

MOTORK REPORTS ROBUST CONTINUED MOMENTUM FOR H1 2022**RECORD HALF-YEAR FINANCIAL PERFORMANCE
LAUNCH OF SPARK, THE HOLISTIC DIGITAL AUTOMOTIVE RETAIL PLATFORM
STRATEGIC ACQUISITIONS ANCHORING EUROPEAN LEADERSHIP**

LONDON – 25 July 2022 – MotorK Plc (AMS: MTRK) (“MotorK” or the “Group”) announced strong financial results and commercial progress for the six months ended June 30, 2022, keeping the Group on track to meet its financial guidance for FY 2022. The Group also successfully announced two strategic acquisitions in Belgium and Germany¹ which anchored its European leadership.

H1 2022 HIGHLIGHTS

- **SaaS recurring revenues** of €10.8 million, up 95% year-on-year (“YoY”), reaching 64% of total revenues with record level of bookings reached in May and June 2022
- **Annual recurring revenues (“ARR”)**² of €20.1 million, including €5.7 million from M&A, up 25% organically, compared to €11.5 million in the prior year, and up 75% including M&A
- **Revenues** of €16.9 million, up 32% YoY
- **Continued OEM focus**, highlighted by two landmark partnerships signed with ŠKODA AUTO and Stellantis &You over the period
- **Average annual contract value (“ACV”)**³ of €16.6k, up 15% against €14.5k in the same period last year, highlighting continued growth in multi-product adoption across the existing customer base. Low churn of 3.1%⁴, in line with Q1 2022
- **R&D spend** of €4.6 million, up 37% YoY, as part of the strategy to continue healthy investments in developing innovative solutions and expand SaaS platform capabilities
- **Spark Platform** commercial launch in Q2 2022, the most comprehensive and innovative suite of digital SaaS solutions for dealers and car manufacturers
- **Adjusted EBITDA** of -€2.3 million, due to planned team expansion to support the growth ambitions of the Group. Operational leverage and scaling effects are anticipated to drive H2 2022 profitability
- **Net cash** position of €20.8 million, offering flexibility to pursue R&D investments and finance external growth opportunities
- **Value accretive M&A** with two strategic deals announced in key geographies, extending MotorK’s European footprint
- **Strategic appointments** further strengthening the Group’s R&D and Operations capabilities

Marco Marlia, Co-founder & CEO said: “I am delighted that the strong commercial momentum from FY 2021 continues into the current year and translates into a record first-half result for the Group. The significant progress we have made reflects the hard work across all the teams at MotorK as well as of our new colleagues we welcomed into our business as we continue to execute our growth strategy, both organically and through our M&As. As we continue to build the business, we are proud to launch the Spark integrated SaaS platform to drive further revenue opportunities.

Amir Rosentuler, Executive Chairman adds: “The Group is in great shape, we are confident that MotorK will continue to grow, despite the challenging macroeconomic conditions the first half has been in line with our expectations and the outlook for the year remains unchanged and on track to meet our financial guidance for the year. Looking to the future, I believe that MotorK has an exciting future ahead.”

¹ Acquisition of WebMobil24 expected to be completed by the end of July 2022

² Annual Recurring Revenues (“ARR”) is defined as the yearly subscription value of the customer base at the end of the reporting period.

³ Excluding recently acquired companies (Dapda, FranceProNet and Fidcar) currently under migration

⁴ Churn on an annual basis

FINANCIAL HIGHLIGHTS

Best-in-class organic growth

In the first half of 2022, MotorK reported record recurring revenue growth with recurring SaaS revenues up 95% YoY to €10.8 million. SaaS recurring revenues now account for 64% of Group revenues (vs. 43% in H1 2021) underscoring continued improvement in the revenue mix and putting the Group on course to meet its objective for the current year of 70%. This strong commercial momentum, further reinforced by a record level of bookings achieved in May and June 2022, maintains MotorK's position as best-in-class among its European SaaS peers, expanding the base of the Group's ARR, up 25% organically (or 75% including acquisitions) totalling €20.1 million at the period's end.

