# MOTORK DELIVERS STRONG CASH EBITDA IMPROVEMENT IN FY24

**Resilient Retail Growth**

**€24 Million Record Sales Pipeline**

**Targeting 10 to 13% CARR Growth YoY and Cash EBITDA Positive Position by End of FY25**

**LONDON** – **5 March 2025** – MotorK Plc (AMS: MTRK) ("MotorK", the "Company", or the "Group") announces today solid financial results for the year ended December 31, 2024 ("FY24"). The Group achieved significant improvement in its Cash EBITDA position, facilitated through significant progress in the integration of acquired companies, efficiency synergies and controls, sustained revenue growth, and reaffirms its commitment towards profitability.

**Change of Revenue Recognition**: In FY24 MotorK reviewed its revenue recognition policy, moving from "Point in Time[1]" to "Over Time[2]", more in line with industry expectations for Software as a-Service (SaaS). As such, the FY23 revenues have also been restated to be recognised over time.

In addition, MotorK, applied a more stringent approach to ARR, CARR, and Billing recognition. Therefore, all references to FY23 financial metrics are on a restated basis.

## FY 24 Unaudited Financial Highlights

- **Cash EBITDA**: MotorK improved its Cash EBITDA from negative €15.2 million in FY23 to negative €8.8 million in FY24, improving its Cash EBITDA margin by more than 17% and affirming it remains on track to achieve positive Cash EBITDA by the end of 2025. This demonstrates MotorK's disciplined financial management and operational efficiency.
- **Committed Annual Recurring Revenue (CARR[3])**: €38.4 million, up 7% from FY23 CARR of €35.9 million, and 15% below the target of €45-50 million, reflecting delays in large digital transformation projects by OEMs and dealerships. However, the Group's record sales pipeline of over €24 million remains robust, underscoring the long-term demand for digital solutions in the automotive industry.
- **Annual Recurring Revenue (ARR[4])**: €34.2 million, up 10.7% from FY23 ARR of €30.9 million.
- **Revenues**: €40.3 million in FY24 (4.7% increase), including €32.1 million (7% increase) in Recurring Revenues and €8.2 million in Non-Recurring Revenues (3.5% decrease), against FY23 result of €38.5 million, including €30 million in Recurring Revenues and €8.5 million in Non-Recurring Revenues. Recurring Revenues now constitute 80% of the total, a 2% increase from FY23, strengthening the ongoing transition to a recurring revenue model established over the past three years.
- **Recurring Billings**: €32.1 million, a 7% increase from FY23's €30 million and constitute almost 80% of the €40.3 million Revenues, confirming the positive trajectory of the previous years.
- **Adjusted EBITDA**: Improved from FY23 level of negative €5.8 million to a near-breakeven negative €0.5 million in FY24.
- **Net Financial Position**: At the end of FY24, MotorK recorded a Net Financial Position of €20.2 million.

**Amir Rosentuler, Executive Chairman** said: "Despite the challenges presented by the market in 2024, we have remained resilient, driving strategic investments in AI and operational efficiency. Our record sales pipeline, combined with strong progress on profitability, positions us for sustained growth in 2025 and beyond. The automotive industry's shift toward digital transformation is unstoppable, and we are proud to be at the forefront of this evolution, empowering OEMs and dealerships to meet the demands of a rapidly changing market."

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[1] "Point in time" revenue from the applicable subscription agreement is recognized for the entire value of the contract, regardless of its duration, at the time of its conclusion.
[2] "Over time" revenue from an applicable subscription agreement is recognized gradually as the Company performs its obligations during the contract period.
[3] Committed ARR ("CARR") includes ARR and Committed Recurring Revenues ("CRR"). CRR refers to signed contracts to be delivered and billed.
[4] Annual Recurring Revenues ("ARR") is defined as the yearly subscription value of the customer base at the end of the reporting period.

## IFRS 15 Restatement

MotorK Group has conducted a comprehensive reassessment of its revenue recognition policy for its SaaS products in accordance with IFRS 15. Historically, the Group recognised revenue at a point in time upon granting customers access to its software. However, following a detailed review of our contractual obligations, our evolving SaaS business model and the constructive obligation this has created, and industry best practices, we have determined that revenue should instead be recognised over time to more accurately reflect the nature of our services.

