Interim Financial Statements
Quartix Technologies plc

For the half year ended 30 June 2026

The unaudited interim results to 30 June 2026 for Quartix Technologies plc are set out below:

Statement of Directors' responsibilities

The Directors are responsible for preparing the interim financial report, in accordance with applicable law and regulations.

As permitted, this Interim Report has been prepared in accordance with UK AIM Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting".

All comparative monetary amounts for 2025 have been restated in line with a change in accounting policy adopted as at 31 December 2025 for the recognition of Quartix tracking systems and dashcams as IAS: 16 Property Plant and Equipment. See note 2: Summary of significant accounting policies on page 13 and note 9 on page 17; explanation of change in accounting policy.

These interim financial statements do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2025.

By order of the Board of Directors on 27 July 2026

Andrew Walters
Executive Chairman

Company No.06395159

Contents

Highlights

Quartix is one of Europe's leading suppliers of vehicle telematics services and driver analytics.

Restatement of comparatives:
All comparative monetary amounts for 2025 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 summary of significant accounting policies on page 13 and note 9 Explanation of change in accounting policy on page 17.

Financial highlights

- Revenue increased by 12% to £19.4m (2025: £17.3m)
- EBITDA[1] increased by 16% to £7.2m (2025: £6.2m)
- Adjusted EBIT[2] increased by 21% to £4.9m (2025: £4.0m)
- Profit before tax increased by 21% to £4.8m (2025: £4.0m)
- Diluted earnings per share of 5.51p (2025: 6.50p)
- Free cash flow[3] increased by 18% to £3.0m (2025: £2.5m)
- Interim dividend of 2.70p per share proposed (2025: 2.50p)

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[1] Earnings before interest, tax, depreciation and amortisation (see note 5)
[2] Earnings before interest, tax and share based payment expense (see note 5)
[3] Cash flow from operations after tax and investing activities

Principal activities and performance measures

The Company's main strategic objective is to grow its subscription base profitably and develop the associated annualised recurring revenue.

Annualised recurring revenue has increased by 11% on a twelve-month trailing basis ("TTM") (see definition in KPI table below). Annualised recurring revenue is a forward-looking key performance measure, and it is pleasing that it grew by £3.8m on a constant exchange rate, to £38.9m on 30 June 2026, compared to 30 June 2025.

The Key Performance Indicators used by the Board to assess the performance of the business are listed below and discussed in the Chairman's Statement.

Principal activities and performance measures (continued)

Key Performance Indicators ("KPIs")

Period ended 30 June	2026	2025	% change
Annualised Recurring Revenue[1](£'000)	38,905	35,089	11%
Fleet subscription base[2] (units)	342,679	318,947	7%
Fleet customer base[3]	33,550	31,588	6%
ARR per vehicle (£)	114	110	3%
ARR per employee[4] (£'000)	220	198	11%
Net Revenue Retention[5] ("NRR") (%)	96.9	97.3	(0%)
Fleet invoiced recurring revenue[6] (£'000)	19,062	16,848	13%

[1] Annualised data services revenue for the subscription base at 30 June, before deferred revenue, including revenue for units waiting to be installed for which subscription payments have already started or are committed, with comparative June 2025 measured at a constant exchange rate.
[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] ARR per employee, based on total company employee head count as at the period end
[5] NRR is measured on a constant-currency basis and represents the annualized value of recurring revenues for the customer base at the end of the Period, excluding the contribution from new customers won over the preceding 12 months, and expressed as a percentage of the base at 1 July 2025
[6] Invoiced subscription charges before provision for deferred revenue

Chairman's Statement

Summary

The Board is pleased to report that Annualised Recurring Revenue ("ARR") increased by £3.8m (+11%) in the 12 months from 1 July 2025 to 30 June 2026. Just over half of this increase (£2.1m) was achieved during the Period.

Revenue grew by 12% to £19.4m, driven by a 7% expansion of our subscription base alongside a weighted average 3% average price rise across the customer base. Gross margin improved to 80.0% (2025: 78.4%), primarily reflecting this top-line expansion. Hardware cost reductions also contributed some of the gross profit improvement following the transition of the new TCSV 17 tracking system into full production in H2 2025. However in accordance with our IAS 16 accounting policy, the costs of these new tracking systems are capitalised and depreciated over a 7-year useful economic life. Consequently, while the cash cost savings from these new systems are realised immediately, the corresponding impact on our reported profit is spread over this seven-year timeframe.

