



Quartix Technologies Plc

Annual Report 2025

Quartix
Real-Time Vehicle Tracking

Annual Report and Financial Statements Quartix Technologies plc

For the year ended 31 December 2025

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Company Information

Company registration number:	06395159
Registered office:	One Cambridge Square Cambridge North Cambridge CB4 0AE
Directors:	Andrew Walters Alison Seekings Ian Spence
Company secretary:	Sally Morton
Bankers:	HSBC Bank Plc 63-64 St Andrews Street Cambridge CB2 3BZ
Solicitors:	HCR Legal 50-60 Station Road Cambridge CB1 2JH
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Nominated advisor and broker:	Cavendish One Bartholomew Close London EC1A 7BL

Highlights

Quartix is one of Europe's leading suppliers of subscription-based vehicle tracking systems, analytical software and services.

Restatement of comparatives

All comparative monetary amounts for 2024 have been restated in line with a change in accounting policy for the recognition of Quartix tracking systems and dashcams as IAS: 16 Property Plant and Equipment. See note 1: Summary of significant accounting policies on page 55 and note 33 on page 83.

Financial highlights

- Group revenue increased by 12% to £35.7m (2024: £31.8m)
- EBITDA¹ increased by 23% to £13.2m (2024: £10.7m)
- Adjusted EBIT² 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 share³ increased to 13.17p (2024: 10.51p)
- Free cash flow⁴ 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)

¹ Earnings before interest, tax, depreciation, amortisation

² Earnings before interest, tax and share based payment expense (see note 4)

³ Diluted earnings per share before adjustments (see Strategic Report: Financial Review, Financial Overview and note 10)

⁴ Cash flow from operations after tax and investing activities

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 ¹ (new units)	79,576	74,673	7
Fleet subscription base ² (units)	333,922	300,168	11
Fleet customer base ³	32,942	30,134	9
Customer Acquisition (new customers)	7,501	6,863	9
Annualised recurring revenue (ARR) ⁴ (£'000)	37,004	32,547	14
Net Revenue Retention (NRR) ⁵ (%)	98.1	95.7	3
Fleet invoiced recurring revenue ⁶ (£'000)	34,375	30,442	13

As stated in the Group's Trading Update of 8 January 2026, in October 2025 the Financial Reporting Council (the "FRC") challenged the Group's accounting treatment of hardware, associated installation and carriage cost capitalisation under IFRS 15 – under which policy these were typically amortised over an average initial contract term of 20 months. As detailed in note 1 (the summary of significant accounting policy), following the discussions with the FRC, management have reassessed the accounting treatment and these Financial Statements contain a change in accounting policy, recognising the hardware and associated installation and carriage costs under IAS 16: Property plant and equipment, and depreciating their value over the economic useful life of seven years. Additionally, as a further result of the FRC review, and in line with the change of accounting policy, provisions made for the replacement of 2G tracking systems have been reversed.

The impact, as shown in note 33, of this change in accounting policy is to increase operating profit for the year ended 31 December 2024, compared with previous reporting under the previous accounting policy, by £18k. Furthermore, a reduction in the tax charge of £207k as a result of a refiling of the 2024 tax return later in the year (see Strategic Report: Financial Review, Financial Overview and note 33).

¹ New vehicle tracking unit subscriptions added to the subscription base before gross attrition

² 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

³ The number of customers associated with the fleet subscription base

⁴ 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

⁵ 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

⁶ Invoiced subscription charges before provision for deferred revenue

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 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	
Total	37.0	+14%	333,922	+11%	32,942	+9%	79,576	+7%	7,501	+9%

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).

Results (continued)

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: 10.58p 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 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

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:

- *Market development:* Quartix will continue to focus on the development of channels to market in each of its six target markets.
- *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.
- *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.
- *Outstanding service:* Quartix maintained its excellent reputation with fleet customers throughout the year, consistently being rated as "excellent" by Trustpilot users. See page 16 for more details on our engagement with customers.
- *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 2024	% change
Revenue	35,707	31,808	12
Gross profit	26,128	22,773	15
Gross margin	73%	72%	
Operating profit	8,680	6,482	34
Operating margin	24%	20%	
EBITDA	13,160	10,695	23
Adjusted EBIT (note 4)	8,755	6,362	38
Profit for the year	6,381	5,118	25
Earnings per share	13.18	10.58	
Diluted earnings per share	13.17	10.51	
Cash generated from operations	12,587	10,279	23
EBITDA conversion to cash generated from operations	104.6%	104.0%	
Free cash flow (excluding acquisition)	5,170	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, 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. 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).

The 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 was 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.

Business Disruption (Continued)

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.

Section 172 (1) Statement

In accordance with the Companies Act 2006 (Act), as amended by the Companies (Miscellaneous Reporting) Regulations 2018, the Directors provide this statement to describe how they have engaged with and had regard to the interest of our key stakeholders when performing their duty to promote the success of the Group, under Section 172 of the Act. The Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 of the Act) in the decisions taken during the year ended 31 December 2025.

Given the importance of our stakeholders and the impact they have on our strategy, reputation and the Group’s long-term success, consideration has been given to them throughout the 2025 Annual Report and the table below identifies where they are discussed:

Section 172 responsibility	Where you can read more
The likely consequence of any decision in the long-term	Outlook on page 7 Strategic Report: Operational review: Strategy and business model page 8. Capacity for future growth page 10 Corporate Governance Report: section 1 page 21 and section 9 on page 31
The interests of the Group’s employees	Strategic Report: Operational review: Strategy and business model page 9 Corporate Governance Report: Section 3 page 23-24
The need to foster the Group’s business relationships with suppliers, customers and others	Strategic Report: Operational review: Strategy and business model page 9 Financial Overview: Risk Management (M2M network and business disruption) page 13. Corporate Governance Report: Section 3 page 23
The impact of the Group’s operations on the community and the environment	Our commitment to our stakeholders: page 9 The ESG report: page 36-37
The desirability of the Group maintaining a reputation for high standards of business conduct	Corporate Governance Report: Section 8 Page 30
The need to act fairly as between members of the Group	Corporate Governance Report: Shareholder engagement page 23-24

The Corporate Governance Code also highlights the importance of effective engagement with shareholders and other stakeholders. Engaging with our stakeholders and the issues that matter to them allows us to take more informed decisions and better identify the consequences of our actions on our stakeholders, whilst recognising that each decision will not always result in a positive outcome for each of our stakeholders. By having good governance procedures in place, the Board aims to make sure that its decisions maintain a high standard of business conduct.

Our commitment to our stakeholders

The following table sets out how we engage with our key stakeholders.

Our stakeholders	What has mattered to them this year?	Our response
Customers	<p>Consistent quality service and support, to customers.</p> <p>Innovation to support their business.</p> <p>Concerns about impact of network upgrades on services.</p>	<p>The Board’s main strategic objective is to grow its fleet subscription platform and develop the associated recurring revenue. This was supported by each of the following decisions/actions:</p> <p>Providing data services consistently throughout the year, having invested in robust infrastructure.</p> <p>Prompt development response to product innovation.</p> <p>Timely development of new generation hardware to meet changing network requirements.</p> <p>Provision of free replacement of units, to prevent lack of services due to an incompatible product.</p>
Employees	<p>Great career in a positive and motivating work environment underpinned by a supportive culture.</p> <p>Focus this year on team building and integration of teams working in our two offices, namely in Newtown and Cambridge and those still working remotely.</p>	<p>Continuing to focus on developing culture that inspires and motivates staff.</p> <p>Encouraging and offering staff opportunities to progress within the business in new roles/departments, to seek to retain them for the long-term benefit of the business.</p> <p>Actions to retain and support staff included:</p> <ul style="list-style-type: none"> • The Cambridge office moved location to the new offices at the Cambridge North train station, which are easier to commute to but also as new offices, are more modern and better offices for staff attraction and retention. • Group wide gatherings in Newtown once a year to encourage collaboration across teams that don’t work together face to face. • Relationship building through team quizzes and fund-raising activities. • Mental health & wellbeing initiatives including an employee wellbeing solution which saw an improvement in engagement, motivation, teamwork and interaction. • Introduction of recommendations from Investors in Customers, where we were awarded Gold in 2023.

Our commitment to our stakeholders (continued)

<p>Suppliers: component suppliers, network providers, installation engineers, distributors, marketing support</p>	<p>Our Suppliers want us to be trustworthy and build long-term mutually beneficial relationships.</p> <p>Maintain our product and ethical standards across our supply chain.</p>	<p>The Group actively looks to create long-term collaborative relationships with key suppliers.</p> <p>The Group expects its suppliers and distributors to uphold a culture of ethical and lawful behaviour, and we continue to undertake periodic inspection audits at our key manufacturing facilities in China. In parallel with this supply chain oversight, the Board actively monitors geopolitical developments that could affect the Group’s operations. Specifically, the Head of Telematics is closely tracking regional stability and airspace conditions in Iran, and reporting to the Board as appropriate, to safeguard the continuity of our services. July and August 2026 have been identified as a period of lower seasonal activity for Quartix and therefore an optimal window for necessary inspections. The Head of Telematics anticipates carrying out the next inspection at our Chinese manufacturing facility during this timeframe. This strategic timing supports the Group’s operational resilience while maintaining service levels for customers during peak demand periods.</p>
<p>Shareholders</p>	<p>The major areas raised include:</p> <p>Communication.</p> <p>Corporate governance topics, such as succession planning.</p> <p>The composition of the shareholder base, transferability of shares and the dividend policy.</p>	<p>The Board is committed to maintaining an appropriate level of communication with shareholders (see section 2 of the Corporate Governance Report) and has issued regular trading updates and held investor presentations and meetings throughout the year.</p> <p>No changes in the Board took place in 2025, See section 6 of the Corporate Governance Report.</p> <p>Shareholder base composition communicated on the website.</p> <p>Clear communication of the dividend policy in the Annual Report.</p>

Our commitment to our stakeholders (continued)

We believe we have the right strategy and service in place to deliver strong growth in sales over the medium to long term and to deliver sustainable shareholder value.

The Strategic Report, comprising the Operational Review and Financial Review, and the s172 statement was approved by the Board of Directors and signed on behalf of the Board on 25 March 2026.

Andrew Walters
Executive Chairman

Corporate Governance Report

Chairman's Corporate Governance Statement

All members of the Board believe strongly in the value and importance of good corporate governance and in our accountability to all of Quartix's stakeholders, including shareholders, staff, customers and suppliers. In the statement below, we explain our approach to governance, and how the Board and its committees operate.

The corporate governance framework which the Group operates, including board leadership and effectiveness, board remuneration, and internal control is based upon practices which the Board believes are appropriate for the size, risks, complexity and operations of the business and is reflective of the Group's values. Of the two widely recognised formal codes, we have therefore decided to adhere to the Quoted Companies Alliance's (QCA) Corporate Governance Code for small and mid-size quoted companies.

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the Board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken in relation to each. The Board considers that it has complied with the principles of the QCA Code. The Board will continue to monitor its governance structures and will take action as appropriate to develop and enhance its governance functions as the Group evolves.

Roles and responsibilities of Chairman

Andrew Walters is the Executive Chairman. The Chairman is responsible for running the Board and ultimately for all corporate governance matters affecting the Group.

The Chairman is responsible for leadership of the Board, setting its agenda and monitoring its effectiveness. He ensures effective communication with shareholders and that the Board is aware of the views of major shareholders. He ensures that the Executive Team develop a strategy which is supported by the Board as a whole. The Executive Team are responsible for executing the strategy once agreed by the Board.

Board composition and compliance

The QCA Code requires that the boards of AIM companies have an appropriate balance between Executive and Non-Executive Directors of which at least two should be independent. In 2025 we satisfied this requirement.

The Independent Non-Executive Directors bring wide and varied commercial experience to the Board and Committee deliberations. They are appointed for an initial three-year term, subject to election by shareholders at the first AGM after their appointment, after which their appointment may be extended subject to mutual agreement and shareholder approval. A Non-Executive Director is typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period. Any term renewal is subject to Board review and AGM re-election. The Group remains committed to a Board which has a balanced representation of Executives and Non-Executives.

Board evaluation

We support the QCA Code's principle to review regularly the effectiveness of the Board's performance as a unit, as well as that of its committees and individual Directors. We may consider utilising the services of external facilitators on a 3-6 year basis which is broadly in line with potential changes in the Non-Executive Directors sitting on the Board based on contract terms. In 2025 a review was performed internally facilitated by the Executive Chairman, with responses compiled by the Company Secretary and feedback was provided to the Board following the evaluation.

The review confirmed that the Board operates effectively, with robust oversight of performance and risk, high-quality reporting, and an open culture of constructive challenge. The evaluation highlighted the opportunity to articulate the Group's longer-term ambition more clearly by developing a rolling three- to five-year strategic plan, with defined milestones and regular reporting to the Board on progress against that plan. It also noted the importance of forward-looking succession planning and governance evolution, including consideration over time of role separation and strengthening senior finance and executive capacity as the business grows further.

Shareholder engagement

We have made significant efforts to ensure effective engagement with both institutional and private shareholders. In addition to the AGM, we have roadshows with investors and prospective investors to not only share our financial results, but also to share the leadership's future plans and strategy in an open and interactive forum.

The Board is aware that under the Markets in Financial Instruments Directive II (MiFID II) regulations, private investor access to research on public companies has been restricted. We have not commissioned any "paid for" research from third party analysts and have no current intention of doing so.

The Board has ultimate responsibility for reviewing and approving the Annual Report and Accounts and it has considered and endorsed the arrangements for their preparation, under the guidance of its Audit Committee. The Directors confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

10 Principles of the QCA Code

1 Corporate Purpose, Strategy, and Business Model

Quartix's purpose is to support fleet operators in reducing operational costs and environmental impact by delivering innovative vehicle tracking solutions. This purpose is fundamental to our growth strategy, shaping the evolution of our subscription platform, software, and telematics services. The Board regularly reviews how the purpose is integrated into business objectives and monitors progress through strategic KPIs.

The value of recurring subscription revenue is the key measure of our performance.

Customers typically use the Group's vehicle telematics services for many years, resulting in reasonably low rates of gross attrition. Accordingly, the Group focuses its business model on the development of subscription revenue based on minimal initial commitment from the customer, providing the best return to the Group over the long term.

The key risks and uncertainties we face are included under the Strategic Report: Financial Review.

2 Corporate Culture and Ethical Values

At Quartix we believe the prosperity of our business and of the communities within which we operate requires a commitment to ethical values and behaviours. We have therefore developed policies that enhance all areas of our business in this regard.

Quartix cares about providing a customer experience that is remarkable. We want to keep our customers happy, impressed and reassured. We want to create the positivity that leads to great reviews, repeat purchases and customer referrals. To achieve that, our employees strive to make every interaction a great one. We follow these principles:

Build meaningful connections.

Whilst dealing with any of our stakeholders, be they customers, partners, investors or employees, foremost in our minds is building great, meaningful relationships. We are not a provider of arms-length transactional services; we are here to listen, understand, support and deliver tangible benefits as best we can.

Keep things simple.

Whether it is our processes, communication, hardware or software, we strive to keep things simple. Fewer moving parts make for clearer, more efficient and reliable operations. We don't make our customers jump through hoops to speak to us, nor do we make them study an article to understand its meaning. We get straight to the incoming call, to the email in our inbox, to the point, and provide a fast, helpful and clear response.

Treat everybody the same.

Whoever you talk to, whether internally or externally, their impression of the Quartix service should be the same. We treat everyone equally, with respect, and remain transparent as a business.

Do the right thing.

Quartix cares about doing what's best for our customers and for each other. We own problems and solve them, regardless of whether it's our designated responsibility. With or without a corporate process, we will strive to provide a satisfactory solution in every case.

2 Corporate Culture and Ethical Values (Continued)

Share your knowledge

Knowledge is valuable. Our customers, prospects and colleagues can all benefit from the knowledge that we have to offer. Quartix and its staff have a whole host of skills, expertise and experience to share with others and we are proud to do so. The culture of the Group is characterised by these values which are communicated to staff through a number of mechanisms.

The Board believes that a culture that is based on the five core principles is a competitive advantage and consistent with fulfilment of the Group's execution of its strategy. Additionally, it places emphasis on fostering a culture centred on integrity, collaboration, and innovation. Periodic staff engagement surveys and open feedback channels enable Board oversight of corporate culture and ensure alignment with Quartix's values. Leadership actively reviews survey data and staff feedback to identify opportunities for positive cultural development.

