

## **MOTORK ACHIEVES SOLID PERFORMANCE IN FY 2021**

**51% GROWTH IN ANNUAL RECURRING REVENUES**  
**POSITIVE ADJUSTED EBITDA**  
**FY 2022 GUIDANCE CONFIRMED**

**LONDON – 10 March 2022** – MotorK Plc (AMS: MTRK) (“MotorK” or the “Group”) announced solid financial results for the year ended December 31, 2021. The Group also confirmed its financial guidance for the full year 2022.

### **FY 2021 FINANCIAL HIGHLIGHTS**

- **Revenues** of €27.6 million, up 43% year-on-year (YoY), and above the upper end of the previously stated guidance range
- **SaaS recurring revenues** of €14.8 million, up 67% YoY, reaching 54% of total revenues, driven by strong traction from OEMs
- **Annual recurring revenues (ARRs)**<sup>1</sup> of €15.1 million, including €2.7 million from M&A, up 23% organically, compared to €10 million in the prior year, and up 51% when including M&A
- **R&D spend** of €7.8 million, up 60% YoY, as part of the strategy to continue developing innovative solutions and expand SaaS platform capabilities
- **Positive adjusted EBITDA** compared to negative €1.1 million in FY 2020 as economies of scale generate positive operational leverage
- **Net Cash** position of €34.4 million, offering ample flexibility to pursue R&D investments and external growth opportunities while reducing borrowing costs
- **Strategic M&A** pursued over the period with three accretive acquisitions closed

**Marco Marlia, Co-founder & CEO** said: “2021 was a truly pivotal year for MotorK. Despite the strong macroeconomics headwinds, we successfully listed on the Euronext Amsterdam, achieved record revenue growth, doubled our team, and closed three strategic acquisitions. I am beyond proud of what our team has achieved over the past year as we continued to build and improve our unique integrated Spark platform and worked with an increasing number of OEMs to optimize their sales and marketing process. We have delivered best-in class growth performance within the European SaaS landscape and further solidified our leadership position in the automotive retail space. At this stage, we confidently expect to meet our guidance for next year and pursue our growth strategy in the years to come.”

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

**OPERATIONAL HIGHLIGHTS****Challenging Environment**

2021 was a particularly challenging year for the automotive industry owing to a combination of macroeconomic and supply chain headwinds, including the continued negative impact on automotive sales and car registrations of the ongoing global chip shortage. Most industry professionals and market analysts expect the chip shortage to start easing only in the second half of 2022.

**Best-in Class Growth Performance**

Despite this context, MotorK achieved solid commercial momentum and significantly expanded its Retail customer base by 6% to reach 633 customers. The Group also strengthened its Enterprise coverage by securing 7 additional Enterprise customers. MotorK was also nominated by ŠKODA AUTO as a Global Certified Website Provider and will have the opportunity to serve ŠKODA's international network of importers and authorized dealers.

Overall, the Group generated €27.6 million in Revenues, up 43% vs. FY 2020. The growth is largely attributable to SaaS recurring revenues, up 67% over the period. This continued growth in SaaS recurring revenues improved the recurring mix of the Group to 54% of revenues compared to 46% in the prior year. Therefore, ARR reached €15.1 million, including €2.7 million from M&A, up 23% organically compared to €10 million in the prior year, and up 51% including M&A.

**Healthy R&D Investments**

These results were made possible by continued investments in MotorK's unique integrated SaaS platform, which delivers critical services to the automotive retailers across EMEA. In FY 2021, R&D spend reached €7.8 million, up 60% compared to 2020. The product roadmap for 2022 is on track, as highlighted by the recent product launches of LiveSpark, WebSpark Revolution and the upgraded version of LeadSpark.

**Operational Leverage**

The Group managed to keep its cost structure under control despite the increased R&D investments and making the necessary hires to drive the expansion of the business. Personnel expenses were up 42% to €17.5 million, with the number of employees almost doubling over the period. On the other hand, the continued increase in scale benefits generated an overall decrease in operating expenses as a percentage of Revenues. Finally, benefiting from strong volume increase coupled with positive mix impact, FY 2021 adjusted EBITDA landed in positive territory, up to €0.8 million, compared to negative €1.1 million in FY 2020.