The reassessment was driven by the recognition that MotorK provides customers with a right to access Intellectual Property that is continuously maintained, updated, and enhanced throughout the contract duration. Key factors supporting this conclusion include continuous update and enhancements, ongoing customer benefit and the hosting and maintenance of the services, timing of revenue recognition, alignment with industry standards and improvement with financial reporting accuracy.

This revision underscores our commitment to transparent and high-quality financial reporting, ensuring that investors and stakeholders have a more precise view of MotorK Group's long-term revenue generation model and business performance. This change to receiving more frequent functional upgrades has occurred over a period and, in management's judgement, while not contractually obliged to deliver upgrades, an implicit constructive obligation has been created with customers from the start of FY23 that this business practice will continue (which has given rise to a performance obligation under IFRS 15). As such, the FY23 revenues have also been restated to be recognised over time.

## FY24 Operational Highlights

The past year was marked by shifting dynamics in the automotive industry, as economic uncertainty, rising consumer costs, and growing competition from Chinese manufacturers forced OEMs and dealerships to reassess their investment priorities. Many large players in the industry focused on immediate cost control, postponing key digital transformation initiatives that are ultimately inevitable. These conditions influenced MotorK's top-line performance, particularly in the Enterprise segment, where certain large deals were deferred into 2025. Despite this challenging backdrop, MotorK closed the year with a Committed Annual Recurring Revenue (CARR) of €38.6 million. While this fell short of the initial €45-50 million target, the Group enters 2025 with its largest-ever sales pipeline, exceeding €24 million. This reflects the sustained demand for digital solutions, which are expected to materialize as market conditions normalize.

### Resilient Retail Growth, Enterprise Momentum to Build in 2025

MotorK's Retail segment grew 13.8% to €28.9 million, demonstrating its resilience even in an uncertain market. This result was underpinned by the steady migration of acquired companies' customers onto MotorK SparK platform. Driven by a low churn rate of 5.7%, Net Revenue Retention (NRR) stood at 109%, underlining strong upsell and cross-sell dynamics and long-term customer loyalty. This steady performance led to an important milestone: the Average Contract Value (ACV[5]) surpassed €20k for the first time, reaching €20.7k in FY24 compared to €19.5k in the previous year. The growth in this segment confirms that, even as dealerships navigate financial pressures, digital solutions remain a key enabler of their efficiency and revenue generation.

The Enterprise segment, more sensitive to macroeconomic shifts, faced a more challenging year, impacted by industry-wide caution around large-scale investment decisions. As multiple high-value contracts were deferred from CARR back into the pipeline instead of being completed and finalized in 2024, MotorK's Enterprise pipeline reached a record high, nearly doubling compared to the previous year. ARR for Enterprise slightly decreased 3.6% to €5.3 million. Despite these headwinds, the ACV increased 4% year-on-year to 176k.

[5] ACV is defined as the average recurring revenue contract value that is paid by customers between January and December of each year; For retail, clients with ACV higher than €250 MRR

**Strong Cash EBITDA Improvement and Financial Discipline**

While revenue growth was impacted by external market conditions, MotorK made significant progress in its path to profitability. Cash EBITDA improved by 42% year-on-year, reducing the loss to €8.8 million from €15.2 million in FY23. This achievement demonstrates the impact of the new efficiency measures and innovation initiatives implemented throughout the year.

The improvement in Cash EBITDA was driven by a combination of factors. First, the company maintained a steady cost base while continuing to scale its recurring revenue model. Operational efficiencies allowed for better resource allocation, while an optimized go-to-market strategy contributed to improved customer acquisition and retention. These initiatives, coupled with disciplined financial management, created a more sustainable foundation for long-term growth.

**Innovation at the Core: AI-Driven Transformation**

Throughout 2024, MotorK reinforced its leadership in digital automotive solutions, with 32% of its revenue invested in R&D. Artificial intelligence has been at the heart of this strategy, playing a transformative role both in MotorK's external offerings and its internal operations.

The expansion of Tech LABS has strengthened MotorK's AI capabilities, enhancing key areas such as marketing automation, predictive analytics, and customer engagement tools. These advancements enable OEMs and dealerships to make smarter, data-driven decisions, optimizing their sales processes and customer interactions.

Internally, AI has driven efficiency gains across the organization, streamlining workflows, reducing manual effort, and improving cross-team collaboration. By embedding AI into its core operations, MotorK is not only enhancing its own scalability but also reinforcing its ability to deliver high-impact solutions to its customers. As the automotive industry moves deeper into its digital transformation, MotorK is well-positioned to lead this evolution, helping its partners navigate an increasingly competitive and technology-driven landscape.