Additionally, the Group has a range of ethical and values-related policies and procedures in place that all staff have access to on the internal HR platform either within the staff handbook or as separate policies including (but not limited to):

- Anti-corruption & bribery policy
- Criminal Finance Act policy
- Anti-harassment & bullying policy
- Corporate social responsibility statement
- Equal Opportunity & diversity policy
- Staff handbook
- Communications policy
- Mental health policy
- Whistle blowing policy
- Ethical Trading Policy

3 Shareholder Needs and Engagement

Responsibility for investor relations rests with the Executive Chairman. The Board maintains an active and transparent dialogue with shareholders through investor roadshows, quarterly webinars, and regular trading updates as demonstrated in the table below. Shareholder feedback which is provided anonymously by our in-house broker is considered in decision-making, and significant matters, including dividend policy and Board changes, are communicated without delay.

During 2025 the following activities were pursued to develop a good understanding of the needs and expectations of all constituents of the Group's shareholder base:

Date	Description	Participants	Comments
Jan	Trading statement	Board	
Feb	Preliminary results meetings	Executive Chairman	
Mar	Presentations to institutional investors and analysts	Executive Chairman	The Executive Chairman prepares and reviews with the Board detailed presentations covering the Group's activities over the relevant period and takes guidance from the brokers.
Mar	Annual results video	Executive Chairman	Presentations disseminated via website at 7.00 a.m. on morning of results release so all information publicly available to all shareholders and potential investors.
Mar	AGM	Board	All shareholders are invited to attend
Mar	AGM trading statement	Board	
Apr	Mello Monday Webinar	Executive Chairman	Presentation to private investors, pre-announced by RNS
Jul	Trading update statement	Board	
Jul	Interim results presentations to institutional investors and analysts	Executive Chairman & Financial Director	Presentations disseminated via website at 7.00 a.m. on morning of results release so all information publicly available to all shareholders and potential investors.
Jul	Interim results video	Executive Chairman	Video disseminated via website (see above)
Oct	Trading statement	Board	Meetings with key institutional investors held by the Executive Chairman & Financial Director
Oct	Mello Monday Webinar	Executive Chairman & Financial Director	
Various	Potential investor meetings	Executive Chairman	Presentation to potential investors

The Group is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. As illustrated in the table above, we communicate with shareholders throughout the year by various formats. A range of corporate information (including all Quartix announcements) is also available to shareholders, investors and the public on our website.

Private shareholders: The AGM is the principal forum for dialogue with private shareholders and the Board invite all shareholders to attend and participate. The Notice of Meeting is sent to shareholders at

3 Shareholder Needs and Engagement (Continued)

least 21 days before the meeting. The chairs of the Board and all committees, together with all other Directors, attend the AGM and are available to answer questions raised by shareholders. Shareholders vote on each resolution and subsequently publish the outcomes on our website.

Institutional shareholders: The Directors actively seek to build a mutual understanding of objectives with institutional shareholders. Our Executive Chairman makes presentations to institutional shareholders and analysts immediately following the release of the full-year and half-year results and the Executive Chairman and Financial Director communicate with institutional investors frequently through formal meetings arranged by the in-house broker. Following meetings, the broker provides anonymised feedback to the Board from all fund managers met, from which sentiments, expectations and intentions may be gleaned. In addition, we review analysts' notes to achieve a wide understanding of investors' views. This information is considered by the Board.

4 Stakeholder Interests and ESG

Staff – our ability to fulfil customer requirements and execute our strategy relies on having talented and motivated staff.

Reason for engagement: Good two-way communication with staff is a key requirement for high levels of engagement.

How we engage:

- Regular staff briefings via email or video presentation during 2025.
- A Q3 Group-wide two-day event held at the main office in Newtown, Wales.

Quartix's commitment to workforce engagement is reflected in regular staff meetings, the operation of an internal communication platform, and access to an anonymous whistleblowing hotline. Whistleblowing concerns are escalated to the Board and reviewed as when a concern is raised to ensure that employee voices inform corporate governance. In 2025 we're pleased to report that there has been no whistleblowing concerns raised, that required action or oversight by the Board.

Customers – Quartix's commitment to customer satisfaction continues to earn external recognition, most notably Fleet News Fleet Recommended status for the second consecutive year, voted for by fleet professionals. We were also named Telematics Supplier of the Year at the WhatVan? Awards 2026, reflecting our strong standing across van fleets of all sizes. As Quartix reaches the milestone of 25 years of operation, we marked this milestone by formally acknowledging the role our customers have played in shaping the business; their trust and ongoing input having been integral to our growth and longevity.

How we engage with our customers:

- Customer satisfaction tracking: Following every resolved support case, we capture satisfaction data through our SimpleSurvey tool, with global support teams consistently achieving an average CSAT score in excess of 90%. On Trustpilot, we hold a rating of 4.8 from over 1,200 reviews, with 94% rated five stars and a further 3% at four stars.
- Support excellence: At the close of 2025, only 2.55% of our customer base had an open support ticket, and just 0.08% of installed units required an engineer visit to resolve an issue, metrics that speak to the reliability and accessibility of both our support model and technology.
- Active product collaboration: We involve customers directly in shaping our product direction through regular structured interviews and beta programmes. Recent initiatives have included testing our new vehicle inspections app, a redesigned mobile application, and a comprehensive redesign of our core fleet tracking system, with over 1,000 businesses expressing interest to preview and participate in the beta.

4 Stakeholder Interests and ESG (Continued)

Why customers stay:

- Exceptional long-term retention: Over 700 customers have been with Quartix for more than 20 years, with many tracking units in the field exceeding a decade of installation. Where hardware changes are necessary, typically driven by mobile network upgrades or the transition from circuit-switched data to GPRS, we manage these migrations seamlessly with the customer.
- Infrastructure reliability: Our platform maintains 99.99% uptime, supported by dual-redundant servers with automatic failover capability, ensuring uninterrupted service continuity for our customers.

Suppliers – We have a range of suppliers including those who provide us with hardware, communication services, installation services and marketing support.

Reason for engagement: Good services from our suppliers are critical to us delivering the data services to our customers.

How we engage:

- Co-ordinate and manage our network of installers to ensure on-time activation of tracking devices.
- Operate systems to ensure that supplier invoices are processed and paid on time.

Shareholders – as a public company we must provide transparent, easy-to-understand and balanced information to ensure support and confidence.

Reason for engagement: Meeting regulatory requirements and understanding shareholder sentiments on the business, its prospects and performance of management.

How we engage:

- Regulatory news releases.
- Keeping the investor relations section of the website up to date.
- Publish videos of investor presentations and interviews.
- Annual and half-year reports and presentations.
- AGM.

We believe we successfully engaged with our shareholders over the past 12 months.

ESG - Quartix received the ‘Green Economy Mark’ from the London Stock Exchange in recognition of its role enabling fleets to cut fuel consumption and emissions through improved vehicle tracking analytics. The Executive Management team, with general oversight by the Board oversees sustainability initiatives, regularly reviews climate-related risks and opportunities, and has in the past engaged third-party consultants to evaluate Quartix’s environmental footprint. Staff support for local charities and community engagement are promoted through fundraising and volunteering programmes.

For further information on ESG refer to the ESG Report on page 36.

5 Risk Management and Internal Controls

The Group has a risk register that identifies key risks and all members of the Board are provided with a copy of the register at least once year. The register, including control mechanisms to mitigate risks, is reviewed by the Board and is updated following each such review.

As part of our commitment to the QCA Code's updated focus on environmental and social responsibilities, the Board oversees climate-related risk governance alongside strategic planning, using frameworks informed by TCFD best practices. Quartix also continues to maintain the London Stock Exchange's 'Green Economy Mark' and aims to report transparently on how its business activities contribute to decarbonization across customer fleets.

The key risks and uncertainties are included in the Strategic Report: Financial Review.

6 Board Composition and Functioning

Staff are reminded on appointment and on a bi-annual basis that they should seek approval from the Company Secretary if they, or their families, plan to trade in the Group's equities.

The members of the Board have a collective responsibility and legal obligation to promote the interests of the Group and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the Board.

In 2025, the Board consisted of one Executive and two independent Non-Executives and the Company Secretary who is the Financial Director of Quartix Limited and attends all Board meetings. No changes took place during 2025, aside from the appointment of Sally Morton as Company Secretary and Financial Director of Quartix Limited on 1 January 2025.

In recognition of market expectations and regulatory guidance, Quartix has adopted a comprehensive Board and senior management diversity policy. The Board remains committed to maintaining a diverse mix of skills, backgrounds, and perspectives, with the aim of fostering better decision-making and improved stakeholder outcomes. For 2025, women represented 50% of our Board including the Company secretary and 23% of senior executive management positions, and we are actively encouraging ethnic, social, and cognitive diversity through tailored recruitment and succession programs.

The Board is supported by three committees: audit, remuneration and nominations committees.

Non-Executive Directors are required to attend 10-12 Board meetings per year (in Cambridge, Newtown and London or remote via Microsoft Teams) and to be available at other times as required for face-to-face and telephone meetings with the executive team and investors. In addition, they attend Board committee meetings as required.

6 Board Composition and Functioning (Continued)

Meetings held during 2025 and the attendance of Directors is summarised below:

	Board meetings		Audit Committee		Remuneration Committee		Nominations Committee	
	Held	Present	Held	Present	Held	Present	Held	Present
Executive Directors								
Andrew Walters	11	11	-	-	1	1	-	-
Non-Executive Directors								
Alison Seekings	11	11	1	1	1	1	-	-
Ian Spence	11	11	1	1	1	1	-	-

The Nominations Committee meets when required in relation to Board appointments. There has been no separate meeting of the Nominations Committee in 2025. The Board as a whole retained oversight for ESG.

The Board has a schedule of regular business, financial and operational matters, and each Board committee has compiled a schedule of work to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year. The Chairman is responsible for ensuring that, to inform decision-making, Directors receive accurate, sufficient and timely information. The Company Secretary compiles the Board and committee papers which are circulated to Directors prior to meetings and provides minutes of each meeting and every Director is aware of the right to have any concerns minuted and to seek independent advice at the Group's expense where appropriate.

All members of the Board bring relevant sector experience in software and business services, governance and finance. Where relevant, the Directors research relevant information, including online material, and occasionally attend seminars and trade events, to ensure that their knowledge remains current.

Key to committees/roles: E: Executive, N: Nomination, A: Audit, R: Remuneration, C: Chair

Andrew Walters, Executive Chairman (CR, N)

Background:

Andrew Walters founded Quartix in 2001 with three colleagues. Prior to that he was Managing Director of a subsidiary of Spectris plc for 6 years and had spent 15 years with Schlumberger in the UK and France, where he was Marketing Director of the payphones and smart cards division.

His financial involvement with Quartix is his annual Executive salary and he is a major shareholder in the Company so is not an independent Director.

Current external appointments:

Some voluntary business mentoring for The King's Trust.

Skills and experience:

Andrew holds an MA in electrical sciences from the University of Cambridge and developed the Group's UK patent, granted under the Patents Act 1977. He has many years' experience of the vehicle tracking market, having started the Group in 2001 with three colleagues, and has been fully engaged in all aspects of the business throughout this time.

Time commitment: 6-8 days a month

6 Board Composition and Functioning (Continued)

Alison Seekings, Independent Non-Executive Director (CA, N)

Background:

Alison is a senior finance leader with extensive experience of working at board level. She has worked in large professional services firms, formerly with Deloitte and then as a partner with Grant Thornton UK LLP until 2021. Alison has over 30 years' experience of advising boards and supporting companies with their financial strategy and reporting requirements.

Current external appointments:

Alison is the founder of her own consultancy company called Seekings Advisory Limited, and also sits as a non-executive director for Midwich Group plc. Alison is CFO at RQ Biotechnology Limited.

Skills and experience:

Alison is a qualified chartered accountant and chartered tax adviser and has a degree in Natural Sciences from the University of Cambridge.

Time commitment: 1-2 days a month

Ian Spence, Independent Non-Executive Director (CN, A)

Background:

Ian has more than 30 years' experience in researching and advising companies in the technology sector. Ian started his career in the City as a technology analyst working for, amongst others, Robert W Baird, WestLB Panmure and Bridgewell. He later went on to start IS Research Ltd, trading as Megabuyte, a leading company intelligence platform focusing on UK mid-market tech businesses, where he is currently Executive Chairman.

Current external appointments:

In addition to Megabuyte, Ian's other current role is as Principal at Agnosco Capital Ltd, where he provides research and strategic advice to technology companies and their investors.

Skills and experience:

Ian has been recognised as a highly respected financial analyst in the technology sector, having twice been voted as TechMARK Analyst of the Year and recognised by Debretts and The Sunday Times as a top 20 influencer in the UK technology sector. Ian has a degree in Accounting & Finance from Manchester Metropolitan University.

Time commitment: 1-2 days a month

Sally Morton, Company Secretary & Financial Director

Background:

Sally joined Quartix in 2019 as Group Financial Accountant, and advanced to Head of Finance in 2022 and was promoted to the role of Finance Director in 2025 together with fulfilling the Company Secretary role. Her career reflects a dedication to excellence, leveraging her expertise to drive financial strategy and organisational success.

Current external appointments:

None.

Skills and experience:

Sally Morton is an accomplished financial professional with a strong foundation in accounting and leadership. A Rhodes University graduate with Honours in Financial Accounting, she qualified as a Chartered Accountant with Grant Thornton UK LLP.

Time commitment: Full Time

7 Governance Structures and Skills

The Board provides strategic leadership for the Group and operates within the scope of a robust corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves setting the culture, values and practices that operate throughout the business, and defining the strategic goals that the Group implements in its business plans. The Board defines a series of matters reserved for its decision and has delegated some of its responsibilities to relevant Committees. The chair of each committee reports to the Board on the activities of that committee.

The **Audit Committee** monitors the integrity of financial statements, oversees risk management and control, monitors the effectiveness of internal controls and reviews external auditor independence.

Alison Seekings chairs the Audit Committee. The Committee exists to scrutinise and clarify any qualifications, recommendations and observations within the audited accounts and report of the Company's auditor. When satisfied, the Committee presents the audited accounts and report to the Company's Board and reviews the effectiveness of resultant corrective and preventative measures.

The **Remuneration Committee** sets and reviews the compensation of Executive Directors including the setting of targets and performance frameworks for cash and share-based awards.

It acts to ensure sound Corporate Governance with respect to Director and senior management remuneration and meets once or twice in the year, as appropriate. The Committee functions with the objective of attracting, retaining and motivating the executive management of the Group and ensuring they are rewarded in a fair and responsible manner for their contribution to the success of the Group.

The role of the Committee is to determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chairman and Executive Directors, including pension rights and compensation payments. It also recommends and monitors the level and structure of remuneration for senior management. When setting the remuneration policy, the Committee reviews and considers the pay and employment conditions across the Group, especially when determining salary increases.

Andrew Walters chairs the Remuneration Committee and where there is a decision to be made around Andrew Walters' own remuneration package, this is reserved for the other members of the remuneration committee to discuss without Andrew Walters present.

Quartix's remuneration policy is now explicitly aligned to the Group's long-term strategic objectives, corporate purpose, and desired culture. Executive and senior management incentives are increasingly based on both financial and non-financial metrics. The annual remuneration report will be presented to shareholders for an advisory vote at the AGM, with clear disclosure on malus and clawback arrangements as required by the latest QCA and FCA guidelines.

The Nominations Committee is chaired by Ian Spence. The Committee reviews the structure, size and composition of the Board to ensure the leadership of the Group is the most proficient to facilitate the Group's ability to effectively compete in the marketplace. It makes recommendations to the Board regarding the continued suitability of any Director, the re-election by shareholders of any Director under the 'retirement by rotation' provisions in the Company's Articles of Association, and succession planning for Directors and other Senior Executives.

The **Chairman** has overall responsibility for corporate governance and in promoting high standards throughout the Group. He leads and chairs the Board, ensuring that committees are properly structured and operate with appropriate terms of reference, ensures that performance of individual Directors, the Board and its committees are reviewed on a regular basis, leads in the development of strategy and setting objectives, and oversees communication between the Group and its shareholders.

7 Governance Structures and Skills (Continued)

The **Chairman** provides coherent leadership and management of the Group and leads the development of objectives, strategies and performance standards as agreed by the Board. He also monitors, reviews and manages key risks and strategies with the Board, ensures that the assets of the Group are maintained and safeguarded, leads on investor relations activities to ensure communications and the Group's standing with shareholders and financial institutions is maintained, and ensures that the Board is aware of the views and opinions of employees on relevant matters.