Profit before tax for the Period increased by 21% to £4.8m (2025: £4.0m). This growth was driven by an increase in gross profit of £1.9m (14%). To capitalise on this momentum, we invested a portion of these gains back into the business, increasing Sales and Marketing spend by £1.0m. Of this £1.0m, £0.4m related specifically to investments made into indirect channels and, following close performance appraisal, we determined that the return on investment was not adequate. Consequently, this activity has been scaled back in H2 2026, securing £0.2m in future savings against our initial plans. £0.1m of these savings have been invested in an AI data research project to improve customer acquisition efficiency, with the remaining balance held for future marketing programmes. Administrative costs were tightly controlled, increasing by just £0.1m (2%).

Pricing and revenue retention

Average revenue per unit subscription increased by 3% during the Period, driven by inflationary price adjustments across the customer base together with strong momentum in camera upsells with higher associated average price per unit.

NRR is calculated by dividing the ARR of the remaining customer base at the end of a 12-month period by the ARR value of that base at the start of the 12 months. It excludes the effects of new customer acquisition during the period but includes the effects of upgrades and additions to existing fleets and price changes. NRR was 96.9% at the end of the 12 month period ending 30 June 2026 (2025: 97.3%). The reduction in NRR was primarily attributable to the UK market which had delivered 100% NRR in the 12 months to June 2025 with the benefit of strong camera upsells coupled with lower attrition rates, compared to 99.4% in the 12 months to June 2026 following some increased attrition. Focus on this measure is being monitored across all territories.

Market performance

The key metrics shown below include growth expressed as a percentage since 1 July 2025, with the exception of the figures given for new subscriptions and new customers, for which the growth shown is for the Period compared to the same period in 2025.

Country	ARR Growth in period (£'m)	ARR (£m)	TTM %	New Subscriptions (units)	Subscription Base (units)	TTM %	New Customers	Customer Base	TTM %
UK/EI	0.7	20.4	7%	12,248	167,891	2%	832	12,019	1%
France	0.8	10.6	14%	12,015	96,770	11%	1,169	10,101	6%
USA	0	3.4	1%	2,990	29,025	(3%)	402	3,883	(3%)
Italy	0.3	2.2	39%	4,701	23,408	38%	620	3,560	33%
Spain	0.2	1.4	31%	2,831	16,638	27%	417	2,704	15%
Germany	0.1	0.9	20%	1,409	8,586	14%	188	1,224	14%
Other	-	-	(21%)	32	361	(24%)	4	59	(17%)
Total	**2.1**	**38.9**	**11%**	**36,226**	**342,679**	**7%**	**3,632**	**33,550**	**6%**

UK

The subscription and customer bases grew by 2% and 1% respectively on a TTM basis.

ARR increased by 7% in the 12 months to 30 June 2026, with an increase in the ARR per vehicle of 5% to £121 per vehicle (2025: £115) with the benefit of inflationary price adjustments across majority of the customer base together with strong momentum in camera upsells. Performance in the first half was impacted by slower conversion in the field sales channel, reflecting the timing of order intake, with momentum improving towards the end of the period.

France

The subscription and customer bases grew by 11% and 6% respectively on a TTM basis.

ARR increased by 14% in the 12 months to 30 June 2026 with an increase in the ARR per vehicle of 2% to £109 per vehicle (2025: £107), broadly in line with the prior year, reflecting continued strong execution in the territory in building the subscription base across all sales channels.

USA

The subscription and customer bases decreased by 3% on a TTM basis.

Despite this, ARR increased by 1% in the 12 months to 30 June 2026 as a result of the increase in the ARR per vehicle of 5% to £116 per vehicle (2025: £110), supported by price indexation across the existing customer base, which offset the impact of higher churn and softer trading during the period.

Market performance (continued)

Italy, Spain and Germany

All three territories delivered strong performance across key metrics, with ARR growth in excess of 20% on a TTM basis in each country and particularly pleasing is the increase in the ARR per vehicle of 5% to £109 per vehicle (2025: £104) in Germany with an increase in the average subscription price at the point of sale in new orders but also supported by price indexation across the existing base. Closely followed by Spain and Italy with an increase in the ARR per vehicle of 3% and 1% respectively.

