MOTORK

Half-Year Report 2022

Contents

H1 2022 Highlights

H1 2022 highlights showcasing success over first half of 2022

Revenues	ARR[1]	EBITDA[2]
€16.9M	€20.1M	-€2.3M
+32% YOY	+75% YOY	H1 2021 €0.3M

Net Cash[3]	Acquisitions[4]	Customers
€20.8M	2	~690
-€13.6M Dec 2021 – Jun 2022	Belgium & France	+11% YOY

[1] Annual Recurring Revenues ("ARR") is defined as the yearly subscription value of the customer base at the end of the reporting period.
[2] Adjusted for share based payment expenses and exceptional items related to expenses that are not strictly inherent to the underlying business performance.
[3] Including lease liabilities as per IFRS 16 accounting standards
[4] Carflow acquisition completed in May 2022, FranceProNet acquisition completed in February 2022 and already announced in MotorK's Annual Report 2021

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 Germany[1] and Belgium 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 manufacturer.
- **Negative 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 financing external growth opportunities.
- **Value accretive M&A** with two strategic deals announced in key geographics extending MotorK's European footprint.
- **Strategic appointments** further strengthening the Group's R&D and Operations capabilities.

[1] Acquisition of WebMobil24 in Germany expected to be completed 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

"I am delighted that the strong commercial momentum from FY 2021 has carried through into the current year to produce a record first-half result for the Group. The significant progress we have made reflects the hard work across all the teams at MotorK and the new colleagues we welcomed 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."

Marco Marlia
Co-founder & Chief Executive Officer

Amir 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."

Amir Rosentuler
Executive Chairman

Financial and Operational Highlights

Best-in-class organic growth over the first half
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 clients[5] (+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 driving the adoption of additional service packages across more users and in more locations.

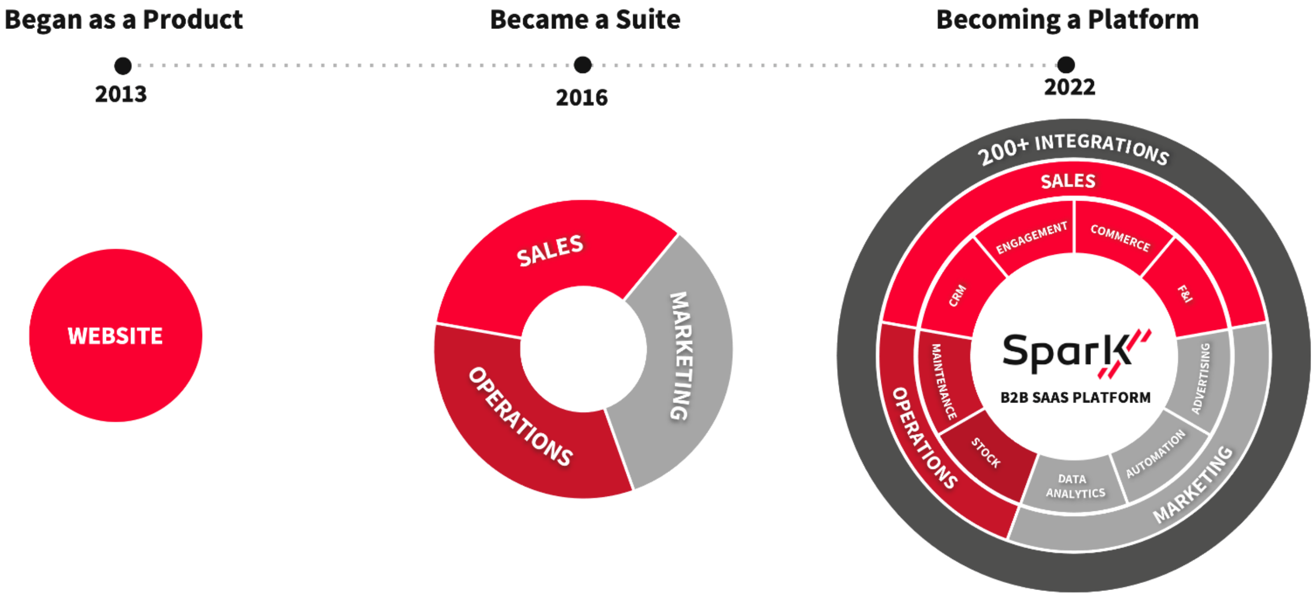
As a result, during the period average annual contract value (ACV) increased by 15% to €16.6k, compared to the prior year period value of €14.5k. The Group further reports limited churn of 3.1%[6]. All-in, this strong commercial momentum translates into a robust Net Revenues Retention ratio (NRR) of 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. Once migrated, the customer can take advantage of an enriched and more comprehensive solution to meet the increasingly demanding expectations of end clients. 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 2022as 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.

[5] Annual Recurring Revenues ("ARR") is defined as the yearly subscription value of the customer base at the end of the reporting period.
[6] Excluding recently acquired companies (Dapda, FranceProNet and Fidcar) currently under migration

Innovation as a growth drive



As a leading technology company in its market sector, 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. In parallel to the "Land and Expand" go-to-market strategy, the Group continues to invest healthily in its R&D activities to provide customers with leading automotive retail solutions, further strengthening its value proposition.

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.

During the period, the number of full-time employees grew to 418 from 250 in the prior year period, with associated personnel costs rising to €12.6 million from €7.5 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 expectation.

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.

Strong momentum with OEMs

The Group announced two strategic partnerships with OEMs in the first half of 2022. MotorK's FIDCAR subsidiary signed a commercial agreement with Stellantis &You, Sales and Services in the domain of predictive marketing after-sales, putting artificial intelligence at the service of tailor-made customer relationships. The announcement followed the nomination of MotorK by ŠKODA AUTO as a Global Certified Website Provider and will offer the opportunity to serve ŠKODA's international network of importers and authorised dealers.

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 Germany[7]. 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.

M&A Strategy Remains a Key Growth Accelerator

MotorK's M&A strategy is an integral part of the growth plan and the Group has targeted to achieve two to three acquisitions per annum. The Group has an active pipeline of opportunities and evaluates target companies for their ability to provide geographic presence, revenue cross-sell and upsell opportunities, and strong OEM relationships. MotorK's rich experience and operational excellence allows it to unlock the full value from M&As in a short time frame; migrating and moving clients to its multi-product platform results in a similar payback period of its M&As to their costs of acquisition. During the first half of the year the Group has continued to implement this strategy, announcing two deals that bring the total number of acquisitions to seven since the Company's foundation:

Carflow: In May the Group announced the acquisition of Carflow, an automotive retail solutions provider that serves more than 400 car dealers and major automotive OEMs in Belgium, the Netherlands and Luxembourg. Carflow now provides MotorK with enhanced geographic presence in these regions for the first time. The Group anticipates that Carflow will become its hub for the strategically important Benelux region, enlarging the Group's geographic footprint in Europe. In addition to opening up new territorial opportunities, the acquisition also provides attractive revenue cross-sell opportunities across an enlarged customer base to drive additional recurring revenues.

WebMobil24: In June the Group announced it had entered into exclusive negotiations to acquire WebMobil24, a German software provider of stock management solutions and e-commerce platforms to automotive dealers and OEMs. The Company's well-established presence in Germany and its deep market knowledge provide powerful growth catalysts for MotorK's operations in one of Europe's most important automotive markets. The proposed acquisition significantly enhances MotorK's reach in the DACH region and provides a platform for additional organic and acquisitive growth through revenue cross-sell opportunities for the SparK platform.

Directorate and Leadership Changes Add Strength and Depth

In June the Group announced the appointment of Amir Rosentuler as Executive Chairman. Mr. Rosentuler joined MotorK in 2020 and has served as Non-Executive Chairman. He will continue to be a member of the Remuneration Committee and Chair of the Selection and Nomination Committee of the Company, while Non-Executive Director Laurel Charmaine Bowden will replace him as a member of the Audit Committee.

[7] Acquisition of WebMobil24 in Germany expected to be completed end of July 2022

The Group also added to its executive management 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 management 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. Earlier this year the senior executive team got strengthen by Etienne Jacquet, VP Corporate Development and Investor Relation as well as Joe Sanchez who joined MotorK as Chief Revenue Officer.

Guidance confirmed

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, with 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 April 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

SEMI-ANNUAL DIRECTORS' REPORT

Semi-annual Directors' Report

The Directors present the Semi-annual Report together with the unaudited Interim Condensed Consolidated Financial Statements.

Significant events that have occurred in the first six months of the relevant financial year and their impact on the semi-annual financial statements

Despite the complex challenges faced due to the international environment in the first half of 2022 the Group has been able to continue to show robust growth and pursue the strategy announced during 2021.

The main events of the first six months of 2022 are the following:

- completion in January 2022 of the Group's capital structure rebalancing, with repayment of the €0.6 million loan in place with Creval and refinancing of the loan with Illimity Banks, including an increase of the principal amount by €1.8 million and a reduction of the borrowing costs;
- closing in February 2022 of the acquisition of FRANCEPRONET SAS and SFD SAS (together, "FranceProNet"), top-tier French digital agencies specialised in web solutions for the automotive sector. FranceProNet is a trusted partner to dealers seeking to unlock the full potential of digitalisation, providing them with web design and a highly specialised SEO-first approach refined over nearly 20 years, while also integrating training, digital marketing and lead generation services;
- closing in May 2022 of the acquisition of FusionIT (also known as "Carflow"), an automotive retail solutions provider that serves more than 400 car dealers and major automotive OEMs in Belgium, the Netherlands and Luxembourg. The acquisition of Carflow is consistent with MotorK's strategy to expand its operations into new markets;
- announcement in June 2022 of MotorK Group entering into exclusive negotiations for the acquisition of WebMobil24, a major player in the German automotive landscape for over 20 years. Founded in 2000 and headquartered in Frankfurt, WebMobil24 features an interesting offering covering the entire spectrum of vehicle inventory management leveraging the expansion of MotorK Group into the German market.