At present Andrew Walters fulfils both the role of the Chairman and the CEO on the Board.

The **Executive Director** is responsible for implementing and delivering the strategy and operational decisions agreed by the Board, making operational and financial decisions required in the day-to-day operation of the Group, providing executive leadership to managers, championing the Group's core values and promoting talented management.

The **Independent Non-Executive Directors** contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of management, provide constructive challenge to the Executive Directors and ensure that the Group is operating within the governance and risk framework approved by the Board.

The **Company Secretary** is responsible for providing clear and timely information flow to the Board and its committees and supports the Board on matters of corporate governance and risk.

The key matters reserved for the Board are:

- Setting long-term objectives and commercial strategy.
- Approving annual budgets.
- Changing the share capital or corporate structure of the Group.
- Approving half-year and full-year results and reports.
- Approving dividend policy and the declaration of dividends.
- Ensuring a satisfactory dialogue with shareholders.
- Approving major investments, disposals, capital projects or contracts.
- Approving resolutions to be put to general meetings of shareholders and the associated documents or circulars.
- Approving changes to the Board structure.

8 Board Performance and Succession Planning

The focus in 2025 was on Board roles in the context of a Board development plan including a succession plan for Executive Directors. This evaluation was accompanied by a wider review of the levels of investment in the business, as well the senior management posts required to deliver on the Group's strategy.

The Board, co-ordinated by the Executive Chairman, undertook a Board effectiveness review including evaluation of key committees, composition, and leadership. In 2025, an internal evaluation review was performed with findings collated by the Company Secretary which are summarised on page 20. Succession plans now account for skill diversity, independence and experience needed for future strategy and board renewal.

9 Remuneration Policy

Remuneration is designed to align executive incentives with long-term Group growth and shareholder interests. Performance is measured against ARR growth, new customer acquisition and strategic improvement objectives that contribute to the growth of the business. The Remuneration Committee reviews outcomes annually and is committed to transparency in reporting, see the Remuneration Report for the 2025 remuneration report.

10 Governance Communication and Reporting

Communication with shareholders is fundamental to our governance framework and is actively led by the Board, in particular the Executive Chairman, with engagement by other directors as appropriate. The Board seeks to foster open and regular dialogue with both existing and prospective shareholders through a structured programme of meetings and calls, particularly following trading updates, as well as formal presentations to analysts and institutional investors after the publication of interim and annual results.

The Board receives regular reports from both its executive directors and its advisers summarising shareholder feedback, investor sentiment, and relevant market developments, ensuring all directors have a clear, up-to-date understanding of the views of our investor base. If a significant proportion of votes has been cast against board resolutions, the Board investigates the reasons and reports any actions taken in response.

We maintain a comprehensive, easily accessible investor relations section on our website, which provides up-to-date regulatory announcements, reports, governance materials, and information on how shareholders may contact the Company or raise queries. The Board remains committed to ensuring transparency and effective two-way communication in compliance with the 2023 QCA Code.

Audit Committee Report

For the year ended 31 December 2025, the Audit Committee was chaired by Alison Seekings and membership is limited to the Independent Non-Executive Directors.

The Committee exists to scrutinise and clarify any qualifications, recommendations and observations within the audited accounts and report of the Group's auditor. When satisfied, the Committee presents the audited accounts and report to the Company's Board and reviews the effectiveness of resultant corrective and preventative measures.

Main responsibilities

In performing this function, the key duties of the Committee are to:

- Monitor the integrity of the financial statements of the Group and any formal announcement relating to its financial performance.
- With regards to financial reporting, review and challenge the consistency of accounting policies, the use of accounting methods over alternatives, whether the Group has followed appropriate accounting standards, the clarity of disclosure, and all material information relating to the audit and risk management.
- Review the basis for the going concern statement in light of the financial plans and reasonably possible scenarios especially considering industry wide and macro-economic factors that could impact the business.
- Monitor the adequacy and effectiveness of the Group's internal financial controls, including the internal control and risk management systems.
- Ensure that the Group's arrangements for its employees and contractors to confidentially raise concerns about possible wrongdoing allow proportionate and independent investigation and appropriate follow up action.
- Consider the need to implement an internal audit function.
- Make recommendations to the Board and the Company's shareholders regarding the appointment, re-appointment, and removal of the Groups external auditor. It ensures that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor.
- Oversee the Groups relationship with the external auditor.
- Considering if the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable.

Auditor

PKF Littlejohn LLP (PKF) was reappointed as the Groups auditor at the 2025 AGM. The Audit Committee monitors arrangements to ensure the independence of the auditor. The PKF partner is in their fifth year this year and will retire by rotation after the 2026 AGM. No services other than audit have been provided by PKF or any of its significant affiliates.

The Audit Committee oversees the plan for the statutory audit and reviews the auditor's assessment of the principal risks, proposed scope of work, audit approach and materiality. The Audit Committee has the opportunity to review and challenge the audit plan and discuss the findings arising which includes feedback on the effectiveness of internal controls. The Audit Committee seeks to ensure sufficient rigour is applied during the audit process.

FRC Review

During the year, the FRC Corporate Reporting Review team wrote to the Group requesting further information on the accounting treatment of tracking systems and dashcams, including associated installation and carriage costs, and the presentation of related cash flows in the Group's 2024 Annual Report and Accounts. The Audit Committee was informed immediately and oversaw management's response to the FRC's questions.

Following detailed analysis by management, consultation with the external auditor and constructive correspondence with the FRC, the Board concluded that these devices meet the definition of property within IAS 16 on the basis that the Group retains legal title and control of the units, which are used in delivering telematics services and may be redeployed between customers. As a result, the Group has changed its accounting policy to recognise the cost of tracking systems, dashcams and directly attributable installation and carriage costs within property, plant and equipment and to depreciate them over their economic lives and has applied this change retrospectively in accordance with IAS 8, including restatement of comparative information and the opening statement of financial position. It is noted that the reassessment reflects that the tracking systems and dashcams have an estimated economic life longer than the average revenue contract period recognised under the previous accounting policy. The principal impacts of the change in policy were:

- An increase in the carrying value of property, plant and equipment and net assets at 31 December 2024 of £12,723k and £9,022k respectively.
- An adjustment to retained earnings at 1 January 2024 of £9,020k.
- A decrease in reported revenue in FY24 of £594k to reflect the reclassification of fees charged for lost units as a gain on disposal.
- An increase in reported profit before tax for FY24 of £145k.
- A reduction in the tax expense for FY24 of £207k.

In reviewing this matter, the Committee reviewed technical accounting papers prepared by management and considered the views of the external auditor. The Committee considered the judgements involved in this reassessment, the additional elimination of the replacement provision previously recognised in relation to the network upgrade in France, and the impact on the primary statements, and was satisfied that the revised accounting policy and related disclosures provide an appropriate and transparent presentation of the Group's financial position and performance, with limited impact on revenue recognition and no impact on free cash flow.

The external auditor has performed additional audit procedures on the restated figures and has issued an unmodified audit opinion on the restated financial statements.

The Committee also notes the general expectation set by the FRC in its corporate reporting reviews that companies provide clear, specific explanations of significant changes to accounting policies and to refer, where relevant, to exchanges with the FRC. The Committee is satisfied that the disclosures in note 1 and the change in accounting policy explanation in note 33 meet these expectations and assist shareholders in understanding the nature of the change, the reasons for it and its effect on reported net assets and key performance measures.

The Audit Committee takes financial reporting integrity seriously and considers that the engagement with the FRC was constructive and the revised accounting treatment appropriate. The Audit Committee reviews the Annual Report and Accounts to ensure they are fair, balanced and understandable and that they provide the level of information useful to shareholders to enable them to assess the Group's performance and business model.

Directors' Remuneration Report

The Remuneration Committee functions with the objective of attracting, retaining and motivating the executive management of the Group and ensuring they are rewarded in a fair and responsible manner for their contribution to the success of the Group.

Remuneration of Executive Directors

In 2025, the Executive Directors' remuneration packages comprised of a salary, a performance related bonus scheme and the opportunity to enrol in the Group's selected auto-enrolment pension scheme. See below for a breakdown of the Directors' remuneration packages during the year.

Directors' detailed emoluments and compensation (audited)

					2025 (£)	2024 (£)
		Salary	Bonus	Pension	Total	Total
Executive Directors	Andrew Walters	50,000	-	-	50,000	50,000
	Emily Rees ¹	-	-	-	-	119,638
		50,000	-	-	50,000	169,638
Non-Executive Directors	Alison Seekings	45,000	-	-	45,000	45,000
	Ian Spence	45,000	-	-	45,000	39,058
		90,000	-	-	90,000	84,058

¹ Resigned from the Board on 26 March 2024. Not included in 2024 is £25k gratuity on resignation

Directors Bonus Schemes

Further to the resignation of Emily Rees as Executive Director, no director management incentive scheme for Quartix Technologies plc board directors is operational.

Directors and their interests in shares

Year ended 31 December		Ordinary shares £0.01 each	
		2025	2024
Executive Directors			
	Andrew Walters	10,861,609	10,861,609
		10,861,609	10,861,609
Non-Executive Directors			
	Alison Seekings	-	-
	Ian Spence	-	-
		10,861,609	10,861,609

Directors and employees share options

There were no share options granted to Directors of the Company, and no share options exercised or share options outstanding held by Directors of the Company at 31 December 2025.

Non-Executive Directors

A Non-Executive Director is typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period. The current Non-Executive Directors have entered into service contracts for a three-year term. Any term renewal is subject to Board review and AGM re-election.

	Date of contract	Unexpired period at date of report
Alison Seekings	28 November 2023	9 months
Ian Spence	19 February 2024	12 months

Andrew Walters

Chairman, Remuneration Committee

Environmental, Social and Governance (“ESG”) Report

ESG statement

Quartix Technologies plc provides subscription-based vehicle tracking systems and telematics analytics that help fleets operate more safely, efficiently and sustainably, supporting the transition to a lower-carbon transport sector.

Environmental

Quartix’s core products enable customers to reduce fuel consumption and emissions by using driving-style analytics, routing and utilisation data, with studies indicating typical fuel savings in the range of 10–25% for fleets using telematics effectively. The Group is committed to continuous improvement in areas such as office energy efficiency, travel, and hardware logistics while supporting customers with tools and guidance to run greener fleets.

Social

Quartix focuses on providing a safe, inclusive and supportive working environment, with policies covering employee wellbeing, health and safety, equal opportunities and professional development for its global workforce. The business also seeks to create positive social impact by improving road safety and supporting customers in managing driver behaviour, compliance and duty-of-care responsibilities.

Governance

The Board oversees ESG matters and reviews sustainability priorities, monitors performance and integrates ESG considerations into risk management and long-term strategy. Quartix maintains high standards of corporate governance through its board committees, codes of conduct and compliance framework, and engages regularly with investors and other stakeholders on ESG topics, including as a recipient of the London Stock Exchange’s Green Economy Mark.

Commitment to a Better Future

At Quartix, corporate responsibility is central to the way we do business. We believe sustainable growth comes from being a good employer, a trustworthy partner, and a proactive member of our community. Every step we take is designed to create positive value for our customers, our people, and the world around us.

Empowering Our People

Our colleagues are at the heart of our business. We:

- Foster a diverse, inclusive, and rewarding environment where everyone can thrive.
- Invest in training and development, supporting each individual’s growth.
- Celebrate achievement and encourage open communication and collaboration at all levels.

We demand integrity, transparency, and respect in all interactions, ensuring every Quartix workplace is safe, free from harassment and welcoming.

Valuing Our Customers

We place our customers and partners at the centre of everything we do. Quartix delivers:

- Innovative, high-quality solutions with consistent reliability.
- A commitment to fair value, honesty, and long-term partnership.
- Responsive support shaped around customer needs and industry best practice.

Building Responsible Partnerships

Our suppliers and partners shape our success. We:

- Seek out and nurture ethical, sustainable relationships with like-minded organisations.
- We commit to partnerships built on transparency, respect and trust, ensuring that all voices are heard.
- Work together for continual improvement and shared benefit.

Our Environmental Responsibility

We are committed to reducing our environmental impact and continuously improving how we operate. Our current focus includes:

- Developing an environmental management policy and regularly reviewing our objectives to strengthen sustainable practices.
- Enhancing operational efficiencies to minimise waste, emissions, and resource use.
- Promoting awareness and training to empower our team to act responsibly and support a more sustainable future.

Recent actions include improved route analytics, reduction in the use of paper and single-use materials, and increased digitalisation across our operations.

Health, Safety & Well-being

Safety is the cornerstone of our operations. We:

- Uphold rigorous health and safety standards and regularly update our policies.
- Encourage shared responsibility for a safer, healthier workplace.

Community & Social Impact

Quartix proudly supports the communities where we work. Our approach:

- Involvement in and financial support for local charities and non-profit organisations.
- Encourage and support our teams individual charitable fundraising through promotion on our shared online portal

CSR Impact Highlights

Investing in People

- Total staff training hours delivered this year: 454
- Average training hours per employee: 2.67 hrs per employee
- Key training initiatives: Digital skills upgrade including Artificial Intelligence and cyber security awareness, sexual harassment training, management training & development, health & safety, fire warden & first aid refreshers.

Supporting Our Community

- Fundraising efforts: Quartix staff collectively raised £7,556 for Rekindle, supporting essential programmes and community initiatives. As part of our commitment to safety and community wellbeing, Quartix supports Brake, the UK road safety charity, which works to prevent road deaths and injuries and provides specialist support to road crash victims and their families. In 2025 we donated £4,000 to Brake. Quartix has also sponsored the football shirts for a green roots football team, in Newtown two years running and sponsored the Newtown 10km which is held annually.
- Charity partnerships: Our team is encouraged to participate in local fundraising events and Quartix has a scheme to match giving.
- Charity of the year: Rekindle a youth mental health charity based in Newtown, Powys, providing specialised support and therapy for young people aged 16–25 to improve their mental health and wellbeing. Funds raised support one-to-one counselling, workshops, group activities, and safe spaces that empower young people to live their lives well.

Directors' Report

The Directors present their annual report and the financial statements of the Group for the year ended 31 December 2025.

Principal activity

The principal activity of the Group during the year was the design, development, marketing and delivery of vehicle telematics services. The Group has overseas subsidiaries incorporated in France and the USA and a subsidiary in Germany. The Parent Company is incorporated and domiciled in the UK. The registered office is One Cambridge Square, Cambridge North, Cambridge, CB4 0AE.

Research and development

Please see the Strategic Report on page 9 for further information about the Group's approach to research and development.

Future developments

The Group's intentions regarding investment and business development can be found under Capacity for future growth on page 10.

Proposed dividend

In the year ending 31 December 2025, the Board paid an interim dividend of 2.50p (2024: 1.50p) per ordinary share. This totalled £1.2m, which was paid on 30 September 2025 to shareholders on the register on 29 August 2025.

The Board is recommending a final dividend of 7.50p per share amounting to approximately £3.6m in aggregate and giving a total dividend for the year equivalent to 10.00p per share. If this is approved at the forthcoming AGM on 22 April 2026, the final dividend will be paid on 30 April 2026 to shareholders on the register as at 7 April 2026.

Major interest in shares

On 25 March 2026, the Board was aware of nine parties that had holdings of 3% or more in the ordinary share capital of the Company. The number of ordinary shares and the percentage of the total shares held by each party is outlined below.

	Number of £0.01 shares¹	% of total
Andrew Walters ²	10,861,609	22.43
Liontrust Investment Partners LLP	4,408,326	9.10
Andrew Kirk	4,009,853	8.28
Charles Stanley Group plc	3,963,684	8.18
Sanford Deland Asset Management Ltd	3,117,000	6.44
Schroders PLC	3,111,468	6.42
William Hibbert	2,663,000	5.50
Kenneth Giles	1,871,800	3.87
JP Morgan Asset Management	1,518,737	3.14

¹ Based on the most recent available data to the Company

² Includes shares held as family interests or by virtue of position as beneficiary or potential beneficiary of certain trusts

Directors

The Non-Executive Directors who held office during the year are listed below:

- Alison Seekings
- Ian Spence

The Executive Directors who held office during the year are listed below:

- Andrew Walters

All Executive Directors have service agreements with the Company terminable by either party upon the minimum notice period being met. The minimum notice period is 6 months for all Executive Directors.