The Group's organic progress was primarily a result of upselling and cross-selling additional services to MotorK's loyal and growing customer base of approximately 690 clients⁵ (+11% YoY). This performance is part of the Group's strategy to offer its customers with an expanding value proposition fuelled by continued innovation and product launches. This, in turn, creates customer stickiness while driving the adoption of additional products across more users and in more locations.

As a result, during the period, average annual contract value (ACV) increased by 15% to €16.6k, compared to the prior year period value of €14.5k. The Group further reports limited churn of 3.1%⁶. All-in, this strong commercial momentum translates into a robust Net Revenue Retention ratio (NRR) of 113% over the half year, exceeding pre-pandemic levels.

H1 2022 revenues do not account yet for the contracted growth reservoir of customers of the recently acquired companies who are currently in the process of migrating to MotorK's platform. Typically, full migration processes tend to take up to 24 months, with significant customer benefits achieved within the first year. Consequently, most of the up-sell and cross-sell revenues derived from recently acquired companies will materialise towards the back end of H2 2022 and beyond 2022 as migration progresses.

Lower-margin digital marketing revenues continue to soften due to current supply chain challenges and the persistent uncertainty in the industry. These effects resulted in low inventories at car dealerships and hence declined demand in advertising campaigns. The Group reported a decline of digital marketing revenues of 10% equalling €3.6 million during the period.

Innovation as a growth driver

As a leading technology company, innovation is at the heart of MotorK's DNA. Since 2020, MotorK's cloud-based solutions have enabled dealers to reach more than 50 million unique users in total, thanks to sophisticated technology developed and validated in-house.

The Group continues to invest healthily in its R&D activities to provide customers with leading automotive retail solutions, further strengthening its value proposition. As a result, R&D spend reached €4.6 million, up 37% YoY, reflecting the Group's ambitious Product Roadmap for the year, including notably the milestones launches of LiveSpark, WebSpark Revolution and the upgraded version of LeadSpark.

Operational leverage in H2 2022

Adjusted EBITDA for the period reduced from €0.3 million to a loss of €2.3 million, reflecting planned investments in both headcount and R&D to support the ongoing growth of the business.

⁵ Excluding customers from recently acquired companies (Dapda, FranceProNet and Fidcar) currently under migration

⁶ Churn on an annual basis

During the period, the number of full-time employees grew from 250 to 418 with associated personnel costs rising from €7.5 million to €12.6 million in the prior year period. In tandem with this movement in headcount, the Group has continued to invest in its technology platform, as highlighted above. The combined effect is most pronounced during the first half of the year, but in line with the Group's expectations.

Over H2 2022, the Group anticipates solid operational leverage thanks to its mostly fixed cost base as the effect of acquisitions comes through in the second half.

Financial flexibility

The Group Net Cash position reached €20.8 million at H1 2022, including lease liabilities as per IFRS 16 compared to a Net Cash position of €34.4 million at year end 2021. In line with its strategy stated during the IPO, the Group invested in expanding the team to support the growth of the business and further increased its R&D capabilities. As a result, the Group consumed €5.5 million of Free Cash Flow.

In parallel, the Group continued delivering on its M&A growth strategy and announced two additional strategic acquisitions in Belgium and Germany⁷. Cash-out related to acquisitions net of cash acquired amounted to €4.9 million over the period, including both recently acquired Carflow in Belgium and FranceProNet in France. The Group benefits today from ample liquidity to keep delivering on its organic and external growth strategy.

SPARK PLATFORM: PROPELLING DEALERSHIPS INTO THE FUTURE

Automotive purchasing patterns continue to shift as consumers embark on an increasingly multichannel customer journey. Consumers expect to be able to move seamlessly between websites, mobile sites, dealerships, and social media as they research their purchasing decisions, as well as being served online with financing and other services.

The Group's newly launched open and scalable automotive retail platform, SparK, enables dealers and OEMs to move in step with this change in consumer behaviour by integrating sales, marketing and operations activities into a single cost-effective outsourced solution. All SparK modules are accessed in the cloud, thus ensuring centralised maintenance, and updating.

