WETTERI

Wetteri Plc

Half-year report 1 January to 30 June 2024

Revenue grew by 42%, measures to improve profitability in progress

Wetteri Plc's half-year report 1 January to 30 June 2024

Revenue grew by 42%, measures to improve profitability in progress

Summary of the review period 1 April to 30 June 2024

- The Group's revenue was EUR 131,1 million ((comparison period: EUR 106,8 million in April-June 2023) with an increase of 23%
- Adjusted EBITDA vas EUR 4,6 million (EUR 5,2 million)
- The adjusted operating profit was EUR 0,7 million (EUR 2,2 million)
- The operating profit was EUR -0,7 million (EUR 1,3 million)
- The revenue of the Passenger Cars segment increased by EUR 17,4 million (25 %) year-on-year
- The revenue of the Heavy Equipment segment increased by EUR 2,4 million (14%) year-on-year
- The revenue of the Maintenance Services segment increased by EUR 4,8 million (25%) year-on-year

Summary of the review period 1 January to 30 June 2024

- The Group's revenue was EUR 275.7 million (EUR 194.3 million), with an increase of 42% which has mainly been gained through strategic acquisitions
- Adjusted EBITDA was EUR 10.8 million (EUR 10.7 million)
- The adjusted operating profit was EUR 3.2 million (EUR 4.9 million)
- The operating profit was EUR 0.5 million (EUR 2.2 million)
- The revenue of the Passenger Cars segment increased by EUR 64.7 million (53%) year-on-year; invoiced sales of used cars grew by 87%
- The revenue of the Heavy Equipment segment increased by EUR 1.3 million (3%) year-on-year
- The revenue of the Maintenance Services segment increased by EUR 15.8 million (47%) year-on-year
- The car dealership business operations of the Suur-Savo Cooperative became part of Wetteri through an acquisition on 1 January 2024
- Suvanto Trucks Oy became part of Wetteri through a share exchange on 29 February 2024
- Lahden Rekkapaja Oy became part of Wetteri on 28 June 2024

Financial guidance for 2024 updated on 23 August 2024

- Revenue EUR 520–640 million
- Adjusted operating profit EUR 12.8–15.6 million

The company's medium-term (3-year) target is to achieve EUR 1,000 million in revenue and EUR 30 million in operating profit.

Key performance indicators

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023[1)]	Change	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023[1)]	Change	1 Jan to 31 Dec 2023[1)]
Revenue	131,109	106,845	23%	275,660	194,253	42%	432,502
EBITDA	3,804	5,087	-25%	9,150	9,446	-3%	20,061
EBITDA, % of revenue	3%	5%		3%	5%		5%
Adjusted EBITDA [2)]	4,612	5,241	-12%	10,768	10,711	1%	23,970
Adjusted EBITDA, % of revenue	4%	5%		4%	6%		6%
Operating profit (loss) (EBIT)	-666	1,300	-151%	469	2,153	-78%	4,713
Operating profit (loss), % of revenue	-1%	1%		0%	1%		1%
Adjusted operating profit [2)]	695	2,157	-68%	3,227	4,891	-34%	11,225
Adjusted operating profit, % of revenue	1%	2%		1%	3%		3%
Profit (loss) before tax	-3,889	-1,063	-	-5,370	-1,197	-	-4,339
Profit (loss) before tax, % of revenue	-3%	-1%		-2%	-1%		-1%
Profit (loss) for the period from continuing operations	-3,672	-920	-	-4,980	-1,166	-	-4,336
Profit (loss) for the period from continuing operations, % of revenue	-3%	-1%		-2%	-1%		-1%
Profit (loss) for the period	-1,102	-720	-	-2,384	-686	-	-4,049
Profit (loss) for the period, % of revenue	-1%	-1%		-1%	0%		-1%
Earnings per share from continuing operations, basic (EUR)	-0.02	-0.01		-0.03	-0.01		-0.03
Earnings per share from continuing operations, diluted (EUR)	-0.02	-0.01		-0.03	-0.01		-0.03
Earnings per share, basic (EUR)	-0.01	-0.01		-0.02	-0.01		-0.03
Earnings per share, diluted (EUR)	-0.01	-0.01		-0.02	-0.01		-0.03
Return on equity (ROE), %	-41%	-8%		-29%	-4%		-13%
Return on investment (ROI), %	-16%	-8%		-13%	-6%		-9%
Equity ratio, %	16%	16%		16%	16%		16%
Liquidity, %	85%	93%		85%	93%		83%
Average number of personnel during the review period [3)]	1,025	955		1,039	852		926
Invoiced sales of new passenger cars (pcs)	924	962		1,994	1,545		3,322
Invoiced sales of new commercial trucks (pcs)	28	46		72	102		181
Invoiced sales of used passenger cars (pcs)	2,522	1,464		4,965	2,684		5,764
Invoiced sales of used commercial trucks (pcs)	124	33		176	65		114
Orders: new passenger cars (pcs)	887	787		1,889	1,417		2,862
Orders: new commercial trucks (pcs)	55	45		91	89		127
Passenger cars: order backlog at the end of the period	36,476	71,361		36,476	71,361		57,343
Commercial trucks: order backlog at the end of the period	16,378	21,700		16,378	21,700		13,655
Passenger car repair shop: hours sold	87,342	86,132		176,392	151,525		319,562
Commercial truck repair shop: hours sold	27,224	26,443		56,442	55,911		110,759