These markets continue to present significant opportunities for expansion, and the Group plans to increase investment in the second half of 2026 and into 2027.

Product development, systems and overheads

4G Upgrade Programmes

Good progress has been made in carrying out the 4G upgrade programme in France. 8,000 of the original 50,000 tracking systems now remain to be fully upgraded by the end of 2026. Of these, 4,000 have already been delivered to customers and are in the process of being connected, while a further 4,000 units are yet to be replaced. More than 83% of these 4,000 units remaining are user-installed units which have been purposefully left until this year; pending the availability of the TCSV18, which was released into production in March 2026. The Group is confident of completing this project on time.

The Group is proactively managing the transition away from 2G technology ahead of the anticipated UK network sunset in 2029. Replacement of 2G units is being carried out at natural customer touchpoints, including service interactions, new installations, and upgrade or upsell activity. The remaining installed base is actively monitored and continues to reduce in line with expectations. Based on current progress and ongoing support from network partners, management does not currently expect the planned 2G network switch-off to have a material impact on the Group.

Telematics developments

Quartix completed all regulatory approvals on its next generation, OBD 4G 'dongle' style telematics tracking system during the period with significant numbers of units manufactured and installed – especially across the French customer base where the new generation OBD system is replacing the remaining 2G OBD systems. The development team has now utilised the same low-cost core design to produce a derivative 4G Cat M1 model for the US market. PTCRB approvals are under their final review and manufacturing will see full production available in August. A further derivative product providing a simple 2-wire self-installed product for the US market is expected at the end of the year.

Software and mobile applications

During the period, Quartix successfully deployed a beta version of a new user interface (UI) to InfoPoint customers between April and June. The Group is on track for a full commercial release within the next six months, with an initial target to transition at least 5,000 customers to the new UI as their primary platform within six months of launch. Post-release, new features currently in development will be continuously integrated to support the broader customer base, enabling the legacy interface to be fully decommissioned by early 2028.

Financial Performance

Revenue for the period increased by 12% to £19.4m (2025: £17.3m); 97% of this revenue derives from recurring subscriptions. Profit before tax for the period increased by 21% to £4.8m (2025: £4.0m). Adjusted EBIT increased by 21% to £4.9m (2025: £4.0m), this increase in profit can be attributed to growth in the subscription base, pricing and cost reductions over the past 12 months.

Cash flow from operations after tax and investing activities, or free cash flow, increased to £3.0m (2025: £2.5m). Net cash increased to £4.8m at 30 June 2026 (June 2025: £4.1m; Dec 2025: £5.6m).

The Group's reported tax charge for the period was £2.2m (2025: £0.9m). This includes a £1.1m prior-year adjustment relating to FY24 and FY25, arising after the Group's 2025 year-end reporting following work undertaken by external tax advisors in June 2026 to refile the FY24 tax return under the Group's updated IAS 16 accounting policy. Excluding this adjustment, the underlying tax charge for the period was £1.1m, resulting in an underlying profit after tax of £3.7m (2025: £3.1m).

Basic earnings per share were 5.52p (2025: 6.50p). On a diluted basis earnings per share were 5.51p (2025: 6.50p).

Recommended Interim Dividend

The Board has recommended an interim dividend of 2.70p (2025: 2.50p) per share, £1.3m in aggregate. This was approved by the Board on 27 July 2026. The interim dividend will be paid on 24 September 2026 to shareholders on the register on 28 August 2026. The ex-dividend date is therefore 27 August 2026.

Governance and the Board

The Board is comprised of two Non-Executive Directors: Alison Seekings and Ian Spence, the Company Secretary and myself as Executive Chairman.

For further details regarding Corporate governance, please see the Company's investor website (search: "Quartix investors").

Outlook

Continued growth in ARR with the strong increase in the ARR per vehicle of 3% across the subscription base, together with improvements in net revenue retention, manufacturing costs and overhead efficiency, are strengthening the Group's capacity to invest further in profitable growth in the second half and into 2027.

This will include planned investment to support the launch of the Group's dashcam offering in Continental Europe in the first half of 2027, extending the Group's product capabilities and supporting future revenue growth.

The Board remains confident in delivering market expectations* for the current year in respect of revenue, Adjusted EBIT and free cash flow. This confidence is underpinned by the Group's recurring revenue model, improving operational efficiency and disciplined approach to investment. The Company therefore looks forward to the remainder of the year, and 2027, with confidence.

