in enhancing fleet safety and driving operational efficiency

Quartix remains one of the few major suppliers to operate without auto-renewal clauses. We believe our industry-leading service levels negate the need for contractual 'lock-ins,' a philosophy that is validated by high customer retention and a strong pipeline of referral opportunities. Furthermore, our credibility in the market is reflected by our inclusion on all major UK public sector procurement frameworks

Our sustained financial performance is underpinned by a steadfast commitment to service excellence and continuous product innovation. By remaining aligned with the foundational principles that define the Quartix brand, we ensure that our core business delivers consistent value to our stakeholders. The Board extends its sincere thanks to every employee whose hard work and dedication contributed to our continued growth in 2025.

### **Research and development**

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 Group's new web application user interface has been very positive. In addition to further enhancements made towards the end of the year it has been released in beta version to customers. This code 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, our connected dashcam solution provides 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.

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.

All of our investment in research and development was fully expensed in the year with a total cost of £0.8m in 2025 (2024: £0.9m).

### **4G Upgrade Programmes**

Good progress has been made in carrying out the 4G upgrade programme in France. 17,000 of the original 50,000 tracking systems now remain to be upgraded by the end of 2026. Of these, more than 80% 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 Group is confident of completing this project on time.

In its trading update issued in October 2025, the Group stated its then-held view that the sunsetting of the 2G network in the UK would not take place before 2030. Subsequently, its principal supplier of SIM cards and network services, with which the Group has maintained a successful 25-year relationship, has brought forward the expected commencement of the programme to 2029. Through additional contractual support provided by the network partner, together with the Group's plans to accelerate the natural replacement of 2G units, the anticipated impact of the 2G network sunset in 2029 is expected to be minimised.

### **Sustainability and Environmental, Social, and Governance ("ESG") matters**

The Board is aware that investors are increasingly applying non-financial factors, such as ESG matters, as part of their analysis process to identify material risks and growth opportunities. Being part of an ethical, purpose driven business increasingly matters more to our people, our shareholders and our business partners.

Software companies such as Quartix have a central role in the transition to a low carbon economy and a more sustainable future. The Board believes the Group's use of carbon energy is largely offset by the savings that we achieve for our customers in reduced fuel consumption and other efficiencies in vehicle fleet management.

In 2022 Quartix was granted the London Stock Exchange's "Green Economy Mark", which champions pioneering

London-listed companies driving growth in the global green economy. To qualify, companies must generate at least 50% of their total annual revenue from products and services that significantly contribute towards the transition to a low carbon economy. The Mark was received due to analytics from an external consultancy firm and evidence from our customers, that fleet vehicle tracking and analytics changes driver behaviour and results in a reduction of 10-25% in fuel consumption.

### Capacity for future growth

Quartix is well-positioned for substantial profitable growth in its fleet business. The Group plans to capitalize on this opportunity by making strategic investments in sales channels throughout 2026 and beyond.

Management believes that significant portions of its existing addressable markets remain untapped, presenting ample opportunity for expansion. Simultaneously, Quartix aims to capture market share from competitors in more mature markets.

To drive growth, the Group will focus on two key strategies:

- Implementing data-driven optimization across the sales and marketing funnel
- Executing automation and simplification initiatives across business processes

These targeted investments in sales channels are expected to continue to yield positive results in 2026, with anticipated increases in both new fleet unit installations and the value of the annualized subscription base. This approach aligns with Quartix's commitment to sustainable growth and market leadership in the vehicle telematics industry

### Andrew Walters

Executive Chairman

## Strategic Report: Financial Review

### Financial Overview

Year ended 31 December  
£'000 (except where stated)

|                                                     | 2025          | Restated<br>2024 | % change |
|-----------------------------------------------------|---------------|------------------|----------|
| Revenue                                             | <b>35,707</b> | 31,808           | 12       |
| Gross profit                                        | <b>26,128</b> | 22,773           | 15       |
| Gross margin                                        | <b>73.2%</b>  | 71.6%            |          |
| Operating profit                                    | <b>8,680</b>  | 6,482            | 34       |
| Operating margin                                    | <b>24.3%</b>  | 20.4%            |          |
| EBITDA (Note 3)                                     | <b>13,160</b> | 10,695           | 23       |
| EBITDA Margin                                       | <b>36.9%</b>  | 33.6%            |          |
| Adjusted EBIT (note 4)                              | <b>8,755</b>  | 6,362            | 38       |
| Profit for the year                                 | <b>6,381</b>  | 5,118            | 25       |
| Earnings per share                                  | <b>13.18</b>  | 10.58            | 25       |
| Diluted earnings per share                          | <b>13.17</b>  | 10.51            | 25       |
| Cash generated from operations                      | <b>12,587</b> | 10,279           | 23       |
| EBITDA conversion to cash generated from operations | <b>104.6%</b> | 104.0%           |          |
| Free cash flow (excluding acquisition)              | <b>5,170</b>  | 2,569            | 101      |

### Revenue

Revenue increased by 12% to £35.7m (2024: £31.8m). Group revenue that originates from territories outside the UK totals 44%, exposing this portion to currency fluctuations against the GBP. Revenue growth at a constant currency, in the year was 12%.

### Gross margin

Gross margins have increased year-on-year from 71.6% in 2024 to 73.2% in 2025. The Group achieved a further reduction in the cost to manufacture its 4G-compatible tracking systems with the TCSV 17 tracking system being released into production in the second half of 2025. This - coupled with revenue growing at a faster rate than cost of sales, has contributed to the increase in gross margin year on year.

