

Quartix

Real-Time Vehicle Tracking

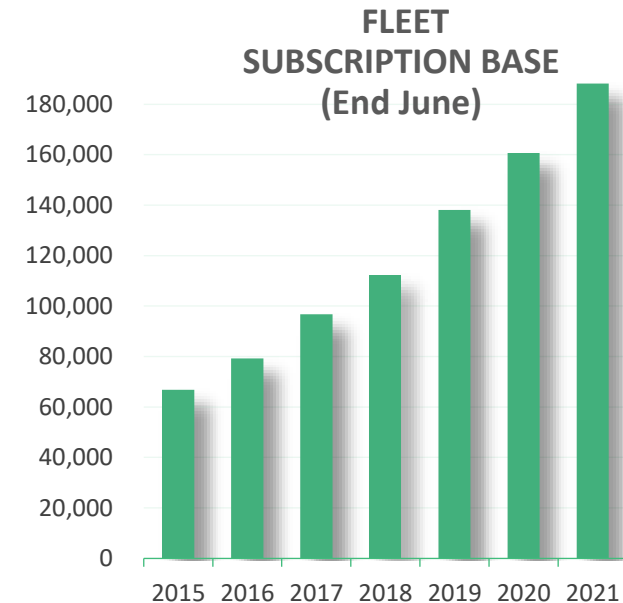
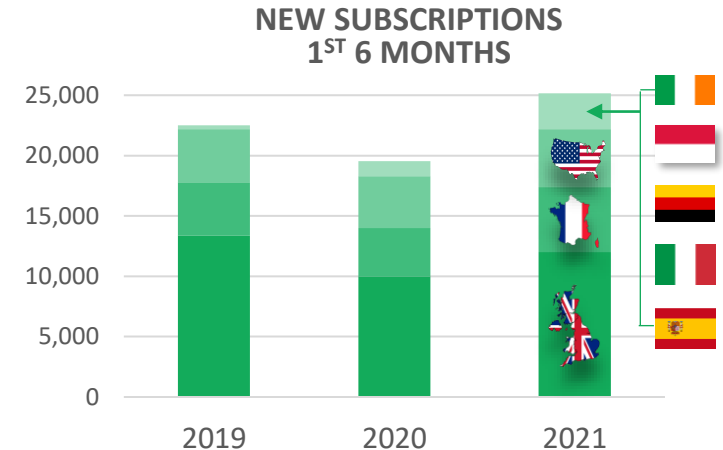


Quartix Technologies plc
Interim Results Presentation

Andy Walters
28 July 2021

A strong start to the year

- Good recovery in all markets resulted in new subscriptions in H1 increasing by 31% to 25,493 units (2020: 19,454)
- Fleet subscription base reached 180,000 vehicles, up by 17% over 12 months, continuing the strong growth trend since IPO in 2014 (CAGR over 6 years = 20%)
- Annualised value of subscription base increased by £1.0m during first 6 months on a constant-currency basis (2020: £0.2m)
- Generated free cash flow of £1.4m, interim dividend of 1.5p
- On track for financial expectations for the year



	H1 2021	H1 2020	Change
Fleet subscriptions (new units)	25,493	19,454	31%
Fleet subscription base ¹ (units)	188,155	173,793	8%
Fleet customer base ¹	20,698	19,039	9%
Fleet attrition (annualised %)	12.3	12.2	
Price erosion (%) ²	6.6	8.0	
Fleet revenue (£'m)	11.6	10.8	7%
Fleet invoiced recurring revenues (£'m)	11.1	10.2	8%
Annualised Recurring Revenue (ARR) (£'m)	23.0	21.5	7% ³
Fleet subscription base growth (£'m) ⁴	1.0	0.2	437%

1: The comparative subscription and customer base figures are at 31December 2020 not 30 June 2020

2: Annual decrease in average subscription price of the base expressed as a percentage of the average subscription price at the start of the period all measured in constant currency.

3: Growth calculated at exchange rates applicable at 30 June 2021 and 2020, respectively

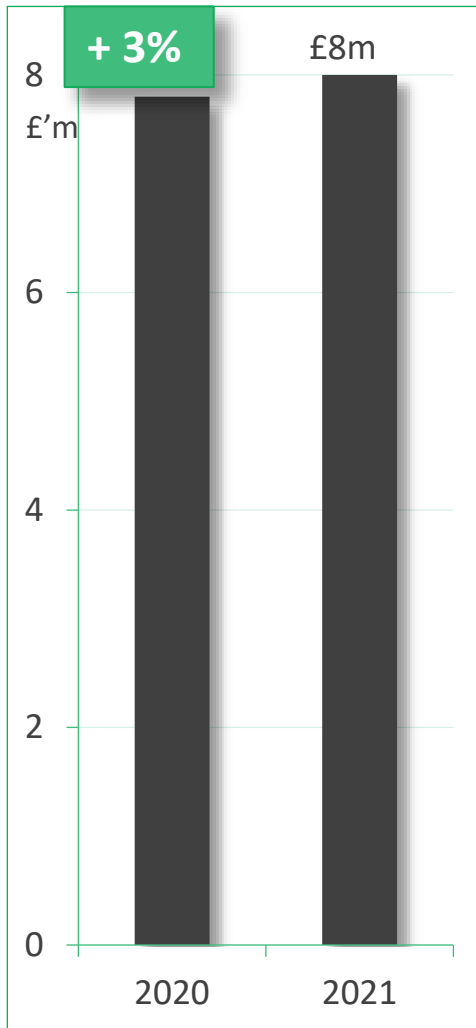
4: At interim results, this represents growth in six months; calculated at constant currency rates