Update regarding principal risks and uncertainties facing the Company

In its 2021 Annual Report MotorK describes the main objectives and procedures of its risk management and control systems, as well as the main risks and any mitigating measures. MotorK has assessed the identified risks and has determined that the main risks identified continued to apply in the first six months of 2022 and will remain the same in the second half of 2022. However, these risks are not the only ones that we face. Some risks may not yet be known to us and certain risks that we do not currently believe to be material could become material in the future.

As already described in the Annual Report, the Board of Directors has continued to work to implement the highest standards of risk management, through the following actions:

- following the cybersecurity assessment made in 2021, the Directors continue to assess the cybersecurity risk profile of the Group through comparison with benchmark;
- following the kick-off of the risk management review project mentioned in the 2021 MotorK Annual Report, management, together with the external firm appointed in the project, has conducted interviews with the main stakeholders of each business process in scope. Interviews were completed over the last six months and the risk assessment report is expected to be delivered in the third quarter of 2022.

Financial risk management and financial instruments

The Group implements a careful approach to financial risk management. During the first six months of FY 2022 the Group has not entered into transactions involving derivative instruments. Details of which the Board of Directors considers the main financial risks facing the Company are set out under the "Risk identification" paragraph within the Principal Risks and Uncertainties section on pages 35 and 36 of the 2021 Annual Report. As mentioned above, at the date of this report, the Directors of MotorK Group have assessed such risks and concluded that there are no significant changes compared to what is stated in the 2021 Annual Report.

Risk relating to the seasonality of the Group's operating results
The Group's results of operations are slightly affected by seasonal and cyclical factors in the automotive market. Such fluctuations in the sales for dealerships may lead to lower sales volumes for the Group in specific months during summer and winter. Seasonality risk is naturally mitigated by the nature of our products, which enhance the ability of the dealers to overcome the effects of sales downpeaks, and the operating model, based on SaaS products offering, which improves the stability of our incomes.

Risk relating to interest rate changes
The Group is exposed to risks associated with changes in variable interest rates, as certain of its credit facilities may bear interest at a floating rate. An increase or decrease in interest rates would affect the Group's current interest expenses and the Group's refinancing costs; however, this is not considered to be material. Interest rate risk may be mitigated against, in part, by the Group entering into hedging transactions in the form of derivative financial instruments, although such transactions are not risk-free. As of 30 June 2022, no such hedging is currently in place. Despite the forecasted increase of interest rates that markets may face in the second half of 2022, given the limited amount of floating rate loans incurred by the Group and the net liquidity available, management has assessed such risk and the conclusion reported in the 2021 Annual Report remains unchanged.

Directors and changes to the Board of Directors and Executive Management Team

The Directors of the Company during the period starting from 1 January 2022 to 30 June 2022 were Amir Rosentuler, Marco Marlia, Måns Hultman, Laurel Charmaine Bowden and Mauro Pretolani. The Directors remained unchanged compared to the year ending 31 December 2021.

On 19 June 2022 the Company appointed Amir Rosentuler as an Executive Director (he was a non-executive director prior to such date). Mr. Rosentuler will continue to be a member of the Remuneration Committee and Chair of the Selection and Nomination Committee of the Company, while Non-Executive Director Laurel Charmaine Bowden replaced him as a member of the Audit Committee.

The Executive Management Team, whose members are mentioned on pages 49 and 50 of the 2021 Annual Report, has been reinforced, in the first six months of the year 2022, with the appointment of Etienne Jacquet as Vice President of Corporate Development and Investor Relations since January 2022, Joe Sanchez as Chief Revenue Officer since April 2022 and Yair Pinyan as Senior Vice President Head of R&D since June 2022.

Furthermore, since 4 July 2022, Jason Fitzpatrick has been appointed as Chief Operations Officer, with the purpose of increasing the Company's organisational functionality and cohesion.

Subsidiaries outside of the UK

Details of the Company's subsidiaries are set out on pages 26 and 27 in the paragraph "Summary of the accounting standards used" in the Interim Condensed Consolidated Financial Statements.

Responsibility Statement

The Directors have prepared the Group Interim Condensed Consolidated Financial Statements for the first half of FY 2022 in accordance with IAS 34 'Interim Financial Reporting'. These Interim Condensed Consolidated Financial Statements have neither been reviewed or audited.

The Directors hereby declare, in accordance with Section 5:25d (2) (c) of the Dutch Financial Supervision Act, that to the best of their knowledge:

- the Interim Condensed Consolidated Financial Statements give a true and fair view of the assets and liabilities, and the financial position as at 30 June 2022 and the results for the first six months of 2022 of MotorK Plc and its consolidated companies; and
- the Semi-annual Directors' Report gives a true and fair view of the information required pursuant to Sections 5:25d (8) and, insofar as applicable, 5:25d (9) of the Dutch Financial Supervision Act

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Semi-annual Director's Report and other information included in the Group Interim Condensed Consolidated Financial Statements is prepared in accordance with applicable law in the United Kingdom and the Netherlands.

Going concern

In view of the Group's resources, Group Net Cash position as at 30 June 2022 of €20.8 million and limited operating cash flow consumption by operations in the first six months of FY 2022 of €2.7 million, and based on the overall financial condition of the Group as further outlined in the Interim Condensed Consolidated Financial Statements, the Directors have reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Signed by

Marco Marlia
Chief Executive Officer
25 July 2022

and

Andrea Servo
Chief Financial Officer
25 July 2022

Website publication

The Directors are responsible for ensuring the Interim Condensed Consolidated Financial Statements is made available on a website. The Interim Condensed Consolidated Financial Statements are published on the Group's websites in accordance with legislation in the United Kingdom governing the preparation and dissemination of Interim Condensed Consolidated Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's websites is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Interim Condensed Consolidated Financial Statements contained therein.

Approval by the Board of Directors

The report of the Directors was approved by the Board of Directors on 25 July 2022 and signed on its behalf by:

Marco Marlia
Director
25 July 2022

FINANCIAL AND OPERATING REVIEW

Financial and Operating Review

Group performance overview

Despite the challenging international context, the Group has confirmed in the first six months of the year 2022 the strong growth track of the previous years, reaching the highest level of half-yearly revenue in the history of the Group. Revenue increased by €4.2 million, or 32%, compared to the same period in FY 2021, amounting to €16.9 million. The solid performance was led by a strong growth of SaaS platform revenues (+75% year-on-year) and sustained by the contribution of revenue of the companies acquired between December 2021 and June 2022 for an amount of €2.6 million.

In terms of profitability, Adjusted EBITDA was in line with management expectations and closed negative at €2.3 million. The negative Adjusted EBITDA is mainly due to the continuous investments in people and R&D to enhance a robust structure able to sustain the current accelerated growth rate. This growth is expected to continue in the second half of FY 2022 when the Group will benefit both from the operational leverage of costs already incurred and from acquisitions in terms of synergies, upselling and cross selling; drivers for reaching the profitability expected.

Further details of Group performance are provided in the paragraphs below.

Results for the period

€'000	30 June 2022	30 June 2021
Revenues	**16,911**	**12,781**
Cost for marketing and call centre	(3,418)	(3,619)
Personnel costs	(12,608)	(7,485)
R&D capitalisation	2,710	1,410
Other costs	(5,902)	(2,750)
Adjusted EBITDA	**(2,307)**	**337**
Exceptional costs	(1,370)	(85)
Stock option plan cost	(676)	(794)
EBITDA	**(4,353)**	**(542)**
Depreciation and amortisation	(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
Loss – continued operations	**(7,288)**	**(3,024)**
Profit / (Loss) – discontinued operations	**(265)**	**470**
Loss for the period	**(7,553)**	**(2,554)**

Revenue

Group revenue for the first six months of FY 2022 amounted to €16.9 million compared to €12.8 million for the same period in FY 2021, an increase of 32% year-on-year.

Revenue by product and service line

€'000	30 June 2022	30 June 2021	y-o-y change
SaaS platform revenue	11,444	6,556	75%
Digital marketing revenue	3,639	4,041	(10%)
Other revenue	1,828	2,184	(16%)
Total	**16,911**	**12,781**	**32%**

The increase compared to the previous period is led by SaaS platform revenue amounting to €11.4 million, an increase of 75% compared to the previous period of which 45% is guided by organic performance.

Organic growth has been topped up by revenue contribution of the acquired entities between December 2021 and June 2022 for an amount of approximately €1.9million.

The slight reduction of digital marketing and other revenue is mainly related to the external market conditions that are affecting the automotive industry and the economy in general causing some delays in marketing spending by dealers due to reduced supply of new and used cars. Management expects to recover in the fourth quarter 2022 when the economic and supply chain headwinds in the automotive industry in the first half 2022 will be partially absorbed.