## Overheads

Sales & marketing investment increased by 17% to £8.3m (2024: £7.1m). Following the cost optimisation initiatives undertaken in 2024, as outlined in the Interim Statement on 24 July 2025, the Group completed a reorganisation programme during the first half of the year to accelerate development of its core telematics platform. The reorganisation programme in the first half of 2025 resulted in costs of £0.4m which were expensed as incurred. Following the recruitment of three new members of the front-end development team, the restructuring is expected to deliver annualised savings of approximately £0.4m. Despite the impact of these non-recurring costs, administrative expenses remained well-controlled, reducing to £9.1m (2024: £9.3m).

## Taxation

The Group's effective tax rate was affected by the change in accounting policy, with a rate in the restated 2024 comparative period of 20.7% which increased to 26.4% in 2025. For the 2024 financial period, the UK corporation tax return is being refiled to reflect the capital allowances now claimable. Under the full expensing relief currently available, all qualifying additions in that year are eligible for immediate tax deduction. The Group has voluntarily disclosed this change in accounting policy to HMRC to ensure that any impact on prior-year claims is appropriately accounted for.

The underlying effective tax rate, excluding prior year adjustments, was 22.9% in 2025 (2024: 20.0%). The Group's effective tax rate benefits from accelerated capital allowances, R&D credit tax relief and utilisation of losses in the USA.

## Statement of financial position

Property, plant and equipment, increased to £17.0m (2024: £15.5m) following the change in accounting policy to recognise the tracking systems and associated costs under IAS 16: Property, plant and equipment.

Contract cost assets (as restated) increased to £1.9m (2024: £1.7m). Cash increased to £5.6m (2024: £3.1m). Trade and other receivables increased to £4.6m (2024: £4.1m), which correlates to growth in revenue. Trade and other payables decreased to £3.9m (2024: £4.0m).

Contract liabilities represent customer income invoiced in advance of satisfying performance obligations, which are expected to be recognised as revenue in future years. These increased to £4.2m in 2025 (2024: £3.8m).

## Cash flow

Cash generated from operations before tax was £12.6m (2024: £10.3m). Tax paid in 2025 was higher at £2.1m (2024: £1.3m) following the change in profile of payments in account, resulting in a £700k payment in December 2025 for the 2025 financial year. As a result, under the new accounting policy, cash flow from operating activities after taxation but before capital expenditure was £10.5m (2024: £9.0m).

Free cash flow (cash flow from operating activities and after investing activities) was £5.2m (2024: £2.6m). Included in the cash outflows in 2024 were the balancing payment to Konetik shareholders under the share purchase agreement of £0.2m and £0.4m of Konetik operating costs. The translation of cash flow into dividends is covered in the Chairman's Statement.

## Risk Management policies

The principal risks and uncertainties of the Group are as follows:

### Attracting and retaining the right number of good quality staff

The Group believes that in order to safeguard the future of the business it needs to recruit, develop and retain the next generation of staff. The impact of not mitigating this risk is that the Group ceases to be innovative and provide customers with the vehicle telematics services they require. Considerable focus has been given to recruitment, development and retention - in 2025 the Group conducted a review of the technical and business systems teams and identified a need to reorganise the teams which resulted in some redundancies but also allowed the opportunity to recruit a new front end development team with a focussed skill set on UI development. The Group has a range of tailored incentive schemes to help recruit, motivate and retain top quality staff, which include the use of share options.

### Reliance on Mobile To Mobile ("M2M") network

The Group's service delivery is dependent on a functioning M2M network covering both the internet and mobile data. The impact of not mitigating this risk is that the Group is exposed to an M2M outage. Quartix has dual site

redundancy to cover a localised internet problem and we are constantly working on improving the reliability of our systems architecture.

Management recognises the risk that the progressive shutdown of 2G mobile networks in the UK and continental Europe could disrupt service to customers using legacy 2G devices. In France, formal announcements have been made by network operators confirming the withdrawal of 2G services by the end of 2026, and the Group has responded by implementing a proactive programme to replace 2G units from 1 January 2024, thereby minimising disruption to customers and avoiding concentrated operational or financial impacts close to the shutdown dates.

In the UK, the Group's principal network provider has now communicated its intention to begin switching off 2G services from May 2029, within the broader industry commitment to retire 2G networks by 2033. Quartix is mitigating this risk by prioritising the installation of 4G capable or multi network roaming solutions in all new deployments and by progressively replacing 2G units through service interventions and natural customer churn, which reduces exposure in advance of the planned shutdown.

Management will continue to monitor announcements from network operators across the rest of continental Europe and will adapt its migration and customer communication strategies as necessary, with the objective of ensuring continuity of service and limiting any adverse operational or financial effects arising from the transition away from 2G technology.

### **Business Disruption**

Like any business, the Group is subject to the risk of business disruption, including failures or interruptions in communications infrastructure, physical disruption to our sites and issues affecting key suppliers. If not appropriately mitigated, such events could impair the Group's ability to provide services to its customers. The Group maintains a Business Continuity Plan and business interruption insurance which cover certain events, and these are reviewed periodically to help mitigate these risks.

The Group manages and supports its EU customers centrally from its offices in the UK. Current post BREXIT trading and data adequacy arrangements have not required the relocation of core operations into the EU, though the existing French company remains important to the logistics of moving goods between France and customers in the EU.

The frequent changes in US tariffs during the year, together with broader geopolitical tensions, could lead to more volatile global prices and trade disruptions, with a corresponding impact on global supply chains. In 2025, in order to reduce the tariffs payable by Quartix on tracking systems, elements of the manufacturing and assembly process were moved to the UK meaning that the country of origin for all tracking systems going forwards is the UK rather than China. Dashcams, which are sourced as a third party manufactured product with only minimal final assembly undertaken in the UK, continue to be classified as made in China and are therefore subject to higher tariffs. The risk of component shipment delays arising from tariffs or geopolitical developments is mitigated through appropriate stockholding at the Group's third party manufacturing warehouse in China.

