

November 15, 2021

MotorK reports solid top-line performance in the third quarter with revenue up 86% year-over-year and adjusted EBITDA margin of 17.5%

London, United Kingdom -- MotorK, plc (AMS: MTRK) ("MotorK" or "the Group"), a leading SaaS provider for the automotive retail industry in the EMEA region, today reported financial results for the third quarter ended September 30, 2021.

Third Quarter 2021 and Other Recent Financial and Operating Highlights:

- Revenue of €8.1 million in Q3 2021, up 86% compared to Q3 2020;
- Revenue of €20.9 million for the first 9 months of 2021, up 54% compared to the same period in 2020;
- Adjusted EBITDA was €1.4 million in Q3 2021, representing an adjusted EBITDA margin of 17.5%;
- Adjusted EBITDA was €1.8 million for the first 9 months of 2021, representing an adjusted EBITDA margin of 8.6%;
- Revenue and adjusted EBITDA growth driven by the strong performance of SaaS platform revenue in 2021 YTD, which was up 73% year-on-year;
- Total R&D spend reached €2.0 million in Q3 2021, up 53% compared to €1.3 million R&D spend in Q3 2020, leading to a total of €5.4 million, or 26% of the revenue, for the first 9 months of 2021;
- Revenue for FY 2021 expected to come at the top end of the €25-27m guidance range, in light of current results.

"In the third quarter, MotorK continued to deliver solid top-line growth driven by the strong performance of our cloud-based SaaS platform that offers a comprehensive suite of products to support the full vehicle lifecycle and the entire customer journey," commented Marco Marlia, CEO of MotorK. "Our business continues to progress at a fast pace, and we are very satisfied with the performance we delivered this quarter. Looking ahead, we will continue to focus on our growth strategy focused on innovation to further strengthen our value proposition and SaaS offering expansion, as evidenced by our healthy level of R&D investment which was up significantly compared to the prior year. We will also continue to actively identify and leverage organic and inorganic opportunities to win new customers and roll-out additional offerings into new markets and geographies."

MotorK plc

A company registered in England and Wales

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FINANCIAL HIGHLIGHTS

Key Figures

Key figures	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
€'000						
Revenue	8,089	4,359	86%	20,870	13,547	54%
Adjusted EBITDA*	1,411	(212)	-	1,749	(1,415)	-
Adjusted EBITDA margin	17.5%	-5%	22%	8%	-10%	19%

*Adjusted EBITDA is defined as EBITDA as adjusted for stock option costs and certain income and costs, which are expected to occur infrequently, and that management considers not reflective of ongoing operational activities. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenue.

The Group generated €8.1 million in revenue for the quarter, up 86% compared to the prior year, driven by a strong performance of its SaaS platform, across both the WebSparK and LeadSparK platforms. Revenue this quarter was positively impacted by delivery to a major OEM client in Germany.

Adjusted EBITDA for the quarter was €1.4 million, compared to a €212,000 loss in 2020. The Adjusted EBITDA margin was strong at 17.5%, benefitting from SaaS-driven operating leverage, despite continued investments in R&D and innovation.

Revenue

Revenue by product and service line

The table below shows the Group's revenue broken down by product and service line for Q3 2021 and Q3 2020, and for the nine-month periods ended September 30, 2021 and September 30, 2020.

Revenue by product and service line	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
€'000						
SaaS platform revenue	5,738	2,364	143%	12,294	7,091	73%
Digital Marketing revenue	1,799	1,591	13%	5,840	5,060	15%
Other revenue	552	404	37%	2,736	1,396	96%
Total	8,089	4,359	86%	20,870	13,547	54%

With respect to the product and service lines of the Group's business, the Group's revenue is derived primarily from its SaaS platform. Revenue generated from the SaaS platform amounted to €5.7 million in the third quarter of 2021, an increase of about €3.3 million or 143% compared to the prior year period, and €12.3

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million for the nine-month period ended September 30, 2021, an increase of about €5.2 million, or 73%, compared to the nine-month period ended September 30, 2020.

Research & Development Costs and Investments

Set forth below are the breakdown of the Group's total R&D spend in absolute terms and as a percentage of the Group's total revenue for Q3 2021 and Q3 2020, and for the nine-month periods ended September 30, 2021 and September 30, 2020.

R&D spend	Q3 '21	Q3 '20	y.o.y. change	YTD '21	YTD '20	y.o.y. change
<i>€'000 (except percentages)</i>						
Total R&D spend	2,026	1,320	54%	5,351	3,688	45%
- of which capitalised	(800)	(689)	16%	(2,210)	(1,996)	11%
- of which expensed in the income statement	1,226	631	94%	3,141	1,692	86%
Total R&D spend as a percentage of Group total Revenue	25%	30%	-5%	26%	27%	-2%

As part of its growth strategy, MotorK has continued to invest in R&D to develop innovative solutions for its customers and expand the capabilities of its SaaS platform. R&D spend reached €2 million in Q3 2021 and €5.4 million for the first 9 months of 2021, up 54% and 45% respectively compared to the same periods in 2020.

OUTLOOK

MotorK expects FY 2021 revenue to come at the top end of the €25-27 million guidance range, in light of current results.

Conference Call Information

Marco Marlia (CEO) and Andrea Servo (CFO) will host a conference call for analysts and investors at 5:00 pm CET to discuss the 2021 third quarter results. A live webcast of the conference call and related earnings materials can be accessed on MotorK's Investor Relations website (investors.motork.io/). A replay of the webcast will be available through the same link on the website following the conference call.

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About MotorK Plc

MotorK (AMS: MTRK) is a leading software as a service (“SaaS”) provider for the automotive retail industry in the EMEA region, with over 300 employees and eight offices in seven countries (Italy, Spain, France, Germany, Portugal, the UK and Israel). MotorK empowers car manufacturers and dealers to improve their customer experience through a broad suite of fully integrated digital products and services. MotorK provides its customers with an innovative combination of digital solutions, SaaS cloud products and the largest R&D department in the automotive digital sales and marketing industry in Europe. MotorK was founded in Italy in 2010 and has been recognised by multiple organisations as one of the fastest growing tech companies in Europe – including Euronext TechShare, Tech Tour 50, Technology Fast 500 EMEA and the FT 1000. For more information, please visit: www.motork.io.

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