The Company's Articles of Association require all Directors to stand for re-election each year at the AGM. The next AGM will take place on 22 April 2026.

Going concern

Inflation, higher interest rates and global trade uncertainties continued to affect the global economic environment during 2025. The Board has considered the impact of these factors, together with other relevant risks and uncertainties, in forming its assessment of the Group's ability to continue as a going concern.

The Board prepares detailed budgets and cash flow forecasts covering a period of at least 24 months from the date of approval of the financial statements. These forecasts incorporate the 2025 year-end actual results and reflect the impact of the revised accounting policy implemented following recent FRC guidance.

The Group's business model is based on recurring subscription revenues from its fleet customer base, which the Board considers provides good visibility over future cash flows. Current liabilities include a significant deferred revenue balance, which is a non-cash item. The Group continues to operate without external debt facilities and is therefore not exposed to refinancing or covenant risk over the going concern assessment period.

In addition to the base case forecasts, the Board has considered a range of downside scenarios, including a combined severe but plausible case in line with FRC guidance. This combined downside case assumes: (i) zero year-on-year growth in new fleet subscriptions in both 2026 and 2027, compared with budgeted growth of 9%; (ii) increases in attrition of 5% for Quartix Limited and Quartix SAS and 10% for Quartix Inc; and (iii) price erosion of 5% on new business ARPU across all markets. Under this combined downside case, the Group is forecast to maintain a positive cash balance throughout the 24-month assessment period.

The Board has also specifically considered the cash impact of the 2G to 4G replacement programmes in France and the UK. Management's objective is to proactively replace affected 2G units during 2026 and 2027, leaving the Group with a stronger base of 4G units ahead of the planned UK 2G network shutdown in May 2029. The additional cash costs of these programmes are expected to be funded from existing cash resources and operating cash flows, without the need for external financing.

The downside and severe but plausible scenarios described above do not assume any mitigating actions that are within management's control, such as reductions in discretionary marketing expenditure, customer acquisition payroll costs or changes to the Group's dividend policy. Having considered the base case forecasts, the downside and severe but plausible scenarios, the Group's current cash resources and the range of potential mitigating actions available, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements and do not consider that a material uncertainty exists that would cast significant doubt on the Group's ability to continue as a going concern.

Directors' responsibilities statements

The Directors are responsible for preparing the Strategic Report, Remuneration Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the consolidated financial statements in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework). Under Company Law the Directors must not approve the financial statements unless they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK-adopted IAS have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Company financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Groups auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management policies and objectives

The Group manages its key financial risks as follows. Principal risks and uncertainties are considered in the strategic report on pages 13-14.

Credit risk

The principal credit risk relates to trade receivables and is mitigated, where possible, by third party credit clearance for new customers and collection by direct debit, or similar. The Group seeks to manage credit risk associated with cash deposits by using banks with high credit ratings assigned by international credit rating agencies.

Currency risk

This is managed by seeking to match currency inflows and outflows.

Directors' and officers' liability insurance

The Company maintains insurance cover for the Directors and key personnel against liabilities which may be incurred by them while carrying out their duties.

Auditors

The Directors have individually pursued all steps that they ought to have taken in their roles as Directors to ensure they are aware of any relevant audit information and that such information has been relayed to the Groups auditors. The Directors each confirm that there is no relevant information of which the Groups Auditors are unaware.

The Auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board on 25 March 2026.

Andrew Walters
Executive Chairman

Independent Auditor's Report to the Members of Quartix Technologies plc

Opinion

We have audited the financial statements of Quartix Technologies Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included obtaining a cashflow forecast covering at least a twelve-month period from the approval of the financial statements, holding discussions with management around the sensitivities included within the budget such as unit numbers, attrition rates and price erosion, assessing the reasonableness of projected cashflows and working capital assumptions and critically evaluating the revenue and cost projections by completing sensitivity analysis underlying the cash flow model.

Conclusions relating to going concern (Continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in the evaluation of the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements in forming the opinion in the auditor's report.

We define materiality as the magnitude of misstatement in the financial statements that, individually or in aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. We use materiality in determining the nature, timing and extent of our of audit work.

Our overall materiality for the Group is £545,000 (2024: £486,000) which represents 1.5% (2024: 1.5%) of turnover. Turnover is considered to be the most appropriate benchmark because the Group is a commercially focussed organisation and turnover is a key financial measure for the directors and shareholders.

Parent Company overall materiality for Quartix Technologies Plc is £339,000 (2024: £367,000) which represents 2% (2024: 1.85%) of the Parent Company's net assets. The benchmark of net assets is chosen because the Parent holds subsidiaries and considers net assets as the key financial measure for directors and shareholders.

We set performance materiality at an amount less than the overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Our performance materiality for the Group is £408,000 (2024: £364,500), which is 75% (2024: 75%) of overall materiality. Our performance materiality for the Parent Company is £254,000 (2024: £255,000) which was 75% (2024: 70%) of overall materiality. We have selected 75% based on our risk assessment of the Group and Parent Company and our assessment of the Group's and Parent Company's control environment.

We report to the directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of £27,000 (2024: £24,300) for the Group, and £16,000 (2024: £15,000) for the Parent Company as well as other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

Our audit is risk based and designed to focus our efforts on the areas of greatest risk and material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

Our approach to the audit (Continued)

In designing our audit, we determined materiality and assessed the risk of material misstatement in the Group and Parent Company financial statements. We looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, in particular the valuation of goodwill and the valuation of investments in subsidiaries for the parent company. We also assessed the risk of management override of internal controls, among other matters such as revenue recognition (see Key audit matters section below), in consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Of the Group’s 5 components, including the Parent Company, 3 of the components were subject to full scope audits for Group purposes. We performed a full scope audit using component materiality on the financial information of Quartix Limited and Quartix SAS.

The remaining components were subject to a specific scope audit. These components contained only balances that eliminated on consolidation, or specific balances material to the Group financial statements. We performed a limited scope review for Quartix Inc and Konetik Deutschland GmbH.

Of the 3 components subject to full scope audits, Quartix SAS was located in France. The component was audited by a firm within the PKF network operating under our instruction. The remaining components were audited directly by the Group audit team. We interacted regularly with the component audit team during all stages of the audit and we were responsible for the scope and direction of the audit process. This gave us appropriate evidence for our opinion on the Group and Parent Company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Revenue recognition (Notes 1 and 3)	
<p>We identified revenue recognition as an audit area susceptible to a risk of misstatement due to fraud.</p> <p>As detailed in Notes 1 and 3 to the financial statements, the Group’s principal revenue stream relates to the provision of telematics-based fleet and vehicle management solutions to customers. The Group’s activities of supplying telematic units and providing telematics services are considered to be a single performance obligation which is satisfied over a period of time. The Group also performs support services. These are considered to be a separate performance obligation for which a separate charge and invoice is raised. Revenue is recognised over the period that services are provided.</p>	<p>Our audit work in this area included:</p> <ul style="list-style-type: none"> • Assessing whether revenue recorded in line with the Group’s accounting policy and whether the accounting policy was compliant with International Financial Report Standard 15 Revenue from Contracts with Customers; • Testing a sample of sales invoices and agreeing the numbers of units and contract prices to agreements. In addition, for a sample of selected invoices subsequent cash receipts testing was performed; • Performing controls testing over data inputs for the invoicing process.

<p>Given the nature of the Group’s revenue being high volume of low value transactions, we identified that revenue was deemed to be a significant risk and a key audit matter.</p>	<ul style="list-style-type: none"> • Testing credit notes raised post year end to determine if they relate to the revenue recognised during the year to ensure revenue recognised during the year was not subsequently being reversed; and • Testing receipts received post year end to determine if they relate to revenue which should be recognised during the year end.
<p>Deferred revenue (Note 20)</p>	
<p>We identified deferred income as a significant class of transactions where there was risk of material misstatement due to fraud.</p> <p>As detailed in note 20 to the financial statements, the Group raises invoices in advance and classifies deferred income as contract liabilities.</p> <p>Under IFRS 15, the Group’s activities of supplying telematics units and providing telematics services are considered to be a single performance obligation which is satisfied over a period of time. The deferred income is driven by the contract terms and numbers of units and as a significant balance, presents a risk of material misstatement and as such was deemed to be a significant risk and key audit matter.</p>	<p>Our audit work in this area included:</p> <p>For fleet customers:</p> <ul style="list-style-type: none"> • Recalculating, for a sample of sales invoices, the appropriate portion of revenue to defer based on the contractual billing terms agreed with the customer and comparing this to the actual amount deferred. • Validating, on a sample basis, the free periods to customer contracts and performing a recalculation of the adjustment. • Evaluating the effectiveness of the design and implementation of the systems and related controls.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group and Parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Group and Parent Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company financial statements, the directors are responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Auditor's responsibilities for the audit of the financial statements (Continued)

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and the application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group and Parent Company in this regard to be those arising from UK-adopted international accounting standards, Companies Act 2006, AIM Rules for Companies, QCA Corporate Governance Code and the relevant tax compliance regulations in the jurisdictions in which the Group operates.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to:
 - We obtained an understanding of the effectiveness of the Group's overall control environment and policies to monitor controls related to revenue recognition as well as, contract assets and contract liabilities;
 - We reviewed all the Group's press releases, board minutes and performed a search of any related information in the public domain;
 - In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and financial statements with applicable reporting requirements; and
 - We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a risk of material misstatement in revenue recognition and deferred income (see Key audit matters section above) as well as the potential for management bias in relation to the valuation of goodwill and we addressed this by challenging the key assumptions and judgements made by management when auditing that significant accounting estimate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- As part of our Group audit, we communicated with the component auditors, the fraud risks associated with the Group and the need for the component auditors to address the risk of fraud through their testing. To ensure that this is completed, we have reviewed the component auditor working papers in this area and obtained responses to our Group instructions from the component auditor.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
25 March 2026

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Statement of Comprehensive Income

Year ended 31 December	Notes	2025 £'000	Restated 2024 £'000
Revenue	3	35,707	31,808
Cost of sales		(9,579)	(9,035)
Gross profit		<u>26,128</u>	<u>22,773</u>
Sales & marketing expenses		(8,300)	(7,106)
Administrative expenses		(9,148)	(9,258)
Fair value gain		-	73
Operating profit		<u>8,680</u>	<u>6,482</u>
Finance income receivable	7	15	2
Finance costs payable	8	(28)	(26)
Profit for the year before taxation	4	<u>8,667</u>	<u>6,458</u>
Tax expense	9	(2,286)	(1,340)
Profit for the year from continuing operations		<u>6,381</u>	<u>5,118</u>
Other Comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		271	(152)
Other comprehensive income for the year, net of tax		<u>271</u>	<u>(152)</u>
Total comprehensive income attributable to the equity shareholders of Quartix Technologies plc		<u>6,652</u>	<u>4,966</u>
Earnings per ordinary share (pence)	10		
Basic		13.18	10.58
Diluted		13.17	10.51

Consolidated Statement of Financial Position

	Notes	31 Dec 2025 £'000	Restated 31 Dec 2024 £'000	Restated 1 Jan 2024 £'000
Non-current assets				
Goodwill	11	14,029	14,029	14,029
Property, plant and equipment	13	17,027	15,466	13,407
Deferred tax assets	22	-	-	1,319
Contract cost assets	15	428	382	244
Total non-current assets		31,484	29,877	28,999
Current assets				
Inventories	14	25	25	26
Contract cost assets	15	1,477	1,353	1,091
Trade and other receivables	16	4,595	4,115	4,186
Cash and cash equivalents	17	5,567	3,101	2,380
Total current assets		11,664	8,594	7,683
Total assets		43,148	38,471	36,682
Current liabilities				
Trade and other payables	18	3,949	4,029	3,955
Provisions	19	21	66	469
Contract liabilities	20	4,174	3,782	3,679
Current tax liabilities		679	1,026	2,688
		8,823	8,903	10,791
Non-current liabilities				
Lease liabilities	21	505	411	520
Deferred tax liabilities	22	921	320	-
		1,426	731	520
Total liabilities		10,249	9,634	11,311
Net assets		32,899	28,837	25,371
Equity				
Share capital	23	484	484	484
Share premium account	23	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
Total equity attributable to equity shareholders of Quartix Technologies plc		32,899	28,837	25,371

Approved by the Board of Directors, authorised for issue and signed on behalf of the Board on 25 March 2026.

Andrew Walters
Executive Chairman

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium account £,000	Capital redemption reserve £'000	Equity reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2023	484	6,332	4,663	392	(295)	4,773	16,349
Adjustment					2	9,020	9,022
Restated balance	484	6,332	4,663	392	(293)	13,793	25,371
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)
Transactions with owners	-	-	-	(229)	-	(1,271)	(1,500)
Foreign currency translation differences (note 30)	-	-	-	-	(152)	-	(152)
Restated Profit for the year	-	-	-	-	-	5,118	5,118
Restated Total comprehensive income	-	-	-	-	(152)	5,118	4,966
Restated Balance at 31 December 2024	484	6,332	4,663	163	(445)	17,640	28,837
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)
Transactions with owners	-	-	-	(20)	-	(2,570)	(2,590)
Foreign currency translation differences (note 30)	-	-	-	-	271	-	271
Profit for the year	-	-	-	-	-	6,381	6,381
Total comprehensive income	-	-	-	-	271	6,381	6,652
Balance at 31 December 2025	484	6,332	4,663	143	(174)	21,451	32,899

Consolidated Statement of Cash Flows

	Notes	2025 £'000	Restated 2024 £'000
Cash generated from operations	25	12,587	10,279
Taxes paid		(2,082)	(1,326)
Cash flow from operating activities		10,505	8,953
Investing activities			
Additions to property, plant and equipment		(6,034)	(6,804)
Proceeds from disposal of assets		684	594
Interest received	7	15	2
Acquisition of subsidiary, net of cash acquired		-	(176)
Cash flow used in investing activities		(5,335)	(6,384)
Cash flow from operating activities after investing activities (free cash flow)		5,170	2,569
Financing activities			
Repayment of lease liabilities	26	(213)	(166)
Proceeds from share issues		-	-
Dividend paid		(2,664)	(1,452)
Cash flow used in financing activities		(2,877)	(1,618)
Net changes in cash and cash equivalents		2,293	951
Cash and cash equivalents, beginning of year		3,101	2,380
Exchange differences on cash and cash equivalents		173	(230)
Cash and cash equivalents, end of year	17	5,567	3,101

Notes to the Consolidated Financial Statements

1 Summary of significant accounting policies

Basis of accounting

These financial statements are consolidated financial statements for the Group consisting of Quartix Technologies plc, a company registered in the UK, and all its subsidiaries. These consolidated financial statements are for the year ended 31 December 2025 and are prepared in Sterling and are rounded to the nearest thousand pounds (£'000). They have been prepared 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.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

These financial statements have been prepared under the historical cost convention. New Standards, Amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Prior year restatement

In this annual report there have been two adjustments made to the prior year comparatives for the year ended 31 December 2024, and as required by IAS 8: Change in Accounting Policy, the 31 December 2023 balance sheet has been presented with restated balances.

- During the year 31 December 2025, the FRC conducted a Financial Report Review of the Quartix Technologies plc Annual Report and accounts for the year ended 31 December 2024. The FRC challenged the treatment of the tracking system and associated costs. These costs have historically been capitalised, and subsequently amortised, under IFRS 15 as contract cost assets, using the weighted average initial contract period (of approximately 20 months). However as the tracking systems remain under Quartix's ownership throughout their usage the review centred principally on whether the tracking systems should be dealt with under IAS 16: Property, plant & equipment instead and depreciated over the total useful economic life of the product. Having considered the points raised by the FRC, management have re-presented the prior year comparatives for the year ended 31 December 2024, on the basis that Quartix retains control over the tracking systems despite not having physical ownership of the unit and returned units can be refurbished and redeployed more than once in their life time.

The impact of the restatement on the prior year comparatives is included in note 33.

- Additionally the FRC challenged the replacement provision for the units in France offered to customers in advance of confirmed network upgrades. Included in the prior year adjustments is the reversal of this provision.

1 Summary of significant accounting policies (continued)

Basis of consolidation

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control is achieved where the Company has the power over an investee entity, exposure or rights to variable returns from the involvement in the investee and the ability to use its power over the investee to affect the amount of the investors returns. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. A list of subsidiaries is included in note 12.