[1)] Training business operations sold during the first half of 2024 are presented as discontinued operations on the half-year report, and the income statement items of training business are presented in the consolidated income statement as part of the Group's profit (loss) from discontinued operations, separately from the income statement items of the Group's continuing operations. The presentation of the income statement for the comparison period and the calculation of the key performance indicators derived from the comparison period's income statement items have also been adjusted accordingly.

[2)] The adjusted EBITDA and operating profit do not take items affecting the comparability of the Group's EBITDA and operating profit into account, such as significant non-recurring items of income and expenses and amortisation of the fair value of assets recognised on the balance sheet by means of acquisition calculations. The purpose of the adjusted EBITDA and operating profit is to improve the comparability of the Group's EBITDA and operating profit between periods. The reconciliation of the adjusted EBITDA and operating profit is presented on page 17 of the interim report.

[3)] The calculation of the number of personnel has been revised in the review period so that the number of personnel at the end of each month has been added together, and the amount thus obtained has been divided by the number of months in the review period. The comparison information has also been adjusted to correspond to this calculation method.

Aarne Simula, CEO:

"The first half of 2024 was moderate for Wetteri in a historically difficult market situation that turned out weaker than expected. As a result of mergers and acquisitions, the Group's net sales increased by 42 percent from the previous year and amounted to EUR 275.7 million. Adjusted EBITDA settled at last year's level at EUR 10.8 million. Adjusted operating profit decreased from the corresponding period last year and was EUR 3.2 million. During the review period, Wetteri's performance was affected by the difficult market situation, general economic uncertainty and weak consumer confidence. After the review period on 23rd August, Wetteri updated its financial guidance for 2024 due to the temporal transfer of the profit and turnover effects of the planned new acquisitions, as well as the weaker-than-estimated market situation of new cars.

In January-June, Wetteri's net sales increased in all segments, most significantly in the passenger cars segment, whose net sales increased by 53 percent from the corresponding period of the previous year and amounted to EUR 186.0 million. The number of used cars invoiced increased by 85 per cent from the previous year. The soaring growth is possible by Wetteri's self-sufficiency in used cars: for every new car sold, Wetteri gets a used car in exchange. Wetteri's high-quality and versatile range of replacement cars can respond well to market demand. The order backlog of new passenger cars at the end of the review period was EUR 36.5 million. The profitability of the passenger car business was weakened by the costs related to mergers and acquisitions as well as financial expenses. The turnover of heavy equipment increased slightly from the previous year's January-June and was EUR 38.6 million. 72 new trucks and 176 used trucks were invoiced. In January-June, the turnover of maintenance services increased by 47% to EUR 49.3 million.

There is a playoff going on in the automotive industry. The market situation is as weak as in the recession of the 1990s, and the transformation of the industry has forced many operators to choose between closing the business and selling it. Importers reorganize their dealer networks and centralize representations to the largest operators. Consolidation will continue, because in the automotive sector, size is strength. It is estimated that in three to five years there will be only a few companies trading in new passenger cars in Finland. The automotive playoff is a key driver of Wetteri's growth, and the company continues to purposefully implement its growth strategy.