SaaS platform revenue

€'000	30 June 2022	30 June 2021	y-o-y change
Recurring revenue	10,811	5,538	95%
Contract start-up revenue	633	1,018	(38%)
SaaS platform revenue	**11,444**	**6,556**	**75%**
Recurring revenue as % of total revenue	**64%**	**43%**	**21%**
SaaS platform revenue as % of total revenue	**68%**	**51%**	**17%**

The outstanding performance of SaaS platform revenue is confirmed by the increase of recurring revenue as shown in the table above amounting to €10.8 million as at 30 June 2022, an increase of 95% compared to the same period of FY 2021. Such excellent growth confirms the capacity of the Group to increase the annual recurring revenue even in a complex environment, proof of the resilience of the MotorK SaaS business model.

From a geographical standpoint the principal market continues to be Italy, representing 71% of Group revenues in the first six months of FY 2022. The acquisitions made in Spain and France between December 2021 and February 2022 increase the geographical presence of the Group in such markets with revenue increases of 205% and 224% respectively.

€'000	30 June 2022		30 June 2021		y-o-y change
Italy	12,012	71%	10,844	85%	11%
Spain	2,064	12%	676	5%	205%
France	2,419	14%	746	6%	224%
Germany	245	2%	515	4%	(52%)
Benelux	171	1%	–	–	–
Total	**16,911**		**12,781**		**32%**

Opex

Costs, net of development costs capitalised, amounted to €19.2 million in the first six months of FY 2022, an increase of 54% compared to the same period in FY 2021. The higher rate of increase in costs compared to revenue is in line with the strategy pursued by the Group to build up a structure able to support the accelerated growth of MotorK. Changes compared to the same period of FY 2021 are mainly due to the increase of R&D costs (37% growth compared to the same period of FY 2021), confirming the ambitious FY22 roadmap of the Group, and personnel costs as shown in the tables below:

€'000	30 June 2022	30 June 2021	y-o-y change
Total 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%)
Total R&D expenses as a percentage of Group total revenue	**27%**	**26%**	**1%**

€'000	30 June 2022	30 June 2021	y-o-y change
Salaries and other personnel costs	9,813	5,616	75%
Social security costs	2,795	1,869	50%
Total personnel costs	**12,608**	**7,485**	**68%**

Adjusted EBITDA

Adjusted EBITDA for the first six months of FY 2022 was negative €2.3 million compared to a positive Adjusted EBITDA for the previous six-months period of €0.3 million. Adjusted EBITDA is a non-IFRS financial measure used by management to monitor the operating profit of the Group and is calculated as EBITDA net of exceptional costs and stock option expenses which are not strictly inherent to the underlying business performance. Exceptional costs amounting to €1.4 million include €0.2 million related to severance payment indemnities and related costs for employees who left the Group and have not been replaced, €0.8 million related to earn out payment expenses accrued on a straight-line basis based on the earn-out mechanism in place with the previous shareholders of the companies recently acquired and €0.4 million for one-off related costs. Stock option plan costs amounted to €0.7 million in line with the same period in the previous year.

Finance costs

Finance costs for the period were €0.3 million compared to €1 million in the same period of FY 2021. The reduction is due to the different financial structure of the Group. Following the IPO in November 2021 the Group reimbursed a significant part of its outstanding loans as described in the 2021 Annual Report.

Taxation

Corporate income tax was negative €0.2 million (positive €0.3 million for the same period in FY 2021) and is related mainly to the tax provision accrued as of 30 June 2022 in the reporting package of the distribution companies of the Group. Management did not accrue deferred tax assets for an amount of approximately €5.8 million mainly on tax losses carried forward in the UK and Italy.

Loss for the year

The loss for the first six months of FY 2022 was €7.5 million compared to a loss of €2.5 million for the same period of FY 2021. Despite the strong revenue performance, the loss for the year is higher by €5 million due to both one-off costs incurred during the period of €1.4 million and to the fact that the Group continued to invest in people and R&D with the aim to enhance the structure and support its strategy geared at exponential growth in the incoming years.

Group capital structure and financial position

€'000	30 June 2022	31 December 2021
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 liability and provision	**(5,707)**	**(3,475)**
Total 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**

Fixed assets
Fixed assets were €31.9 million as at 30 June 2022 compared to €21 million as at 31 December 2021. The increase of €10.9 million is mainly related to R&D capital expenditure, net of depreciation of the year for €0.8 million, R&D capital expenditure acquired through business combinations for €1.2 million and to goodwill arising from the provisional allocation of the consideration paid for the acquisition of companies completed by the Group in the first six month of FY 2022 for €8.9 million.

Contract assets
Contract assets were €15.4 million as at 30 June 2022 compared to €13.6 million as at 31 December 2021. Contract assets represent the right to bill (net of invoices already issued) related to the SaaS multi-year contracts whose revenues have been already recognised at a point in time upon the delivery of access to the platform, according to IFRS 15. The increase compared to the previous period is related to the increase of SaaS platform revenues as reported above.

Net assets available for sale
Net assets available for sale were €2.7 million as at 30 June 2022 compared to €3.3 million as at 31 December 2021. This includes the net between intangible assets, trade receivables and trade payables of the business unit DriveK, classified as held for sale as per IFRS 5.

Net cash position
Net cash position was €20.8 million as at 30 June 2022 compared to a net cash position of €34.4 million as at 31 December 2021. The €13.6 million reduction in the first six months of FY 2022 is mainly related to the consideration paid for the acquisition of FranceProNet and Carflow companies for €4.9 million, free cash flow absorption for €5.5 million and the increase of financial liabilities for €2.7 million, mainly related to refinancing of the loan with Illimity Bank disclosed in the 2021 Annual Report. For a further analysis of cash flow movements in the first six months of FY 2022, please refer to the paragraphs below.

Net equity
Net equity was €58.9 million as at 30 June 2022 compared to €64.4 million as at 31 December 2021. The decrease compared to last year is mainly related to the net result of the year (negative €7.5 million) net of the capital increase related to acquisition of FusionIT for €1 million.

Group cash movements for the year

€'000	30 June 2022	30 June 2021
Cash and cash equivalents at the beginning of the period	**43,257**	**11,824**
Adjusted EBITDA from continuing operations	(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 and cash equivalents	**(10,920)**	**(1,668)**
Cash and equivalents at the end of the period	**32,337**	**10,156**

Operating free cash flow
Operating free cash flow was negative €2.7 million in the first six months of FY 2022 compared to positive €0.4 million in the same period of FY 2021. Operative cash burn compared to the previous period is due to the increase of contract assets which has drawn cash of €1.8 million and to the continuous investments in people that lead to a negative EBITDA as described above.

Free cash flow
Free cash flow was negative €5.5 million in the first six months of the FY 2022 compared to negative €1.2 million in the same period of FY 2021. Cash burn compared to the previous period is due to the result of operating free cash flow and R&D investments of €2.8 million compared to €1.4 million in the same period of FY 2021 necessary to fuel future growth and enable MotorK to extend the value proposition to our customers.

Cash flow from investing activities – M&A
Cash flow from investing activities amounting to negative €4.9 million represents the consideration paid for the acquisition of FranceProNet, SFD and FusionIT, net of the cash acquired.

Cash flow from financing activities and equity movements
The cash flow from financing activities is positive for €0.4 million and is related to the following offsetting reasons: fresh liquidity due to the refinancing with Illimity Banks for €1.8 million; repayment of bank loan in place in January 2022 for €0.6 million; repayment of lease for an amount of €0.6 million; and other interests payment of €0.3 million.

Dividend

MotorK Group management intends to retain any future distributable profits to expand the growth and development of the business and, therefore, does not anticipate paying any dividends to its shareholders in the foreseeable future.

Events affecting the Company (and its subsidiaries) which have occurred after 30 June 2022

On 18 July 2022 the MotorK Plc general meeting authorised the Group to enter into a buyback agreement with a financial institution by way of off-market purchases of own ordinary shares on Euronext Amsterdam and via block trades up to a maximum aggregate value of €3 million. The share repurchase programme will be conducted within the parameters prescribed by the Market Abuse Regulation 596/2014 and the safe harbour parameters prescribed by the Commission Delegated Regulation 2016/1052 for share buybacks. Any shares repurchased shall be treated as cancelled pursuant to section 706(b) of the Companies Act 2006. In order to meet the requirements provided by laws to realise the buyback programme, the general meeting has also approved the capital reduction by way of the cancellation of an amount equal to €4 million standing to the credit of the Group's share premium account to create additional distributable reserves.

On 20 June 2022 MotorK Group announced the entering into exclusive negotiations for the acquisition of WebMobil24, major player in the German automotive landscape for over 20 years. Founded in 2000 and headquartered in Frankfurt, it features an interesting offering covering the entire spectrum of vehicle inventory management, leveraging the expansion of MotorK Group into the German market. The signature of the sales and purchase agreement between the parties is expected by the end of July 2022.

Outlook

As already mentioned in the MotorK 2021 Annual Report, the first months of 2022 appear even more challenging than the previous years. Although the impacts of the COVID-19 pandemic are lessening, the international environment has been impacted by some disruptive events with a significant impact on the economy: the ongoing war between Russia and Ukraine and related effect on the supply chain of oil, gas and raw materials and the increase of interest rates applied by Central Banks to face the highest inflation recorded in Europe in the last 20 years.

Despite such events having a significant impact on the automotive industry, a sector already under pressure due the microprocessor shortage crisis and supply-chain disruptions, the Group has been able to pursue its strategy of growth leading to the highest performance in MotorK history.

