

SUSTAINED GROWTH AND OPERATING LEVERAGE DRIVE MOMENTUM

Leading Automotive SaaS Solutions Provider Demonstrates a 53% Growth in Recurring Billings, Enterprise Momentum and Improved Efficiency

LONDON – 19 October 2023 – MotorK Plc (AMS: MTRK) (“MotorK” or the “Group”) today announced its financial results for the nine months ended September 30, 2022 (“9M 23” or “Q3 23”), showcasing continued growth and operational efficiency. The company experienced a remarkable growth in recurring billings, a notable increase in its enterprise pipeline, and improved cost efficiency.

9M 23 FINANCIAL HIGHLIGHTS

- **Annual Recurring Revenue (ARR)¹:** Q3 23 ARR reached €31.4 million, reflecting a 39% organic increase and 46% growth including M&A, compared to €21.5 million in the previous year.
- **Committed Annual Recurring Revenue (CARR)²:** MotorK achieved a CARR of €35.2 million, incorporating backlog, contractual price increases, and Enterprise deals to be delivered, enhancing revenue visibility.
- **Reported Revenues³:** 9M 2023 reported revenues totaled €31.1 million, marking a solid 25% increase from the prior year period.
- **SaaS Recurring Revenues:** €23.2 million in SaaS recurring revenues, constituting 75% of total revenues, illustrating a strategic shift towards a recurring revenue model.
- **Recurring Billings:** Adjusting for Change in Contract Assets, Recurring Billings rose to €21.9 million, a remarkable 53% increase from the previous year, demonstrating sustained demand for the Group’s services.
- **Annual Contract Value (ACV)⁴:** Retail ACV reached €18.8k, showcasing a 14% increase from the previous year, indicating continued double-digit growth in multi-product adoption within the customer base.
- **Net Retention Revenues(NRR)⁵:** MotorK achieved a solid Retail NRR of 113%, coupled with a low churn rate of 5.3%, reflecting the company's effective customer retention strategies. Additionally, the Enterprise segment showcased outstanding performance, achieving an impressive NRR of 149%. This remarkable accomplishment emphasizes the significant opportunities for value extraction through upselling and cross-selling initiatives within our large-scale Enterprise clients.
- **Strategic Pipeline:** MotorK has made significant strides in cultivating its pipeline of opportunities, with €7.2 million in qualified leads in Retail and a remarkable €16.4 million in Enterprise at the end of September 2023. This impressive growth signifies a nearly threefold increase from the €6 million enterprise pipeline reported in H1 2023, underscoring the company’s strategic emphasis on the Enterprise segment and the substantial expansion in potential opportunities.

With a robust pipeline in both Retail and Enterprise segments, MotorK is well-positioned for future growth. The company’s committed annual recurring revenues, qualified leads and large pipeline of opportunities provide a solid foundation for continued expansion.

Operating leverage, accelerated by cost optimization initiatives announced in H1 23, has resulted in improved profitability, emphasizing the efficiency of MotorK’s operations and its progress towards achieving Cash EBITDA positivity in FY24.

¹ Annual Recurring Revenues (“ARR”) is defined as the yearly subscription value of the customer base at the end of the reporting period

² Committed ARR (“CARR”) includes ARR and Committed Recurring Revenues (“CRR”). CRR refers to signed contracts to be delivered and billed

³ Under IFRS 15, revenue from the applicable subscription agreement is recognized for the entire value of the contract, regardless of its duration, at the time of its delivery; conversely, ARR shows revenue as if it were received on a straight-line basis over the life of the contract

⁴ Core Retail base, excluding clients from acquired companies (Dapda, FranceProNet, Fidcar, Carflow, WebMobil24, GestionaleAuto) not yet migrated

⁵ Net Retention Revenues (“NRR”) is defined as the percentage of Recurring Revenues retained from existing customers; Churn excludes downsell leading customers to fall the below €250 MRR Cluster and potential customer reclassification into Enterprise (upon a certain size).

NEXT PUBLICATION: FY 2023 TRADING UPDATE

MotorK will post its 2024 financial publication schedule on the company website by year end.

9M 2023 REVENUES BY PRODUCT AND SERVICES LINE			
In k€	Sep-23	Sep-22	y.o.y. change
SaaS platform	23 204	16 915	37%
Digital Marketing	5 576	5 425	3%
Other	2 358	2 603	-9%
Revenues	31 138	24 943	25%

9M 2023 RECURRING REVENUES AND BILLINGS			
In k€	Sep-23	Sep-22	y.o.y. change
SaaS Recurring revenues	23 067	16 184	43%
Contract start-up	137	731	-81%
SaaS platform revenues	23 204	16 915	37%
% SaaS platform on Revenues	75%	68%	7%
Recurring billings	21 868	14 276	53%

9M 2023 REVENUES BY GEOGRAPHY			
In k€	Sep-23	Sep-22	y.o.y. change
Italy	19 160	17 212	11%
Spain	3 910	3 077	27%
France	3 686	3 364	10%
Germany	2 464	561	339%
Benelux	1 918	729	163%
Revenues by geography	31 138	24 943	25%

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 over 450 employees and eleven offices in eight countries (Italy, Spain, France, Germany, Portugal, 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 www.investors.motork.io.

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