

Interim Results Timetable and Trading Update

QUARTIX TECHNOLOGIES PLC

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Quartix Technologies plc

("Quartix", "the Group" or "the Company")

Interim results timetable and trading update

Quartix Technologies plc, a leading supplier of subscription-based vehicle tracking systems, software and services in the UK, announces that it will publish interim results for the six-month period ending 30 June 2021 (the "Period") on Wednesday 28 July 2021. They will be posted on the Company's website that morning, together with accompanying presentations.

The Company is pleased to report that trading for the first 6 months of the year has been good, following a period of strong growth in new fleet telematics installations, and in line to achieve consensus market expectations for the year¹. The Board expects to report revenue of £12.5m, adjusted EBITDA of approximately £2.7m and underlying free cash flow² of approximately £1.3m for the Period. The Company's cash balance was £4.2m at 30 June 2021.

Although the sourcing of electronic components has been challenging during the first half, the Group has been able to secure its production supplies and remains confident of doing so through the rest of 2021. This has, however, been at the expense of higher costs in some cases and of needing to purchase larger quantities where components are available. This has had an impact on free cashflow in the Period and could have a moderate impact on free cashflow for the year as a whole if contingency stock levels need to be increased, but the additional costs are not expected to have a material impact on the Company's expected financial performance for the year.

Fleet telematics

The Company achieved strong growth in new installations, which were 31% ahead of H1 2020, at 25,497 units. This result was also 13% ahead of the same period in 2019, which was previously the highest recorded for a 6-month period. All major territories are now operating at above pre-pandemic levels with the exception of the UK, where record orders in H1 2019 were driven by a significant number of larger contract wins and distribution orders. This will be an area of focus for the Company's sales teams as contact restrictions are lifted.

New installations in international markets exceeded those in the UK for the first time, and performance in the Group's new territories and France were particularly encouraging. Further investment initiatives are already underway which are expected to contribute to continued growth in the second half.

As a consequence of the growth in new installations, the fleet subscription base at 30 June increased to 188,155 vehicles, up 8% since the start of the year. The Company now has 20,698 fleet clients (1 January 2021: 19,039).

New fleet telematics installations for the first half are shown in the table below. Exact totals may vary in preparation of the interim results.

	2021	2020	Growth	2019	2021 vs. 2019
UK/Eire	12,053	10,017	20%	13,369	-10%
France	5,631	3,959	42%	4,461	26%
USA	4,852	4,274	14%	4,365	11%
New territories*	2,961	1,230	141%	309	858%
Total	25,497	19,480	31%	22,504	13%

* Note: new territories include Spain, Italy, Germany and Poland.

Insurance telematics

Further restrictions on driving tests and the young-driver market in the UK are expected to have reduced Company revenues in the insurance telematics sector by a further 60% compared with 2020, with 3,540 units installed in the first half (2020: 9,915).

In line with Quartix's stated strategy of focusing on fleet telematics, the insurance sector is expected to represent just 7% of H1 revenues and, given the current worldwide shortage of electronic components as described above, the Company has taken the decision to terminate the supply of new installations for its main insurance client in order to prioritise its fleet operations. Under a new agreement Quartix will only continue to provide tracking systems for the customer's existing policy holders and will provide data and warranty services for a contractually agreed monthly service fee until September 2022. This will not have a material impact on the Company's expected financial performance for the year. Insurance revenues in 2022 are expected to represent approximately 3% of Group turnover.

Andy Walters, Chief Executive Officer of Quartix commented:

"I am delighted with the growth in new installations achieved in our fleet business during the first half. Our focus on fleet and the strategic move away from insurance over the past 5 years has served us well during the pandemic and we continue to invest in building our sales channels in each territory. We look forward to the second half with confidence and to updating investors on progress in three weeks' time."

¹ The Board believes that consensus market expectations for 2021 prior to this announcement, were as follows: Revenue: £25.6m; Adjusted EBITDA £5.1m; Underlying Free Cash Flow²: £4.0m.

² Underlying Free Cash Flow stated before expenditure on 3G swap out in the US - see 2020 Annual Report

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

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