The persistence of the conflict and the economic and financial instability may cause issues in the mid-term for the industry in general. The Group will keep monitoring the impact of the current political environment on its customers, its business, and the industry as a whole and provide updates as necessary. That being said, at this stage, given the nature of the business of the Group, MotorK confirms the previously stated guidance for the FY 2022.

Financial KPIs

We monitor the key financial performance of the Group against a number of different benchmarks and these are set in agreement with the Board.

	Reasons for choice	How we calculate	Outlook
Annual recurring revenue ("ARR") **€20.1M** vs €15.1M reported in the 2021 Annual Report	ARR is the main indicator for SaaS businesses like ours as it shows our ability to attract and retain customers generating recurring revenues.	It represents the yearly subscription value of the Group's customer base at the end of the reporting period.	The Group expects ARR for FY 2022 to be in the range €28-30 million.
Revenue growth **32%**	Our strategy is centred on delivering significant top line growth in the next few years. Hence, this is a fundamental KPI to track our strategic performance.	Calculated as increase in revenue percentage year-on-year.	The Group targets for FY 2022 a growth of approximately 63-71% including revenue from M&A.
Recurring revenue as % of total revenue **64%** vs 43% as at 30 June 2021	Measures the ability of the Group to focus on the recurring component of Group revenue, that is the most scalable and value-adding.	Calculated as recurring revenues as a percentage total Group revenue.	The Group targets 70% recurring revenue for FY 2022.
Organic revenue growth **12%**	Due to the number of acquisitions the Group makes this measure helps to make revenue data comparable year-on-year.	Calculated as increase in revenue percentage year-on-year without taking into account revenues generated by new M&A during the year.	The Group targets for FY 2022 an organic growth of approximately 30%.
Adjusted EBITDA **-€2.3M** vs €0.3M last year	This is a consistent measure of trading performance, aligned with the interests of our shareholders. Adjustments are related to expenses that are not strictly inherent to the underlying business performance.	Calculated as operating profit before interest, taxes, amortisation and depreciation net of exceptional costs and stock option expenses.	The Group targets for FY 2022 an Adjusted EBITDA margin of approximately 20% of Group revenue.
Adjusted EBITDA margin **-14%** vs 3% last year	This is a consistent measure of performance needed to ensure costs of the Group are in line with the level of business being generated.	Calculated as Adjusted EBITDA as a percentage of total Group revenue.	The Group targets for FY 2022 an Adjusted EBITDA margin of approximately 20%.

FINANCIAL STATEMENTS

Unaudited Interim Condensed Consolidated Financial Statements

30 June 2022

Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the six months ended 30 June 2022 and 2021

€'000	Note	For the six months ended 30 June 2022	2021
Revenue	**10**	**16,911**	**12,781**
Costs for marketing and call centre services	11	3,418	3,619
Personnel costs	11	14,321	8,279
R&D capitalisation	11	(2,710)	(1,410)
Other operating costs	11	6,235	2,835
Amortisation and depreciation	11	2,541	1,858
Total costs	**11**	**23,805**	**15,181**
Operating loss		**(6,894)**	**(2,400)**
Finance expense	12	(307)	(968)
Finance income	12	82	3
Loss before tax		**(7,119)**	**(3,365)**
Corporate income tax	13	(169)	341
Loss from continuing operations		**(7,288)**	**(3,024)**
Profit/(Loss) after income tax of discontinued operations	25	(265)	470
Loss for the period		**(7,553)**	**(2,554)**
Attributable to:			
Owners of the parent		(7,553)	(2,554)
Other comprehensive income/(loss):			
Actuarial losses arising from remeasurement of liabilities for employee benefits that will not be subsequently remeasured to the income statement	22	(10)	(83)
Gains/(losses) on exchange differences from translation of financial statements of foreign entities that will be reclassified subsequently to the income statement	26	(102)	–
Total comprehensive loss		**(7,665)**	**(2,637)**
Attributable to:			
Owners of the parent		(7,665)	(2,637)
Total comprehensive income/(loss) for the period attributable to owners of the parent arises from:			
Continuing operations		(7,400)	(3,107)
Discontinued operations	25	(265)	470
Basic and diluted EPS			
Loss for the period	27	(0.19)	(0.10)
Loss from continuing operations	27	(0.18)	(0.11)
Profit from discontinued operations	27	(0.01)	0.02

Consolidated Statement of Financial Position

As of 30 June 2022 and 31 December 2021

€'000	Note	As of 30 June 2022	31 December 2021
Intangible assets	14	28,804	17,953
Property, plant and equipment	15	3,088	3,076
Non-current assets – security deposits	16	118	106
Non-current contract assets	17	4,691	5,059
Non-current assets		**36,701**	**26,194**
Trade and other receivables	17	9,228	7,441
Contract assets	17	10,688	8,521
Cash and cash equivalents	18	32,337	43,257
Assets classified as held for sale	25	4,033	4,163
Current assets		**56,286**	**63,382**
Total assets		**92,987**	**89,576**
Trade and other payables	19	11,604	8,257
Tax payable	19	3,185	2,945
Current financial liabilities	20	1,574	1,922
Current lease liabilities	20	821	790
Provisions	21	153	366
Liabilities directly associated with assets classified as held for sale	25	1,288	885
Current liabilities		**18,625**	**15,165**
Employees benefit liability	22	2,206	2,069
Deferred tax liabilities	23	626	659
Non-current financial liabilities	20	7,256	4,200
Non-current lease liabilities	20	1,986	2,046
Provisions	21	3,348	1,040
Non-current liabilities		**15,422**	**10,014**
Total liabilities		**34,047**	**25,179**
Share capital	24	405	403
Share premium reserve	24	75,149	74,151
Retained earnings	24	(16,614)	(10,157)
Total equity		**58,940**	**64,397**
Total liabilities and equity		**92,987**	**89,576**

Consolidated Statement of Cash Flows

For the six months ended 30 June 2022 and 2021

	For the six months ended 30 June	
€'000	2022	2021
Loss for the period from continuing operations	(7,288)	(3,024)
Profit / (loss) for the period from discontinued operations	(265)	470
Adjustments for:		
Depreciation of property, plant and equipment	526	364
Amortisation of intangible fixed assets – continuing operations	2,015	1,494
Finance income	(82)	–
Finance expense	307	966
Income tax expense	169	(341)
Share-based payment expense – continuing operations	676	794
Other non-monetary movements	705	–
Cash outflow from operating activities before changes in net working capital	**(3,237)**	**723**
(Increase)/decrease in contract assets	(1,799)	(368)
(Increase)/decrease in trade and other receivables	(12)	(2,825)
Increase/(decrease) in trade and other payables	1,602	3,349
Increase/(decrease) in provisions and employee benefits	(66)	77
Cash outflow from operations	**(275)**	**233**
Income taxes paid	(38)	–
Net cash flows from operating activities	**(3,550)**	**956**
Investing activities		
Cash outflow on acquisition of subsidiaries (net of cash acquired)	(4,932)	–
Purchase of intangible assets	(2,757)	(1,620)
Purchases of property, plant and equipment	(44)	(138)
Non-current assets – security deposits	(5)	3
Net cash (used in) investing activities	**(7,738)**	**(1,755)**
Financing activities		
Bank loans repaid	(676)	(404)
New bank and other loans	1,850	–
Capital element of lease liabilities repaid	(437)	(180)
Interest paid on bank and other loans	(316)	(253)
Interest paid on lease liabilities	(53)	(32)
Net cash from financing activities	**367**	**(869)**
Net increase in cash and cash equivalents	**(10,920)**	**(1,668)**
Cash and cash equivalents at beginning of period	**43,257**	**11,824**
Cash and cash equivalents at end of period	**32,337**	**10,156**

In conformity with the provisions of paragraph 33 of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the net financial flows attributable to operations, investment, and financing of discontinued operations can be presented alternatively in the Notes or in the financial statements. MotorK chose to represent the Group total cash flows in the statement of cash flow, including both continuing and discontinued operations. The additional information on the cash flows of discontinued operations is provided in note 25.

Consolidated Statement of Changes in Equity

As of and for the six months ended 30 June 2022 and 2021

€'000	Share capital	Share premium	Retained earnings	Total attributable to equity holders of parent
1 January 2022	**403**	**74,151**	**(10,157)**	**64,397**
Comprehensive income for the period				
Loss for the period	–	–	(7,553)	(7,553)
Other comprehensive income				
Translation reserve	–	–	(102)	(102)
Defined benefit pension scheme	–	–	(10)	(10)
Total comprehensive income for the period	**–**	**–**	**(7,665)**	**(7,665)**
Contributions by and distributions to owners				
Issue of shares	2	998	–	1,000
Share-based payment	–	–	676	676
Earn out reserve	–	–	532	532
Total contributions by and distributions to owners	**2**	**998**	**1,208**	**2,208**
30 June 2022	**405**	**75,149**	**(16,614)**	**58,940**

€'000	Share capital	Share premium	Retained earnings	Total attributable to equity holders of parent
1 January 2021	**273**	**12,166**	**(10,305)**	**2,134**
Comprehensive income for the period				
Loss for the period	–	–	(2,554)	(2,554)
Other comprehensive income				
Defined benefit pension scheme	–	–	(83)	(83)
Total comprehensive income for the period	**–**	**–**	**(2,637)**	**(2,637)**
Contributions by and distributions to owners				
Convertible equity notes issue of shares	10	3,990	–	4,000
Share-based payment	–	–	794	794
Total contributions by and distributions to owners	**10**	**3,990**	**794**	**4,794**
30 June 2021	**283**	**16,156**	**(12,148)**	**4,291**

1. General information

MotorK Plc (the "Company" or the "Parent Company") is a company incorporated in the UK with its registered address being 124 City Road, London EC1V 2NX.