**FY 25 Outlook**

Looking ahead, MotorK's priority is clear: convert its record pipeline into revenue to a projected CARR increase of 10 to 13% year-on-year and achieve cash EBITDA profitability by the end of 2025. The Company will continue to focus on strengthening its platform, expanding its footprint in both Retail and Enterprise, and further leveraging AI-driven solutions to drive growth.

Commenting on the results, Marco Marlia, CEO of MotorK, said: "2024 was a year of disciplined execution. While the industry's cautious stance on digitalization affected short-term revenue acceleration, our Retail business remained strong, and we made substantial progress toward Cash EBITDA profitability. With a record sales pipeline and growing adoption of our AI-driven solutions, we are well-positioned to accelerate our momentum in 2025. Our focus will be on converting pipeline into revenue, scaling our platform, and delivering profitable growth."

With a solid financial foundation, and a clear commitment to innovation, MotorK has entered 2025 ready to drive the next phase of its growth journey and solidify its position as a leader in automotive digitalization.

MotorK also announces that, in line with the 2022 agreement for the sale of the DriveK asset to Gedi Digital Srl, the Group is in advanced discussions to finalize the sale of its remaining 20% stake in AutoXY.

| FY 2024 UNAUDITED CONSOLIDATED PROFIT AND LOSS | | | |
|---|---|---|---|
| In k€ | **Dec-24** | **Dec-23** | **Dec-23 Unrestated** |
| **Revenues** | **40,333** | **38,522** | **42,940** |
| Costs for customers media services | (8,144) | (7,515) | (7,515) |
| Personnel costs | (26,228) | (30,659) | (30,659) |
| R&D capitalization | 8,278 | 9,342 | 9,342 |
| Other costs | (14,744) | (15,547) | (15,547) |
| **EBITDA Adjusted** | **(505)** | **(5,857)** | **(1,439)** |
| Extraordinary costs | (729) | (3,140) | (3,140) |
| Stock Option Plan costs | (793) | (1,202) | (1,202) |
| **EBITDA** | **(2,027)** | **(10,199)** | **(5,781)** |
| Depreciation & Amortization | (9,990) | (8,741) | (8,741) |
| **EBIT** | **(12,017)** | **(18,940)** | **(14,522)** |
| Finance costs (net of finance income) | (1,201) | (1,040) | (1,040) |
| **Profit/(Loss) before tax** | **(13,218)** | **(19,980)** | **(15,562)** |
| Corporate income tax | 302 | 2,315 | 2,315 |
| **Profit/(Loss) for the period** | **(12,916)** | **(17,665)** | **(13,247)** |

| FY 2024 UNAUDITED CASH EBITDA | | | |
|---|---|---|---|
| In k€ | **Dec-24** | **Dec-23** | **Dec-23 Unrestated** |
| **EBITDA Adjusted** | **(505)** | **(5,857)** | **(1,439)** |
| Decrease / (increase) in contract assets | - | - | (4,114) |
| R&D Capitalization | (8,278) | (9,342) | (9,342) |
| **Cash EBITDA** | **(8,783)** | **(15,199)** | **(14,895)** |

| FY 2024 UNAUDITED CASH FLOW STATEMENT | | | |
|---|---|---|---|
| In k€ | Dec-24 | Dec-23 | Dec-23 Unrestated |
| **Cash - Beginning of the period** | **3,509** | **19,223** | **19,223** |
| | | | |
| **EBITDA Adjusted** | **(505)** | **(5,857)** | **(1,439)** |
| Decrease / (increase) in working capital | (1,078) | 1,381 | 1,077 |
| Decrease / (increase) in contract assets | - | - | (4,114) |
| **Operating free cash-flow** | **(1,583)** | **(4,476)** | **(4,476)** |
| Taxes paid | 47 | (712) | (712) |
| Cash flow from investing activities - tangible assets | (28) | (92) | (92) |
| Cash flow from investing activities - R&D | (8,383) | (9,358) | (9,358) |
| **Free cash-flow** | **(9,947)** | **(14,638)** | **(14,638)** |
| Exceptional items | (2,104) | (1,127) | (1,127) |
| Cash-flow from investing activities - M&A | (6,189) | (3,881) | (3,881) |
| Cash-flow from financing activities | 4,269 | 3,013 | 3,013 |
| Cash flow from equity movements | 14,156 | 847 | 847 |
| Others | (332) | 72 | 72 |
| **Net increase / (decrease) in cash** | **(147)** | **(15,714)** | **(15,714)** |
| | | | |
| **Cash - End of the period** | **3,362** | **3,509** | **3,509** |