**Note: the Company believes that, prior to this announcement, market expectations for 2026 performance in terms of revenue, Adjusted EBIT and free cashflow were £40.3m, £10.1m and £4.9m respectively.*

Andrew Walters

Executive Chairman

Consolidated Statement of Comprehensive Income

	Notes	**30 June 2026 Unaudited £'000**	Restated 30 June 2025 Unaudited £'000	31 December 2025 Audited £'000
Revenue	3	**19,358**	17,320	35,707
Cost of sales		**(3,875)**	(3,735)	(9,579)
Gross profit		**15,483**	13,585	26,128
Sales & Marketing expenses	9	**(5,843)**	(4,854)	(8,300)
Administrative expenses		**(4,791)**	(4,709)	(9,148)
Operating profit		**4,849**	4,022	8,680
Finance income receivable		**15**	-	15
Finance costs payable		**(16)**	(13)	(28)
Profit for the period before taxation		**4,848**	4,009	8,667
Tax (expense)		**(2,176)**	(862)	(2,286)
Profit for the period		**2,672**	3,147	6,381
Other Comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference on translating foreign operations		**192**	(32)	271
Other comprehensive income for the year, net of tax		**192**	(32)	271
Total comprehensive income attributable to the equity shareholders of Quartix Technologies plc		**2,864**	3,115	6,652
Adjusted EBIT	5	**4,908**	4,040	8,755
Earnings per ordinary share (pence)	6			
Basic		**5.52**	6.50	13.18
Diluted		**5.51**	6.50	13.17

Consolidated Statement of Financial Position

Company registration number: 06395159

Assets	Notes	**30 June 2026 Unaudited £'000**	Restated 30 June 2025 Unaudited £'000	31 December 2025 Audited £'000
Non-current assets				
Goodwill		**14,029**	14,029	14,029
Property, plant and equipment		**18,021**	16,309	17,027
Contract cost assets		**364**	422	428
Total non-current assets		**32,414**	30,760	31,484
Current assets				
Inventories		**42**	25	25
Contract cost assets		**1,339**	1,420	1,477
Trade and other receivables		**5,059**	4,735	4,595
Cash and cash equivalents		**4,767**	4,148	5,567
Total current assets		**11,207**	10,328	11,664
Total assets		**43,621**	41,088	43,148
Current liabilities				
Trade and other payables		**3,936**	3,800	3,949
Provisions		**21**	30	21
Contract liabilities		**4,632**	4,178	4,174
Current tax liabilities		**1,453**	1,166	679
		10,042	9,174	8,823
Non-current liabilities				
Lease liabilities		**487**	761	505
Deferred tax liabilities		**904**	572	921
		1,391	1,333	1,426
Total liabilities		**11,433**	10,507	10,249
Net assets		**32,188**	30,581	32,899
Equity				
Called up share capital	8	**485**	484	484
Share premium account	8	**6,332**	6,332	6,332
Equity reserve		**34**	104	143
Capital redemption reserve		**4,663**	4,663	4,663
Translation reserve		**(201)**	(413)	(174)
Retained earnings		**20,875**	19,411	21,451
Total equity attributable to equity shareholders of Quartix Technologies plc		**32,188**	30,581	32,899