HY Segmental Analysis

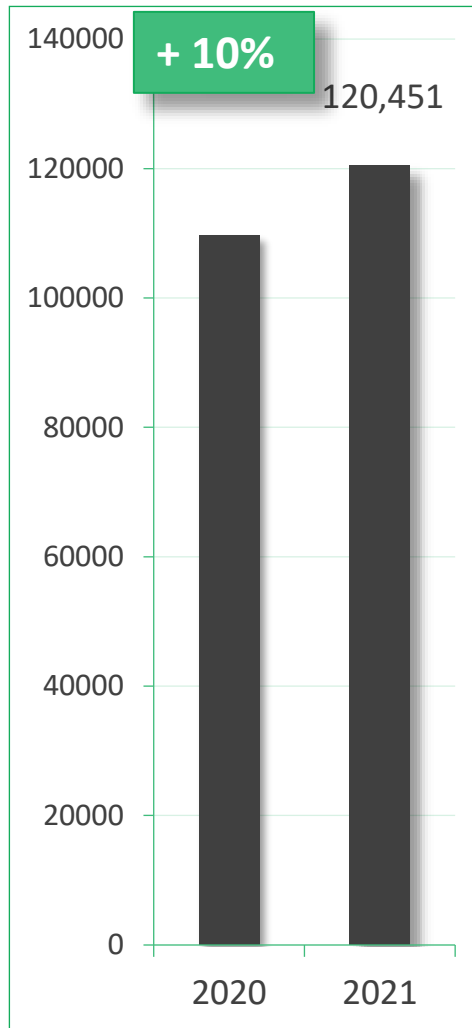
£'m	Customer Acquisition	Fleet Telematics Services	Total Fleet	Insurance	Total Business
Recurring revenue	-	11.1	11.1	-	11.1
Other sales	0.1	0.4	0.5	0.9	1.4
Total revenue	0.1	11.5	11.6	0.9	12.5
Sales & marketing	(3.1)	(0.5)	(3.6)	-	(3.6)
Equipment, installations, carriage	(1.1)	(0.8)	(1.9)	(0.3)	(2.2)
Costs of Service	-	(1.2)	(1.2)	(0.1)	(1.3)
Profit before central fleet costs	(4.1)	9.0	4.9	0.5	5.4
Central fleet costs			(0.5)	-	(0.5)
Segmental profit			4.4	0.5	4.9
Central costs					(2.2)
Adjusted EBITDA					2.7

	H1 2021	H1 2020	Change
Fleet revenue	11,610	10,841	7%
Insurance revenue	883	2,257	-61%
Total revenue	12,493	13,098	-5%
Gross profit	8,632	9,590	-10%
Gross margin	69 %	73 %	
Operating profit	2,052	4,318	-53%
Operating margin	16%	33 %	
Adjusted EBITDA	2,667	4,606	-42%
Earnings per share (p)	3.70	7.52	-51%
Cash generated from operations	1,845	3,698	-50%
% Operating profit	90 %	86 %	

Values stated in £'000s unless otherwise stated.



Revenue

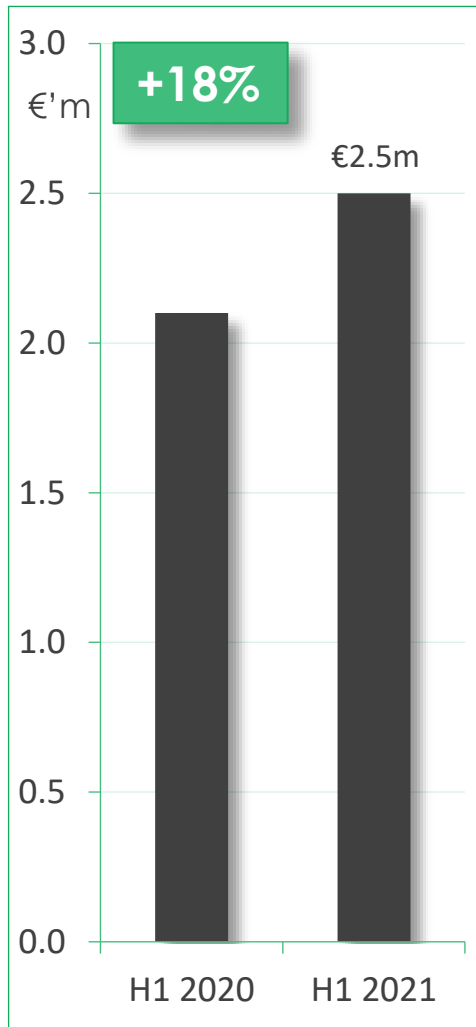


Subscriptions

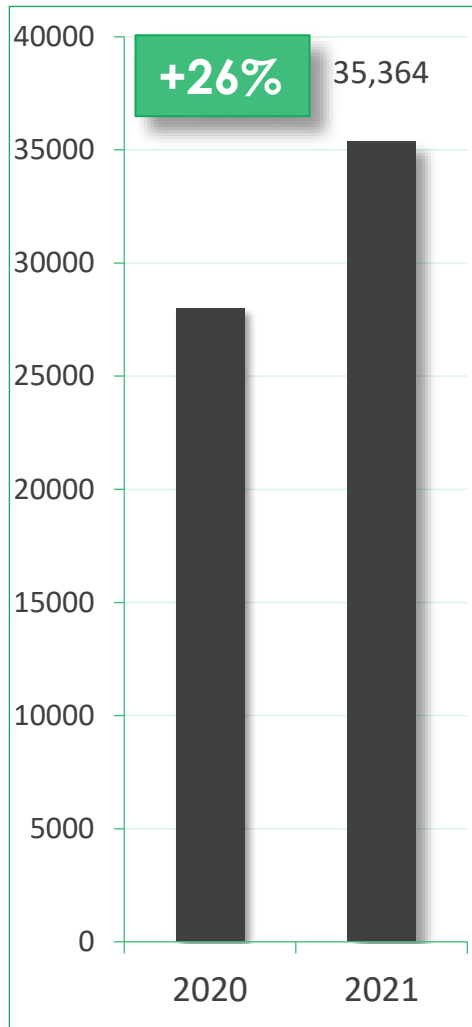


Good prospects for H2 despite the impact of the pandemic.

Sales efficiency improved through new processes and automated reporting of activity and KPIs. Sales capacity expanded with a new field sales team to target larger fleets.