The Company and its subsidiaries (the "Group" or "MotorK Group") is a leading software as a service ("SaaS") provider for the automotive retail industry in the EMEA region.

The Group offers a cloud-based holistic SaaS platform (named "SparK") to support the full vehicle lifecycle and the entire customer journey. SparK can be used to manage the digital presence of a small single showroom dealer as well as support the sales and marketing functions of a regional network of franchise dealerships for an automotive OEM across EMEA.

On 5 November 2021 the Company, after re-registering as a public company, listed 11,500,000 shares (approximately 28% of the issued share capital) on Euronext Amsterdam. As of 30 June 2022, the main shareholders of the Parent Company are Marco Marlia, original founder and CEO of the Group, who holds approximately 13.6% of the share capital, and 83 North, who directly holds approximately 20% of the share capital.

The statutory consolidated financial statements of the Company for the year ended 31 December 2021 have been filed with Companies House on 25 May 2022.

These Interim Condensed Consolidated Financial Statements have neither been reviewed nor audited.

The main events of the first six months of 2022 are the following:

- During January 2022 the Group completed the reorganisation of its financial structure repaying the loan in place with Creval for €0.6 million and refinancing the loan with Illimity Banks by obtaining fresh liquidity for €1.8 million with a longer maturity date and reducing borrowing costs. The new loan in place with Illimity Bank is guaranteed by SACE SIMEST for 90% of its principal amount and represents an important leverage for the future growth of MotorK Group.
- On 1 February 2022 MotorK Group completed the acquisition of FRANCEPRONET SAS and SFD SAS (together, "FranceProNet"), top-tier French digital agencies specialised in web solutions for the automotive sector. FranceProNet is a trusted partner to dealers seeking to unlock the full potential of digitalisation, providing them with web design and a highly specialised SEO-first approach refined over nearly 20 years, while also integrating training, digital marketing and lead generation services. The integration of such a company in MotorK Group will leverage the technological expertise and extensive local market knowledge to further reinforce the strategy of the Group.
- On 31 May 2022 MotorK Group completed the acquisition of FusionIT (also known as "Carflow") an automotive retail solutions provider that serves more than 400 car dealers and major automotive OEMs in Belgium, the Netherlands and Luxembourg. The acquisition of Carflow is consistent with MotorK's strategy to expand its operations into new markets. MotorK management believes that the deal will enhance the value for shareholders through the creation of a new commercial hub into the Benelux region and new attractive revenue cross-sell opportunities.
- During the first half of 2022 Fidcar, the company recently acquired by MotorK Group, has entered into a commercial agreement with Stellantis &You in the domain of predictive marketing after-sales, putting artificial intelligence at the service of tailor-made customer relationship. After-sales predictive marketing is a tool designed to offer the customer individually packaged offers, in a targeted way, at the right time, corresponding to the state of their vehicle and to their actual maintenance needs. This new commercial agreement validates the strategy of the growth of the Group through acquisitions and reinforces the customer list of the entire Group.

The Interim Condensed Consolidated Financial Statements were approved for issuance by the Board of Directors on 25 July 2022.

2. Summary of the accounting standards used

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. As permitted by IAS 34, the Interim Condensed Consolidated Financial Statements do not contain all the information that is required for a full set of financial statements and should therefore be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended 31 December 2021 and any public announcements made by the Company during the interim reporting period.

The principal accounting policies and methods of computation applied in these Interim Condensed Consolidated Financial Statements are consistent with those applied in the consolidated annual financial statements for the year ended 31 December 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Form and content of the Interim Condensed Consolidated Financial Statements
The format of the Interim Condensed Consolidated Financial Statements and related classification criteria adopted by the Group (among the options available under IAS 1 – Presentation of Financial Statements) are as follows:

- the consolidated statement of financial position shows current and non-current assets separately, and current and non-current liabilities in the same way;
- the consolidated statement of profit and loss and other comprehensive income shows a classification of costs and revenues by nature; and
- the consolidated statement of cash flow was prepared using the indirect method.

The Company has chosen to prepare a comprehensive income statement that includes, in addition to the result for the period, other amounts that, in accordance with the international accounting standards, are recognised directly in other comprehensive income separately from those relating to operations with the Company's shareholders.

The templates used, as specified above, are those that best represent the Group's economic, equity and financial situation.

The Interim Condensed Consolidated Financial Statements are presented in Euro, which is the Group's functional and presentation currency.

All amounts disclosed in the Interim Condensed Consolidated Financial Statements have been rounded to the nearest thousand currency units unless otherwise stated.

2.2 Subsidiaries of MotorK Plc included in the Interim Condensed Consolidated Financial Statements
The Interim Condensed Consolidated Financial Statements include the financial statements of the Parent Company, MotorK Plc, and its subsidiaries. Where necessary, specific adjustments were made at the consolidated level to standardise the Group's financial statements to the EU-IFRS accounting standards.

Below we report the list of companies included in the Interim Condensed Consolidated Financial Statements prepared by the Parent Company, MotorK Plc, as at 30 June 2022, indicating the share capital held by the Group.

Name	Country of incorporation and principal place of business	Proportion of ownership interest at		
		30 June 2022	31 December 2021	30 June 2021
MotorK Italia Srl	Italy	100%	100%	100%
MotorK Spain Gestiones Comerciales	Spain	100%	100%	100%
MotorK Deutschland GmbH	Germany	100%	100%	100%
MotorK France Sarl	France	100%	100%	100%
For Business Srl	Italy	100%	100%	100%
3W Net Sarl*	France	0%	0%	0%
MotorK Israel Ltd	Israel	100%	100%	100%
DealerK Technology Solutions, Unipessoal Lda	Portugal	100%	100%	100%
Fidcar SAS	France	100%	100%	–
Liotey Sarl	France	100%	100%	–
PDA DAPDA, SL	Spain	100%	100%	–
DAPDA Media, SL	Spain	100%	100%	–
DriveK France S.A.S.	France	100%	100%	–
DriveK Solution S.L.	Spain	100%	100%	–
DriveK Italia S.r.l.	Italy	100%	100%	100%

FRANCEPRONET SaS	France	100%	–	–
SFD SaS	France	100%	–	–
FusionIT	Belgium	100%	–	–

* Merged into MotorK France starting from 1 June 2021.

During the first six months of FY 2022, the consolidation area changed as a result of the acquisition of the following companies:

- FRANCEPRONET SaS and SFD SaS acquired by MotorK Plc on 1 February 2022; and
- FusionIT acquired by MotorK Italia Srl on 31 May 2022.

Further details regarding the acquisitions are provided above under "General Information".

All the companies mentioned above are included in the consolidation financial statements from the date on which control is transferred to the Group or from the date in which they have been incorporated.

The registered offices of the companies disclosed above is as follows:

MotorK Italia Srl	Via Ludovico D'Aragona, 9 – 20132 Milano
MotorK Spain Gestioness Comerciales	Calle Muntaner 305 Planta PR Puerta 2 – 08021 – Barcelona
MotorK Deutschland GmbH	Destouchesstr. 68 – 80796 – München
MotorK France Sarl	3 B Rue Taylor – 75010 – Paris
For Business Srl	Via Ludovico D'Aragona, 9 – 20132 Milano
MotorK Israel Ltd	3 Arik Einstein St Herzliya, Israel
DealerK Technology Solutions, Unipessoal Lda	Avenida de República n50, 10 – 1069 – 211 Lisbon, 9
Fidcar SAS	28 rue du Chemin Vert – 75011 Paris
Liotey Sarl	28 rue du Chemin Vert – 75011 Paris
PDA DAPDA, SL	Cl Naranjo, 20 23003 – Jaen
DAPDA Media, SL	Avda De Andalucia 106 Entrepl 23006 – Jaen
DriveK France S.A.S.	3B rue Taylor 75010 – Paris
DriveK Solution S.L.	CL MUNTANER 306 PI.PR Pta2 08021 Barcelona
DriveK Italia S.r.l.	Via Ludovico D'Aragona, 9 – 20132 Milano
FRANCEPRONET SaS	61 Rue Pierre Cazeneuve – 31200 Toulouse
SFD Sas	61 Rue Pierre Cazeneuve – 31200 Toulouse
FusionIT	Mechelsesteenweg 203 box 2, 2018 Antwerp, Belgium

2.3 Basis of preparation

The preparation of the Interim Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgement at the date of these Interim Condensed Consolidated Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Moreover, certain valuation procedures, those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary. In the same way, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements, unless in the event of significant market fluctuation, plan amendments or curtailments and settlements.

3. Going concern

The Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis which assumes that the Group will have sufficient funds available to enable it to continue to trade for a period of not less than 12 months from the date of approval of these Interim Condensed Consolidated Financial Statements. Elements for the preparation on a going concern basis are reported below:

- Group revenue increased by 32% compared to the previous year results despite the challenging market conditions faced in the first six months of the FY 2022. In particular, SaaS platform revenue increased by 75% compared to the previous year results.
- Short and long-term net cash position is strongly positive and operating free cash flow consumption is limited.