In the spring, Wetteri launched an efficiency program to improve profitability and save costs. The program includes measures, for example, to reorganize operations and improve the efficiency of administration. With regard to the premises, the possibilities for combining functions have been studied and the use of the premises has been enhanced. The use of labour has been adjusted with various measures. Annual savings of EUR 4 million are sought. It is clear that the improvement in profitability resulting from acquisitions will not occur in a short period of time, but Wetteri is determined to take all the necessary steps needed to realise the synergy benefits. Thanks to the acquisitions that Wetter has already implemented, the company has grown into a nationwide automotive operator with an extensive service network and even stronger multi-brand expertise. The nationwide presence makes Wetteri an interesting partner for importers, as evidenced by the addition of new brand representations during the past year. Multi-brand representation is a major contributor to organic growth.

The forecast for new passenger car registrations in 2024 has been lowered from about 80,000 to 75,000 passenger cars, which is significantly below the long-term average. In last few years, the Finnish car fleet has aged, and now there is a great need for its renewal: emission reduction targets will not be achieved with the current car fleet, in addition, modern equipment is needed improve to traffic safety. In the coming years, the car market has accumulated pent-up demand and strong organic growth potential. Increased availability of new cars is likely to increase demand. In the automotive sector, demand for new cars is expected to pick up already during the rest of the year. Moderate growth has been seen in both the European and domestic automotive markets. The automotive industry predicts a growth of about 10% in the new car trade next year.

This year, Wetteri has continued to promote its growth strategy, and the focus has been on heavy equipment. In early 2024 Suur-Savon Auto and Suvanto Trucks Oy became part of Wetteri. With Suvanto Trucks, Wetteri gained know-how in the purchase of van trucks as well as procurement channels. In May, Wetteri signed the first import and resale agreement in its history with Sany earthmoving machines. In June, the company strengthened its heavy equipment business by acquiring Lahden Rekkapaja Oy, which specializes in truck superstructures, and by opening exchange truck sales points in Joensuu and Kuopio. In late summer, we opened a used car centre in Vantaa in accordance with the Wetteri Premium concept, which allows us to meet the growing demand for high-quality exchange cars in the Helsinki Metropolitan Area. Wetteri's position is strong in a market that is turning to growth."

Operating environment

The operating environment in the automotive sector has been exceptionally challenging, a similar situation has been seen most recently during the recession of the 1990s. Demand for new passenger cars in particular is at a very low level for a long time.

According to statistics from the Finnish Information Centre of the Automobile Sector, a total of 39,157 new cars were registered during the first half of 2024. The volume is 16.5% lower than in the first half of 2023. The number of registrations of new cars is expected to be around 75,000 this year.

During the first half of the year, used car sales in car dealerships were around 6% higher than last year.

The number of first registrations of new vans totalled 5,624 in the first half of the year, with a decrease of 7.6% year-on-year. This year, the number of first registrations of vans is expected to be around 10,000 (slightly in excess of 11,000 in 2023). In 2025, the van market is expected resume growth to a slight degree.

In the first half of the year, the number of registrations of commercial trucks decreased by 6.2% year-on-year. A total of 1,982 commercial trucks were registered in the first half of the year. This year, the number of first registrations of commercial trucks is expected to be around 3,200 (3,949 in 2023). The automotive sector expects the number of first registrations of commercial trucks to resume growth next year.

According to statistics published by the European Automobile Manufacturers' Association, registrations of new cars in Europe increased by 4.5% in January–June compared with the corresponding period in the previous year. However, in Europe, the number of registrations continues to be significantly lower than before the pandemic (-18%). During the first half of the year, the number of registrations increased moderately in Spain (+5.9%), Italy (+5.4%) and France (+2.8%).

Higher interest rates, low consumer confidence and uncertainty about economic development are affecting the demand for new cars, while the demand for used cars has turned to growth. The return of delivery times for new cars to normal levels and the stabilisation of the development of interest rates and inflation may increase interest in purchasing new cars, but this will be reflected in registrations with a delay. The continued low level of first registrations and the ageing car fleet in Finland will create strong demand potential and opportunities for organic growth for the car trade in the coming years. The introduction of more affordable rechargeable cars to the market is likely to increase the demand for new passenger cars.