Ongoing geopolitical instability, including the conflict in the Middle East and associated pressures on global energy and freight markets, has not to date had a direct or material impact on the Group's operations, supply chain or demand for its services. Notwithstanding this, the Group has increased its inventory of key components following the year end in order to reduce the risk of having to absorb significant short term cost increases of component parts used in its hardware products. The Board is confident that the Group would be able to absorb higher input costs for a temporary period without a material effect on its results.

Elevated inflation and higher interest rates may put pressure on profit margins and cash flows across the wider economy, particularly for businesses reliant on debt or refinancing. The Group has no external debt but recognises that these conditions may adversely affect its customers and, in turn, their ability to meet payment obligations. The Group continues to review and strengthen its credit control and collection processes, including the use of a third party debt collection partner operating across all territories once receivables exceed 45 days overdue, in order to mitigate the risk of non collection.

### **Cyber Security and Information Resilience**

The Group relies on the secure operation of its systems and the protection of its data to serve customers and safeguard its commercial position. A significant cyber incident, including ransomware or unauthorised access through third parties, could disrupt operations and damage reputation. Cyber risk is therefore treated as a standing business risk rather than solely an IT matter.

The Group maintains formal information security policies covering access control, system security, change management, data protection and incident response. Security risks are reviewed regularly by senior management, and independent external specialists are engaged to perform penetration testing and targeted security assessments. Findings are tracked and addressed through agreed remediation plans.

Access to systems is controlled and monitored, internet-facing services are subject to review, and vulnerabilities are managed through patching and configuration controls. The Group maintains backup and recovery arrangements designed to restore critical services in the event of disruption. Procedures are in place to respond to and manage security incidents, including escalation to senior management and engagement of specialist advisers where required.

The Group also recognises the risks associated with suppliers and partners and applies appropriate oversight where third parties have access to systems or data.

Cyber threats continue to evolve, and the Group keeps its arrangements under regular review to ensure they remain appropriate to the scale and nature of the business. While no system can be made entirely immune from attack, the Directors consider that the Group has reasonable and proportionate measures in place to manage cyber risk.

### Technology

Technology risks are perceived to arise from possible substitutes for the current Quartix product. Risks cited include everything from smart mobile phones and their applications to driverless cars. The Group strategy is to review all new technical developments with the aim of adopting any which will provide a better channel for the information services which Quartix provides.

**Andy Walters**  
Executive Chairman

### Consolidated Statement of Comprehensive Income

| Year ended 31 December                                                                                | Notes | 2025<br>£'000  | Restated<br>2024<br>£'000 |
|-------------------------------------------------------------------------------------------------------|-------|----------------|---------------------------|
| <b>Revenue</b>                                                                                        | 2     | <b>35,707</b>  | 31,808                    |
| Cost of sales                                                                                         |       | <b>(9,579)</b> | (9,035)                   |
| <b>Gross profit</b>                                                                                   |       | <b>26,128</b>  | 22,773                    |
| Sales & marketing expenses                                                                            |       | <b>(8,300)</b> | (7,106)                   |
| Administrative expenses                                                                               |       | <b>(9,148)</b> | (9,258)                   |
| Fair value gain                                                                                       |       | -              | 73                        |
| <b>Operating profit</b>                                                                               |       | <b>8,680</b>   | 6,482                     |
| Finance income receivable                                                                             |       | <b>15</b>      | 2                         |
| Finance costs payable                                                                                 |       | <b>(28)</b>    | (26)                      |
| <b>Profit for the year before taxation</b>                                                            |       | <b>8,667</b>   | 6,458                     |
| Tax expense                                                                                           |       | <b>(2,286)</b> | (1,340)                   |
| <b>Profit for the year</b>                                                                            |       | <b>6,381</b>   | 5,118                     |
| <b>Other Comprehensive income:</b>                                                                    |       |                |                           |
| Items that may be reclassified subsequently to profit or loss:                                        |       |                |                           |
| Exchange difference on translating foreign operations                                                 |       | <b>271</b>     | (152)                     |
| <b>Other comprehensive income for the year, net of tax</b>                                            |       | <b>271</b>     | (152)                     |
| <b>Total comprehensive income attributable to the equity shareholders of Quartix Technologies plc</b> |       | <b>6,652</b>   | 4,966                     |
| <b>Earnings per ordinary share (pence)</b>                                                            | 5     |                |                           |
| Basic                                                                                                 |       | <b>13.18</b>   | 10.58                     |
| Diluted                                                                                               |       | <b>13.17</b>   | 10.51                     |