4. Accounting standards in force from 1 January 2022 and interpretations applicable at a future date

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2022, have been adopted by the Group from 1 January 2022. These standards and interpretations had no material impact for the Group. All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2022 have not yet been adopted.

5. Accounting policies

The accounting policies applied in these Interim Condensed Consolidated Financial Statements are the same as those applied in the Company's consolidated financial statements as at and for the year ended 31 December 2021.

The new and amended standards effective from 1 January 2022 do not have a material effect on the Interim Condensed Consolidated Financial Statements.

6. Seasonality

The Interim Condensed Consolidated Financial Statements as of 30 June 2022 is not influenced significantly by seasonality.

7. Operating segments

Following the classification of the DriveK business as a discontinued operation, the Group has determined that it has one operating and reportable segment based on the information reviewed by its Board of Directors in making decisions regarding allocation of resources and to assess performance.

Non-current assets, which consist of property, plant and equipment and intangible assets, excluding goodwill, are substantially located in Italy.

8. Critical accounting estimated and judgements

In preparing these Interim Condensed Consolidated Financial Statements, the Management Board is required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The areas that involve critical accounting judgement and key sources of estimation uncertainty are the same as those described in the Company's consolidated financial statements as at and for the year ended 31 December 2021.

9. Financial instruments – risk management

MotorK Group is exposed to risks that arise from its use of financial instruments. The Interim Condensed Consolidated Financial Statements do not include all the information and notes on financial risk management required in the preparation of the annual consolidated financial statements. For a detailed description of this information for the Group, reference should be made to Note 8 of the Consolidated Financial Statements for the period ended 31 December 2021 as presented in the 2021 Annual Report as there have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

Financial assets

The following table shows financial assets by category, as defined by IFRS 9, as of 30 June 2022 and 31 December 2021:

€'000	30 June 2022	31 December 2021
Financial assets at amortised cost		
Non-current assets – security deposit	118	106
Trade receivables	7,884	5,720
Other receivables	76	355
Cash and cash equivalents	32,337	43,257
Trade and other receivables classified as held for sale	2,108	2,238
Total	**42,523**	**51,676**

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

Trade receivables are stated net of provision for impairment.

Financial liabilities

The following table shows financial liabilities by category, as defined by IFRS 9, as of 30 June 2022 and 31 December 2021:

€'000	30 June 2022	31 December 2021
Financial liabilities at amortised cost		
Trade payables	3,357	1,844
Current financial liabilities	1,574	1,922
Current lease liabilities	821	790
Trade payables classified as held for sale	664	430
Non-current financial liabilities	7,256	4,200
Non-current lease liabilities	1,986	2,046
Total	**15,658**	**11,232**

Fair value measurement hierarchy

The financial instruments measured at fair value are presented on the basis of the fair value hierarchy, described below:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – valuation techniques for which the inputs are unobservable for the asset or liability.

Notes to the consolidated statement of financial position

10. Revenue

Disaggregation of revenue
The Group has disaggregated revenue into various categories in the following tables.

	For the six months ended 30 June 2022			
€'000	SaaS platform	Digital marketing	Other revenues	Total
Primary geographic market				
Italy	7,285	3,340	1,387	12,012
Spain	1,699	296	69	2,064
France	2,058	–	361	2,419
Germany	242	3	–	245
Benelux	160	–	11	171
Total	**11,444**	**3,639**	**1,828**	**16,911**

	For the six months ended 30 June 2021			
€'000	SaaS platform	Digital marketing	Other revenues	Total
Primary geographic market				
Italy	4,838	3,879	2,127	10,844
Spain	557	89	30	676
France	723	-	23	746
Germany	438	73	4	515
Total	**6,556**	**4,041**	**2,184**	**12,781**

Revenue related to SaaS platform contracts amounts to €11.4 million as at 30 June 2022 compared to €6.6 million as at 30 June 2021. The increase compared to the previous six-months period is due to the robust organic growth of the business in which MotorK is operating and to the contribution of the new acquired companies.

SaaS platform revenue are recognised on the basis of two different performance obligations implied in the agreements:

- point in time at the date of the delivery of the platform for which the costs necessary for the development, use and basic operation of the product have already been incurred; and
- over the time of the agreement in relation to the post-contract support activities.

Digital marketing revenue amounting to €3.6 million as at 30 June 2022 compared to €4 million as at 30 June 2021 are related to services for the dealer in order to acquire enhanced online traffic. The slight reduction compared to the previous year is related to the challenging external conditions affecting the automotive industry.

Other revenue amounting to €1.8 million as at 30 June 2022 compared to €2.2 million as at 30 June 2021 mainly include revenues for training activities.

11. Group operating loss

Group operating loss is stated after charging/(crediting):

	For the six months ended 30 June	
€'000	2022	2021
Costs for marketing and call centre services	3,418	3,619
Personnel costs	14,321	8,279
R&D capitalisation	(2,710)	(1,410)
Other operating costs	6,235	2,835
Amortisation and depreciation	2,541	1,858
Total costs	**23,805**	**15,181**

The slight decrease of costs for marketing and call centre services is directly attributable to the decrease of revenue from digital marketing as already stated in note 10 of this section.

Personnel costs, excluding Directors' remuneration, are shown in the following table:

	For the six months ended 30 June	
€'000	2022	2021
Wages and salaries	9,108	5,499
Social security costs	2,795	1,575
Employee benefit pension cost	319	294
Severance indemnity	229	–
Earn out payment costs	808	–
Share-based payments	676	794
Total	**13,953**	**8,162**

The detail of Directors' remuneration is shown in the following table:

	For the six months ended 30 June	
€'000	2022	2021
Emoluments	386	117
Total	**386**	**117**

The increase of the caption wages and salaries compared to last year is mainly due to the increase in the average number of employees and the employees entering into the Group following the acquisition of companies between February and May 2022.

Share-based payments includes the accrual of the stock option costs as required by IFRS 2. The amount is in line with the same period of the FY 2021.

Earn out payment costs are related to expenses accrued on a straight-line basis on the basis of the earn-out mechanism in place with the previous shareholders of the Company. In particular, IFRS 3 provides that contingent considerations that are automatically forfeited if key employees are terminated are not considered as part of the consideration paid but are reported as remuneration for post-combination services and recognised to profit and loss.

Other operating costs includes mainly software fees for approximately €0.7 million, insurance expenses for €0.4 million, fees for legal, fiscal, administrative and HR consultants of approximately €2.8 million and exceptional costs of €0.4 million related to one-off projects.

Amortisation and depreciation expenses includes:

- amortisation of intangible assets of approximately €2 million for the first six months of FY 2022 (€1.5 million for same period of FY 2021) mainly related to development costs capitalised;
- depreciation of tangible assets for approximately €0.5 million for the first six months of FY 2022 (€0.4 for same period of FY 2021).

12. Finance income and expense

Finance income and expense are shown in the following tables:

€'000	For the six months ended 30 June 2022	2021
Interest received on bank deposits	3	3
Gain on foreign exchange	79	–
Total finance income	**82**	**3**

€'000	For the six months ended 30 June 2022	2021
Bank loans and overdrafts	189	153
Other loans	7	721
Net interest expense on defined benefit pension scheme	6	8
Interest expenses on lease liabilities	53	33
Other	52	53
Total finance expense	**307**	**968**

13. Corporate income tax

Corporate income taxes are shown in the following table:

€'000	For the six months ended 30 June 2022	2021
Foreign subsidiaries income taxes	(202)	(82)
Total current tax	**(202)**	**(82)**
Origination and reversal of temporary differences	33	423
Total deferred tax	**33**	**423**
Corporate income tax	**(169)**	**341**

Corporate income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2022 is calculated as the incidence of corporate income tax on the profit before tax at the end of the previous year and is the following: Spain 32%, Germany 33%, France 40%, Italy 30% and Portugal 25%.

Management did not accrue deferred tax assets mainly on tax losses carrying forward in the UK and Italy for an amount of approximately €5.8 million.

Notes to the consolidated statement of financial position

14. Intangible assets

Details of intangible assets increase and decrease for the six months ended 30 June 2022 are provided in the following table:

€'000	Customer relationships	Trademark	Development costs and software	Goodwill	Total
Cost					
As at 1 January 2022	**3,123**	**70**	**14,556**	**7,880**	**25,629**
Additions – internally generated	–	–	2,742	–	2,742
Acquired through business combinations	–	–	1,241	8,883	10,124
As at 30 June 2022	**3,123**	**70**	**18,539**	**16,763**	**38,495**
Accumulated amortisation and impairment					
As at 1 January 2022	**476**	**1**	**7,199**	**-**	**7,676**
Charge for the period	122	7	1,886	–	2,015
As at 30 June 2022	**598**	**8**	**9,085**	**-**	**9,691**
Net book value					
As at 1 January 2022	**2,647**	**69**	**7,357**	**7,880**	**17,953**
As at 30 June 2022	**2,525**	**62**	**9,454**	**16,763**	**28,804**

Customer relationship
Customer relationships amounted to €2.5 million as at 30 June 2022 (€2.6 million as at 31 December 2021). Despite the loss in the first six months of FY 2022, management has assessed that there are no impairment indicators, and therefore it is not necessary to prepare an impairment test.