The automotive industry is undergoing a major transformation globally. The industry is being consolidated into larger units that are better equipped than small operators to meet the development needs of technology and the investment pressures created by the electrification of motoring in terms of car maintenance services and digital solutions, for example. The transformation calls for an ability to respond to stricter environmental requirements and reporting obligations, as well as changes in distribution route models and consumer behaviour. The transformation of the operating environment is leading the smaller and medium-sized operators in the sector to a strategic reassessment, in which choices are made from the perspectives of business development opportunities and the necessary investments, as well as divestments.

The automotive sector estimates that the number of orders for new cars will recover in the second half of 2024. By 2025, the automotive industry is already forecasting a 10% increase in demand, and both domestically and in Europe, there are already incipient signs that demand for new cars will turn to growth.

Strategy

Wetteri aims to become Finland's largest full-service multi-brand dealership and the most profitable company in its sector.

The on-going play-off-situation in the automotive sector is a key driver of Wetteri's growth and will have a positive impact on the company's profitability over the next few years. Wetteri is a strongly growth-oriented company that grows both through acquisitions and organically. Wetteri benefits from the synergies, operational efficiency and more favourable cost structure arising from acquisitions. In its acquisition plan, Wetteri focuses on well-managed operators whose business models and cultures are a good match with Wetteri, an entrepreneur-driven company, and that have strong business development potential. This ensures that the integration processes run smoothly, and that synergies are achieved. The company is seeking organic growth by building a national sales network for used commercial trucks and by opening used car centres for passenger cars, among other means. Through stronger brand presentation, the company is seeking to gain a stronger position in the car market. New electrified cars in the most popular segments and price ranges are an example of this.

The company's broad-based business model, extensive offering and strong track record of successful growth management lay a solid foundation for the company to execute measures in line with its growth strategy. Wetteri's business model covers the sale of new passenger cars, commercial vehicles and heavy vehicles, and the spare parts, maintenance and repair shop business, as well as the sale of used cars. The comprehensive business model creates a broad basis for organic growth in different operating segments, generates a stable revenue flow and mitigates business risks over the business cycle. Wetteri has also signed an agreement on the import and distribution of earth-moving machinery, which significantly strengthens the company's position in business operations related to the sale and maintenance of heavy vehicles.

Wetteri has Finland's largest car brand representation, 40 brands in total. Thanks to its multi-brand representation, which is a strategic strength, the company has a unique market position in both car sales and as a provider of maintenance services. The company has an exceptionally wide range of brand-specific expertise, which plays a major role in building customer loyalty and is also an advantage in the transformation of distribution route models. Wetteri's national presence makes the company an interesting partner for importers, and it is possible to further increase brand coverage.

Wetteri intends to further strengthen its leadership in using digitalisation and data analytics, and the company will be investing in the development of predictive remote diagnostics for heavy transport. In maintenance operations, video inspections and reports on and recordings of the measures performed are part of Wetteri's digital development work and customer service development. The development of digital service channels and data-driven marketing in terms of analytics tools and service platforms, for example, is an important means to respond to changes in consumer behaviour.

Wetteri is committed to responsible and sustainable business operations and has identified the impacts of its operations on the operating environment, as well as the impacts of the operating environment on the company's business. Wetteri will determine its sustainability targets during 2024. In line with its Green Deal commitment, Wetteri aims to increase awareness of low-emission motoring. At the same time, the company is committed to reducing emissions through its own operations. The maintenance business, which is significant for Wetteri, is quite labour-intensive. It is therefore important for the company to invest in well-being and safety at work and in supporting career-long working capacity.

In its investor strategy, the company aims to increase sustainable shareholder value, in addition to aiming for a liquid share with a broad ownership base. The company is exploring options for financing growth, strengthening equity and expanding the ownership base.

Promotion of the growth strategy in 2024

In October 2023, Wetteri announced it would acquire the car dealership business operations of the Suur-Savo Cooperative. The acquisition was completed on 1st January 2024. On 11th December 2023, Wetteri announced that it would acquire Suvanto Trucks Oy through a 100% share exchange and build a nationwide sales network for used vehicles. The acquisition of Suvanto Trucks Oy was completed on 29th February 2024.

