

MOTORK REPORTS ROBUST PERFORMANCE FOR H1 2024**Confirmed €50m CARR Guidance for Full Year****Cost Base for 2024 to Be Lower than in 2023 Despite Growth****Monthly Cash EBITDA Positive Starting from End of Q3 2024**

LONDON – 25 July 2024 – MotorK plc (AMS: MTRK) (“**MotorK**”, the “**Group**” or the “**Company**”), a leading SaaS provider to the automotive retail industry in the EMEA region, announced today its results for the first six months of the year ended June 30, 2024 (“**H1 24**”).

H1 24 FINANCIAL HIGHLIGHTS

- **Cash EBITDA Positive:** starting from the end of Q3, we are on track to achieve positive Cash EBITDA on a monthly basis, marking a significant milestone in our financial performance.
- **Cost Efficiency:** we have successfully managed our cost base, ensuring it remains lower than in 2023 despite our growth initiatives. This efficient cost management will help us sustain profitability in the long term.
- **Adjusted EBITDA:** stands at €1.6 million, a substantial improvement compared to the negative €1.4 million in the first six months of FY 2023. This turnaround reflects our successful efforts to drive profitability.
- **Q2 24 Committed ARR (“CARR”):** €39.6 million, a 14% growth year-on-year, below budget due to longer sales cycle on some significant deals still expected to close before year end.
- **Recurring Billings:** amounted to €17 million, up 19% year on year, and representing 79% of total revenues, demonstrating continued improvement in the revenue mix and the growing reliance on recurring income streams.
- **Acquired Businesses Migration:** continuous progress in migrating, upselling and cross-selling of acquired services, with a view to complete migration of four services onto MotorK product suite by end of H1 2025, as MotorK continues to reach synergies and prepare for new additional acquisitions.
- **Pipeline:** largest pipeline of opportunities in the Company’s history, providing growth visibility for H2 24, with €10.0m in Retail and €12.6m in Enterprise.
- **Net Borrowing Position:** our net borrowing position improved to -€16.6 million, compared to -€21.3 million in December 2023. This positive change is attributed to a Reserved Capital Increase of €14 million, net of free cash flow, exceptional items, and interest paid during the period.

Amir Rosentuler, Executive Chairman, commented: "I am delighted to share the results of the first half of 2024. We have effectively capitalized on our positive commercial momentum while streamlining operations and leveraging synergies across our business. This strategic focus has not only put us on the path to achieving our profitability goals but also ensured that our growth trajectory remains robust. MotorK's performance underscores our resilience and competitiveness in the European market. We remain unwavering in our commitment to growth, efficiency, and delivering exceptional value to our stakeholders. We are confident in our ability to meet our full-year targets."

STRATEGIC FOCUS ON PROFITABILITY

While FY 23 was marked by ambitious growth plans necessitating strategic investments in workforce and expanded overheads due to M&A integrations impacting short-term profitability, MotorK entered 2024 with a firm commitment to achieve cash EBITDA profitability. A comparison of the first half of the year with the same period in 2023, highlights significant achievements in this direction. As planned, the related beneficial long-term effects started to materialize in the first half of the current year. In addition, a focused effort on optimizing operations, reallocating resources, and activating synergies across multiple countries and departments led MotorK to successfully reach a turning point. The full-time equivalent (FTE) count decreased by 14% from 466 last year to 399, and translated into €2.3 million savings on total personnel costs. This, along with additional streamlining efforts, contributed to reducing the Group's total operating cost base by 14% compared to H1 2023, from €23.3 million to €19.9 million. As a result, the adjusted EBITDA for the period increased to €1.6 million, compared to -€1.4 million in 2023, while the cash EBITDA raised to -€3.3 million compared to -€9.3 million in June last year. These achievements demonstrate the Group's capability to reduce the cost base without compromising the growth goals, leading to significant improvements over the original budget and unlocking additional infrastructure cost savings toward the end of the year.

OPERATIONAL HIGHLIGHTS

In the first six months of 2024, the Group recorded solid Committed ARR growth to €39.6 million, a 14% uplift compared to the same period last year.

The increased focus on Enterprise segment, now accounting for 21% of the ARR (17% in H1 23), underlines the Company's ability to meet the specific OEM need for an innovative comprehensively integrated partner capable of dealing with complex multi-country projects, and to successfully implement retention strategies to generate more value. This is evident in MotorK's 116.6% NRR (compared to 115.3% last year), the healthy €205 thousand ACV (up 6% year-on-year) and low churn rate of 4.2%. Due to the longer sales cycle intrinsic to the Enterprise segment, a handful of high ARR deals have experienced slight delays, pushing their signing to the second half of the year.

The management team is confident that these negotiations will be finalized in the upcoming months. For this reason, and factoring a €13.5 million pipeline visibility for the segment, the expectations for the second part of the year are in line with the CARR guidelines.

The Retail segment demonstrated resilience and strategic progress with overall NRR of 109%, underpinned by a stable low churn rate of 6.6%. These healthy retention metrics kept the positive ACV momentum going, translating into a high segment ACV of €19.8k.