Trademark
Trademark costs amounted to €0.06 million as at 30 June 2022 (€0.07 as at 31 December 2021) and this is related to the provisional fair value allocated using the Relief-from-Royalty method to part of the consideration paid for the acquisition of Fidcar.

Development costs and software
Development costs amounting to €9.5 million as at 30 June 2022 (€7.4 million as at 31 December 2021) are due to the Group developing most of its technology and applications in-house. Such costs are related to continued development of new product offerings, applications, features and enhancements to existing digital services and solutions in the two dedicated hubs in Italy and Portugal. The increase of €1.2 million related to business combinations is mainly due to the acquisition of the FusionIT platform in place at the date of closing. Despite the loss during the first six months of FY 2022, management has assessed that there are no impairment indicators, and therefore it is unnecessary to prepare an impairment test.

Goodwill
Increase of goodwill during the first six months of the year is related to the provisional fair value allocation of the difference between the consideration paid for the acquisition of FranceProNet, SFD and FusionIT and book value at the date of acquisition.

The Group, in accordance with the requirements of IAS 36, proceeded to verify the absence of impairment indicators as of 30 June 2022 with reference to the goodwill recorded in intangible assets. As of the date of these Interim Condensed Consolidated Financial Statements, as there were no indicators for impairment of the CGU, management has not updated the impairment calculation.

The main assumptions for the determination of the recoverable amount, as well as the results of the impairment test carried out as of 31 December 2021, are illustrated in the 2021 Annual Report to which reference is made.

15. Property plant and equipment

Details of property, plant and equipment increase and decrease for the six months ended 30 June 2022 are provided in the following table:

€'000	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Computer equipment	Right-of-use assets	Total
Cost						
As at 1 January 2022	**349**	**123**	**1**	**376**	**5,440**	**6,289**
Additions	2	4	–	63	411	**480**
Acquired through business combinations	–	30	26	16	–	**72**
Disposals	–	–	(7)	–	–	**(7)**
As at 30 June 2022	**351**	**157**	**20**	**455**	**5,851**	**6,834**
Accumulated depreciation						
As at 1 January 2022	**285**	**75**	**1**	**198**	**2,654**	**3,213**
Charge for the period	27	5	–	41	453	**526**
Depreciation on disposals	–	–	7	–	–	**7**
As at 30 June 2022	**312**	**80**	**8**	**239**	**3,107**	**3,746**
Net book value						
As at 1 January 2022	**64**	**48**	**–**	**178**	**2,786**	**3,076**
As at 30 June 2022	**39**	**77**	**12**	**216**	**2,744**	**3,088**

Right-of-use assets amounting to €2.7 million as of 30 June 2022 are related to the application of IFRS 16 to the lease of the offices of the Group subsidiaries and the lease of cars assigned to the employees.

16. Non-current assets – security deposit

The caption non-current assets – security deposit, substantially in line compared to 31 December 2021, includes €0.1 million of deposits made by the Group mainly for the rental of the offices of the subsidiaries.

17. Contract assets and trade and other receivables

Contract assets and trade and other receivables are shown in the following table:

€'000	30 June 2022	31 December 2021
Non-current contract assets	4,691	5,059
Contract assets – current portion	10,688	8,521
Total contract assets	**15,379**	**13,580**
Trade receivables	7,884	5,720
Prepayments	914	634
Other receivables	76	355
Tax receivables	355	732
Total trade and other receivables	**9,228**	**7,441**

Contract assets
Contract assets is related to the application of IFRS 15 on SaaS revenue agreements and represents accrued income as at the reference date.

Revenue related to SaaS multi-year contracts (12, 24 or 36 months) are recognised on delivery ("go-live") of the platform, and therefore a related contract asset arises. Contract assets are subsequently billed on a monthly or quarterly basis for the duration of the agreement with the customer.

The split between current and non-current portions depends on the duration of the agreement.

The increase compared to the same period of FY 2021 is related to the increase of revenue from the SaaS platform.

Trade and other receivables
Trade receivables as at 30 June 2022 amounted to €7.9 million (€5.7 million as of 31 December 2021) and included invoices issued but not collected at the closing date for €6.8 million, invoices to be issued for €1.4 million and provision for bad debt for an amount of €0.3 million (€0.2 million as at 31 December 2021).

The bad debt provision is a specific provision against a number of customers where, in the view of the Directors, there is potential credit risk, and as a consequence, it is necessary to accrue a bad debt provision as per IFRS 9.

Movements in the impairment allowance for trade receivables are as follows:

€'000	2022
As at 1 January	**247**
Increase during the period	49
Receivables written off during the period as uncollectable	(7)
As at 30 June	**289**

18. Cash and cash equivalents

The caption cash and cash equivalents amounting to €32.3 million (€43.2 million as at 31 December 2021) is related to cash available in bank accounts of the Group subsidiaries. The amount includes €0.1 million of cash deposited onto prepaid cards used by employees as petty cash as at 30 June 2022 (€0.1 million as at 31 December 2021). For details of changes during the analysed periods please refer to the consolidated statement of cash flow. Cash and cash equivalents are deposited with top rated banks.

19. Trade and other payables and tax payable

Trade and other payables are shown in the following table:

€'000	30 June 2022	31 December 2021
Trade payables	3,357	1,844
Accruals	1,343	1,329
Total trade payables	**4,700**	**3,173**
Other payables including tax and social security payments	6,904	5,084
Total current trade and other payables	**11,604**	**8,257**

The carrying value of trade and other payables measured at amortised cost approximates fair value.

Trade payables amount to €3.4 million as at 30 June 2022 compared to €1.8 million as at 31 December 2021.

Accruals includes invoices to be received for service rendered in the first six months of FY 2022.

Other payables amounting to €6.9 million as at 30 June 2022 includes:

- contract liabilities of €1.9 million (€1.3 million as at 31 December 2021) mainly related to the post-contract service support revenues as described in these notes;
- liabilities towards employees for bonus' to be paid in 2022 for €0.8 million; and
- other liabilities towards employees and related social security charges of approximately €3.9 million.

€'000	30 June 2022	31 December 2021
Corporate tax liabilities	2,808	2,448
VAT liabilities	377	497
Total tax payable	**3,185**	**2,945**

Corporate tax liabilities include mainly the tax provision booked in MotorK Israel Ltd as at 31 December 2021 for €2.1 million whose payment is expected in the second half of FY 2022 and the tax provision booked in the reporting package of the distribution companies in Spain, France and Germany for €0.2 million.

20. Current and non-current financial liabilities

Current and non-current financial liabilities include:

€'000	30 June 2022	31 December 2021
Bank loan	56	1,794
Other financial liabilities	1,518	128
Total current financial liabilities	**1,574**	**1,922**
Current lease liabilities	**821**	**790**
Bank loan	7,256	4,200
Total non-current financial liabilities	**7,256**	**4,200**
Non-current lease liabilities	**1,986**	**2,046**

Other financial liabilities include part of the consideration to be paid to the former shareholders of FranceProNet, SFD and PDA DAPDA, SL mainly related to post-closing adjustments that have been agreed and settled in July 2022.

Bank loan includes the new loan in place with Illimity Bank guaranteed by SACE SIMEST for 90%. The bank loan provides the following financial covenants to be tested annually, starting from December 2022: leverage ratio (net financial position / EBITDA); and gearing ratio (net financial position / net equity).

21. Provisions

Provisions classified within current liabilities amounts to €0.1 million as at 30 June 2022 (€0.4 as at 31 December 2021) and include the provision for certain risk related to litigations in place with some employees who left MotorK and whose level of risk is assessed as probable by management. Provisions classified within non-current liabilities amounting to €3.3 million (€1 million as at 31 December 2021) are related to the estimated provisional deferred consideration to be paid for the acquisition of FranceProNet, SFD, PDA DAPDA and FusionIT.

The movement of current and non-current provisions is shown below:

€'000	2022
Current provisions as at 1 January	**366**
Release for the period	(336)
Accrual for the period	123
Current provisions as at 30 June	**153**

€'000	2022
Non-current provisions as at 1 January	**1,040**
Release for the period	–
Accrual for the period	2,308
Non-current provisions as at 30 June	**3,348**

22. Employee benefit liability

Staff severance indemnity, mandatory pursuant to art. 2120 of the Italian Civil Code, is a deferred compensation and is based on the years of service of the employee and on the compensation received during the period of service.

According to the national law, the deferred compensation to be paid when an employee leaves the entity is based on the number of years of service of the employee and on the taxable remuneration earned by the employee during the service period, i.e., the capital accumulated when the employment ends. The provisions are due in the event of retirement, death, invalidity or resignation. During the periods analysed there were no special events, such as restructuring plans, reductions or regulations.

Employee benefit plan costs increased by €0.1 million compared to 31 December 2021.

23. Deferred tax liabilities

The movement of deferred tax liabilities is shown below:

€'000	2022
As at 1 January	**659**
Business combination	–
Recognised in profit and loss	(33)
As at 30 June	**626**

Details of deferred tax liabilities are shown below:

€'000	30 June 2022	31 December 2021
Other	69	77
Customer relationship	557	582
Total	**626**	**659**

24. Shareholders' equity

Share capital
The share capital is composed as follows:

	As of 30 June 2022			As of 31 December 2021		
	Value (€'000)	Number	Value per share (€)	Value (€'000)	Number	Value per share (€)
Ordinary shares	405	40,518,765	0.01	403	40,328,959	0.01
Total	**405**	**40,518,765**	**0.01**	**403**	**40,328,959**	**0.01**

During the first six months of FY 2022 share capital changed due to the issuance of shares to the former shareholders of FusionIT as part of the consideration paid for the acquisition of the company.

