

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

**Trading Statement**

Quartix Holdings plc, one of Europe's leading suppliers of subscription-based vehicle tracking systems, software and services, is pleased to provide an update on trading for the 9 months ended 30 September 2020.

The Board is pleased to report that it expects revenue and free cash flow for the year to 31 December 2020 to be in line with current consensus market forecasts, which are shown at the foot of this announcement<sup>1</sup>. Adjusted EBITDA is expected to be approximately 15% ahead of current consensus market forecasts.

The Company's expectations for free cashflow are based on the assumption that the Company will not carry any deferred payments for taxation (under the Government's COVID-19 provisions) into 2021, as it intends to repay such deferred payments for taxation by the end of 2020.

These expectations are based on the current outlook for the final three months of the year and may be subject to revision depending on the severity of the second wave of Coronavirus infection in the Company's key markets.

Despite the serious impact of COVID-19 on new subscriptions for tracking systems Quartix has, in the year to date, achieved approximately 7% revenue growth in its core fleet business compared with the first 9 months of 2019. The fleet division now represents 84% of the Company's revenue.

The Company's subscription base has grown by 11% in the first 9 months of 2020, driven in particular by strong growth in the subscription base in France and the USA, with an increasing contribution from the new territories it now operates in.

Region	New subscriptions (units) first 9 months 2020	Subscription base (units) 1/1/2020	Subscription base (units) 1/10/2020	Growth – first 9 months 2020
UK and Eire	15,886	105,631	112,784	7%
France	6,297	25,643	29,177	14%
USA	6,577	18,050	22,323	24%
New territories*	2,085	1,316	3,351	155%
Total	30,845	150,640	167,635	11%

\*Note - new territories included: Spain, Poland, Germany and Italy

The value of the fleet subscription base on an annualised basis was £21.9m on 1 October, representing a gain, in constant currency terms, of £1.1m since the start of the year. This is based on exchange rates as at 1 October.

Installations for the Company's insurance business in the first 9 months declined by 49% to 13,383 units. The cancellation of driving tests from March until July, and the difficulty in obtaining a test appointment since then have contributed to a fall in the young-driver insurance market. Quartix has also

continued its migration away from lower-margin business in this sector, a trend which the Board expects will continue.

The impact of Coronavirus on the Company's subscription base since March has not, so far, been as significant as that anticipated in the scenario outlined in the Company's trading statement of 27<sup>th</sup> April. Despite the significant reduction in new subscriptions in April and May the Company is pleased to report that it returned to growth in Q3, with new subscriptions for the quarter exceeding those of same period in 2019. The acquisition of new customers, which had reached a new peak of more than 500 in January, has also recovered reasonably strongly and is now approaching the same level again.

Given this encouraging position, Quartix intends investing further during the remainder of 2020 and 2021 in sales, marketing and technological development in order to capitalise further on the profitable subscription platform it has created. An accompanying presentation to this announcement will be posted on the Company's investor site this morning at [www.quartix.com/2020-q3](http://www.quartix.com/2020-q3)

**Andy Walters, Chief Executive Officer of Quartix, commented:** "We are pleased with the progress we have made so far in 2020, despite the impact of COVID-19 on our clients and markets. Our subscription base grew in each of our markets and now stands at more than 167,000 vehicles with recurring revenues of just under £22m. We will continue to invest in the growth of our fleet subscription business."

*[1] The Board believes that consensus market expectations for 2020, prior to this announcement, were as follows: revenue: £25.8m; adjusted EBITDA £6.9m; free cash flow: £5.2m.*

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

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