## Consolidated Statement of Financial Position

|                                                                                     | Notes | 31 Dec<br>2025<br>£'000 | Restated<br>31 Dec<br>2024<br>£'000 | Restated<br>1 Jan 2024<br>£'000 |
|-------------------------------------------------------------------------------------|-------|-------------------------|-------------------------------------|---------------------------------|
| <b>Non-current assets</b>                                                           |       |                         |                                     |                                 |
| Goodwill                                                                            |       | 14,029                  | 14,029                              | 14,029                          |
| Property, plant and equipment                                                       |       | 17,027                  | 15,466                              | 13,407                          |
| Deferred tax assets                                                                 |       | -                       | -                                   | 1,319                           |
| Contract cost assets                                                                |       | 428                     | 382                                 | 244                             |
| <b>Total non-current assets</b>                                                     |       | <b>31,484</b>           | <b>29,877</b>                       | <b>28,999</b>                   |
| <b>Current assets</b>                                                               |       |                         |                                     |                                 |
| Inventories                                                                         |       | 25                      | 25                                  | 26                              |
| Contract cost assets                                                                |       | 1,477                   | 1,353                               | 1,091                           |
| Trade and other receivables                                                         |       | 4,595                   | 4,115                               | 4,186                           |
| Cash and cash equivalents                                                           |       | 5,567                   | 3,101                               | 2,380                           |
| <b>Total current assets</b>                                                         |       | <b>11,664</b>           | <b>8,594</b>                        | <b>7,683</b>                    |
| <b>Total assets</b>                                                                 |       | <b>43,148</b>           | <b>38,471</b>                       | <b>36,682</b>                   |
| <b>Current liabilities</b>                                                          |       |                         |                                     |                                 |
| Trade and other payables                                                            |       | 3,949                   | 4,029                               | 3,955                           |
| Provisions                                                                          |       | 21                      | 66                                  | 469                             |
| Contract liabilities                                                                |       | 4,174                   | 3,782                               | 3,679                           |
| Current tax liabilities                                                             |       | 679                     | 1,026                               | 2,688                           |
|                                                                                     |       | <b>8,823</b>            | <b>8,903</b>                        | <b>10,791</b>                   |
| <b>Non-current liabilities</b>                                                      |       |                         |                                     |                                 |
| Lease liabilities                                                                   |       | 505                     | 411                                 | 520                             |
| Deferred tax liabilities                                                            |       | 921                     | 320                                 | -                               |
|                                                                                     |       | <b>1,426</b>            | <b>731</b>                          | <b>520</b>                      |
| <b>Total liabilities</b>                                                            |       | <b>10,249</b>           | <b>9,634</b>                        | <b>11,311</b>                   |
| <b>Net assets</b>                                                                   |       | <b>32,899</b>           | <b>28,837</b>                       | <b>25,371</b>                   |
| <b>Equity</b>                                                                       |       |                         |                                     |                                 |
| Share capital                                                                       | 7     | 484                     | 484                                 | 484                             |
| Share premium account                                                               | 7     | 6,332                   | 6,332                               | 6,332                           |
| Equity reserve                                                                      |       | 143                     | 163                                 | 392                             |
| Capital redemption reserve                                                          |       | 4,663                   | 4,663                               | 4,663                           |
| Translation reserve                                                                 |       | (174)                   | (445)                               | (293)                           |
| Retained earnings                                                                   |       | 21,451                  | 17,640                              | 13,793                          |
| <b>Total equity attributable to equity shareholders of Quartix Technologies plc</b> |       | <b>32,899</b>           | <b>28,837</b>                       | <b>25,371</b>                   |

## Consolidated Statement of Changes in Equity

|                                                                        | Share capital<br>£'000 | Share premium account<br>£,000 | Capital redemption reserve<br>£'000 | Equity reserve<br>£'000 | Translation reserve<br>£'000 | Retained earnings<br>£'000 | Total equity<br>£'000 |
|------------------------------------------------------------------------|------------------------|--------------------------------|-------------------------------------|-------------------------|------------------------------|----------------------------|-----------------------|
| <b>Balance at 31 December 2023</b>                                     | <b>484</b>             | <b>6,332</b>                   | <b>4,663</b>                        | <b>392</b>              | <b>(295)</b>                 | <b>4,773</b>               | <b>16,349</b>         |
| Adjustment                                                             | -                      | -                              | -                                   | -                       | 2                            | 9,020                      | 9,022                 |
| <b>Restated balance</b>                                                | <b>484</b>             | <b>6,332</b>                   | <b>4,663</b>                        | <b>392</b>              | <b>(293)</b>                 | <b>13,793</b>              | <b>25,371</b>         |
| Shares issued                                                          | -                      | -                              | -                                   | -                       | -                            | -                          | -                     |
| Increase in equity reserve in relation to options issued and cancelled | -                      | -                              | -                                   | (113)                   | -                            | 65                         | (48)                  |
| Recycle of equity reserve to P&L                                       | -                      | -                              | -                                   | (116)                   | -                            | 116                        | -                     |
| Dividend paid                                                          | -                      | -                              | -                                   | -                       | -                            | (1,452)                    | (1,452)               |
| <b>Transactions with owners</b>                                        | <b>-</b>               | <b>-</b>                       | <b>-</b>                            | <b>(229)</b>            | <b>-</b>                     | <b>(1,271)</b>             | <b>(1,500)</b>        |
| Foreign currency translation differences                               | -                      | -                              | -                                   | -                       | (152)                        | -                          | (152)                 |
| Restated Profit for the year                                           | -                      | -                              | -                                   | -                       | -                            | 5,118                      | 5,118                 |
| <b>Restated Total comprehensive income</b>                             | <b>-</b>               | <b>-</b>                       | <b>-</b>                            | <b>-</b>                | <b>(152)</b>                 | <b>5,118</b>               | <b>4,966</b>          |

|                                                                        |            |              |              |             |              |                |                |
|------------------------------------------------------------------------|------------|--------------|--------------|-------------|--------------|----------------|----------------|
| <b>Restated Balance at 31 December 2024</b>                            | <b>484</b> | <b>6,332</b> | <b>4,663</b> | <b>163</b>  | <b>(445)</b> | <b>17,640</b>  | <b>28,837</b>  |
| Shares issued                                                          | -          | -            | -            | -           | -            | -              | -              |
| Increase in equity reserve in relation to options issued and cancelled | -          | -            | -            | 74          | -            | -              | 74             |
| Recycle of equity reserve to P&L                                       | -          | -            | -            | (94)        | -            | 94             | -              |
| Dividend paid                                                          | -          | -            | -            | -           | -            | (2,664)        | (2,664)        |
| <b>Transactions with owners</b>                                        | <b>-</b>   | <b>-</b>     | <b>-</b>     | <b>(20)</b> | <b>-</b>     | <b>(2,570)</b> | <b>(2,590)</b> |
| Foreign currency translation differences                               | -          | -            | -            | -           | 271          | -              | 271            |
| Profit for the year                                                    | -          | -            | -            | -           | -            | 6,381          | 6,381          |
| <b>Total comprehensive income</b>                                      | <b>-</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>    | <b>271</b>   | <b>6,381</b>   | <b>6,652</b>   |
| <b>Balance at 31 December 2025</b>                                     | <b>484</b> | <b>6,332</b> | <b>4,663</b> | <b>143</b>  | <b>(174)</b> | <b>21,451</b>  | <b>32,899</b>  |