In May 2024, Wetteri announced that it had signed an import and distribution agreement with SANY Northern Europe AB. This is the first import agreement in Wetteri's history. As a result of the agreement, Wetteri's offering of heavy vehicles will expand significantly and diversely to cover the needs of companies operating in the earth-moving and civil engineering sectors.

In June, Wetteri announced that it would strengthen its heavy vehicle superstructure business by acquiring the entire share capital of Lahden Rekkapaja Oy. The transaction was carried out almost entirely through a share exchange. In July, Wetteri announced the acquisition of the business operations of Sports Car Centre Lempäälä. With the acquisition, Wetteri will be able to diversify its operating concept in a significant market area. In the transaction, Volvo and Mercedes-Benz maintenance operations were also transferred to Wetteri.

The expansion of brand representation is an organic growth factor: broader representation makes it possible to meet the needs of a wide variety of customer segments. In July, Wetteri announced its expanding Kia and Mitsubishi representation and new Chinese brand representation, with the inclusion of Skywell, Seres and DFSK in Wetteri's range. The company also announced a new representation agreement for the Voyah and Dongfeng brands.

In the spring, Wetteri has launched a program to improve profitability and save costs. The program includes measures to reorganize operations and improve the efficiency of administration. Regarding the premises, the possibilities for combining functions have been studied and the use of the premises has been enhanced. Wetteri operates in 50 locations and the annual rental costs are EUR 12 million. The use of labour has been adjusted by site and overlapping tasks have been discontinued. The effectiveness of actions with an impact on personnel is reflected in profitability with a delay. The efficiency programme is estimated to result in annual savings of approximately EUR 4 million.

Business performance in the review period

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	Change	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	Change	1 Jan to 31 Dec 2023
Group							
Revenue	131,109	106,845	23%	275,660	194,253	42%	432,502
EBITDA	3,804	5,087	-25%	9,150	9,446	-3%	20,061
Adjusted EBITDA	4,612	5,241	-12%	10,768	10,711	1%	23,970
Operating profit (EBIT)	-666	1,300	-151%	469	2,153	-78%	4,713
Adjusted operating profit	695	2,157	-68%	3,227	4,891	-34%	11,225

The Wetteri Plc Group's revenue in the second quarter of 2024 was EUR 131.1 million. Compared with the corresponding period in the previous year (EUR 106.8 million), its revenue increased by 23%. Its second-quarter EBITDA was EUR 3.8 (5.1) million. Its adjusted EBITDA was EUR 4.6 (5.2) million, operating profit EUR -0.7 (1.3) million and adjusted operating profit EUR 0.7 (2.2) million

Revenue in January–June 2024 was EUR 275.7 million. Compared with the corresponding period in the previous year (EUR 194.3 million), revenue increased by 42%. EBITDA for the first half of the year was EUR 9.2 (9.4) million. The adjusted EBITDA was EUR 10.8 (10.7) million, operating profit EUR 0.5 (2.2) million and adjusted operating profit EUR 3.2 (4.9) million.

The acquisitions of Autotalo Hartikainen in March 2023, AutoPalin in June 2023 and the car dealership business operations of the Suur-Savo Cooperative in January 2024 had a positive impact on revenue in the review period, as did the acquisition of Wetteri Trucks Oy (previously Suvanto Trucks Oy), which was completed in March 2024. An increase in the sale of used cars also contributed to the Group's revenue. The demand for new cars remained well below the long-term averages.

The net sales and earnings for the review period were weakened by the historically weak market situation for new cars, which turned out to be more difficult than expected.

Operating segments

Passenger Cars segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	Change	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	Change	1 Jan to 31 Dec 2023
Passenger Cars							
Revenue	87,545	70,164	25%	186,012	121,280	53%	284,456
EBITDA	-79	1,780	-104%	495	2,399	-79%	4,235
Adjusted EBITDA	146	1,839	-92%	995	2,465	-60%	5,070
Operating profit (EBIT)	-1,747	52	-3470%	-2,828	-741	-	-2,491
Adjusted operating profit	-1,125	596	-289%	-1,499	237	-734%	77

The Passenger Car segment's revenue in January–June 2024 was EUR 186.0 million, with an increase of 53% from the corresponding period in the previous year. The strong growth in revenue was driven by business acquisitions and increased activity in the used car trade. There were 1,994 invoiced sales of new passenger cars in the review period, up 29.1% from the corresponding period in the previous year. The value of the order backlog for new cars at the end of the review period was EUR 36.5 million. The order backlog consisted of 715 cars at the end of the review period.