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 2024	484	6,332	4,663	163	(309)	8,269	**19,602**
Opening Adjustments	-	-	-	-	(136)	9,371	**9,235**
Restated balance at 31 December 2024	484	6,332	4,663	163	(445)	17,640	**28,837**
Increase to Equity reserve in relation to options issues and cancelled	-	-	-	18	-	-	**18**
Recycle of Equity Reserve to P&L	-	-	-	(77)	-	77	-
Dividend paid	-	-	-	-	-	(1,453)	**(1,453)**
Transactions with owners	-	-	-	(59)	-	(1,376)	**(1,435)**
Foreign currency translation differences	-	-	-	-	32	-	**32**
Profit for the period	-	-	-	-	-	3,147	**3,147**
Total comprehensive income	-	-	-	-	32	3,147	**3,179**
Balance at 30 June 2025	484	6,332	4,663	104	(413)	19,411	**30,581**
Increase to Equity reserve in relation to options issues and cancelled	-	-	-	56	-	-	**56**
Recycle of Equity Reserve to P&L	-	-	-	(17)	-	17	-
Dividend paid	-	-	-	-	-	(1,211)	**(1,211)**
Transactions with owners	-	-	-	39	-	(1,194)	**(1,155)**
Foreign currency translation differences	-	-	-	-	239	-	**239**
Profit for the period	-	-	-	-	-	3,234	**3,234**
Total comprehensive income	-	-	-	-	239	3,234	**3,473**
Balance at 31 December 2025	484	6,332	4,663	143	(174)	21,451	**32,899**
Opening Adjustments		-	-	-	(219)	219	**-**
Increase to Equity reserve in relation to options issues and cancelled	1	-	-	56	-	-	**57**
Recycle of Equity Reserve to P&L	-	-	-	(165)	-	165	-
Dividend paid	-	-	-	-	-	(3,632)	**(3,632)**
Transactions with owners	1	-	-	(109)	(219)	(3,248)	**(3,575)**
Foreign currency translation differences	-	-	-	-	192	-	**192**
Profit for the period	-	-	-	-	-	2,672	**2,672**
Total comprehensive income	-	-	-	-	192	2,672	**2,864**
Balance at 30 June 2026	485	6,332	4,663	34	(201)	20,875	**32,188**

Consolidated Statement of Cash Flows

	Notes	**30 June 2026 Unaudited £'000**	Restated 30 June 2025 Unaudited £'000	31 December 2025 Audited £'000
Cash generated from operations	7	**7,624**	5,814	12,587
Taxes paid		**(1,401)**	(598)	(2,082)
Cash flow from operating activities		**6,223**	5,216	10,505
Investing activities				
Additions to property, plant and equipment		**(3,587)**	(2,984)	(6,034)
Proceeds from disposal of assets		**344**	315	684
Interest received		**15**	0	15
Cash flow from investing activities		**(3,228)**	(2,669)	(5,335)
Cash flow from operating activities after investing activities (free cash flow)		**2,995**	2,547	5,170
Financing activities				
Repayment of lease liabilities		**(123)**	(101)	(213)
Dividend paid		**(3,632)**	(1,453)	(2,664)
Cash flow from financing activities		**(3,755)**	(1,554)	(2,877)
Net changes in cash and cash equivalents		**(760)**	993	2,293
Cash and cash equivalents, beginning of period		**5,567**	3,101	3,101
Exchange differences on cash & cash equivalents		**(40)**	54	173
Cash and cash equivalents, end of period		**4,767**	4,148	5,567

Notes to the Financial Statements (unaudited)

1 General information

Quartix Technologies plc ("the Company") and its subsidiaries ("the Group") a leading supplier of subscription-based vehicle tracking systems, software and services.

The Company was re-registered as a public company on 31 July 2014 and is incorporated and domiciled in the UK.

2 Significant accounting policies

Basis of preparation

The financial information has been prepared in accordance with recognition and measurement principles of International accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS (UK)") and in accordance with those parts of the Companies Act 2006 that are relevant to companies which report under IFRS (UK). The accounting policies adopted are consistent with those of the financial statements for the year ended 31 December 2025, as described in those financial statements. In preparing these interim financial statements, the Board has not sought to adopt IAS 34 "Interim financial reporting".

The figures for the six-month periods ended 30 June 2026 and 30 June 2025 have not been audited.

The figures for the year ended 31 December 2025 have been extracted from, but do not constitute, the consolidated financial statements of Quartix Technologies plc for that year. The original financial statements for the year ended 31 December 2025 have been delivered to the Registrar of Companies and included an Auditors' Report, which was unqualified and did not contain a statement under section 498(2) or section 498(3) of the Companies Act 2006.

Going concern

Global events continue to contribute to adverse economic pressures and economic uncertainties. The Company is taking appropriate action to monitor, address and mitigate the uncertainties and increased risks facing the Company as a result and have taken these additional uncertainties into account in assessing the going concern position.

The Board takes all reasonable steps to review and consider any factors that may affect the ability of the Group to continue as a going concern. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to generate sufficient liquidity. The Group enjoys a strong income stream from its subscription base while current liabilities include a substantial provision for deferred revenue which is a non-cash item.

After assessing the forecasts and liquidity of the business, for the next 18 months and the longer-term strategic plans, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing consolidated financial statements.

2 Significant accounting policies (continued)

Contract Cost Assets

The Group incurs costs to fulfil its customer contracts, which include commission costs, equipment costs, installation costs and carriage costs amongst other 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, that the staff commission and distributor 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.