25. Discontinued operations

During the second half of the year ended 31 December 2020 management of the Group reviewed the strategic view of MotorK, focusing on the DealerK business unit, which had already demonstrated scalability by building on investments made over recent years in R&D, hiring and acquisitions. An important step in this regard was the decision to sell the DriveK business unit to a third party. This operation offers the chance to focus all the strength on one business unit, maximise the value of the Company and complete the technological transformation. In this regard the Board of Directors of the Company have taken proper action, engaging advisors and making relevant decisions to complete the transaction in 2021. Due to the commitment of the Board of Directors and in accordance with IFRS 5, management has decided to classify the DriveK business unit as discontinued starting from December 2020.

During FY 2021, MotorK management received non-binding offers for the sale of the DriveK business unit, however, the shortage of automobile chips due to high demand in other sectors of the economy such as computer equipment has slowed down the sales process.

As at the date of these Interim Condensed Consolidated Financial Statements the Board of Directors of the Company and MotorK top management are still committed to sell the DriveK business unit and conversations with potential buyers are in place. The sale is forecasted to be completed in the last quarter of FY 2022 with a price higher than net book value.

Due to the aforementioned reasons, and in accordance with IFRS 5, the results of operations have been reclassified in a separate caption for each comparable period and assets and liabilities have been classified within assets and liabilities available for sale. The cash flows attributable to discontinued operations are disclosed separately in this note.

Financial information relating to the discontinued operation is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the six months ended 30 June 2022 and 2021.

	For the six months ended 30 June	
€'000	2022	2021
Revenue	2,828	3,688
Costs for marketing and call centre services	1,797	2,072
Personnel costs	877	1,093
R&D capitalisation	–	(177)
Other operating costs	419	230
Amortisation and depreciation	–	–
Total costs	**3,093**	**3,218**
Operating profit	**(265)**	**470**
Finance expense	–	–
Profit before tax	**(265)**	**470**
Corporate income tax	–	–
Profit after income tax of discontinued operation	**(265)**	**470**

	For the six months ended 30 June	
€'000	2022	2021
Net cash flows from/(used in) operating activities	268	537
Net cash from/(used in) investing activities	–	(177)
Net cash from/(used in) financing activities	–	–
Net increase in cash generated by the business	**268**	**360**

Assets and liabilities of disposal group as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as of 30 June 2022 and 31 December 2021:

€'000	30 June 2022	31 December 2021
Intangible assets	1,925	1,925
Trade and other receivables	2,108	2,238
Total assets classified as held for sale	**4,033**	**4,163**
Trade and other payables	1,150	767
Employees benefits	138	118
Total liabilities classified as held for sale	**1,288**	**885**
Net assets classified as held for sale	**2,745**	**3,278**

26. Translation of foreign companies' financial statements

The exchange rates used to translate non-Euro zone company's financial statements are as follows:

	30 June 2022		31 December 2021	
	Average exchange rate	Six months-end exchange rate	Average exchange rate	Year-end exchange rate
Israeli Shekel	3.5758	3.6392	3.7682	3.5159

27. Earnings per share

The following table shows earnings per share, calculated by dividing the result for the period by the weighted average number of ordinary shares outstanding during the period.

	For the six months ended 30 June	
	2022	2021
Loss for the period (in thousands)	(7,553)	(2,637)
Loss from continuing operations (in thousands)	(7,288)	(3,024)
Profit from discontinued operations (in thousands)	(265)	470
Weighted average number of shares	40,360,593	27,363,777
Earnings per share	(0.19)	(0.10)
Earnings per share from continuing operations	(0.18)	(0.11)
Earnings per share from discontinued operations	(0.01)	0.02

It should be noted that share-based payments are instruments that could potentially dilute basic earnings per share in the future. However, considering that in periods analysed a loss from continuing operations was registered, potential ordinary shares were not dilutive as the potential conversion would decrease the loss per share, in accordance with IAS 33.

28. Business combinations

The acquisitions described below were completed by the Company during the first six month of the year ended 30 June 202 and were made in the context of the Group's growth strategy. Please see below for more details. In accordance with IFRS 3, management has decided to allocate the difference between the consideration paid and net book value at closing date entirely to goodwill as provisional fair value in the light of the fact that the acquisitions were made in February and May 2022. Further analysis on the purchase price allocation will be conducted in the second half of FY 2022 as provided by IFRS 3.

FRANCEPRONET SaS and SFD SaS

On 1 February 2022 MotorK Group completed the acquisition of FRANCEPRONET SAS and SFD SAS (together, "FranceProNet"), top-tier French digital agencies specialised in web solutions for the automotive sector.

FranceProNet is a trusted partner to dealers seeking to unlock the full potential of digitalisation, providing them with web design and a highly specialised SEO-first approach refined over nearly 20 years, while also integrating training, digital marketing and lead generation services.

The initial consideration paid for FranceProNet amounts to €2.9 million in cash. In addition to the initial cash consideration, already paid as at 30 June 2022, the sale and purchase agreement regulating the transfer of shares to MotorK Plc provides a payment through issuance of shares for an amount of €1 million and another portion of payment in cash related to post-closing adjusted for an amount of roughly €0.4 million. Such amount has been agreed and will be regulated after the 30 June 2022.

In addition to the initial consideration the sales and purchase agreement also provides an earn out of €0.5 million related to certain performance of the acquired company.

Since the acquisition date, FranceProNet and SFD contributed €0.06 million and €0.2 million respectively to the Group consolidated result for the year and €0.5 million and €0.6 million respectively to Group revenue in the consolidated financial statements closed as at 30 June 2022.

Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

FranceProNet Sarl and SFD SAS (€'000)	Book value at acquisition date	Adjustment	Restated fair value
Development costs and software	13	–	13
Investment	14	–	14
Property, plant and equipment	37	–	37
Receivables	1,385	–	1,385
Cash at bank and in hand	1,351	–	1,351
Payables	(1,514)	–	(1,514)
Total net assets (A)	**1,286**	**–**	**1,286**
Fair value of consideration			
Cash			2,902
Deferred consideration			1,422
Contingent consideration			538
Total consideration (B)			**4,862**
Goodwill (B)-(A)			**3,576**

FusionIT

On 31 May 2022 MotorK Group completed the acquisition of FusionIT (also known as "Carflow") an automotive retail solutions provider that serves more than 400 car dealers and major automotive OEMs in Belgium, the Netherlands and Luxembourg.

The initial consideration paid for FusionIT amounts to €5 million (of which €1 million is through the issue of shares and €4 million is in cash). In addition to the initial consideration, the sale and purchase agreement regulating to the transfer of shares to MotorK Italia Srl provides with an earn out of €1.4 million related to certain performance conditions of the acquired company. Since the acquisition date, the subsidiary contributed a loss of €0.07 million to the Group consolidated result for the year and €0.2 million to Group revenue in the consolidated financial statements closed as at 30 June 2022.

Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

FusionIT (€'000)	Book value at acquisition date	Adjustment	Restated fair value
Development costs and software	1,228	–	1,228
Property, plant and equipment	35	–	35
Receivables	242	–	242
Cash at bank and in hand	619	–	619
Payables	(950)	–	(950)
Total net assets (A)	**1,174**	**–**	**1,174**
Fair value of consideration			
Cash			4,000
Equity			1,000
Contingent consideration			1,446
Total consideration (B)			**6,446**
Goodwill (B)-(A)			**5,272**

29. Related party transactions

The remuneration of the members of the Management Board is determined by the Remuneration Policy. For an explanation of the remuneration policy pertaining to the members of the Management Board, we refer you to the Remuneration Committee Report included in the 2021 Annual Report. The total remuneration for the Directors amounted to €0.4 million in the first half of 2022 (first half 2021: €0.1 million).

30. Post balance sheet events

On 18 July 2022 the MotorK Plc general meeting authorised the Group to buy back its own ordinary shares by way of off-market purchases on Euronext Amsterdam and via block trades up to a maximum aggregate value of €3 million. The share repurchase programme will be conducted within the parameters prescribed by the Market Abuse Regulation 596/2014 and the safe harbour parameters prescribed by the Commission Delegated Regulation 2016/1052 for share buybacks. Any shares repurchased shall be treated as cancelled pursuant to section 706(b) of the Companies Act 2006. To meet the requirements provided by laws to realise the buyback programme, the general meeting have also approved the capital reduction by way of the cancellation of an amount equal to €4 million standing to the credit of the Group's share premium account to create additional distributable reserves.

On 20 June 2022 MotorK Group announced the entering into exclusive negotiations for the acquisition of WebMobil24, major player in the German automotive landscape for over 20 years. Founded in 2000 and headquartered in Frankfurt, it features an interesting offering covering the entire spectrum of vehicle inventory management, leveraging the expansion of MotorK Group into the German market. The signature of the sales and purchase agreement between the parties is expected by the end of July 2022

Company Information

Directors	Amir Rosentuler (Chairman / Executive Director) Marco Marlia (Chief Executive Officer) Laurel Charmaine Bowden (Non-Executive Director) Måns Hultman (Non-Executive Director / Independent Director) Mauro Pretolani (Non-Executive Director / Independent Director)
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