| FY 2024 UNAUDITED STATEMENT OF FINANCIAL POSITION | | | |
|---|---|---|---|
| In k€ | Dec-24 | Dec-23 | Dec-23 Unrestated |
| Tangible assets | 3,379 | 4,557 | 4,557 |
| Intangible assets | 46,335 | 46,477 | 46,477 |
| Investment in associates companies | 3,538 | 3,538 | 3,538 |
| **Fixed assets** | **53,252** | **54,572** | **54,572** |
| **Contract assets** | - | - | **24,848** |
| **Net working capital** | **(758)** | **(2,063)** | **(2,248)** |
| **Deferred tax liabilities** | **(1,533)** | **(1,791)** | **(1,791)** |
| **Employees benefit liabilities** | **(2,310)** | **(2,309)** | **(2,309)** |
| **Provisions** | **(121)** | **(177)** | **(5,253)** |
| **Total invested capital** | **48,530** | **48,232** | **67,819** |
| | | | |
| Cash and cash equivalents | 3,362 | 3,509 | 3,509 |
| Financial assets | 242 | 234 | 234 |
| Financial liabilites | (23,822) | (25,009) | (19,933) |
| **(Net financial)/net cash position** | **(20,218)** | **(21,266)** | **(16,190)** |
| | | | |
| **Net equity** | **28,312** | **26,966** | **51,629** |

| FY 2024 UNAUDITED REVENUES BY PRODUCT AND SERVICES LINE | | | | |
|---|---|---|---|---|
| In k€ | **Dec-24** | **Dec-23** | **Dec-23 Unrestated** | **y.o.y. change** |
| SaaS platform | 30,154 | 28,075 | 32,493 | 7% |
| Digital Marketing | 8,694 | 7,547 | 7,547 | 15% |
| Other | 1,485 | 2,900 | 2,900 | -49% |
| **Revenues** | **40,333** | **38,522** | **42,940** | **5%** |

| FY 2024 UNAUDITED SAAS PLATFORM REVENUES | | | | |
|---|---|---|---|---|
| In k€ | **Dec-24** | **Dec-23** | **Dec-23 Unrestated** | **y.o.y. change** |
| Recurring | 30,044 | 27,932 | 32,350 | 8% |
| Contract start-up | 110 | 143 | 143 | -23% |
| **SaaS platform revenues** | **30,154** | **28,075** | **32,493** | **7%** |
| % Recurring on Revenues | 74% | 73% | 75% | 2% |
| % SaaS platform on Revenues | 75% | 73% | 76% | 2% |

| FY 2024 UNAUDITED REVENUES BY GEOGRAPHY | | | | |
|---|---|---|---|---|
| In k€ | **Dec-24** | **Dec-23** | **Dec-23 Unrestated** | **y.o.y. change** |
| Italy | 26,347 | 25,169 | 27,188 | 5% |
| Spain | 3,679 | 3,673 | 4,313 | 0% |
| France | 5,639 | 4,546 | 5,859 | 24% |
| Germany | 2,230 | 2,624 | 3,078 | -15% |
| Benelux | 2,438 | 2,510 | 2,502 | -3% |
| **Revenues by geography** | **40,333** | **38,522** | **42,940** | **5%** |

| FY 2024 UNAUDITED R&D EXPENSES | | | | |
|---|---|---|---|---|
| In k€ | **Dec-24** | **Dec-23** | **Dec-23 Unrestated** | **y.o.y. change** |
| **R&D expenses** | **13,090** | **14,513** | **14,513** | **-10%** |
| - of which capitalised | 8,278 | 9,342 | 9,342 | -11% |
| - of which expensed in the income statement | 4,812 | 5,171 | 5,171 | -7% |
| R&D expenses as a percentage of Revenues | 32% | 38% | 34% | -5% |

**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 behavior 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 approximately 400 employees and ten offices in seven countries (Italy, Spain, France, Germany, Belgium, the UK, 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: 5th Floor One New Change, London, England, EC4M 9AF - Company Registration: 9259000. For more information: www.motork.io or investors.motork.io.

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