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.

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.

2 Significant accounting policies (continued)

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.

3 Revenue

Revenues from external customers in the Group's major markets have been identified based on the customer's geographical location and are disclosed below.

	30 June 2026 Unaudited £'000	Restated 30 June 2025 Unaudited £'000	31 December 2025 Audited £'000
Geographical analysis by destination			
United Kingdom	**10,528**	9,742	19,899
France	**5,106**	4,444	9,217
Other European territories	**2,103**	1,500	3,335
United States of America	**1,621**	1,634	3,256
	19,358	17,320	35,707

4 Property, plant and equipment

As a result of the change in accounting policy as detailed in note 9, the Group's PPE disaggregated by primary geographical markets is as follows:

	30 June 2026 Unaudited £'000	Restated 30 June 2025 Unaudited £'000	31 December 2025 Audited £'000
United Kingdom	**9,783**	8,628	9,022
France	**6,981**	6,194	6,629
United States of America	**1,257**	1,487	1,376
	18,021	16,309	17,027

5 Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)

	30 June 2026 Unaudited £'000	Restated 30 June 2025 Unaudited £'000	31 December 2025 Audited £'000
Operating profit	**4,849**	4,022	8,680
Share-based payment expense (incl. cash settled)	**59**	18	75
Adjusted EBIT	**4,908**	4,040	8,755
Depreciation on PPE - owned	**17**	20	38
Depreciation on PPE - right of use	**107**	88	185
Depreciation on PPE - owned appliances	**1,697**	1,485	3,060
Impairment of PPE - owned appliances	**(60)**	0	(42)
Loss on disposal of owned appliances	**587**	605	1,239
Share-based payment expenses (incl cash settled)	**(59)**	(18)	(75)
EBITDA	**7,197**	6,220	13,160

6 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 period. The earnings per share calculation relates to continuing operations of the Group.

	Profits attributable to shareholders £'000	Weighted average number of shares	Basic profit per share amount in pence	Fully diluted weighted average number of shares	Diluted profit per share amount in pence
Earnings per ordinary share					
Period ended 30 June 2026	**2,672**	**48,440,983**	**5.52**	**48,455,156**	**5.51**
Restated Period ended 30 June 2025	3,147	48,411,272	6.50	48,430,602	6.50
Year ended 31 December 2025	6,381	48,420,583	13.18	48,433,474	13.17

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 the period.

7 Notes to the cash flow statement

Cash flow adjustments and changes in working capital

	30 June 2026 Unaudited £'000	Restated 30 June 2025 Unaudited £'000	31 December 2025 Audited £'000
Profit before tax	**4,848**	4,009	8,667
Foreign exchange	**293**	19	(278)
Depreciation & impairment of PPE	**1,761**	1,593	3,241
Loss on disposal of PPE	**587**	605	1,239
Interest income	**(15)**	0	(15)
Lease interest expense	**16**	13	28
Share based payment expense	**59**	18	75
Operating cash flow before movement in working capital	**7,549**	6,257	12,957
(Increase)/ decrease in trade and other receivables	**(481)**	(601)	(428)
(Increase)/ decrease in contract cost assets	**188**	(105)	(131)
(Increase)/ decrease in inventories	**(17)**	0	0
Increase / (decrease) in trade and other payables	**(89)**	(120)	(149)
Increase in contract liabilities	**474**	383	338
Cash generated from operations	**7,624**	5,814	12,587

8 Equity

Allotted, called up and fully paid	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 30 June 2025	**48,430,156**	**484**	**6,332**
Shares issued	**-**	-	-
At 31 December 2025	**48,430,156**	**484**	**6,332**
Shares issued	25,125	1	-
At 30 June 2026	**48,455,281**	**485**	**6,332**

All shares issued in the period to 30 June 2026 relate to the exercise of share options.

9 Explanation of change in accounting policy

As highlighted on page 1, during 2025 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.

Since 2022, the Group had 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.

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.

Change in accounting policy and restatement
In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group applied this change in accounting policy retrospectively in the consolidated financial statements for the year ended 31 December 2025. Comparative information for the period ended 30 June 2025 has therefore been restated where necessary.

8 Explanation of change in accounting policy (continued)

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.

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 £0.3m for the period ended 30 June 2025, with a corresponding increase in gains on disposal classified within cost of sales.