As of June 2024, the Company benefits from a Retail Pipeline valued at €10 million and an Enterprise Pipeline valued at €12.6 million, representing a record high. Combined with a committed Annual Recurring Revenue (CRR) of €4.2 million, this provides strong visibility for the second half of 2024.

OUTLOOK

Looking ahead to the second half of the year, MotorK is building positive momentum in FY24, confirming the initial CARR guideline of €50 million. Emphasizing its strategic shift towards a more Enterprise-focused revenue mix, the Group benefits from a robust pipeline of opportunities as of H1 24 and anticipates another high-performing end of the year. Given this outlook, MotorK is confident of meeting its booking targets.

In terms of Cash EBITDA, the focus on optimizing the organizational structure and activating cost synergies across departments exceeded expectations, positioning the company for long-term efficiency and growth. Considering the slight delays of some large contracts initially forecasted to materialize in the first half of the year, profitability guidance has been slightly revised. MotorK is confident in achieving a positive Cash EBITDA on a monthly basis starting from the end of Q3.

With a strategic focus on profitability and a robust growth plan, MotorK is well-positioned to capitalize on opportunities and deliver value to its customers in the dynamic digital automotive retail market.

NEXT PUBLICATION: Q3 24 TRADING UPDATE, 24 OCTOBER 2024

H1 2024 CONSOLIDATED PROFIT AND LOSS

In k€	Jun-24	Jun-23
Revenues	21,464	21,900
Costs for customers media services	(4,034)	(3,634)
Personnel costs	(13,854)	(16,111)
R&D capitalization	4,859	4,714
Other costs	(6,868)	(8,236)
EBITDA Adjusted	1,567	(1,367)
Extraordinary costs	(1,097)	(1,346)
Stock Option Plan costs	(573)	(668)
EBITDA	(103)	(3,381)
Depreciation & Amortization	(5,133)	(3,869)
EBIT	(5,236)	(7,250)
Finance costs (net of finance income)	(1,129)	(487)
Profit/(Loss) before tax	(6,365)	(7,737)
Corporate income tax	(118)	(62)
Profit/(Loss) for the period	(6,483)	(7,799)

H1 2024 CASH FLOW STATEMENT

In k€	Jun-24	Jun-23
Cash - Beginning of the period	3,509	19,223
EBITDA Adjusted	1,567	(1,367)
Decrease / (increase) in working capital	(4,163)	(625)
Decrease / (increase) in contract assets	34	(2,741)
Operating free cash-flow	(2,562)	(4,733)
Taxes paid	104	(384)
Cash flow from investing activities - tangible assets	(3)	(86)
Cash flow from investing activities - R&D	(4,880)	(4,731)
Free cash-flow	(7,341)	(9,934)
Exceptional items	(897)	(613)
Cash-flow from investing activities - M&A	(4,302)	(3,339)
Cash-flow from financing activities	2,122	(1,005)
Cash flow from equity movements	14,095	766
Others	(83)	367
Net increase / (decrease) in cash	3,594	(13,758)
Cash - End of the period	7,103	5,465

H1 2024 STATEMENT OF FINANCIAL POSITION

In k€	Jun-24	Dec-23
Tangible assets	3,827	4,557
Intangible assets	46,939	46,477
Investment in associates companies	3,538	3,538
Fixed assets	54,304	54,572
Contract assets	24,814	24,848
Net working capital	1,545	(2,248)
Deferred tax liabilities	(1,654)	(1,791)
Employees benefit liabilities	(2,359)	(2,309)
Provisions	(92)	(177)
Total invested capital	76,558	72,895
Cash and cash equivalents	7,103	3,509
Financial assets	324	234
Financial liabilities	(24,082)	(25,009)
Net borrowing position	(16,655)	(21,266)
Net equity	59,903	51,629

H1 2024 REVENUES BY PRODUCT AND SERVICES LINE

In k€	Jun-24	Jun-23	y.o.y. change
SaaS platform	16,091	16,243	(1%)
Digital Marketing	4,559	3,704	23%
Other	814	1,953	(58%)
Revenues	21,464	21,900	(2%)

H1 2024 SAAS PLATFORM REVENUES

In k€	Jun-24	Jun-23	y.o.y. change
Recurring revenue	16,004	16,125	(1%)
Contract start-up revenue	87	118	(26%)
SaaS platform revenues	16,091	16,243	(1%)
% Recurring on Revenues	75%	74%	1%
% SaaS platform on Revenues	75%	74%	1%

H1 2024 REVENUES BY GEOGRAPHY

In k€	Jun-24	Jun-23	y.o.y. change
Italy	13,232	13,335	(1%)
Spain	1,980	2,865	(31%)
France	3,429	2,382	44%
Germany	1,323	1,974	(33%)
Benelux	1,500	1,344	12%
Revenues by geography	21,464	21,900	(2%)

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 nearly 400 employees and twelve 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 investors.motork.io.

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