**Enhanced Capital Structure**

The Group Net Cash position reached €34.4 million at year-end 2021, including lease liabilities as per IFRS 16 compared to a negative Net Cash position of €20.5 million at year end 2020. As previously communicated, the Group used part of its €70 million net IPO proceeds to repay most of the outstanding financial loans, along with accrued interest and other sums. The Group consumed €5.6 million of Free Cash Flow, largely impacted by sustained R&D capex of €3.6 million. Finally, MotorK closed both Dapda and Fidcar transactions in FY 2021 translating into a net cash impact of €5.3 million. The Group today benefits from a reshaped financial structure that will reduce borrowing costs and provide further flexibility to continue executing strategic M&A and investing in R&D.

**Value Accretive M&A**

In parallel, the Group delivered on its M&A growth strategy and closed three accretive acquisitions<sup>2</sup>. MotorK expects to create significant value by leveraging the unique synergies that each player can offer. Fidcar represents a unique opportunity to cross-sell the Group's customer base with a coveted E-reputation product, with the ambition to double the ARR over the year. Dapda provides a solid footprint in Spain and a pool of talent that will decrease the Group's hiring costs. Finally, by transitioning the recently acquired FranceProNet to a SaaS business model, MotorK will further increase its recurring revenues.

**OUTLOOK****Guidance Confirmed**

At this stage and given the recurring nature of its business, MotorK confirms its previously stated financial guidance. For the full year 2022, MotorK currently expects to achieve:

- Revenues of €45-47 million
- ARR of €28-30 million
- ~20% Adjusted EBITDA margin
- Targeting at least 2 to 3 bolt-on acquisitions

Additionally, the Group shared that it expects to achieve ARR of €38-40 million in FY 2023 based on the FY 2021 perimeter and assuming no M&A in FY 2022 (for comparability purposes).

The Group notes that the conflict among Russia and Ukraine is negatively impacting the automotive industry. With many industry suppliers based in the war-impacted countries, some automotive conglomerates have been forced to halt production. Although suppliers are trying to boost output at other factories, the persistence of the conflict could create additional supply-chain constraints for the industry. The Group will keep monitoring the impact of the current political 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 FY 2021 financial results on March 10, 2022 at 12:00 PM Central European Time (CET). Details to register for the call are available on MotorK's website ([www.investors.motork.io](http://www.investors.motork.io)), and registered participants will have access to a replay of the webcast.

**NEXT PUBLICATION: Q1 2022 TRADING UPDATE, 21 APRIL 2022**

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<sup>2</sup> The Acquisition of FranceProNet was announced in FY 2021 but effectively closed in February 2022

**FY 2021 CONSOLIDATED PROFIT AND LOSS (Reclassified)**

In k€	2020	2021
<b>Revenues</b>	<b>19 329</b>	<b>27 560</b>
Costs for marketing and call center	(6 029)	(6 654)
Personnel costs	(12 340)	(17 553)
R&D capitalization	2 661	3 490
Other costs	(4 754)	(6 008)
<b>EBITDA Adjusted</b>	<b>(1 133)</b>	<b>835</b>
Extraordinary costs	(77)	(3 242)
Stock Option Plan costs	(134)	(9 714)
<b>EBITDA</b>	<b>(1 344)</b>	<b>(12 121)</b>
Depreciation & Amortization	(3 186)	(4 235)
<b>EBIT</b>	<b>(4 530)</b>	<b>(16 356)</b>
Finance costs	(1 820)	(4 818)
Finance income	16	11
<b>Profit before tax</b>	<b>(6 334)</b>	<b>(21 163)</b>
Corporate income tax	925	(2 765)
<b>Profit/(Loss) - Continued Operations</b>	<b>(5 409)</b>	<b>(23 928)</b>
<b>Profit/(Loss) - Discontinued Operations</b>	<b>42</b>	<b>403</b>
<b>Profit/(Loss) for the period</b>	<b>(5 367)</b>	<b>(23 525)</b>