## Consolidated Statement of Cash Flows

|                                                                                 | Notes | 2025<br>£'000  | Restated<br>2024<br>£'000 |
|---------------------------------------------------------------------------------|-------|----------------|---------------------------|
| <b>Cash generated from operations</b>                                           | 6     | <b>12,587</b>  | 10,279                    |
| Taxes paid                                                                      |       | <b>(2,082)</b> | (1,326)                   |
| Cash flow from operating activities                                             |       | <b>10,505</b>  | 8,953                     |
| <b>Investing activities</b>                                                     |       |                |                           |
| Additions to property, plant and equipment                                      |       | <b>(6,034)</b> | (6,804)                   |
| Proceeds from disposal of assets                                                |       | <b>684</b>     | 594                       |
| Interest received                                                               |       | <b>15</b>      | 2                         |
| Acquisition of subsidiary, net of cash acquired                                 |       | <b>0</b>       | (176)                     |
| Cash flow used in investing activities                                          |       | <b>(5,335)</b> | (6,384)                   |
| Cash flow from operating activities after investing activities (free cash flow) |       | <b>5,170</b>   | 2,569                     |
| <b>Financing activities</b>                                                     |       |                |                           |
| Repayment of lease liabilities                                                  |       | <b>(213)</b>   | (166)                     |
| Proceeds from share issues                                                      |       | <b>-</b>       | -                         |
| Dividend paid                                                                   |       | <b>(2,664)</b> | (1,452)                   |
| Cash flow used in financing activities                                          |       | <b>(2,877)</b> | (1,618)                   |
| Net changes in cash and cash equivalents                                        |       | <b>2,293</b>   | 951                       |
| Cash and cash equivalents, beginning of year                                    |       | <b>3,101</b>   | 2,380                     |
| Exchange differences on cash and cash equivalents                               |       | <b>173</b>     | (230)                     |
| Cash and cash equivalents, end of year                                          |       | <b>5,567</b>   | 3,101                     |

## Notes to the Accounts

### 1 Basis of preparation

The results have been extracted from the audited financial statements of the Group for the year ended 31 December 2025. The results do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Whilst the financial information included in this announcement has been computed in accordance with UK-adopted International Financial Reporting Standards ('IFRS') and with the requirements of the Companies Act 2006 applicable to companies reporting under those standards, this announcement does not of itself contain sufficient information to comply with UK-adopted IFRS. The Group will publish full financial statements that comply with UK-adopted IFRS. The audited financial statements incorporate an unqualified audit report.

#### IAS 16 Property, Plant and equipment

The group has transitioned its accounting policy regarding the treatment of equipment, installation and carriage costs to align with IAS 16. Prior to this, the group accounted for these costs under *IFRS 15 Incremental costs of obtaining a contract*, which recognised the incremental costs over their expected contract term. As a consequence of this policy change, the financial statements have been restated at 1 January 2024. Further information on the impact of the change in policy is disclosed in note 9.

Statutory accounts for the year ended 31 December 2024, which incorporated an unqualified auditor's report, have been filed with the Registrar of Companies. The Auditor's report on these accounts did not draw attention to any matters by way of emphasis and did not contain statements under S498(2) or (3) Companies Act 2006. With the exception of change in accounting policy as explained in note 9, The accounting policies applied are consistent with those described in the Annual Report & Accounts for the year ended 31 December 2024.

The basis of preparation and summary of significant accounting policies applicable to the consolidated financial

statements of Quartix Technologies plc can be found in note 1 of the Annual Report and Financial Statements, available from the Group's website.

## 2 Revenue

The Group's revenue disaggregated by primary geographical markets is as follows:

|                            | 2025<br>£'000 | Restated<br>2024<br>£'000 |
|----------------------------|---------------|---------------------------|
| United Kingdom             | 19,899        | 18,416                    |
| France                     | 9,217         | 7,861                     |
| Other European Territories | 3,335         | 2,359                     |
| United States of America   | 3,256         | 3,172                     |
|                            | <u>35,707</u> | <u>31,808</u>             |

As a result of the change in accounting policy as detailed in note 9, the Group's PPE disaggregated by primary geographical markets is as follows:

|                          | 2025<br>£'000 | 2024<br>£'000 |
|--------------------------|---------------|---------------|
| United Kingdom           | 9,022         | 8,171         |
| Mainland Europe          | 6,629         | 5,574         |
| United States of America | 1,376         | 1,721         |
|                          | <u>17,027</u> | <u>15,466</u> |

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

|                                          | 2025<br>£'000 | Restated<br>2024<br>£'000 |
|------------------------------------------|---------------|---------------------------|
| Goods and services transferred over time | 34,391        | 30,530                    |
| Revenue recognised at a point in time    | 1,316         | 1,278                     |
|                                          | <u>35,707</u> | <u>31,808</u>             |

Goods and services transferred over time represent 96.3% of total revenue (2024: 96.1%).

For 2025, revenue includes £3.7m (2024: £3.6m) included in the contract liability balance at the beginning of the period. Changes to the Group's contract liabilities (i.e. deferred revenue) are attributable solely to the satisfaction of performance obligations.