Revenue



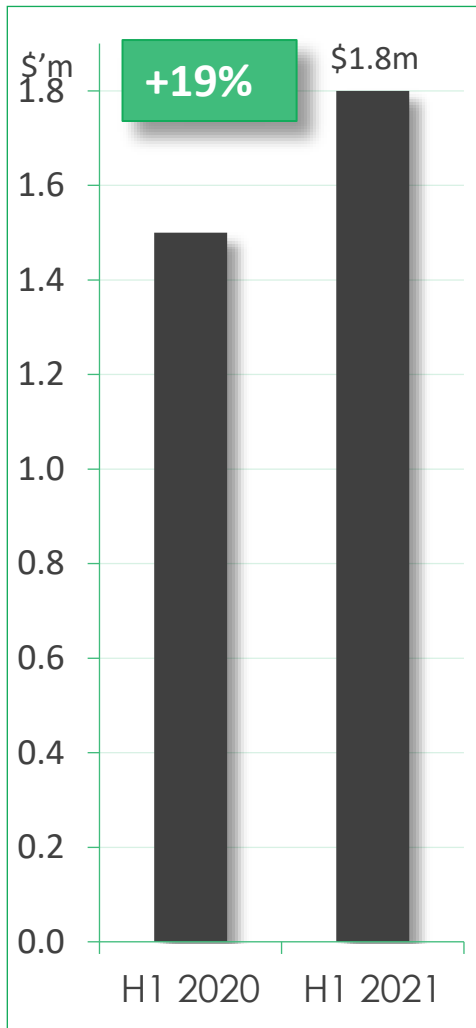
Subscriptions



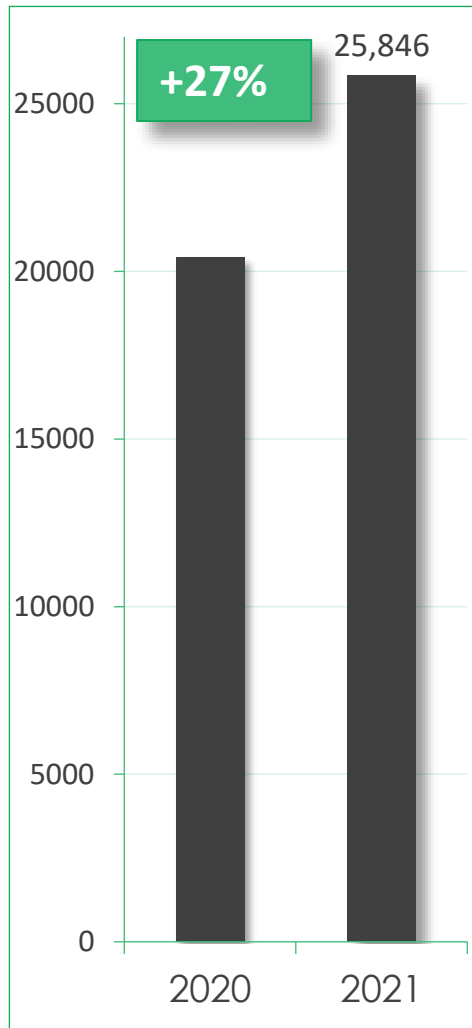
Excellent progress in subscription base and revenue.

New installations increased by 42%, showing a strong recovery.

Recruitment of field sales team well underway for H2.



Revenue



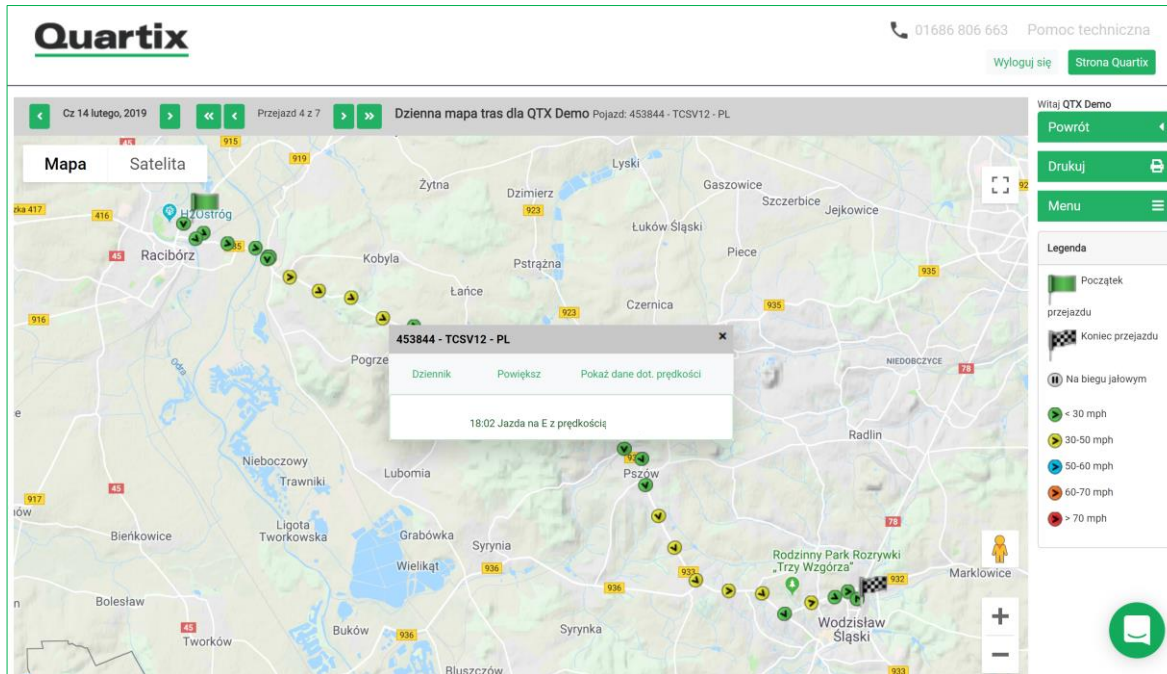
Subscriptions



Excellent progress in the subscription base and at 27% ahead of 2020.

New distribution channels and indirect teams showing promising results.