SparK provides the most comprehensive and innovative suite of solutions for their digital activities, from lead management to after-sale service. This one-stop-shop approach allows dealers to focus on their core business, replacing multiple IT vendor relationships with an integrated and flexible platform that serves all their digital needs.

The commercial launch, although recent, is already promising. SparK's ability to cover all customer needs while reducing the associated complexity resonates well with customers and fits into a broader industry trend of relying on fewer, but more robust vendors. As the SparK platform will be rolled out over the coming months, associated revenues upside will gradually materialise during H2 2022.

STRATEGIC APPOINTMENTS ADDING STRENGTH AND DEPTH

The Group added to its senior executive team, appointing Yair Pinyan as Senior Vice President, Head of R&D. Mr. Pinyan will act as a business enabler in charge of MotorK's technology, leading the Engineering, IT Operations and Quality Assurance teams. The senior executive team was further strengthened, following the appointment of Jason Fitzpatrick as Chief Operations Officer. Mr. Fitzpatrick brings deep experience in technology, building and growing services and operations teams and will play a key role in improving MotorK's efficiency as the Group scales up.

⁷ Acquisition of WebMobil24 expected to be completed at the end of July.

OUTLOOK**Industry conditions unchanged**

The continued shortage of microprocessors is likely to negatively impact automotive sales and car registrations for the foreseeable future. However, the current imbalance between supply and demand for cars have allowed manufacturers and dealers to post record profits, with a backlog of millions of orders still to be fulfilled before the market equilibrates back to normal. This could lead OEMs to opt for a more disciplined production / price strategy in the future, reinforcing the needs for dealers for maximum digital sales efficiency tools.

Guidance confirmed

Despite the challenging industry and macroeconomic conditions, MotorK sees no change in customer behaviour at this stage. The Group remains on track to meet its financial guidance for the current year. For the full year 2022, MotorK currently expects to achieve revenues of €45-47 million, ARR of €28-30 million and an adjusted EBITDA margin of approximately 20%.

For reference, the guidance does not factor the two recently announced acquisitions in Belgium and Germany, nor any additional acquisition opportunities the Group might seize as part of its external growth strategy.

The Group benefits from a robust order backlog further reinforced by two successive months of record bookings, offering greater visibility on future revenues. The Group has notably developed several Enterprise opportunities in its pipeline, substantially larger projects that are well-suited to its SaaS platform approach. These typically involve a longer sales cycle but bring higher revenues across a greater number of sites. These Enterprise opportunities combined with revenues from 2021 acquisitions and the roll-out of the SparK platform will largely contribute to both growth and profitability over H2 2022.

The Group will continue to monitor the impact of the current macro environment on its clients, its business, and the industry as a whole and provide updates as necessary.

EARNINGS CONFERENCE CALL

MotorK will hold a conference call in connection with its HY 2022 financial results on July 25, 2022, at 09:00 AM Central European Time (CET). Details to register for the call are available on MotorK's website (www.investors.motork.io), and registered participants will have access to a replay of the webcast.

NEXT PUBLICATION: Q3 2022 TRADING UPDATE, 18 OCTOBER 2022

H1 22 CONSOLIDATED PROFIT AND LOSS (Reclassified)

In k€	H1 22	H1 21
Revenues	16,911	12,781
Costs for marketing and call center	(3,418)	(3,619)
Personnel costs	(12,608)	(7,485)
R&D capitalization	2,710	1,410
Other costs	(5,902)	(2,750)
EBITDA Adjusted	(2,307)	337
Extraordinary costs	(1,370)	(85)
Stock Option Plan costs	(676)	(794)
EBITDA	(4,353)	(542)
Depreciation & Amortization	(2,541)	(1,858)
EBIT	(6,894)	(2,400)
Finance costs	(307)	(968)
Finance income	82	3
Loss before tax	(7,119)	(3,365)
Corporate income tax	(169)	341
Profit/(Loss) - Continued Operations	(7,288)	(3,024)
Profit/(Loss) - Discontinued Operations	(265)	470
Profit/(Loss) for the period	(7,553)	(2,554)