Business combinations

Business combinations are accounted for using the acquisition method under the revised IFRS 3 Business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration agreement. Acquisition costs are expensed within administration expenses as incurred. The Group recognises identifiable assets acquired and liabilities assumed including contingent liabilities in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Going concern

Inflation, higher interest rates and global trade uncertainties continued to affect the global economic environment during 2025. The Board has considered the impact of these factors, together with other relevant risks and uncertainties, in forming its assessment of the Group's ability to continue as a going concern.

The Board prepares detailed budgets and cash flow forecasts covering a period of at least 24 months from the date of approval of the financial statements. These forecasts incorporate the 2025 year-end actual results and reflect the impact of the revised accounting policy implemented following recent FRC guidance.

The Group's business model is based on recurring subscription revenues from its fleet customer base, which the Board considers provides good visibility over future cash flows. Current liabilities include a significant deferred revenue balance, which is a non-cash item. The Group continues to operate without external debt facilities and is therefore not exposed to refinancing or covenant risk over the going concern assessment period.

In addition to the base case forecasts, the Board has considered a range of downside scenarios, including a combined severe but plausible case in line with FRC guidance. This combined downside case assumes: (i) zero year-on-year growth in new fleet subscriptions in both 2026 and 2027, compared with budgeted growth of 9%; (ii) increases in attrition of 5% for Quartix Limited and Quartix SAS and 10% for Quartix Inc; and (iii) price erosion of 5% on new business ARPU across all markets. Under this combined downside case, the Group is forecast to maintain a positive cash balance throughout the 24-month assessment period.

The Board has also specifically considered the cash impact of the 2G to 4G replacement programmes in France and the UK. Management's objective is to proactively replace affected 2G units during 2026 and 2027, leaving the Group with a stronger base of 4G units ahead of the planned UK 2G network shutdown in May 2029. The additional cash costs of these programmes are expected to be funded from existing cash resources and operating cash flows, without the need for external financing.

1 Summary of significant accounting policies (continued)

The downside and severe but plausible scenarios described above do not assume any mitigating actions that are within management's control, such as reductions in discretionary marketing expenditure, customer acquisition payroll costs or changes to the Group's dividend policy. Having considered the base case forecasts, the downside and severe but plausible scenarios, the Group's current cash resources and the range of potential mitigating actions available, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements and do not consider that a material uncertainty exists that would cast significant doubt on the Group's ability to continue as a going concern.

Revenue recognition

Revenue is the amount receivable for goods and services, excluding sales taxes, rebates, and trade discounts.

Revenue comprises the provision of telematics-based fleet and vehicle management solutions. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Under IFRS 15, the Group must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources; and
- it is 'separately' identifiable (i.e. the Group does not provide a significant service integrating, modifying or customising it).

For the adoption of IFRS 15 the Group completed a detailed assessment of its sources of revenue and concluded that the Group's activities of supplying telematics units, installing telematics units and providing telematics services are not distinct and that it has one single performance obligation. Consequently, the Group does not recognise revenue separately for these goods and services; but recognises this revenue together as the provision of vehicle telematics services.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position (see note 20).

If the Group satisfies a performance obligation before it received the consideration, the Group recognises a receivable in its statement of financial position.

Fleet telematic services

Fleet customers enter into contracts typically with a commitment to purchase data services for 12 months. The price is fixed for the contract term subject to, where applicable, annual price indexation. Generally, invoices are raised quarterly in advance, with payment due within 30 days. Quartix satisfies its performance obligations over time as services are rendered.

If promotional offers include any free months, then total revenue is allocated on a straight line basis over the whole period (including the free period) of data services in accordance with the performance obligations, since the customer benefits from the Group's services evenly throughout the contract term and receives the benefit of the services as they are made available.

1 Summary of significant accounting policies (continued)

Support Services

Quartix performs additional services, such as removing, upgrading or transferring units to alternative vehicles, and theft tracking. These are considered to be separate performance obligations for which a separate charge and invoice is raised. Revenue is recognised once the additional service obligation has been delivered to the customer, at a point in time.

Contract Cost Assets

The Group incurs costs to fulfil its customer contracts, which following the change in accounting policy (see note 33) now include only sales commission costs. Costs to fulfil a customer contract are divided into:

- costs that give rise to an asset; and
- costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalisation of a particular costs, then an asset is not recognised under IFRS 15.

If other standards are not applicable to costs to fulfil a customer contract, the Group applies the following criteria which, if met, result in capitalisation of costs that:

- directly relate to a contract;
- generate or enhance resources that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- are expected to be recovered.

The Group has determined that, where the relevant criteria are met, the commission costs qualify to be accounted for as costs to fulfil a customer contract.

The Contract Cost Assets are amortised over the expected contract period on a systematic basis that reflects the revenue stream generated by them, and this cost is included in cost of sales. The expected contract term has been calculated as an average of the population of new orders in the year, and this calculation will be reviewed annually.

At each reporting date, the Group determines whether or not the Contract Cost Assets are impaired by comparing the carrying amount of the asset with the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

Intangible assets

Goodwill arising on consolidation represents the excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable assets and liabilities (including intangible assets) of the acquired entity at the date of the acquisition. Goodwill is recognised as an asset and assessed for impairment annually or as triggering events occur. Goodwill arose in 2008 from the acquisition of Quartix Limited, the main trading entity in the Group, which at the time only had commercial fleet operations, therefore the entirety of this goodwill has been allocated to the fleet business for the impairment review. Any impairment is recognised immediately in profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at historical cost, net of accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, in line with IAS 16.16–16.17.

Assets under construction (AUC) are capitalised as non-current assets during the construction period and are not depreciated until they are available for use, with only directly attributable costs included.

Components held for manufacture of telematics appliances and appliances not yet final assembled are held in AUC.

1 Summary of significant accounting policies (continued)

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably; all other expenditure, including day-to-day servicing, is recognised in the consolidated statement of comprehensive income as incurred, consistent with IAS 16's distinction between repairs and capital improvements.

Routine service calls, repairs and maintenance, and refurbishment costs that merely preserve the existing level of service potential of the Group's appliances are expensed as incurred, whereas expenditure that enhances the performance of an asset or extends its useful life is capitalised as part of the asset's carrying amount.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

- Telematics appliances 7-years straight line
- Leasehold properties The life of the lease
- Office equipment 25% straight line
- Motor Vehicles The life of the lease

The assets' residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted prospectively if appropriate, in accordance with IAS 16 and IAS 8.

Any gain or loss on disposal of property, plant and equipment that are directly used in generating revenue (for which depreciation is charged to cost of sales) is recognised within cost of sales, so that the total cost of providing goods and services reflects both ongoing depreciation and disposal effects of those assets.

Gains and losses on disposal of other property, plant and equipment are recognised within administrative expenses as part of other operating income and expenses, consistent with the function of those assets.

Telematics appliances

Most of the Group's property, plant and equipment comprises telematics appliances used by customers to access the Group's telematics services. These appliances are specific to the Group's telematics platform and are not compatible with third party platforms; likewise, third party tracking units are not compatible with the Group's platform. The Group retains legal title to appliances that are not sold to customers and depreciates them over their estimated seven-year useful economic life, reflecting expected patterns of deployment, return and redeployment (typically up to two redeployments over the life of the asset).

Depreciation on these service-related appliances is presented within cost of sales because the assets are used directly in generating the Group's telematics service revenue.

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs that are directly attributable to a project's development phase are recognised as internally generated intangible assets, provided they meet all of the following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasibly
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell the software/hardware
- The software/hardware will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

1 Summary of significant accounting policies (continued)

Directly attributable costs include employee costs incurred on research and development along with an appropriate portion of relevant costs. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment testing of intangible assets and property, plant and equipment

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors. The cash-generating unit used for the impairment test of goodwill is the fleet business as explained in the Intangible Assets policy above.

Goodwill is assessed for impairment at least annually (assessed at each reporting date).

Property, plant and equipment are tested for impairment if events or changes in circumstances (assessed at each reporting date) indicate that the carrying amount may not be recoverable. Telematics appliances are expected to be installed at a customer site within two months of being manufactured and final assembled (or refurbished), in the event the appliance has not moved location in more than six months if a newly manufactured unit or 2months if a refurbished unit, despite being ready for deployment the carrying amount will be fully impaired given the risk of recoverability of the carrying amount. Additionally, any 2G units that are returned to Quartix at the year end, are fully impaired awaiting scrapping given the 2G network shutdown.

If a cash-generating unit is impaired, provision is made to reduce the carrying amount of the related assets to their estimated recoverable amount, charged to profit & loss. Impairment losses are allocated firstly against goodwill, and secondly on a pro rata basis against intangibles and other assets.

Leases

For any new lease contract entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset, or restore a property at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

1 Summary of significant accounting policies (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It will also be remeasured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients which are permitted in IFRS 16. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Inventories

Components and consumables held for testing and prototyping, and not used in the manufacture of all vehicle tracking units are classified as inventory. Inventories are stated at the lower of cost and net realisable value less provision for obsolete, slow moving or defective items. Cost is based on the cost of purchase on a first in first out basis. Provision against inventories is recognised as an expense in the period in which the write-down or loss occurs.

Taxation

Current Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date.

Uncertain Tax Positions

The Group operates across multiple tax jurisdictions and may be subject to interpretation of complex tax laws. Where there is uncertainty regarding the appropriate tax treatment of an item, the Group applies the principles of IFRIC 23, Uncertainty over Income Tax Treatments.

The Group evaluates uncertain tax positions either individually or collectively, depending on which approach provides the most reliable prediction of the resolution of uncertainty. In making this assessment, the Group assumes that the relevant tax authority will review all positions with full knowledge of the relevant facts.

If it is probable that a tax authority will accept the Group's tax treatment, the tax position is reflected consistently with the treatment adopted in the tax filings. If acceptance is not probable, the effect of the uncertainty is measured using either the 'most likely amount' or the 'expected value' method - whichever provides the better prediction of the outcome.

Deferred Tax

Deferred income tax is calculated using the liability method on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax is not recognised on the initial recognition of goodwill, or on the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit at the time of the transaction.

Deferred tax assets, including those arising from unused tax losses or tax credits, are recognised only to the extent that it is considered more likely than not that they will be utilised against future taxable profits.

1 Summary of significant accounting policies (continued)

Deferred Tax (continued)

Deferred tax liabilities are recognised in full without discounting. Deferred tax balances are measured at the tax rates expected to apply when the asset is realised or the liability settled, based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Recognition of Tax Effects

Current and deferred tax amounts are recognised in profit or loss, other comprehensive income, or equity, as appropriate, consistent with the underlying transaction to which they relate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

The Group has reviewed its business model for its financial assets, which comprise only basic loans and receivables, and concluded that they are held for collecting contractual associated cash flows. Under IFRS 9 loans and receivables, are initially recognised at fair value and will subsequently be measured at amortised cost.

The Group makes use of a simplified approach in accounting for trade and other receivables and record the loss allowance as lifetime expected credits. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis. Since they have similar credit risk characteristics, they are grouped based on the number of days past their due date. Refer to note 16 for an analysis of how the impairment requirements of IFRS 9 are applied.

The Group will recognise in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with IFRS 9.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are recorded initially at fair value and subsequently at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the profit and loss. A financial liability is derecognised when the obligation is extinguished.

Provisions, contingent assets and contingent liabilities

Provisions for product warranties are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probably that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow might be uncertain.

In line with IAS 37, provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date.

1 Summary of significant accounting policies (continued)

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium account" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Capital redemption reserve" represents the amount by which the Company's issued share capital is diminished when shares are redeemed or purchased wholly out of the Company's profits.
- "Equity reserve" is used to reflect the expenses associated with granting share options to employees and the issue of warrants.
- "Translation reserve" represents the exchange difference arising on the consolidation of foreign operations.
- "Retained earnings" represents retained profits.

Dividends

Dividends attributable to the equity holders of the Company approved for payment during the year are recognised directly in equity.

Foreign currencies

The Parent Company's functional currency is Sterling. Quartix Inc has a functional currency of US Dollars. Quartix SAS and Konetik have a functional currency of Euros.

The consolidated financial statements are presented in Sterling, which is the Group's presentation currency. Transactions in foreign currencies are translated into the respective currencies of Group companies at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date.

Foreign exchange differences arising on translation of monetary assets and liabilities are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured at historical costs in a foreign currency are translated using the exchange rates at the dates for the transactions.

Income and expenses for all the Group entities that have a functional currency other than Sterling are translated at the average rate prevailing in the month of the transaction. The assets and liabilities are retranslated at the closing exchange rate at the reporting date.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in the translation reserve, as a separate component of equity.

Employee benefits

The Group participates in the Royal London pension scheme for UK employees and Malakoff Humanis for those in France which are defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an employee benefit expense within personnel expenses in the income statement, as incurred. Other employee benefits including holiday pay, company sick pay and a range of tailored incentive schemes, some of which include the grant of share options, are recognised in the period that related employee services are received.

1 Summary of significant accounting policies (continued)

Employee benefits: share based payments

The Group operates several employee share schemes for employees of its UK trading subsidiary under which it makes equity-settled and cash-settled share-based payments.

Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is assessed at the grant date, for the schemes where there are no market performance conditions using the Black-Scholes model, which excludes the impact of non-market vesting conditions. Under a share scheme where there are market performance conditions, the binomial option pricing model has been used which includes the impact of market vesting conditions (such as the growth in the share price).

All equity-settled share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

2 Key judgements and estimates

The Group make estimates and assumptions regarding the future. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

Key judgement: capitalisation of development costs

The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgment of the point at which development projects become technically and commercially feasible. No development expenditure was capitalised in the year ended 31 December 2025. The research and development expenditure primarily related to the on-going research work on the Group's existing vehicle telematics services to ensure that the functionality is maintained. The research work undertaken may successfully come to fruition in the development of a marketable service or technology, but this development work cannot be identified or separated from the research work and therefore the entire expenditure has been expensed in the year. See the Strategic Report on page 9 for further information about the Group's approach to research and development.

Key judgement: timing of revenue recognition

The Group's judgement continues to be that supplying telematics units, installing telematics units and the provision of data services are a single performance obligation, under contracts with customers. The performance obligations are satisfied over time, since the Group has the obligation to deliver the data services for the contract term. Customers simultaneously receive and consume the benefits of the tracking services as Quartix delivers its performance obligation. Where customer contracts are structured so that tracking units and installations are separately identified, the Group recognises this revenue as part of the single performance obligation of delivering tracking services.

Key Judgement: Amortisation period of contract cost assets

The Group capitalises incremental costs of obtaining contracts, primarily sales commissions. Management exercises significant judgment in determining the appropriate amortisation period, which is aligned with the expected duration of the initial contract term. The amortisation periods currently range from 14 to 33 months, depending on the specific sales channel through which the customer was acquired.

2 Key judgements and estimates (continued)

Key Judgement: Useful lives of telematics appliances

The Group exercises significant judgement in estimating the useful lives of telematics appliances. While the physical hardware may be engineered to last 7–10 years, the Group has determined a useful life of 7 years.

This judgement is based on several critical factors:

- **Technological Obsolescence:** The rapid evolution of mobile network standards (e.g., transitions from 4G to 5G/6G) and data processing capabilities often renders hardware obsolete before its physical degradation.
- **Environmental Factors:** Appliances are subjected to high vibration, temperature fluctuations, and external wear, impacting long-term reliability.

Key judgement: Carrying value of goodwill and other intangible assets

The impairment analysis of intangible assets is based on the higher of fair value less costs to sell (where reliable data is available) and future discounted cash flows. In the case of the latter, several assumptions are made to estimate the future cash flows expected to arise from the cash generating unit as well as a suitable discount rate to calculate present value. Factors like anticipated sales and net cash flows and changes in discount rates could lead to impairment. For details of assumptions see note 11.

Key judgement: Income taxes and uncertain tax provisions

The change in accounting policy (as detailed in note 33) classification has created a temporary misalignment between the timing of depreciation for financial reporting and the availability of capital allowances or tax deductions in certain jurisdictions.

Management has applied significant judgement in determining the appropriate tax treatment of these assets and in assessing the likelihood that the relevant taxation authorities will accept this revised treatment. In performing this assessment, the Group applied the principles of IFRIC 23, Uncertainty over Income Tax Treatments, considering whether it is probable that the position adopted will be sustained upon examination.

Based on this assessment, and applying the expected value method prescribed by IFRIC 23, the Group has recognised a provision of £1.1 million to reflect the potential tax exposure. This amount has been presented within current tax liabilities in the restated 1 January 2024 financial statements and remains a creditor balance at the year end, pending the conclusion of the voluntary disclosure process with HMRC and settlement of the related liability. Other than this matter, no additional significant uncertain tax positions have been identified by the Group at the reporting date.