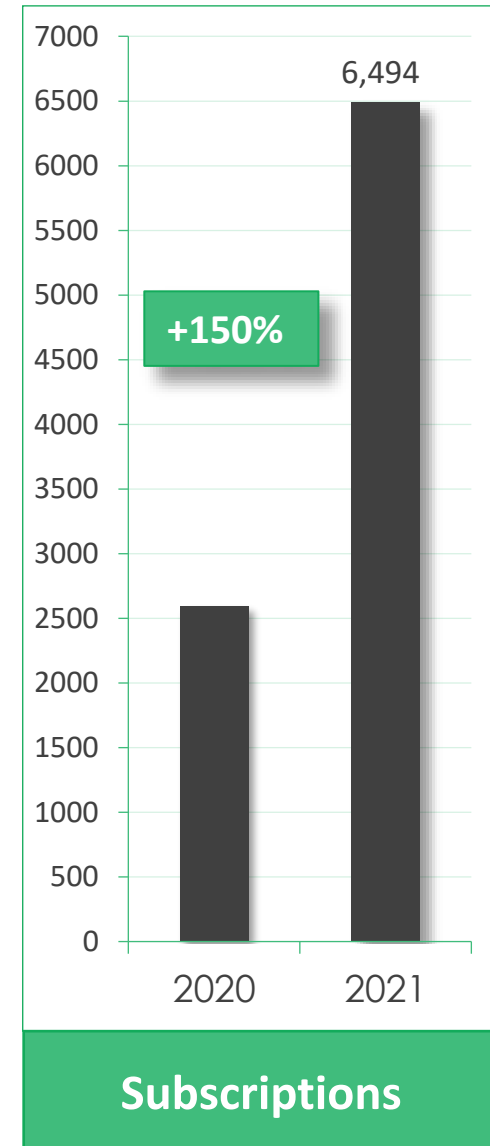
New Territories

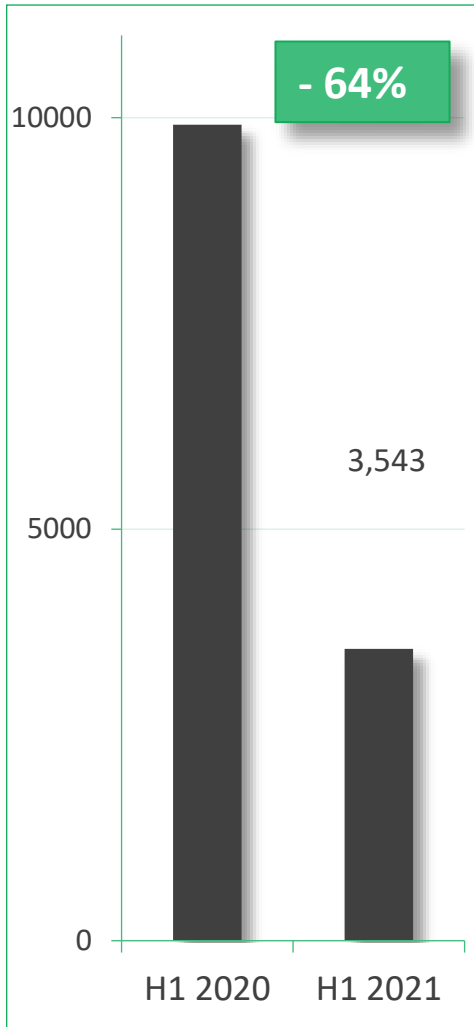


New subscriptions in Italy, Spain, Poland and Germany doubled in H1 2021 to 2,955 units (2021: 1,229)

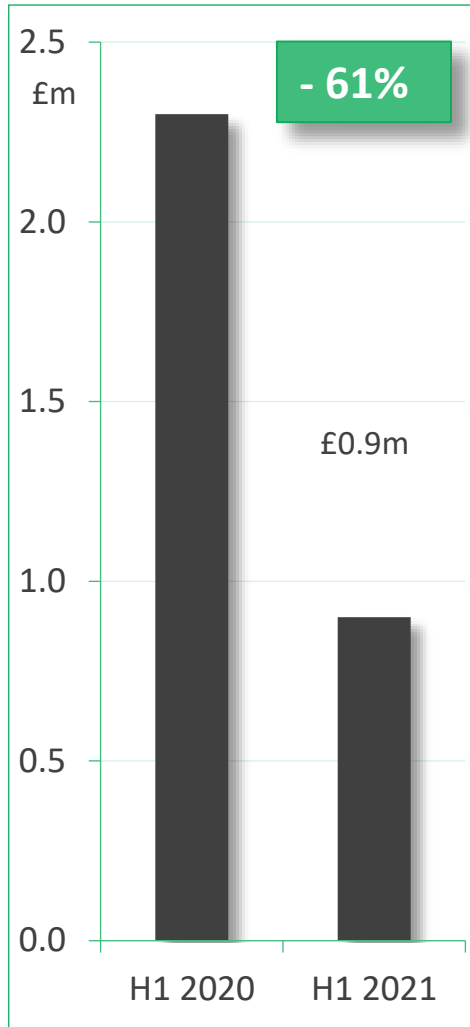
Subscription base now over 6,000 units

Spain and Italy showing strong potential and more investment is planned.