## 3 Earnings before interest, tax, depreciation and amortisation (EBITDA):

|                                                                 | 2025<br>£'000 | Restated<br>2024<br>£'000 |
|-----------------------------------------------------------------|---------------|---------------------------|
| Operating profit                                                | 8,680         | 6,482                     |
| Depreciation on property, plant and equipment, owned            | 38            | 47                        |
| Depreciation on property, plant and equipment, right of use     | 185           | 147                       |
| Depreciation on property, plant and equipment, owned appliances | 3,060         | 2,639                     |
| Impairment of property, plant & equipment, owned appliances     | (42)          | 296                       |
| Loss on disposal of plant and equipment                         | 1,239         | 1,084                     |
| EBITDA                                                          | <u>13,160</u> | <u>10,695</u>             |

## 4 Adjusted earnings before interest and tax (Adj EBIT)

Adjusted Earnings before interest and tax (Adj EBIT):

|                                                                 | 2025<br>£'000 | Restated<br>2024<br>£'000 |
|-----------------------------------------------------------------|---------------|---------------------------|
| EBITDA                                                          | 13,160        | 10,695                    |
| Share-based payment expense (incl. cash-settled)                | 75            | (47)                      |
| Fair value gain on re-estimate of future earn out payments      | -             | (73)                      |
| Depreciation on property, plant and equipment, owned            | (38)          | (47)                      |
| Depreciation on property, plant and equipment, right of use     | (185)         | (147)                     |
| Depreciation on property, plant and equipment, owned appliances | (3,060)       | (2,639)                   |
| Impairment of property, plant & equipment, owned appliances     | 42            | (296)                     |
| Loss on disposal of plant and equipment                         | (1,239)       | (1,084)                   |
| Adjusted EBIT                                                   | <u>8,755</u>  | <u>6,362</u>              |

## 5 Earnings per share

The calculation of the basic earnings per share is based on the profits attributable to the shareholders of Quartix Technologies plc divided by the weighted average number of shares in issue during the year. All earnings per share

calculations relate to continuing operations of the Group.

|                                         | Profits/(Loss)<br>attributable to<br>shareholders<br>£'000 | Weighted<br>average<br>number of<br>shares | Basic<br>profit per<br>share<br>amount<br>in pence | Fully<br>diluted<br>weighted<br>average<br>number of<br>shares | Diluted<br>earnings<br>per share<br>amount in<br>pence |
|-----------------------------------------|------------------------------------------------------------|--------------------------------------------|----------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------|
| <b>Earnings per ordinary share</b>      |                                                            |                                            |                                                    |                                                                |                                                        |
| Year ended 31 December<br>2025          | 6,381                                                      | 48,420,583                                 | 13.18                                              | 48,433,474                                                     | 13.17                                                  |
| Restated Year ended 31<br>December 2024 | 5,118                                                      | 48,392,178                                 | 10.58                                              | 48,708,067                                                     | 10.51                                                  |

For diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume the conversion of all dilutive potential ordinary shares. Dilutive potential ordinary shares are those share options where the exercise price is less than the average market price of the Company's ordinary shares during that year.

## 6 Notes to the cash flow statement

### Cash flow adjustments and changes in working capital

|                                                               | 2025<br>£'000 | Restated<br>2024<br>£'000 |
|---------------------------------------------------------------|---------------|---------------------------|
| <b>Profit before tax</b>                                      | <b>8,667</b>  | 6,458                     |
| Foreign exchange                                              | (278)         | 213                       |
| Depreciation & impairment on PPE                              | 3,241         | 3,129                     |
| Loss on disposal                                              | 1,239         | 1,084                     |
| Interest income                                               | (15)          | (2)                       |
| Lease interest expense                                        | 28            | 26                        |
| Share based payment expense                                   | 75            | (47)                      |
| Impairment                                                    | -             | (204)                     |
| <b>Operating cash flow before movement in working capital</b> | <b>12,957</b> | 10,657                    |
| (Increase)/decrease in trade and other receivables            | (428)         | 12                        |
| (Increase)/decrease in contract cost assets                   | (131)         | (429)                     |
| (Increase)/decrease in inventories                            | -             | 1,386                     |
| (Decrease)/increase in trade and other payables               | (149)         | (1,495)                   |
| (Decrease)/increase in contract liabilities                   | 338           | 148                       |
| <b>Cash generated from operations</b>                         | <b>12,587</b> | 10,279                    |

## 7 Equity

|                                           | Number of<br>ordinary<br>shares of<br>£0.01 each | Share<br>capital<br>£'000 | Share<br>premium<br>£'000 |
|-------------------------------------------|--------------------------------------------------|---------------------------|---------------------------|
| <b>Allotted, called up and fully paid</b> |                                                  |                           |                           |
| At 1 January 2025                         | 48,392,178                                       | 484                       | 6,332                     |
| Issued share capital                      | 37,978                                           | -                         | -                         |
| <b>At 31 December 2025</b>                | <b>48,430,156</b>                                | <b>484</b>                | <b>6,332</b>              |

The only shares issued in the year to 31 December 2025 were from staff share option exercises (2024: none).

## 8 Share based payments

The Company has share option schemes for certain employees. Share options are exercisable at prices determined at the date of grant. The vesting periods for the share options range between 5 and 36 months. Options are forfeited if the employee leaves the Group before the options vest.

Movements in the number of equity-settled share options outstanding and their related weighted average exercise prices are as follows:

|                  | 2025 | 2024             |
|------------------|------|------------------|
| Weighted average |      | Weighted average |

|                            | exercise price<br>per share<br>in pence | Options<br>number | exercise price<br>per share<br>in pence | Options<br>number |
|----------------------------|-----------------------------------------|-------------------|-----------------------------------------|-------------------|
| Outstanding at 1 January   | 239.2                                   | 203,666           | 243.0                                   | 671,316           |
| Granted                    | 245.2                                   | 183,650           | 1.0                                     | 37,218            |
| Cancelled                  | -                                       | -                 | 360.0                                   | (74,965)          |
| Expired                    | -                                       | (25,000)          | -                                       | -                 |
| Lapsed                     | 268.8                                   | (38,548)          | 1.0                                     | (323,627)         |
| Forfeited                  | -                                       | -                 | 0.9                                     | (106,276)         |
| Exercised                  | 1.0                                     | (37,978)          | -                                       | -                 |
| Outstanding at 31 December | 262.3                                   | 285,790           | 239.2                                   | 203,666           |
| Exercisable at 31 December | 291.0                                   | 102,900           | 292.5                                   | 166,448           |

The weighted average fair value of equity settled options granted during the year ended 31 December 2025 was 126.4p (2024: 135.1p).