3 Revenue

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

	2025	Restated 2024
	£'000	£'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
	35,707	31,808

3 Revenue (continued)

As a result of the change in accounting policy as detailed in note 33, the Group's PPE disaggregated by primary geographical markets is as follows:

	2025	2024
	£'000	£'000
United Kingdom	9,022	8,171
France	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	Restated 2024
	£'000	£'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 (see note 20). Changes to the Group's contract liabilities (i.e. deferred revenue) are attributable solely to the satisfaction of performance obligations.

4 Profit for the year before taxation

The profit for the year for the Group is stated after charging/(crediting):

	2025	Restated 2024
	£'000	£'000
Research and development expenses	826	864
Rentals under short term lease agreements:		
Other leases	-	22
Land and buildings	-	4
Depreciation on property, plant and equipment, owned other	38	47
Depreciation on property, plant and equipment, owned appliances	3,060	2,639
Depreciation on property, plant and equipment, right of use	185	147
Impairment of property, plant and equipment	(42)	296
(Gain)/Loss on disposal of owned appliances	1,239	1,084
Share-based payment expense/ (credit)	75	(47)
Foreign exchange (gains) / losses	(51)	50
Expected credit loss (credit) / charge	112	(45)
Fair value gain on deferred consideration	-	(73)
Audit services:		
Fees paid to Company's auditor for the audit of the Company	46	36
Fees paid to Company's auditor and its associates for the audit of the subsidiaries and consolidated financial statements	100	80

4 Profit for the year before taxation (continued)

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

	2025	Restated 2024
	£'000	£'000
Operating profit	<u>8,680</u>	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	<u>1,239</u>	1,084
EBITDA	<u>13,160</u>	10,695

Adjusted Earnings before interest and tax (Adj EBIT):

	2025	Restated 2024
	£'000	£'000
EBITDA	<u>13,160</u>	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	<u>(1,239)</u>	(1,084)
Adjusted EBIT	<u>8,755</u>	6,362

5 Employee remuneration

Staff costs, including Directors, during the year were as follows:

	2025	Restated 2024
	£'000	£'000
Wages and salaries	<u>7,593</u>	7,211
Social security costs	1,167	1,005
Contributions to defined contribution pension plan	238	278
Share-based payment	75	(47)
	<u>9,073</u>	8,447

The average number of employees, including all Directors, during the year was as follows:

	2025	2024
Administration	<u>18</u>	21
Operations & Support	73	62
Sales	64	62
Research and development	23	28
	<u>178</u>	173

6 Key management remuneration and Directors' remuneration

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any Directors (whether Executive or otherwise) of the entity. For 2025, the Group identified nine such individuals: one Executive Director, two Non-Executive Directors, and seven members of Senior Management. In 2024, the Group identified eleven such individuals: one Executive Director, two Non-Executive Directors, and six members of Senior Management.

	2025	2024
	£'000	£'000
Wages and salaries	829	1,114
Social security costs	144	165
Contributions to defined contribution pension plan	28	33
Share-based payment	53	(47)
Other benefits	12	-
Total employee benefits	<u>1,066</u>	<u>1,265</u>

Included in the payroll costs for the year is a gratuity payment of £60k to two members of Senior Management on their resignation from the Group in 2025 (2024: £25k).

Details of Directors' remuneration and the highest paid Director is disclosed on page 34.

The Group participates in the Royal London pension scheme for UK employees and Malakoff Humanis a French compulsory pension scheme for those in France. No Director was a member of any other pension scheme or other post-employment benefit to which the Group contributed in either the current or the prior years.

The following relates to key management, including Directors:

	2025	2024
Share based payment charge: equity options (£'000)	49	(47)
Share based payment charge: cash options (£'000)	2	-
Equity settled share options held	155,460	120,938
Equity options exercised	37,978	-
Shares held	<u>11,000,760</u>	<u>11,119,567</u>

Included in above relating only to Directors of Quartix Technologies plc are:

	2025	2024
Share based payment charge: equity options (£'000)	-	(82)
Equity settled share options held	-	-
Shares held	<u>10,861,609</u>	<u>10,861,609</u>

There were 130,260 options granted to key management in 2025 (2024: 37,978). See note 24 for the assumptions used in the valuation of the share options granted in the year. During the year 37,978 share options were exercised at an exercise price of 1 penny each.

7 Finance income receivable

	2025	2024
	£'000	£'000
Bank interest	<u>15</u>	<u>2</u>

8 Finance costs payable

	2025	2024
	£'000	£'000
Lease interest expense	28	26

9 Tax expense

	2025	Restated 2024
	£'000	£'000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	1,295	482
Overseas corporation tax charge on profit for the year	155	153
Adjustments in respect of prior periods	300	49
Total corporation tax	1,750	684

	2025	Restated 2024
	£'000	£'000
Deferred tax		
Origination and reversal of temporary differences	536	656
Adjustments in respect of prior periods	-	-
Total deferred tax	536	656
Tax on profit/(loss) of ordinary activities	2,286	1,340

The relationship between the expected tax expense based on an effective tax rate of the Group and 25% (2024: 25%), being the UK rate of corporation tax for the year, and the tax expense actually recognised in profit or loss can be reconciled as follows:

	2025	Restated 2024
	£'000	£'000
Result for the year before taxation	8,667	6,458
Tax rate (%)	25.0	25.0
Expected tax expense	2,167	1,615
Adjustments to tax charge in respect of prior periods*	300	49
Expenses not deductible for tax purposes	34	(85)
Temporary differences not recognised in computation	(70)	(94)
Research and development tax credit	(122)	(145)
Tax adjustment on exercise of options	(23)	-
Tax on profit on ordinary activities	2,286	1,340
Effective rate of tax	26.4%	20.7%
*Effective rate of tax excluding prior year adjustment	22.9%	20.0%

10 Earnings per share and dividends

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) attributable to shareholders £'000	Weighted average number of shares	Basic profit per share amount in pence	Fully diluted weighted average number of shares	Diluted earnings per share amount in pence
Earnings per ordinary share					
Year ended 31 December 2025	6,381	48,420,583	13.18	48,433,474	13.17
Restated Year ended 31 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.

Dividends

During the year ended 31 December 2025, the Group paid interim dividends of £1.2m (2024: £0.7m), equivalent to 2.50p per share (2024: 1.50p per share).

Details of dividends the Board is recommending for approval at the AGM are included in the Directors' Report on page 38. As the distribution of dividends require approval at the Annual General Meeting, no liability in this respect is recognised in the 2025 consolidated financial statements.

11 Goodwill

	Goodwill on consolidation £'000
Cost and net book value	
At 1 January 2025	14,029
Goodwill recognised on acquisition	-
Impairment on goodwill	-
At 31 December 2025	14,029

Goodwill is recognised as an asset and assessed for impairment annually or where there is indication of impairment. Any impairment is recognised immediately in profit or loss (see note 1).

The Group considers the business of Quartix Limited to be the cash-generating unit (CGU) for the assessment of goodwill recognised on acquisition of Quartix Limited (see Intangible Assets policy included in note 1). The Group has determined its recoverable amount based on value in use calculations. The value in use was derived from discounted management cash flow forecasts for the business, using the budgets and strategic plans based on past performance and expectations for the market development of the CGU, incorporating an appropriate business risk and covering a total of four future years. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period based on industry sector forecasts.

11 Goodwill (continued)

These budgets and strategic plans cover a four-year period. The growth rate in years one and two were based on detailed management expectations. The growth rate used for the third and fourth year is 5% which is based on actual revenue growth in recent years and the size of the remaining potential addressable market.

The cash flows are discounted using a pre-tax discount rate of 10.19% (2024: 5.90%), which is derived from the Group's weighted average cost of capital for the CGU. The WACC is calculated using a market-based cost of equity and a pre-tax cost of debt which includes an indicative interest rate from the Group's bank HSBC in the absence of any external borrowings. The rate reflects current market assessments of the time value of money and the risks specific to the CGU that have not been reflected in the cash flow forecasts. The movement in the pre-tax discount rate from 5.90% in the prior year to 10.19% in the current year primarily reflects changes in risk-free rates and updated market-based estimates of the equity risk premium and beta for the sector.

Management's key assumptions are based on past experience and the current trading performance of the CGU. These value in use calculations, including sensitivity analysis, have not identified any requirement for impairment of the goodwill associated with the acquisition of Quartix Limited by Quartix Technologies plc, in the current or prior year. The value-in-use calculation for the CGU shows substantial headroom over the carrying amount of goodwill. Based on the cash flow projections and terminal growth rate described above, the pre-tax discount rate would need to increase from 10.19% to approximately 38.81%, with other assumptions unchanged, before the recoverable amount equals the carrying amount. Management considers such a change to be well outside the range of reasonably possible changes in market-based discount rates.

Management was not aware of any probable changes that would necessitate changes in key estimates that indicate any impairment sensitivity on the assessment of goodwill associated with the fleet business of Quartix. The goodwill recognised on the acquisition of Quartix Limited will continue to be reviewed annually for impairment.

12 Subsidiaries

As at 31 December 2025 the subsidiaries of the Group were:

Subsidiary	Quartix Ltd	Quartix Inc	Quartix SAS	Konetik Deutschland GmbH
Country of registration	England & Wales	USA	France	Germany
Registered office	New Church Street, Newtown, Powys SY16 1AF	901 2nd Street, Springfield, Sangamon IL 62704-7909 USA	10 Rue du Colisee, 75008 Paris, France.	Akazienstr. 3A 10823, Berlin, Germany.
Class of share capital held	Ordinary shares	Common shares	Common shares	Ordinary shares
Shares held by the Company	100%	100%	0.1%	-
Shares held by the Group	100%	100%	100%	100%
Nature of the business	Vehicle Tracking	Vehicle Tracking	Vehicle Tracking	Software development

13 Property, plant and equipment

	Assets Under Construction £'000	Telematic Appliance £'000	Leased properties £'000	Office equipment £'000	Motor Vehicles £'000	Total £'000
Cost:						
At 1 January 2024						
Restated	1,112	18,794	900	870	165	21,841
Additions	4,397	2,557	-	11	62	7,027
Transferred from AUC	(4,314)	4,314	-	-	-	-
Disposals	-	(3,321)	-	(1)	-	(3,322)
Recovered PPE	-	91	-	-	-	91
Foreign exchange	-	(226)	-	-	-	(226)
At 31 December 2024						
Restated	1,195	22,209	900	880	227	25,411
Additions	3,613	2,696	284	28	27	6,648
Transferred from AUC	(3,856)	3,856	-	-	-	-
Disposals	-	(4,481)	(107)	-	(100)	(4,688)
Recovered PPE	-	155	-	-	-	155
Foreign exchange	2	109	-	3	-	114
At 31 December 2025	954	24,544	1,077	911	154	27,640
Depreciation:						
At 1 January 2024						
Restated	-	7,183	373	787	91	8,434
Charge for the year	-	2,639	106	43	45	2,833
Disposals	-	(1,587)	-	-	-	(1,587)
Impairment	-	296	-	-	-	296
Recovered PPE	-	33	-	-	-	33
Foreign exchange	-	(66)	-	-	2	(64)
At 31 December 2024						
Restated	-	8,498	479	830	138	9,945
Charge for the year	-	3,060	138	33	52	3,283
Disposals	-	(2,456)	(107)	-	(100)	(2,663)
Impairment	-	(42)	-	-	-	(42)
Recovered PPE	-	60	-	-	-	60
Foreign exchange	-	36	3	0	(9)	30
At 31 December 2025	-	9,156	513	863	81	10,613
Net book amount:						
At 31 December 2025	954	15,388	564	48	73	17,027
At 31 December 2024						
Restated	1,195	13,711	421	50	89	15,466
At 31 December 2023						
Restated	1,112	11,611	527	83	74	13,407

14 Inventories

Components as inventory:

	2025	Restated 2024
	£'000	£'000
Raw materials & consumables	<u>25</u>	<u>25</u>

The cost of these raw materials, materials used in the refurbishment of units and any scrapped units that do not meet quality standards to deploy to customers are recognised as an expense and included in “cost of sales” amounted to £0.5m (2024: £0.9m).

15 Contract cost assets

Contract cost assets represents the costs incurred at the inception of a contract, that are directly incidental to the contract. The costs are recognised on a straight line basis over the contract term, since the customer benefits from the Group’s services evenly throughout the contract term and receives the benefit of the services as they are made available:

Contract asset costs are presented in the statement of financial position as follows:

	2025	Restated 2024
	£'000	£'000
Current contract cost assets	<u>1,477</u>	<u>1,353</u>
Non-current contract cost assets	428	382
Total contract cost assets	<u>1,905</u>	<u>1,735</u>

Contract cost assets comprises the following cost categories:

	2025	Restated 2024
	£'000	£'000
Commissions	<u>1,905</u>	<u>1,735</u>

Commissions are incurred in winning customer contracts, either as a result of staff commissions to sellers or third party distributors.

The amortisation of the Group’s contract cost assets are attributable solely to the satisfaction of performance obligations. The increase in contract costs assets was due to the growth in new unit subscriptions.

	2025	Restated 2024
	£'000	£'000
Contract costs assets at 1 January	<u>1,735</u>	<u>1,335</u>
Contract costs assets amortised in the period	(1,876)	(1,550)
Contract costs capitalised in the period	<u>2,046</u>	<u>1,950</u>
Contract costs assets at 31 December	<u>1,905</u>	<u>1,735</u>

16 Trade and other receivables

	2025	2024
	£'000	£'000
Trade receivables	4,031	3,701
Other receivables	22	3
Prepayments and accrued income	542	411
	4,595	4,115

All the amounts are due within one year. Trade receivables are measured initially at fair value and subsequently at amortised cost. At each period end, there is an assessment of the expected credit loss in accordance with IFRS 9 with any increase or reduction in the credit loss provision charged or released to administration costs in the statement of comprehensive income.

The loss allowance for expected credit losses has been recorded as follows.

	2025	2024
	£'000	£'000
Loss allowance at 1 January	247	294
(Decrease)/increase in loss allowance	112	(45)
Foreign exchange	5	(2)
Loss allowance at 31 December	364	247

As explained in note 30, the Group's trade receivables arise from transactions that do not contain a significant financing component, therefore the loss allowance is always measured at an amount equal to lifetime expected credit losses.

The expected credit loss for trade receivable balances overdue at 31 December was determined as follows:

	2025	2024
	£'000	£'000
Not more than one month	471	432
More than one month	154	156
	625	588

17 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2025	2024
	£'000	£'000
Cash at bank and in hand	5,567	3,101

18 Trade and other payables

Amounts falling due within one year:

	2025	2024
	£'000	£'000
Trade payables	2,055	1,978
Social security and other taxes	703	723
Other payables	32	67
Accruals	978	1,113
Lease liabilities (see note 21)	181	148
	3,949	4,029

19 Provisions

The carrying amounts and the movements in the provision account are as follows:

	Other £'000	Restated Total £'000
Restated Amount at 1 January 2025	66	66
Amount Utilised	(45)	(45)
Amount Charged	0	0
Foreign Exchange	0	0
Carrying amount at 31 December 2025	21	21

The remaining provision relates to standard or extended warranties for which customers who purchase the tracking units are covered for the cost of repairs or replacement units as appropriate. See note 33 for the restatement in provisions.

20 Contract liabilities

	2025 £'000	2024 £'000
Deferred insurance tracking data services income	-	2
Deferred fleet tracking data services income	4,174	3,780
	4,174	3,782

Deferred tracking data services income represents customer payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in future years, as described in note 1.

Fleet customers enter into contracts typically with a commitment to purchase data services for 12-36 months and are generally invoiced quarterly in advance and recognises revenue over the period covered by the invoice, as the performance obligations are satisfied.

The amounts recognised as a contract liability will generally be utilised within the next reporting period.

Changes to the Group's contract liabilities (i.e. deferred revenue) are attributable solely to the satisfaction of performance obligations.

	2025 £'000	2024 £'000
Contract liabilities at 1 January	3,782	3,679
Contract liabilities released to revenue in the period	(3,660)	(3,566)
Contract revenue deferred in the period	4,052	3,669
Contract liabilities at 31 December	4,174	3,782

21 Lease liabilities

The Group has leases for the property it occupies and motor vehicles. With the exception of short-term leases and leases considered to be of a low value, each lease is reflected on the balance sheet as a right of use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment for presentation purposes.