Installations



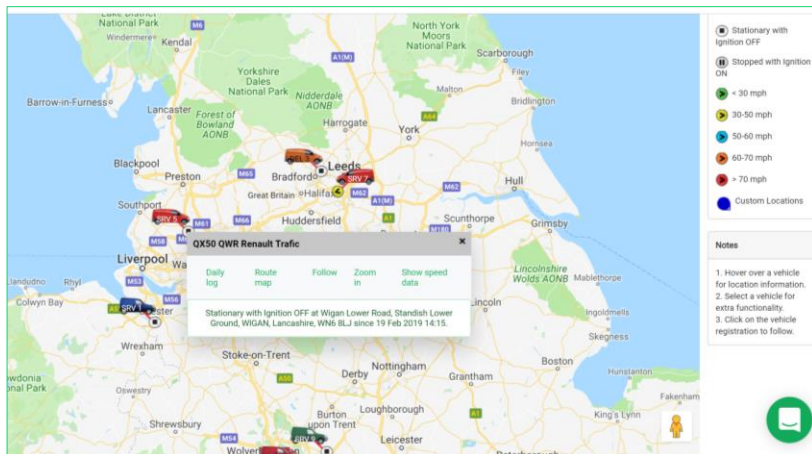
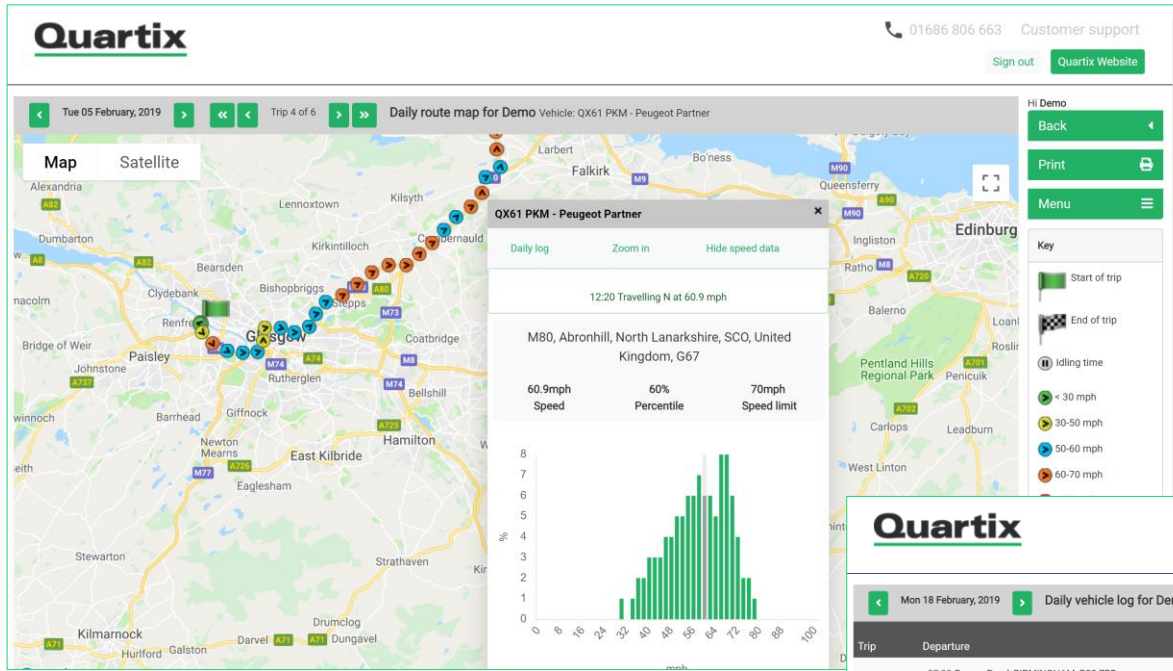
Revenue



Continued shift from low-margin business resulted in expected reduction in volume. Reductions in the availability of driving tests during the year also contributed to the 64% decrease in installations.

Run-off and data services agreement reached with major customer.

Enhanced application



Modernised codebase and UI with improved performance

New battery status report

Enhanced dashcam integration

Continued emphasis on self-service

Subscription base growth



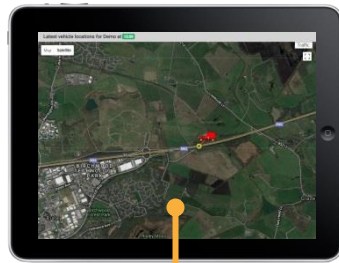
Increased productivity and reduced risk

Fleet customers use our software to:

- Increase capacity
- Improve fuel economy
- Reduce overtime payments
- Eliminate fraud and wastage

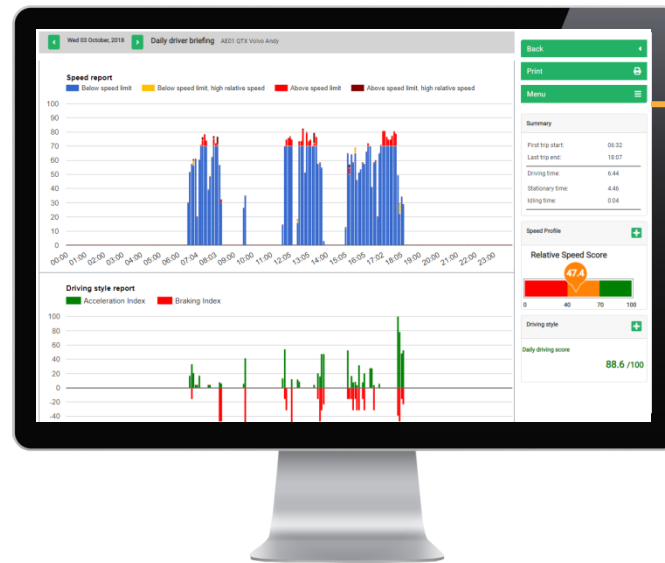
Insurers use our data and alerts to:

- Assess risk
- Respond to accidents
- Verify agreed vehicle usage
- Reduce loss ratios



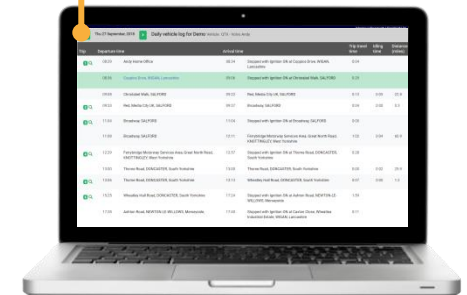
Locating employees

Managing a mobile workforce



Assessing driving style and risk

Monitoring timesheets



Over 600,000 systems installed since 2001

A UK LEADER

134,901 vehicles currently tracked in the UK:

- **120,451** across **10,943** UK fleet clients
- plus **14,450** across insurance companies

61,210 vehicles tracked in France and USA across **8,326** fleet clients

6,494 vehicles tracked in Poland, Spain, Italy, Germany across **1,429** clients

OWN TECHNOLOGY AND IPR

Developed at three R&D centres in the UK: Cambridge, Leatherhead and Bishop's Waltham

OFFICES WORLDWIDE

Offices in Cambridge - UK, Newtown - Wales, Bishops Waltham - UK, Leatherhead - UK and Chicago – USA



Long-term relationships



"We have always found Quartix to be customer-focused and approachable. We look forward to continuing our partnership for many years to come."

Phil House, Director, Broadland Guarding Services Ltd.
(Broadland Guards were our first customer: December 2001)

MISSION

"We provide operational information to maximise productivity and reduce risk for organisations with mobile workforces. Our customers improve their business performance with information delivered quickly and reliably through our web and mobile-based applications and we aim to delight our users with best-in-class service and a continuously improving experience."