There were 37,978 options exercised in the year ended 31 December 2025 (2024: none exercised).

Further details of share-based payments are given in the Group's audited accounts, which are available at [www.quartix.net/investors/](http://www.quartix.net/investors/)

## 9 Explanation of change in accounting policy relating to IFRS 15

During the year the Group received a letter from the FRC requesting further information in relation to the accounting treatment of the tracking units and associated installation and carriage costs and the presentation of related cash flows for the year ended 31 December 2024.

Since 2022, the Group has recognised equipment costs, installation costs and carriage costs as incremental costs over an average expected contract term, on a systematic basis in line with IFRS 15.

The review conducted by the FRC focused entirely on the Group's 2024 Annual Report and Accounts and was subject to the following inherent limitations as set out in its communication with Quartix on 20 October 2025:

- The FRC review is based on the Groups 2024 Annual Report and Accounts and does not benefit from detailed knowledge of the Groups business or an understanding of the underlying transactions entered into. The review was however conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework;
- Correspondence from the FRC with Quartix provides no assurance that the Group's Annual Report and Accounts are correct in all material aspects;
- The FRC's role is not to verify the information provided but to consider compliance with reporting requirements. Such letters are written on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on them by the Group or any third party, including but not limited to investors and shareholders.

### ***Reclassification of tracking units and dashcams as property, plant and equipment***

Following the FRC review and management's reassessment of the Group's accounting for tracking systems and dashcams, it has been concluded that these items meet the definition of property, plant and equipment under IAS 16 Property, Plant and Equipment. Although customers have physical possession of the devices, the Group retains legal title and the ability to disconnect and reconnect the devices to its telematics services, and therefore retains control of the assets. The devices are used in the supply of telematics services, are expected to be used for more than one period, and may be redeployed between customers.

As a result of this reassessment, tracking systems and dashcams are recognised as property, plant and equipment on initial recognition and remain classified as such until disposal. Directly attributable costs, including installation and carriage costs, form part of the cost of these assets in accordance with IAS 16.

In addition, the replacement provision for units to be provided to customers free of charge as a result of the network upgrade in France, originally recognised in 2023, is eliminated in full with replacement units now recognised as part of Property, Plant and Equipment. Any finance cost recognised to unwind the provision in the 2024 accounting period will therefore be reversed as a prior year adjustment in the tables below.

### ***Change in accounting policy and restatement***

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has applied this change in accounting policy retrospectively in the consolidated financial statements for the year ended 31 December 2025, being the first financial statements authorised for issue after the change. Comparative information has been restated where necessary, and, because the change affects periods prior to the earliest comparative presented, the Group has also restated the opening statement of financial position for the earliest prior period presented.

prior period presented.

Previously, the costs of tracking systems and dashcams (including installation and carriage costs) were recognised as contract cost assets and amortised over the average initial contract term. Under the revised policy, these costs are capitalised within property, plant and equipment and depreciated over the economic life of the devices in accordance with IAS 16.

Where a customer has not purchased the tracking system, Quartix retains legal title to the unit and has a contractual right to charge the customer a 'lost unit' fee if the unit is lost or not returned on termination of services. Under the revised accounting policy, these fees are no longer recognised as revenue but are instead presented as a gain on disposal of property, plant and equipment. This change in presentation resulted in a decrease in revenue of £594k for the year ended 31 December 2024, with a corresponding increase in gains on disposal classified within cost of sales.

In 2026, following completion of the Group reporting process, Quartix intends to refile its 2024 UK corporation tax return together with a voluntary disclosure for earlier years to reflect the revised accounting policy and the related claim for capital allowances on the telematics appliances concerned. As set out in the tables below, the current tax liability as at 1st January 2024 has increased by £1.1m as a result of the uncertain provision in the UK and the tax charge in 2024 reduces by £0.2m - £0.4m reduction relating specifically to Current tax.

Deferred tax asset at 1st January 2024 reduced by £0.9m which is primarily made up of the reversal of the deferred tax asset recognised in 2023 for the 2G replacement provision, which has been eliminated.

As at 1 January 2024, the restatement increased the Group's net assets by £9,022k to £25,371k. The restatement affects all primary statements; however, in the consolidated cash flow statement the impact is limited to a reclassification of cash flows from operating activities to investing activities, with no effect on free cash flow. Further details of the restatements by line item are set out below.