Included in the net carrying amount and depreciation provided for in the year of property, plant and equipment (note 13) are right-of-use assets as follows:

	2025	2024
	<u>£'000</u>	<u>£'000</u>
Right-of-use asset carrying amounts		
Property	564	420
Motor Vehicles	59	70
Total	<u>623</u>	<u>490</u>
Depreciation		
Property	137	106
Motor Vehicles	48	41
Total	<u>185</u>	<u>147</u>

Each lease imposes a restriction that the right-of-use asset can only be used by the Group. Some leases have a break clause; however, the majority are either non-cancellable or may only be cancelled by incurring a substantial termination fee.

The Group is prohibited from selling or pledging the underlying leased assets as security. For the property leases, the Group must keep the property in a good state of repair and return the properties in their original state at the end of the lease. Furthermore, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Lease liabilities are presented in the statement of financial position as follows:

	2025	2024
	<u>£'000</u>	<u>£'000</u>
Current lease liabilities (see note 18)	181	148
Non-current lease liabilities	505	411
Total lease liabilities	<u>686</u>	<u>559</u>

Future minimum lease payments at 31 December 2025 were as follows:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	After 5 years	
	£000	£000	£000	£000
31 December 2025				
Lease payments	206	537	-	743
Finance charges	(25)	(32)	-	(57)
Net present value	<u>181</u>	<u>505</u>	<u>-</u>	<u>686</u>
31 December 2024				
Lease payments	169	446	-	615
Finance charges	(21)	(35)	-	(56)
Net present value	<u>148</u>	<u>411</u>	<u>-</u>	<u>559</u>

Total cash outflow for the year ended 31 December 2025 was £213,000 (2024: £166,000).

21 Lease Liabilities (continued)

Lease payments not recognised as a liability:

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or leases considered to be low value. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability at 31 December 2025 was nil (2024: £26,000). At the year end the Group was committed to short-term leases and the total commitment at that date was nil (2024: nil).

22 Deferred tax

Deferred tax assets/(liabilities) recognised by the Group at 31 December 2025 and 31 December 2024 are as follows:

	2025	Restated 2024
	£'000	£'000
Deferred tax asset/(liability)		
Accelerated Capital Allowances	(1,184)	(520)
Right of Use Asset (IFRS 16)	(156)	(123)
Lease Liability (IFRS 16)	172	140
Short term temporary differences	237	186
Equity settled share options	10	(3)
	<u>(921)</u>	<u>(320)</u>
	2025	2024
	£'000	£'000
(Credit)/charge to profit and loss		
Accelerated Capital Allowances	664	634
Short term temporary differences	(66)	19
Equity settled share options	(13)	3
Foreign exchange	(49)	-
Total (see note 9)	<u>536</u>	<u>656</u>

23 Equity

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

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

24 Share-based payment

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 exercise price per share in pence	Options number	Weighted average exercise price per share in pence	Options 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).

At 31 December Quartix Technologies plc had the following outstanding equity-settled options and exercise prices:

2025		Average exercise price per share in pence	Options number	Weighted average remaining contractual life in months
Period when exercisable	Expiry dates			
Starting from May 2022	1 May 2026	291.0	102,900	4
Starting from October 2025	6 th October 2032	285.0	157,890	81
Starting from October 2025	5 th March 2026	1.0	25,000	2
		262.3	285,790	46.4

24 Share-based payment (continued)

2024		Average exercise price per share in pence	Options number	Weighted average remaining contractual life in months
Period when exercisable	Expiry dates			
Starting from March 2020	31 March 2026	270.0	29,320	15
Starting October 2020	30 September 2025	335.0	25,000	9
Starting from May 2022	1 May 2026	291.0	111,300	16
Starting from March 2023	1 December 2025	1.0	828	11
Starting May 2024	3 May 2025	1.0	37,218	4
		239.2	203,666	12.8

The fair value of equity-settled share-based payments, without a market based performance condition, have been calculated using the Black-Scholes option pricing model. Expected volatility was determined based on the historic volatility of the Group's share price. The expected life is the expected period from grant to exercise based on management's best estimate.

The risk-free return is based on UK Government gilt yields at the time of the grant.

The following assumptions were used in the model for equity-settled options granted during the year ended 31 December 2025:

Number granted	25,000
Grant date	Oct 25
Share price at grant date (pence)	309.8
Exercise price (pence)	1.0
Fair value per option (pence)	305.7
Expected life in years	0.42
Expected volatility (%)	43.6
Risk-free interest rate (%)	3.9
Dividend yield (%)	2.4

Number granted	157,890
Grant date	Oct 25
Share price at grant date (pence)	309.8
Exercise price (pence)	285.0
Fair value per option (pence)	98.0
Expected life in years	5
Expected volatility (%)	43.6
Risk-free interest rate (%)	3.9
Dividend yield (%)	2.4

24 Share-based payment (continued)

The following assumptions were used in the model for equity-settled options granted during the year ended 31 December 2024:

Number granted	37,218
Grant date	May 24
Share price at grant date (pence)	160
Exercise price (pence)	1.0
Fair value per option (pence)	135
Expected life in years	1.0
Expected volatility (%)	49.9
Risk-free interest rate (%)	3.9
Dividend yield (%)	2.8

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

	2025		2024	
	Weighted average exercise price per share in pence	Options number	Weighted average exercise price per share in pence	Options number
Outstanding at 1 January	-	-	-	-
Granted	285.0	21,052	-	-
Cancelled	-	-	-	-
Lapsed	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at 31 December	285.0	21,052	n/a	n/a
Exercisable at 31 December	-	-	n/a	n/a

24 Share-based payment (continued)

At 31 December Quartix Technologies plc had the following outstanding cash-settled options and exercise prices:

2025		Average exercise price per share in pence	Options number	Weighted average remaining contractual life in months
Period when exercisable	Expiry dates			
Starting from October 2025	6 October 2032	285.0	21,052	81
		285.0	21,052	81.0

The following assumptions were used in the model for Cash-settled options granted during the year ended 31 December 2025:

Number granted	21,052
Grant date	Oct 25
Share price at grant date (pence)	309.8
Exercise price (pence)	285.0
Fair value per option (pence)	76.0
Expected life in years	3
Expected volatility (%)	43.6
Risk-free interest rate (%)	3.9
Dividend yield (%)	2.4

25 Notes to the cash flow statement

Cash flow adjustments and changes in working capital

		2025	Restated 2024
	Notes	£'000	£'000
Profit before tax		8,667	6,458
Foreign exchange		(278)	213
Depreciation & impairment on PPE	4, 13	3,241	3,129
Loss on disposal		1,239	1,084
Interest income	7	(15)	(2)
Lease interest expense	8	28	26
Share based payment expense		75	(47)
Impairment		-	(204)
Operating cash flow before movement in working capital		12,957	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
Cash generated from operations		12,587	10,279

26 Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities, is entirely as a result of lease liabilities which is as follows:

	2025	2024
	£'000	£'000
1 January	559	660
Non-cash: Additions	340	65
Cash-flows: Repayment	(213)	(166)
31 December (see note 21)	686	559

27 Related party transactions and controlling related party

The Group's related parties comprise its Board of Directors and its key management (see note 6). There were no related party transactions with Directors to disclose other than dividends received based on shareholdings disclosed in the Directors' Remuneration Report on page 34 and note 6.

The Directors consider the Board and shareholding structure to mean there is no directly identifiable controlling party.

28 Purchase commitments and contingent liabilities

Quartix Limited has signed agreements with suppliers which commit the Group to purchase inventory to the value of £0.6m (2024: £0.4m).

There was no short term lease commitment at year end (2024: nil).

There were no other financial commitments or contingent liabilities at 31 December 2025 or 31 December 2024.

29 Capital commitments

The Group had no capital commitments as at 31 December 2025 or 31 December 2024.

30 Risk management objectives and policies

Financial instruments

The Group uses various financial instruments; these include cash deposits and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations and manage working capital.

The main risks arising from the Group's financial instruments are credit risk and currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the Statement of Financial Position date, as summarised below:

	2025	2024
	£'000	£'000
Financial assets		
Trade receivables and other receivables	4,595	3,704
Cash and cash equivalents	5,567	3,101
	10,162	6,805

The Group's principal financial assets are cash deposits and trade receivables. Risks associated with cash deposits are limited as the banks used have high credit ratings assigned by international credit rating agencies.

The principal credit risk relates to trade receivables and is mitigated, where possible, by third party credit clearance for new customers and collection by direct debit, or similar. The Group has established credit control procedures to undertake various tasks at different stages as invoices move further from their issue date. At 45 days past due date, the credit risk is believed to have increased substantially and customers are included in the loss allowance assessment.

The Group uses the practical expedient in the calculation of the expected credit losses on all its trade receivables using a provision matrix, to estimate the lifetime expected credit losses, with fixed provision rates, based on its historical credit loss experience adjusted where possible for current observable data. The Group uses such data to make reasonable forward-looking estimates of recoverability.

The Group continues to work with customers to recover trade receivables and may take legal action or use third-party collection specialists where necessary. Only after these steps have been completed and there is no reasonable expectation of recovery, would the receivable be written off.

Currency risk

The Group is exposed to transaction foreign exchange risk as a consequence of procuring tracking unit components in both euros and dollars. The risk with the Euro has been mitigated by trading in France which generates enough Euros to cover the Group's needs, and in the year the Group sold €0.5m to cover some of its GBP needs. Whilst the Group also trades in the US, in 2025, the Group purchased about \$1.1m, primarily to purchase components for the vehicle tracking units (2024: \$3.0m).

Transaction exposures, including those associated with forecast transactions, are managed through the use of bank accounts held in foreign currencies.

30 Risk management objectives and policies (Continued)

Currency risk (continued)

It is estimated that a 5.0% strengthening of Pound Sterling to the US dollar would have Increased net profit by £39,400 and vice versa (2024: £109,900). (This is assuming that Dollar denominated prices do not adjust for currency movements.)

It is estimated that a 5.0% strengthening of Pound Sterling to the Euro would have reduced net profit by £141,800 and vice versa (2024: £62,400).

The Group's financial instruments denominated in foreign currencies were:

	2025			2024		
	US\$	€	zł	US\$	€	zł
Cash and cash equivalents	486	4,713	-	381	2,168	-
Trade receivables	439	1,570	13	363	1,478	44
Trade payables	(958)	(583)	-	(763)	(588)	-
	(33)	5,700	13	(19)	3,058	44

As set out in the accounting policies (note 1), the assets and liabilities of Group entities that have a functional currency other than Sterling are translated at the closing exchange rate at the reporting date. The US dollar exchange rate strengthened by 7.4% from 31 December 2024 to 31 December 2025 (2024: weakened by 1.7%). The Euro exchange rate weakened by 5.3% from 31 December 2024 to 31 December 2025 (2024 strengthened by 4.9%). The total translation reserve movement for the year reported in the Consolidated Statement of Changes in Equity was a credit of £271,000 (2024: debit of £152,000).

Quartix Inc's net liabilities relate mainly to amounts owed to other Group entities. The foreign exchange differences arising on translation of these monetary liabilities are recognised in the Consolidated Income Statement.

It is estimated that a 5.0% weakening of Pound Sterling to the US dollar would give an exchange gain of around £73,000 (2024: gain £61,000) from the retranslation of Quartix Inc's net assets, the exchange gain that relates to the retranslation of amounts owed by Quartix Inc is around £18,160 (2024: Loss £8,780).

It is estimated that a 5.0% weakening of Pound Sterling to the Euro would give an exchange gain of around £312,000 (2024: gain £287,000) from the retranslation of Quartix SAS's net assets, the exchange loss that relates to the retranslation of amounts owed by Quartix SAS is around £169,840 (2024: Gain £3,920).

Interest rate risk

The Group has no debt so it is not exposed to fluctuations in interest rates.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Cash flow is forecast and monitored as are working capital requirements. The Group generates funds from operational activities in excess of its operational requirements and has substantial cash balances available for its current investment activities. Consequently, liquidity is not seen as a key risk. As at 31 December 2025, the Group's non-derivative financial liabilities that have contractual maturities of more than 12 months are lease liabilities; see note 21 for the maturity analysis of lease liabilities.

31 Summary of financial assets and liabilities by category

The carrying amounts of the assets and liabilities as recognised at the Statement of Financial Position date of the years under review may also be categorised as follows:

	2025 £'000	2024 £'000
Financial assets held at amortised cost		
Trade and other receivables	4,053	3,704
Cash and cash equivalents	5,567	3,101
	<u>9,620</u>	<u>6,805</u>
	2025 £'000	2024 £'000
Financial liabilities measured at amortised cost		
Trade and other payables (excluding Social security and other taxes)	3,065	3,158
Lease liabilities (current and non-current)	686	559
	<u>3,751</u>	<u>3,717</u>

32 Capital management policies and procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders, by balancing its trading performance with continuing investment in research and development.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the Statement of Financial Position.

The Group makes adjustments to its capital in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. Capital for the reporting years under review is summarised as follows:

	2025 £'000	2024 £'000
Capital		
Total equity	32,899	28,837
Less cash and cash equivalents	(5,567)	(3,101)
	<u>27,332</u>	<u>25,736</u>
Overall financing		
Total equity	32,899	28,837
Lease liabilities	686	559
	<u>33,585</u>	<u>29,396</u>
Capital-to-overall financing ratio (%)	<u>81</u>	<u>88</u>

33 Explanation of change in accounting policy relating to IAS 16

As highlighted in note 1, 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 Groups 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 has therefore been 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.

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.

33 Explanation of change in accounting policy relating to IAS 16 (continued)

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	Adjustments	As Restated
	£'000	£'000	£'000
Property, plant and equipment	684	12,723	13,407
Deferred tax assets	1,144	(855)	289
Contract cost assets ¹	5,444	(4,109)	1,335
Stock	1,411	(1,385)	26
Other assets	20,595	-	20,595
Total assets	29,278	6,374	35,652
Current tax liabilities	(557)	(1,101)	(1,658)
Provisions	(4,218)	3,749	(469)
Other liabilities	(8,154)	-	(8,154)
Total liabilities	(12,929)	2,648	(10,281)
Net Assets	16,349	9,022	25,371
Retained earnings	4,773	9,020	13,793
Translation reserve	(295)	2	(293)
Other	11,871	-	11,871
Total Equity	16,349	9,022	25,371
31 December 2024	As previously reported	Adjustments	As Restated
	£'000	£'000	£'000
Property, plant and equipment	560	14,906	15,466
Deferred tax assets	737	(737)	-
Contract cost assets ²	6,170	(4,435)	1,735
Stock	1,732	(1,707)	25
Other	21,245	-	21,245
Total assets	30,444	8,027	38,471
Current tax liabilities	(369)	(657)	(1,026)
Provisions	(2,251)	2,185	(66)
Other	(8,222)	(320)	(8,542)
Total liabilities	(10,842)	1,208	(9,634)
Net Assets	19,602	9,235	28,837
Retained earnings	8,269	9,371	17,640
Translation reserve	(309)	(136)	(445)
Other	11,642	-	11,642
Total Equity	19,602	9,235	28,837

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

² As at 31st December 2024, Contract cost assets are restated as current (£1.3m) non-current (£0.4m)

33 Explanation of change in accounting policy relating to IAS 16 (continued)

B Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024	As previously reported £'000	Adjustments £'000	As Restated £'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)
Net profit	4,766	352	5,118
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 previously reported £'000	Adjustments £'000	As Restated £'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)
Cash generated from operations	4,097	6,182	10,279
Taxes paid	(1,326)	-	(1,326)
Cash flow from operating activities	2,771	6,182	8,953
Investing Activities			
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

Parent Company Statement of Financial Position

Company registration number 06395159

	Notes	2025 £'000	2024 £'000
Fixed assets			
Investments	4	20,362	20,285
Current assets			
Debtors	5	8	111
Current tax asset		98	80
Cash at bank and in hand		68	41
Total current assets		174	232
Creditors – amounts falling due within one year	6	(3,460)	(552)
Net current (liabilities)		(3,286)	(320)
Net assets		17,076	19,965
Capital and reserves			
Share capital	7	484	484
Share premium account	7	6,332	6,332
Equity reserve		143	163
Capital redemption reserve		4,663	4,663
Retained earnings		5,454	8,323
Total equity attributable to equity shareholders of Quartix Technologies plc		17,076	19,965

No Statement of profit and loss is presented for Quartix Technologies plc as provided by section 408 of the Companies Act 2006. Loss for the year and total comprehensive income attributable to the equity shareholders of Quartix Technologies plc was £299,000 (2024: Profit £4,806,000) as a result of no dividend declaration from Quartix Limited to Quartix Technologies plc in the year.