VALUES

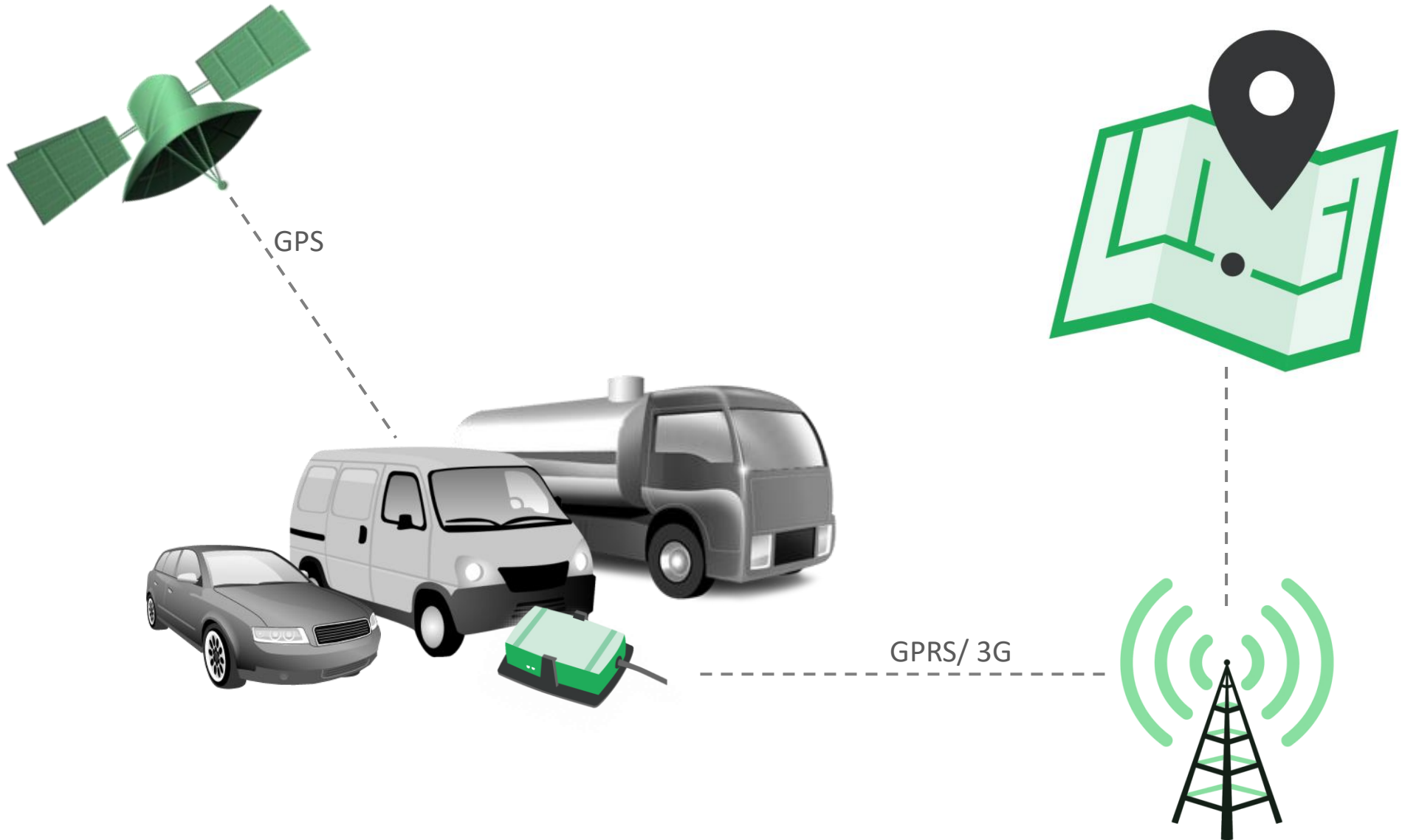
- Excellent service
- Great relationships
- Simplicity

INVESTMENT IN THE FUTURE

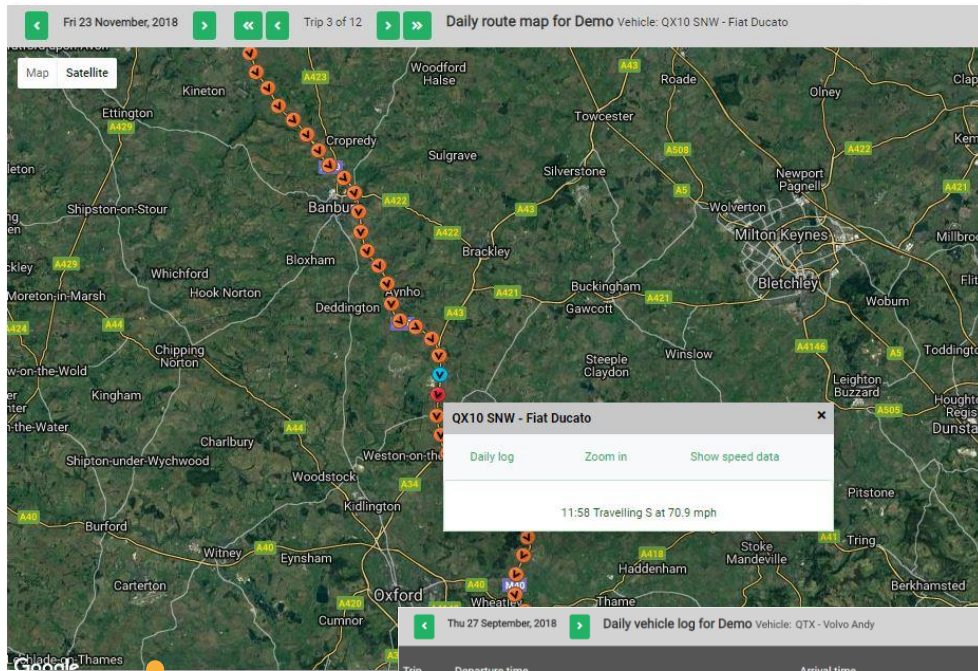
We have the financial strength and expertise to invest in the software tools, reporting capability and service that our customers need.

