

Quartix Holdings PLC
19 March 2020

Quartix Holdings plc
("Quartix" or the "Company")

Measures taken by Quartix re Coronavirus and Dividend

Quartix Holdings plc, a leading supplier of vehicle telematics services to the fleet and insurance sectors, provides an update to shareholders regarding the measures it has taken to mitigate the effects of the Coronavirus pandemic on its employees and business. The Board has also decided to recommend that shareholders reject resolution 2, to be proposed at its forthcoming AGM on 24 March 2020, which is the resolution proposing the approval of the Company's total final dividend of 10p per share, and which was declared at the time of announcing its 2019 results ("AGM Resolution 2").

Measures taken to protect employees and the business

On 9 March, and ahead of government advice, management took the decision to offer all of the Company's employees the opportunity to work from home. Approximately 85% of the workforce chose this option, and by Friday 13 March the Company's systems and support teams had implemented remote access, assistance with suitable home computers, IP-based phones and a bank of new telephone numbers (which the company will retain after the crisis) allowing all incoming calls to be diverted to employees' home PCs. Since Monday morning on 16 March, the Company has been operating in this manner. Those employees who continue at the main facility in Wales are now in a single-floor office which is at 10% of its capacity and with substantial space between them.

Production shipments from China have continued without problems so far and the Company believes that its final assembly sub-contractor in the UK can operate home working.

Trading and financial position

A fuller trading update will be given in advance of the Company's AGM on 24 March 2020. At this time we can report that trading to date in 2020 has been in line with management's expectations, with a strong increase in new installations compared to the same period last year. However, we are, of course, beginning to see some weakness in certain customer sectors.

The Company has an excellent cash position, with available cash balances of approximately £7.7m as at the end of February.

AGM Resolution 2

The Board declared a final dividend for the year ended 31 December 2019 of 4.2p per ordinary share and a supplementary dividend of 5.8p per ordinary share, equating to a total final dividend of 10.0p per share at the time of announcing its results for 2019 on 24 February 2020 subject to shareholder approval at the Company's AGM on 24 March 2020. This dividend declaration was made at a time when it was impossible to foresee the rapidly changing impact of the Coronavirus on the countries the Company operates in and their economies. The Board therefore believes that, in the same way it took rapid action with regards to home working, the appropriate and prudent course of action would be to conserve and build the Company's cash reserves in the current crisis. Management will continue to monitor the situation closely, adjusting stock and spending plans accordingly. It will also restrict further recruitment to those new positions which will help generate growth in sectors and regions which are less affected by the crisis.

Looking beyond the crisis, the Board believe there may be opportunities to invest quickly in growth opportunities as the economy recovers.

In addition to the measures outlined above to conserve and build the Company's cash reserves, the Board has also decided to recommend that shareholders reject AGM Resolution 2, as this would be the simplest way of cancelling the dividend. It is the Board's intention to vote against the passing of

AGM Resolution 2 in respect of their shareholdings in the company, amounting to, in aggregate, 37.5 per cent of the issued share capital of the Company,

If AGM Resolution 2 was not passed, and the dividend not paid, the Board would still be able to declare and pay a dividend later in the year, when the impact of the Coronavirus situation becomes clearer.

The Company will provide a more detailed update on trading on 24 March, prior to the AGM.

AGM attendance

In light of the coronavirus outbreak, shareholders are encouraged to vote at the Group's AGM by proxy.

Shareholders will be able to vote electronically using the Share Portal Service via www.signalshares.com. To vote online shareholders will need to enter their surname, investor code and postcode. Please note that the deadline for receiving proxy forms (including any submitted electronically) is 11 a.m. on 20 March 2020.

Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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