Deferred tax assets at 1st January 2025 was eliminated and a deferred tax liability was created, which is primarily made up of the reversal of the deferred tax asset recognised in 2023 for the 2G replacement provision.

As at 1 January 2025, the restatement increased the Group's net assets by £9,235k to £28,837k. 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.

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

The impact of capitalising telematics appliance costs as PPE per IAS 16 on the financial statements:

A Consolidated Statement of Financial Position

1 January 2025	As previously reported £'000	Adjustments £000	As Restated £'000
Property, plant and equipment	560	14,906	15,466
Deferred tax assets	737	(737)	-
Contract cost assets[1]	6,170	(4,435)	1,735
Inventories	1,732	(1,707)	25
Other assets	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)
Deferred tax liabilities	-	(320)	(320)
Other liabilities	(8,222)	-	(8,222)
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**

30 June 2025	As previously reported £'000	Adjustments £000	As Restated £'000
Property, plant and equipment	756	15,553	16,309
Deferred tax assets	596	(596)	-
Contract cost assets[2]	6,629	(4,787)	1,842
Inventories	1,143	(1,118)	25
Other	22,912	1	22,913
Total assets	32,036	9,053	41,089
Current tax liabilities	(521)	(645)	(1,166)
Provisions	(1,135)	1,104	(31)
Other	(9,342)	31	(9,311)
Total liabilities	(10,998)	490	(10,508)
Net Assets	**21,038**	**9,543**	**30,581**
Retained earnings	9,671	9,740	19,411
Translation reserve	(216)	(197)	(413)
Other	11,583	-	11,583
Total Equity	**21,038**	**9,543**	**30,581**

[1] As at 1 January 2025, Contract cost assets are restated as current (£1.3m) and non-current (£0.4m)
[2] As at 30th June 2025, Contract cost assets are restated as current (£1.4m) non-current (£0.4m)

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

B Consolidated Statement of Comprehensive Income

For the period ended 30 June 2025	As previously reported £'000	Adjustments £000	As Restated £'000
Revenue	17,635	(315)	17,320
Cost of sales	(5,382)	1,647	(3,735)
Sales & Marketing*	(3,925)	(929)	(4,854)
Other expenses (including FX variance)	(4,782)	73	(4,709)
Operating profit	3,546	476	4,022
Net finance costs	(13)	-	(13)
Tax expense	(862)	-	(862)
Net profit	**2,671**	**476**	**3,147**
Other comprehensive income	200	(232)	(32)
Total Comprehensive income	**2,871**	**244**	**3,115**
Earnings per ordinary share (pence)	5.52	0.98	6.50
Diluted earnings per ordinary share (pence)	5.52	0.98	6.50

*Sales and marketing adjustments relate entirely to the reclassification of distributor commission costs which were previously classified as cost of sales and are now recognised as sales & marketing cost, separate to the change in accounting policy.

C Consolidated Statement of Cash Flows

For the period ended 30 June 2025	As previously reported £'000	Adjustments £000	As Restated £'000
Profit	2,671	476	3,147
Adjusted for:			
- tax expense	862	-	862
Profit before tax	**3,533**	**476**	**4,009**
Foreign exchange	85	(66)	19
Depreciation	109	1,484	1,593
Loss on disposal	-	605	605
Other	31	-	31
Operating cashflow before working capital	**3,758**	**2,499**	**6,257**
Changes in contract cost assets	(381)	276	(105)
Changes in inventories	597	(597)	-
Change in provision	(520)	484	(36)
Other	(300)	(2)	(302)
Cash generated from operations	**3,154**	**2,660**	**5,814**
Taxes paid	(598)	-	(598)
Cash flow from operating activities	**2,556**	**2,660**	**5,216**
Investing Activities			
Additions to property, plant and equipment	(9)	(2,975)	(2,984)
Proceeds from disposals of assets	-	315	315
Other	-	-	-
Cash flow from investing activities	**(9)**	**(2,660)**	**(2,669)**
Cash flow from operating activities and after investing activities (free cash flow)	2,547	-	2,547

Company Information

Company registration number:	06395159
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Company secretary:	Sally Morton
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Solicitors:	HCR Legal 50-60 Station Road Cambridge CB1 2JH
Auditors:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
Nominated advisor and broker:	Cavendish One Bartholomew Close London EC1A 7BL