5 key elements

- **Market development:** UK, USA, France and the rest of Europe
- **Cost per unit leadership:** doing more with what we have, right across the business
- **Continuous enhancement to our core software and telematics products:** focusing on the needs of SME customers in the service sector
- **Great service:** providing excellent support for our customers, increasingly through automation and self-service
- **Standardisation:** using the same approach to market strategy, process and product across all regions

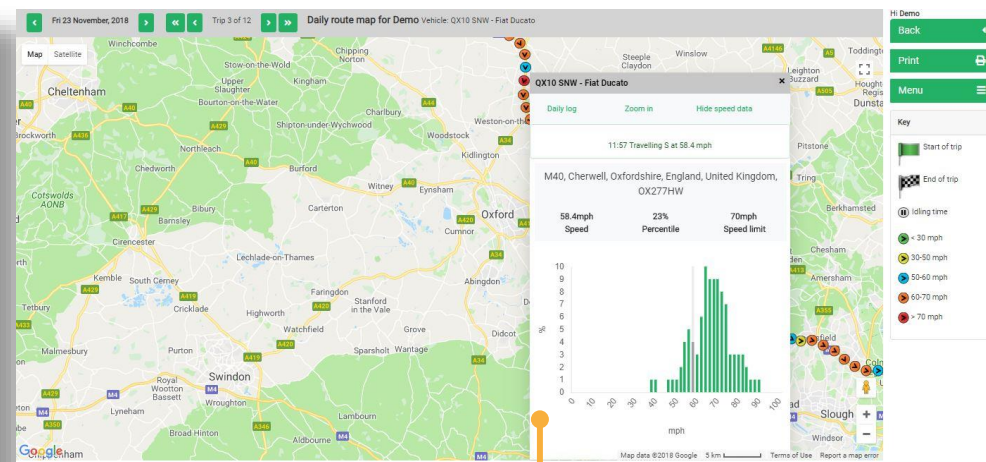


Real-time tracking



LIVE TRACKING

With google maps, streetview and satellite imaging. Also available in mobile apps for iOS and Android



ROUTE MAPS

Available online with timing, speed and speed distribution information

Trip	Departure time	Arrival time	Trip travel time	Idling time	Distance (miles)	Avg speed (mph)
1	08:29	08:34	0:04			
	08:36	09:06	0:29			
	09:08	09:22	0:13	0:05	22.8	25.7
2	09:33	09:37	0:04	0:00	0.3	4.4
3	11:04	11:04	0:00			
	11:08	12:11	1:02	0:04	60.9	54.5
4	12:29	12:57	0:28			
	13:00	13:00	0:00	0:02	25.9	49.2
5	13:06	13:13	0:07	0:00	1.2	10.0
6	15:25	17:24	1:59			
	17:28	17:40	0:11			

TIMESHEETS

Available online or delivered by email in HTML or Excel format

Plug & Track

The **Quartix Plug & Track** is a self-install option for GPS tracking for cars and vans. It easily plugs into the standard 12v diagnostic port, and in minutes you will be able to access all your telematics data.

The Plug & Track solution will provide a simple way to monitor vehicles, driver timesheets, route taken and driver behaviour analysis.



Key benefits

- No installation appointment required
- Easy to change the vehicles used for tracking
- Compatible with most cars and vans
- Supported by internal battery
- Quick and easy over-the-air (OTA) firmware and support upgrades
- Lots of storage space: up to 500 trip events
- Low battery warning alerts
- Tamper detection alerts when:
 - Device is plugged in
 - Device is unplugged
 - Vehicle is moving with ignition off

Examples of use

The Quartix Plug and Track installation option is ideal where hardwired solutions are not feasible due to a requirement to move the tracking unit from one vehicle to another. Examples where this would benefit your business:

- Temporary sub-contractors
- Vehicle replacements
- Leased / rented vehicles



Une solution souple

Il est très facile de transférer soi-même les boîtiers Quartix Connect & Track d'un véhicule à un autre, ce qui en fait le choix idéal pour les prestataires intérimaires et les véhicules en location.

Avantages & bénéfices

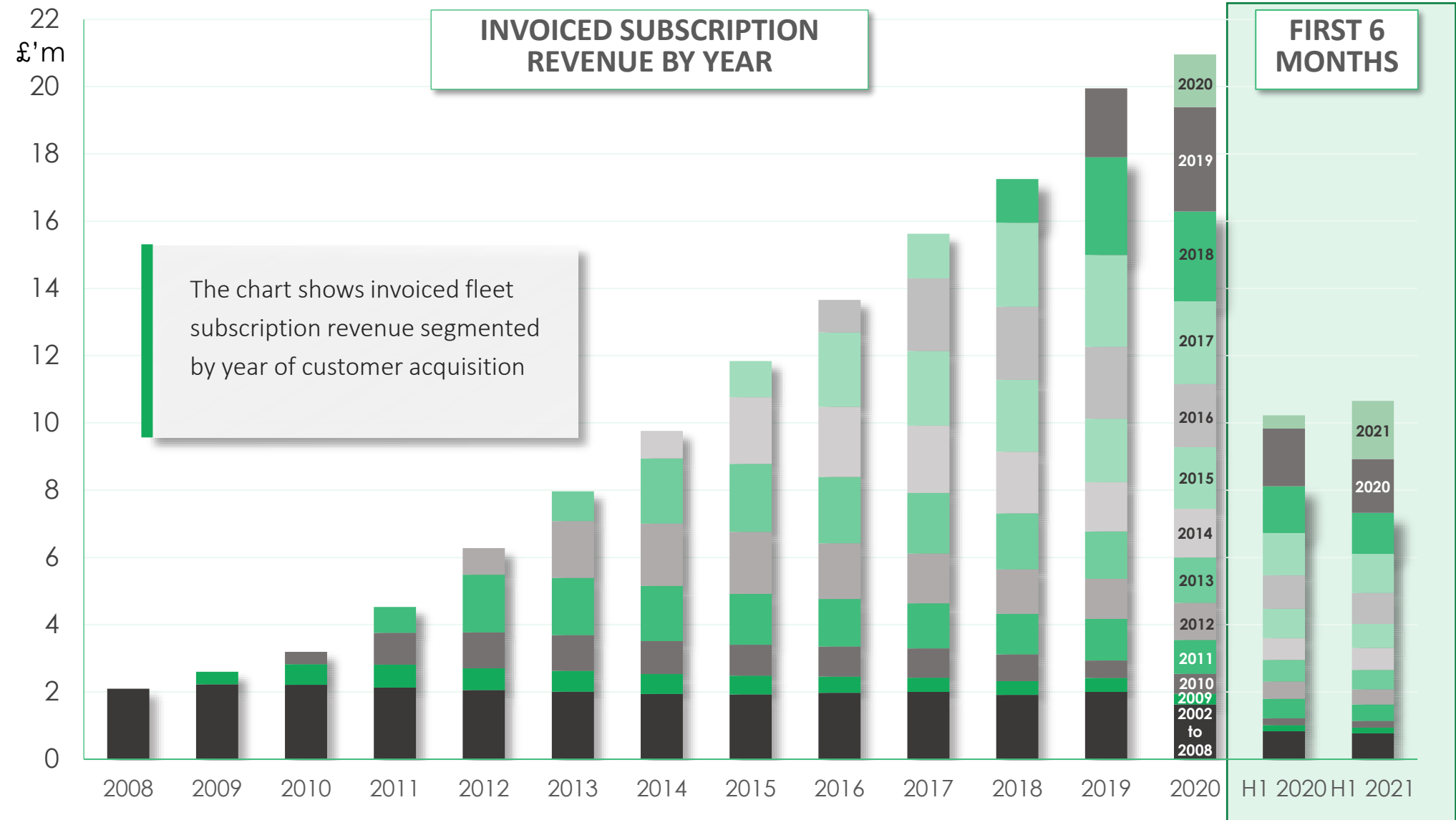
- ✓ Pas de coût d'installation
- ✓ Boîtier dissimulé à l'abri des regards
- ✓ Transferts faciles
- ✓ Mises à jour automatiques
- ✓ Sauvegarde zones blanches (500 trajets)
- ✓ Alertes de déconnexion