H1 22 CASH FLOW STATEMENT (Reclassified)

In k€	H1 22	H1 21
Cash - Beginning of the period	43,257	11,824
EBITDA Adjusted	(2,307)	337
Decrease / (increase) in working capital	1,413	413
Decrease / (increase) in contract assets	(1,799)	(368)
Operating free cash-flow	(2,693)	382
Taxes paid	(38)	-
Cash flow from investing activities - tangible assets	(44)	(138)
Cash flow from investing activities - R&D	(2,757)	(1,443)
Free cash-flow	(5,532)	(1,199)
Exceptional items	(823)	-
Free cash-flow from discontinued operations	268	382
Cash-flow from investing activities - M&A	(4,932)	-
Cash-flow from financing activities	362	(869)
Others	(264)	18
Net increase / (decrease) in cash	(10,920)	(1,668)
Cash - End of the period	32,337	10,156

H1 22 STATEMENT OF FINANCIAL POSITION (Reclassified)

In k€	H1 22	FY 21
Tangible assets	3,088	3,076
Intangible assets	28,804	17,953
Fixed assets	31,892	21,029
Contract assets	15,379	13,580
Net working capital	(5,561)	(3,761)
Net assets available for sale	2,745	3,278
Deferred tax liabilities	(626)	(659)
Employees benefit liabilities and provision	(5,707)	(3,475)
Net invested capital	38,122	29,992
Cash and cash equivalents	32,337	43,257
Financial assets	118	106
Financial liabilities	(11,637)	(8,958)
Net cash position	20,818	34,405
Net equity	58,940	64,397

H1 22 REVENUES BY PRODUCT AND SERVICES LINE

In k€	H1 22	H1 21	y.o.y. change
SaaS platform	11,444	6,556	75%
Digital Marketing	3,639	4,041	-10%
Other	1,828	2,184	-16%
Revenues	16,911	12,781	32%

HY 2022 SAAS PLATFORM REVENUES

In k€	H1 22	H1 21	y.o.y. change
Recurring	10,811	5,538	95%
Contract start-up	633	1,018	-38%
SaaS platform revenues	11,444	6,556	75%
% Recurring on Revenues	64%	43%	21%
% SaaS platform on Revenues	68%	51%	17%

HY 2022 REVENUES BY GEOGRAPHY

In k€	H1 22	H1 21	y.o.y. change
Italy	12,012	10,844	11%
Spain	2,064	676	205%
France	2,419	746	224%
Germany	245	515	-52%
Benelux	171	-	0%
Revenues by geography	16,911	12,781	32%

HY 2022 R&D EXPENSES

In k€	H1 22	H1 21	y.o.y. change
R&D expenses	4,560	3,325	37%
- of which capitalised	2,710	1,410	92%
- of which expensed in the income statement	1,850	1,915	-3%
R&D expenses as a percentage of Revenues	27%	26%	1%

Forward-looking information and disclaimer

This press release may include forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, may be deemed to be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “anticipates”, “estimates”, “projects”, “will”, “may”, “would”, “could” or “should”, or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements are based on our current expectations, projections and key assumptions about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond MotorK’s ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise.

Important information

This press release contains information within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014).

ABOUT MOTORK PLC

MotorK (AMS: MTRK) is a leading software as a service (“SaaS”) provider for the automotive retail industry in the EMEA region, with over 400 employees and eleven offices in eight countries (Italy, Spain, France, Germany, Portugal, the UK, Belgium and Israel). MotorK empowers car manufacturers and dealers to improve their customer experience through a broad suite of fully integrated digital products and services. MotorK provides its customers with an innovative combination of digital solutions, SaaS cloud products and the largest R&D department in the automotive digital sales and marketing industry in Europe. MotorK is a company registered in England and Wales. Registered office: 124 City Road, London, EC1V 2NX - Company Registration: 9259000. For more information: www.motork.io or www.investors.motork.io.

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