#### The impact of capitalising telematics appliance costs as PPE per IAS 16 on the financial statements:

##### A Consolidated Statement of Financial Position

| 1 January 2024                    | As previously reported |                     | As Restated     |
|-----------------------------------|------------------------|---------------------|-----------------|
|                                   | £'000                  | Adjustments<br>£000 |                 |
| Property, plant and equipment     | 684                    | 12,723              | 13,407          |
| Deferred tax assets               | 1,144                  | (855)               | 289             |
| Contract cost assets <sup>1</sup> | 5,444                  | (4,109)             | 1,335           |
| Stock                             | 1,411                  | (1,385)             | 26              |
| Other assets                      | 20,595                 | -                   | 20,595          |
| <b>Total assets</b>               | <b>29,278</b>          | <b>6,374</b>        | <b>35,652</b>   |
| Current tax liabilities           | (557)                  | (1,101)             | (1,658)         |
| Provisions                        | (4,218)                | 3,749               | (469)           |
| Other liabilities                 | (8,154)                | -                   | (8,154)         |
| <b>Total liabilities</b>          | <b>(12,929)</b>        | <b>2,648</b>        | <b>(10,281)</b> |
| <b>Net Assets</b>                 | <b>16,349</b>          | <b>9,022</b>        | <b>25,371</b>   |
| Retained earnings                 | 4,773                  | 9,020               | 13,793          |
| Translation reserve               | (295)                  | 2                   | (293)           |
| Other                             | 11,871                 | -                   | 11,871          |
| <b>Total Equity</b>               | <b>16,349</b>          | <b>9,022</b>        | <b>25,371</b>   |

<sup>1</sup> As at 31 December 2023, Contract cost assets are restated as current (£1.1m) and non-current (£0.2m)

| 31 December 2024                  | As previously reported |                     | As Restated    |
|-----------------------------------|------------------------|---------------------|----------------|
|                                   | £'000                  | Adjustments<br>£000 |                |
| Property, plant and equipment     | 560                    | 14,906              | 15,466         |
| Deferred tax assets               | 737                    | (737)               | -              |
| Contract cost assets <sup>2</sup> | 6,170                  | (4,435)             | 1,735          |
| Stock                             | 1,732                  | (1,707)             | 25             |
| Other                             | 21,245                 | -                   | 21,245         |
| <b>Total assets</b>               | <b>30,444</b>          | <b>8,027</b>        | <b>38,471</b>  |
| Current tax liabilities           | (369)                  | (657)               | (1,026)        |
| Provisions                        | (2,251)                | 2,185               | (66)           |
| Other                             | (8,222)                | (320)               | (8,542)        |
| <b>Total liabilities</b>          | <b>(10,842)</b>        | <b>1,208</b>        | <b>(9,634)</b> |
| <b>Net Assets</b>                 | <b>19,602</b>          | <b>9,235</b>        | <b>28,837</b>  |

|                     |               |              |               |
|---------------------|---------------|--------------|---------------|
| Retained earnings   | 8,269         | 9,371        | 17,640        |
| Translation reserve | (309)         | (136)        | (445)         |
| Other               | 11,642        | -            | 11,642        |
| <b>Total Equity</b> | <b>19,602</b> | <b>9,235</b> | <b>28,837</b> |

<sup>2</sup> As at 31 December 2024, Contract cost assets are restated as current (£1.3m) and non-current (£0.4m)

## B Consolidated Statement of Comprehensive Income

| For the year ended 31 December 2024         | As                  | Adjustments | As Restated  |
|---------------------------------------------|---------------------|-------------|--------------|
|                                             | previously reported |             |              |
|                                             | £'000               | £000        | £'000        |
| Revenue                                     | 32,402              | (594)       | 31,808       |
| Cost of sales                               | (9,886)             | 851         | (9,035)      |
| Other expenses (including FX variance)      | (16,052)            | (239)       | (16,291)     |
| Operating profit                            | 6,464               | 18          | 6,482        |
| Net finance costs                           | (151)               | 127         | (24)         |
| Tax expense                                 | (1,547)             | 207         | (1,340)      |
| <b>Net profit</b>                           | <b>4,766</b>        | <b>352</b>  | <b>5,118</b> |
| Other comprehensive income                  | (14)                | (138)       | (152)        |
| Total Comprehensive income                  | 4,752               | 214         | 4,966        |
| Earnings per ordinary share (pence)         | 9.85                | 0.73        | 10.58        |
| Diluted earnings per ordinary share (pence) | 9.78                | 0.73        | 10.51        |

## C Consolidated Statement of Cash Flows

| For the year ended 31 December 2024                                                 | As                  | Adjustments  | As Restated   |
|-------------------------------------------------------------------------------------|---------------------|--------------|---------------|
|                                                                                     | previously reported |              |               |
|                                                                                     | £'000               | £000         | £'000         |
| Profit                                                                              | 4,766               | 352          | 5,118         |
| Adjusted for:                                                                       |                     |              |               |
| - tax expense                                                                       | 1,547               | (207)        | 1,340         |
| Profit before tax                                                                   | 6,313               | 145          | 6,458         |
| Foreign exchange                                                                    | 304                 | (91)         | 213           |
| Depreciation                                                                        | 194                 | 2,935        | 3,129         |
| Loss on disposal                                                                    | -                   | 1,084        | 1,084         |
| Other                                                                               | (227)               | -            | (227)         |
| Operating cashflow before working capital                                           | 6,584               | 4,073        | 10,657        |
| Changes in contract cost assets                                                     | (832)               | 403          | (429)         |
| Changes in inventories                                                              | (320)               | 1,706        | 1,386         |
| Other                                                                               | (1,335)             | -            | (1,335)       |
| <b>Cash generated from operations</b>                                               | <b>4,097</b>        | <b>6,182</b> | <b>10,279</b> |
| Taxes paid                                                                          | (1,326)             | -            | (1,326)       |
| Cash flow from operating activities                                                 | 2,771               | 6,182        | 8,953         |
| <b>Investing Activities</b>                                                         |                     |              |               |
| Additions to property, plant and equipment                                          | (28)                | (6,776)      | (6,804)       |
| Proceeds from disposals of assets                                                   | -                   | 594          | 594           |
| Other                                                                               | (174)               | -            | (174)         |
| Cash flow from investing activities                                                 | (202)               | (6,182)      | (6,384)       |
| Cash flow from operating activities and after investing activities (free cash flow) | 2,569               | -            | 2,569         |

Further details of share-based payments are given in the Group's audited accounts, which are available at [www.quartix.net/investors/](http://www.quartix.net/investors/)

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