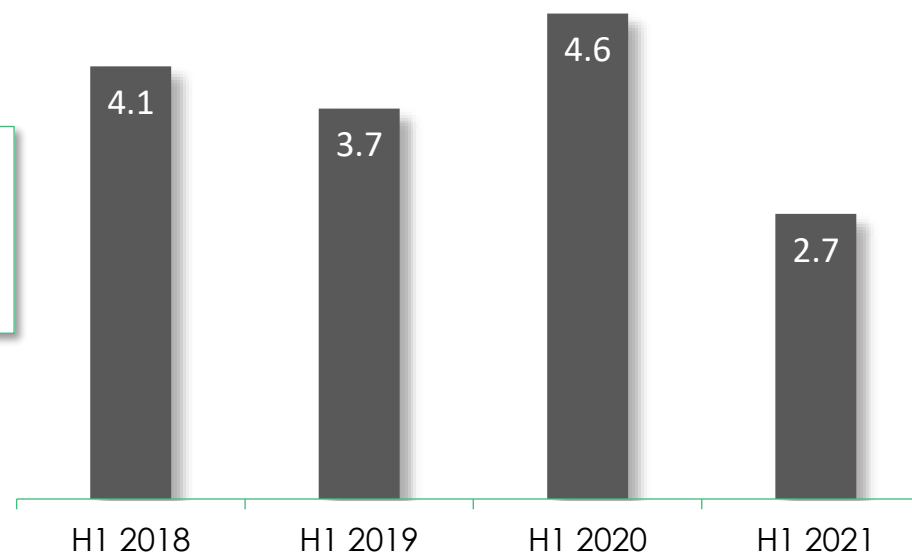
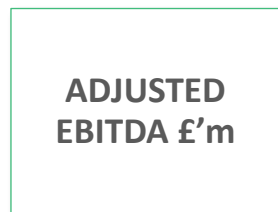
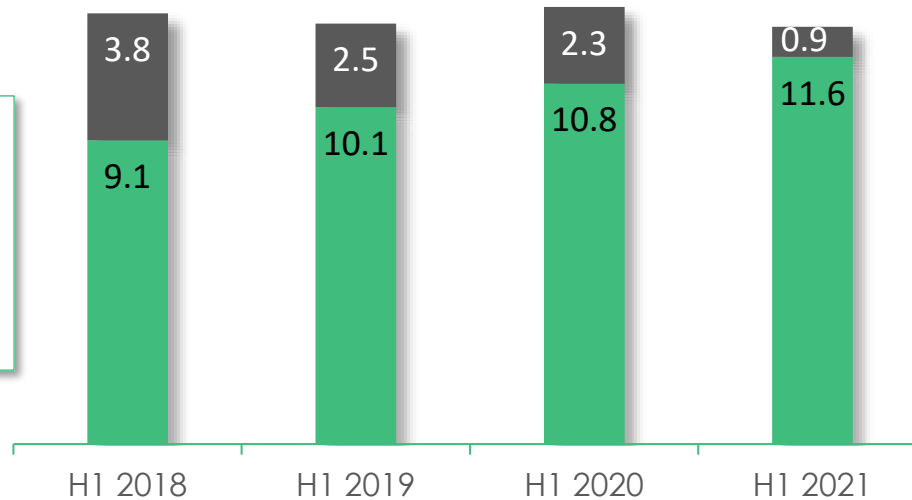
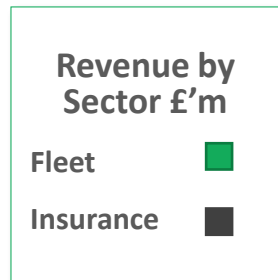
User-install products are available in each of our markets: UK, Ireland, France, USA, Poland, Spain and Italy

Approx. 55% of fleet shipments in H1 2021

Next generation 4G tracking devices being rolled out in USA

Recurring Revenue





Focus on fleet

NEW INSTALLATIONS

More than 25,000 new subscriptions, despite impact of COVID-19.

SALES RESOURCE

Significant investment in sales resource

R & D

Enhancements to software application, development of new tracking devices

GROWTH

9% increase in customer base since Dec 20 [17% vs Jun 20] despite the challenges posed by the pandemic.