**FY 2021 CASH FLOW STATEMENT (Reclassified)**

In k€	2020	2021
<b>Cash - Beginning of the period</b>	<b>9 406</b>	<b>11 824</b>
<b>EBITDA Adjusted</b>	<b>(1 133)</b>	<b>835</b>
Decrease / (increase) in working capital	(380)	763
Decrease / (increase) in contract assets	1 020	(3 376)
<b>Operating free cash-flow</b>	<b>(493)</b>	<b>(1 778)</b>
Taxes paid	(250)	(127)
Cash flow from investing activities - tangible assets	(17)	(132)
Cash flow from investing activities - R&D	(3 179)	(3 552)
<b>Free cash-flow</b>	<b>(3 939)</b>	<b>(5 590)</b>
Exceptional items	(77)	(2 681)
Free cash-flow from discontinued operations	2 899	774
Cash-flow from investing activities - M&A	-	(5 350)
Cash-flow from financing activities	3 982	(25 791)
Cash flow from equity movements	-	70 065
Others	(447)	7
<b>Net increase / (decrease) in cash</b>	<b>2 418</b>	<b>31 433</b>
<b>Cash - End of the period</b>	<b>11 824</b>	<b>43 257</b>

**FY 2021 STATEMENT OF FINANCIAL POSITION (Reclassified)**

In k€	2020	2021
Tangible assets	1 693	3 076
Intangible assets	9 862	17 953
Deferred tax assets	698	-
<b>Fixed assets</b>	<b>12 253</b>	<b>21 029</b>
<b>Contract assets</b>	<b>10 204</b>	<b>13 580</b>
<b>Net working capital</b>	<b>(496)</b>	<b>(3 761)</b>
<b>Net assets available for sale</b>	<b>3 649</b>	<b>3 278</b>
<b>Deferred tax liabilities</b>	<b>(245)</b>	<b>(659)</b>
<b>Employees benefit liabilities and provision</b>	<b>(2 634)</b>	<b>(3 475)</b>
<b>Net invested capital</b>	<b>22 731</b>	<b>29 992</b>
Cash and cash equivalents	11 824	43 257
Financial assets	262	106
Financial liabilities	(32 683)	(8 958)
<b>Net financial position</b>	<b>(20 597)</b>	<b>34 405</b>
<b>Net equity</b>	<b>(2 134)</b>	<b>(64 397)</b>

**FY 2021 REVENUES BY PRODUCT AND SERVICES LINE**

In k€	2020	2021	y.o.y. change
SaaS platform	9 766	16 304	67%
Digital Marketing	6 805	7 674	13%
Other	2 758	3 582	30%
<b>Revenues</b>	<b>19 329</b>	<b>27 560</b>	<b>43%</b>

**FY 2021 SAAS PLATFORM REVENUES**

In k€	2020	2021	y.o.y. change
Recurring	8 868	14 820	67%
Contract start-up	898	1 484	65%
<b>SaaS platform revenues</b>	<b>9 766</b>	<b>16 304</b>	<b>67%</b>
% Recurring on Revenues	46%	54%	8%
% SaaS platform on Revenues	51%	59%	9%

**FY 2021 REVENUES BY GEOGRAPHY**

In k€	2020	2021	y.o.y. change
UK	103	-	-100%
Italy	15 604	22 255	43%
Spain	1 444	1 496	4%
France	1 671	1 838	10%
Germany	507	1 972	289%
<b>Revenues by geography</b>	<b>19 329</b>	<b>27 560</b>	<b>43%</b>

**FY 2021 R&D EXPENSES**

In k€	2020	2021	y.o.y. change
<b>R&amp;D expenses</b>	<b>4 902</b>	<b>7 850</b>	<b>60%</b>
- of which capitalised	(2 661)	(3 490)	31%
- of which expensed in the income statement	2 241	4 359	95%
R&D expenses as a percentage of Revenues	25%	28%	3%

**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 400 employees and ten offices in seven countries (Italy, Spain, France, Germany, Portugal, 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: Kemp House, 152 City Road, London EC1V 2NX3 - Company Registration: 9259000. For more information: [www.motork.io](http://www.motork.io) or [www.investors.motork.io](http://www.investors.motork.io).

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