Approved by the Board of Directors, authorised for issue and signed on behalf of the Board on 25 March 2026.

Andrew Walters
Executive Chairman

Parent Company Statement of Changes in Equity

	Share capital £'000	Share premium account £,000	Capital redemption reserve £'000	Equity reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2023	484	6,332	4,663	392	4,787	16,658
Shares issued	-	-	-	-	-	-
Increase in equity reserve in relation to options issued	-	-	-	(47)	-	(47)
Recycle of equity reserve to P&L reserve	-	-	-	(182)	182	-
Dividend paid	-	-	-	-	(1,452)	(1,452)
Transactions with owners	-	-	-	(229)	(1,270)	(1,499)
Profit for the year and total comprehensive income	-	-	-	-	4,806	4,806
Balance at 31 December 2024	484	6,332	4,663	163	8,323	19,965
Shares issued	-	-	-	-	-	-
Increase in equity reserve in relation to options issued	-	-	-	74	-	74
Recycle of equity reserve to P&L reserve	-	-	-	(94)	94	-
Dividend paid	-	-	-	-	(2,664)	(2,664)
Transactions with owners	-	-	-	(20)	(2,570)	(2,590)
Profit for the year and total comprehensive income	-	-	-	-	(299)	(299)
Balance at 31 December 2025	484	6,332	4,663	143	5,454	17,076

Notes to the Parent Company Financial Statements

1 Summary of significant accounting policies

Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared under the historical cost convention.

No profit and loss account is presented by the Company as permitted by Section 408 of the Companies Act 2006.

The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£'000).

Basis of preparation

The accounting policies which follow were those applied in preparing the financial statements for the year ended 31 December 2025 and the year ended 31 December 2024. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) Share-based Payment disclosure, as Quartix Technologies plc is the ultimate parent, the share-based payment arrangement concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the Group.
- b) Financial Instruments disclosures, given that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- c) Fair Value Measurement disclosures.
- d) Certain disclosures required by IAS 1 Presentation of Financial Statements, including certain comparative information in respect of share capital movements.
- e) Statement of Cash Flows and related notes.
- f) Related Party Disclosures relating to key management personnel compensation.
- g) Disclosure of related party transactions entered into between two or more members of a group, given that any subsidiary which is a party to the transaction is wholly owned by such a member.
- h) Capital management disclosures.

Going concern

As a holding company, its main source of income is dividends receivable from its trading subsidiaries and in particular Quartix Limited. For further details, refer to the accounting policy note on Going Concern for the Group on pages 53-54.

Investment in subsidiaries

The Company's interests in investments presently comprise only interest in wholly owned subsidiary undertakings. Investments are recognised initially at cost. Subsequent to initial recognition the financial statements include the adjustments in respect of Share Based Payments or provision for impairment.

1 Summary of significant accounting policies (continued)

Impairment of assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, being the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. To determine the value-in-use, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

A reversal of an impairment loss for an asset shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount. Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets and are recognised to the extent that it is regarded as more likely than not that they will be recovered from future trading profits.

Deferred tax liabilities are provided in full, with no discounting. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Statement of Financial Position date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, other comprehensive income or equity as appropriate.

Dividends

Dividends attributable to the equity holders of the Company approved for payment during the year are recognised directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

As required by IFRS 9, the Company will apply the impairment requirements and recognise a loss allowance for expected credit losses on its financial assets. At each reporting date, it will measure the loss allowance at an amount equal to the lifetime expected credit losses, if the credit risk on financial instruments has increased significantly since initial recognition.

1 Summary of significant accounting policies (continued)

Financial assets (continued)

The Company will recognise in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with IFRS 9.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are recorded initially at fair value and subsequently at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the profit and loss.

A financial liability is derecognised only when the obligation is extinguished. The Company does not enter into derivative contracts for hedging or speculative purposes.

Foreign currencies

Transactions in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in profit or loss in the period in which they arise.

Employee benefits: Share-based payments

The Company operates several employee share schemes for employees of its UK trading subsidiary under which it makes equity-settled and cash-settled share-based payments.

For equity-settled options, the fair value of the employee services received in exchange for the grant of the options is recognised as an increase in the investment in the subsidiary, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is assessed at the grant date, using the Black-Scholes option pricing model where there is no market based performance condition, whilst the binomial option pricing model is used to account assess the fair value for options with a market-based performance conditions.

For cash-settled options, the fair value of the employee services received in exchange for the grant of the options is recognised as an increase in the investment in the subsidiary, with a corresponding increase in the share based payment liability, over the period that the employees unconditionally become entitled to the award.

Upon exercise of the equity-settled share options the proceeds received are allocated to share capital and share premium. On settlement of the cash award the share based payment liability is released.

1 Summary of significant accounting policies (continued)

Share capital and reserves

Share capital and reserves comprises the following:

- "Share capital" represents the nominal value of equity shares
- "Share premium account" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue
- "Capital redemption reserve" represents the amount by which the Company's issued share capital is diminished when shares are redeemed or purchased wholly out of the Company's profits
- "Equity reserve" is used to reflect the expenses associated with granting share options to employees and the issue of warrants
- "Retained earnings" represents retained profits

2 Profit and loss account

Auditors' remuneration attributable to the Company is as follows:

	2025	2024
	£'000	£'000
Audit fees – statutory audit	38	36

3 Directors and employees

Staff costs, including Directors, comprised the following:

	2025	2024
	£'000	£'000
Wages and salaries	140	136
Social security costs	18	13
	158	149

The average number of employees for the company, being the Executive Chairman and the Non-Executive Directors, during the year was 3 (2024: 3).

Details of Directors' emoluments are set out on page 34.

4 Investments – non-current

The amounts recognised in the Company's Statement of Financial Position relate to the following:

	Subsidiary undertakings £'000
At 1 January 2024	20,334
Increase:	
Due to share options held by subsidiary employees	(47)
Investment in subsidiary	-
Net book amount at 31 December 2024	20,285
Increase:	
Due to share options held by subsidiary employees	75
Investment in subsidiary	-
Net book amount at 31 December 2025	20,362

4 Investments – non-current (continued)

There is no provision for impairment for the investment in subsidiaries.

Subsidiary	Country of registration	Class of share capital held	Proportion held by the Company	Nature of business
Quartix Limited	England & Wales	Ordinary shares	100%	Vehicle Tracking
Quartix Inc	USA	Common shares	100%	Vehicle Tracking
Quartix SAS	France	Ordinary shares	0.1%	Vehicle Tracking

See note 12 of the consolidated financial statements for details of the registered offices for the above subsidiaries.

5 Debtors

	2025 £'000	2024 £'000
Social security and other taxes	7	30
Prepayments	-	11
Amounts owed by subsidiary undertakings	1	70
	8	111

All receivables fall due within one year of the Statement of Financial Position date.

The amount owed by subsidiary undertakings includes a Euro loan to Quartix SAS of £1k (2024: £70k) which is repayable on or before 31 December 2026 but can be extended by mutual agreement. Interest was charged quarterly at 2.1% per quarter on the quarter end balance.

6 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Social security and other taxes	-	5
Accruals and deferred income	67	75
Amounts owed to subsidiary undertakings	3,393	472
	3,460	552

The amount owed to subsidiary undertakings relates to the current account with Quartix Limited & Quartix Inc. The movement in the year reflects no dividend declaration in the year 2025 (2024: £5.1m).

7 Share capital

Allotted, called up and fully paid ordinary shares of £0.01 each

	Number of ordinary shares of £0.01 each	Share capital £'000	Share premium £'000
At 1 January 2025	48,392,178	484	6,332
Shares issued	37,978	-	-
At 31 December 2025	48,430,156	484	6,332

Details of movements in share options and those outstanding at 31 December 2025 are disclosed in note 24 of the Group accounts.

8 Related party transactions and ultimate controlling party

The Company has taken advantage of the exemption not to disclose transactions with wholly owned subsidiaries. Details of Directors' remuneration and interests in shares are disclosed in the Directors' Remuneration Report (see page 34) and key management remuneration in note 6 of the Group accounts.

9 Contingent liabilities

There are no material contingent liabilities subsisting at 31 December 2025 or 31 December 2024.

10 Financial commitments

The Company had no financial commitments at 31 December 2025 or 31 December 2024.

11 Risk management objectives and policies

Financial Instruments

The Company uses various financial instruments; these include cash deposits and bank loans and various items such as Group receivables and Group payables that arise directly from its operations. The main purpose of these financial instruments is to manage working capital.

The main risks arising from the Company's financial instruments are credit risk and currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the Statement of Financial Position date, as summarised below:

	2025 £'000	2024 £'000
Financial Assets		
Cash and cash equivalents	68	41
Amounts owed by subsidiary undertakings	1	70
	<u>69</u>	<u>111</u>

Risks associated with cash deposits are limited as the banks used have high credit ratings assigned by international credit rating agencies. The amount owed by subsidiary undertakings includes a Euro loan to Quartix SAS of £0.0m (2024: £0.0m) which is repayable on or before 31 December 2025 but can be extended by mutual agreement. Interest was charged quarterly at 2.1% per quarter on the quarter end balance.

Currency risk

The Company is exposed to transaction foreign exchange risk. The Group mitigates its risk to the US Dollar by trading in the USA; however, the Company is exposed to exchange movements on its US Dollar loan to Quartix Inc to fund its working capital requirements.

The Company's financial assets denominated in foreign currencies (all US dollars) were:

	2025 £'000	2024 £'000
Financial assets		
Cash at bank	1	-
Amounts owed by subsidiary undertakings	(69)	70
	<u>(68)</u>	<u>70</u>

The Company's net profit would not be materially impacted by 5% strengthening of Pound Sterling to the US dollar.

Notice of Annual General Meeting

Notice is hereby given that the eleventh Annual General Meeting (the “Meeting”) of Quartix Technologies plc will be held on **Wednesday 22 April 2026 at 10.30am** at the Company’s registered offices One Cambridge Square, Cambridge North, Cambridge, CB4 0AE for the purpose of considering the resolutions below.

To consider, and if deemed fit, to pass the following as ordinary resolutions:

1. To receive and adopt the audited annual accounts for the year ended 31 December 2025.
2. To approve and declare a final dividend for the year ended 31 December 2025 of 7.50p per ordinary share. This will be paid on 30 April 2026 to shareholders on the register as at the close of business on 7 April 2026.
3. To re-elect Andrew Walters as a Director who, in accordance with the Company’s Articles of Association, retires as a Director and is eligible for re-election.
4. To re-elect Alison Seekings as a Director who, in accordance with the Company’s Articles of Association, retires as a Director and is eligible for re-election.
5. To re-elect Ian Spence as a Director who, in accordance with the Company’s Articles of Association, retires as a Director and is eligible for re-election.
6. To re-appoint PKF Littlejohn LLP as the auditors of the Company until the end of the next Annual General Meeting.
7. To authorise the Directors to determine the remuneration of the auditors.
8. To give the Directors general and unconditional authorisation for the purposes of section 551 and 573 of the Companies Act 2006 (the “Act”) to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal value of £ 159,820 (representing approximately 33% of the issued share capital of the Company as at 25 March 2026) to such persons at such times and on such terms they deem proper provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company or 30 June 2026, whichever is earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities (as defined in section 560 of the Act) to be allotted after such expiry and the Directors may allot such securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired; and all prior authorities to allot securities (to the extent unutilised) be revoked, but without prejudice to the allotment of any shares or securities already made or to be made pursuant to such prior authorisation.

To consider, and if deemed fit, to pass the following as special resolutions:

9. That the Directors be and are empowered, pursuant to section 570 of the Companies Act 2006 (the “Act”), to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred upon them by resolution 11 above and to allot equity securities (as defined in section 560(3) of the Act (*sale of treasury shares*)) for cash in each case as if section 561 of the Act did not apply to any such allotment provided, however, that the power conferred by this resolution shall be limited to:

- a. The allotment of equity securities in connection with a rights issue, open offer or any other offer of, or invitation to apply for, equity securities in favour of holders of ordinary shares in the Company on the register of members at such record dates as the Directors may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares in the Company held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements, treasury shares, record dates, or legal or practical problems arising or resulting from the application of the laws of any overseas territory or the requirements of any other recognised regulatory body or stock exchange in any territory or by virtue of shares being represented by depository receipts or any other matter whatever; and
- b. The allotment, other than pursuant to sub-paragraph 'a' above, to any person or persons of equity securities up to an aggregate nominal value not exceeding £24,215, representing approximately 5% of the ordinary share capital in issue as at 25 March 2026.

This power shall expire at the conclusion of the next Annual General Meeting of the Company or 30 June 2026, whichever is the earlier, unless previously varied, revoked or renewed by the Company in general meeting provided that the Company may, before such expiry, make any offer or agreement which would or might require securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot securities or sell treasury shares pursuant to any such offer or agreement as if the power conferred had not expired; and all prior powers granted under section 570 of the Act shall be revoked provided that such revocation shall not have retrospective effect.

10. That the Directors be generally and unconditionally authorised, for the purposes of section 701 of the Companies Act 2006 (the "Act"), to make market purchases, as defined in section 693(4) of the Act, of ordinary shares of £0.01 each in the Company on such terms and in such manner as the Directors shall determine, provided that:
 - a. The maximum aggregate number of ordinary shares which may be purchased is 2,421,508 (representing approximately 5% of the ordinary share capital in issue as at 25 March 2026);
 - b. The minimum price that may be paid for an ordinary share is its nominal value (£0.01);
 - c. The maximum price, exclusive of any expenses, which may be paid for an ordinary share shall be the higher of:
 - i. an amount equal to 105% of the average middle market quotations for the ordinary shares of the Company as derived from the AIM appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; and
 - ii. an amount equal to the higher of the price quoted for the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.
 - d. This authority shall expire, unless previously renewed, revoked or varied, on the date of the next Annual General Meeting or 30 June 2026, whichever is earlier, save that the Company may enter into a contract for the purchase of ordinary shares under this authority which would or might be completed, wholly or partly, after this authority expires.

By order of the Board on 25 March 2026.

Sally Morton
Company Secretary

Notes to the Notice of Annual General Meeting

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to attend and vote on your behalf.

- 1** To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00pm on 20 April 2026. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- 2** Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 30 minutes prior to the commencement of the Meeting at 10:30 am (UK time) on 22 April 2026 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
- 3** Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
- 4** In the case of joint holders, where more than one of the joint holders' purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
- 5** A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
- 6** In order for a proxy appointment to be valid, a form of proxy must be completed. You can appoint a proxy and indicate how you would like your proxy to vote at the Meeting or any adjournment by using any of the following methods:
 - by logging on to <https://uk.investorcentre.mpms.mufg.com/> or using the Investor Centre app (see below) and following the instructions, ensuring that your submission is completed before 10:30 am on 20 April 2026;
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below, transmitting the instructions so as to be received by 10:30 am on 20 April 2026; or
 - If you are an institutional investor by using the Proximity platform as described in Note 12 below.

You may request a hard copy form of proxy directly from the registrars, MUFG Corporate Markets, via email at shareholderenquiries@cm.mpms.mufg.com or on Tel: 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday, excluding public holidays in England and Wales.

Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: <https://uk.investorcentre.mpms.mufg.com/>.



- 7** If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
- 8** The return of a completed form of proxy, electronic filing, any CREST Proxy Instruction (as described in note 10 below) or the appointment of a proxy via Proximity will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
- 9** CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 10** In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10:30 am on 20 April 2026. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 11** CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 12** Appointment of Proxies via Proxymity: If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10:30 am on 20 April 2026 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
- 13** Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
- 14** As at 25 March 2026 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 48,430,156 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 25 March 2026 are 48,430,156.
- 15** Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered
- 16** The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 10:15 am on the day of the Meeting until the conclusion of the Meeting:
- copies of the Directors' letters of appointment or service contracts
- 17** You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) which is provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.quartix.com/en-gb/company/investors/

Any general queries by members about the Annual General Meeting should be addressed to the Company Secretary by letter or email at Quartix Technologies plc, One Cambridge Square, Cambridge North, Cambridge CB4 0AE or investors@quartix.net

Quartix

One Cambridge Square, Cambridge North,
Cambridge, CB4 0AE



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