The invoiced sales of used cars totalled 4,965 in January–June 2024, up 85% from the corresponding period in the previous year.

Heavy Equipment segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	Change	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	Change	1 Jan to 31 Dec 2023
Heavy Equipment							
Revenue	18,974	16,619	14%	38,645	37,379	3%	67,846
EBITDA	897	1,057	-15%	2,473	2,096	18%	4,809
Adjusted EBITDA	1,074	1,204	-11%	2,721	2,680	2%	5,441
Operating profit (EBIT)	154	540	-71%	1,160	878	32%	2,596
Adjusted operating profit	383	800	-52%	1,510	1,816	-17%	3,682

The Heavy Equipment segment's revenue in January–June decreased slightly from the previous year and amounted to EUR 38.6 million. The invoiced sales of new commercial trucks totalled 72 in the review period (102 in the corresponding period in the previous year). The invoiced sales of used commercial trucks totalled 176 (65 in January–June 2023). The strong growth is explained by Wetteri Trucks Oy (formerly Suvanto Trucks Oy), which became part of the Wetteri Group on 29 February 2024. Its invoiced sales of used commercial trucks totalled 105 in March–June.

A total of 91 new commercial trucks were ordered during January–June 2024, with an increase of two trucks from the previous year. The value of the order backlog was EUR 16.4 million. The market share of Wetteri Power Oy's Volvo and Renault commercial trucks was 32.2% in the market area at the end of June. Wetteri Power Oy's long-term (2003–2023) average market share in its area is 31.6%. At the end of the review period, the value of the maintenance contract portfolio was EUR 22.4 million (EUR 20.7 million at the end of the comparison period). The maintenance contract coverage is more than 94%.

Maintenance Services segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	Change	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	Change	1 Jan to 31 Dec 2023
Maintenance Services							
Revenue	23,782	19,025	25%	49,286	33,524	47%	76,040
EBITDA	2,905	2,305	26%	6,111	5,222	17%	10,534
Adjusted EBITDA	3,144	2,554	23%	6,961	5,823	20%	12,654
Operating profit (EBIT)	862	393	120%	2,108	1,955	8%	3,151
Adjusted operating profit	1,203	745	62%	3,162	2,762	15%	5,680

The Maintenance Services segment's revenue in January–June 2024 was EUR 49.3 million, with an increase of 47% from the corresponding period in the previous year. A total of 176,392 maintenance and repair shop hours were sold in January–June 2024, up 16.4% from the corresponding period in the previous year. The euro-denominated maintenance work invoicing increased by 26.7% year-on-year. The electrification of motoring is reflected in maintenance operations as an increase in the demand for brand-specific expertise and, consequently, an increase in customer loyalty. Spare parts sales in January–June 2024 increased by 32.6% year-on-year. Spare parts sales grew alongside maintenance operations, and the level of accessories in new cars also increased the demand for spare parts.

Items not allocated to operating segments

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	Change	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	Change	1 Jan to 31 Dec 2023
Items not allocated to operating segments							
Revenue	807	1,038	-22%	1,718	2,070	-17%	4,160
EBITDA	81	-55	-	71	-271	-	482
Adjusted EBITDA	248	-356	-	92	-257	-	805
Operating profit (EBIT)	64	315	-80%	29	60	-52%	1,456
Adjusted operating profit	234	16	1338%	54	77	-31%	1,787

Items not allocated to operating segments include the business operations of the Group's service station in Kuusamo, the Group's administration and other items not allocated to the segments. Items not allocated to operating segments have previously also included the Group companies Management Institute of Finland MIF Oy and Tieturi Oy, which engage in training business operations in Finland. These companies were sold on 2 April 2024 following an announcement made in early 2024. In addition, the business operations of the Group company Informator Utbildning Svenska AB, which engages in training business operations in Sweden, were sold to a local operator on 29 April 2024. In the half-year report, the income statement items related to Management Institute of Finland MIF Oy, Tieturi Oy and Informator Utbildning Svenska AB are presented as part of the Group's result from discontinued operations for the period. The information concerning the comparison period has been adjusted accordingly.

Balance sheet, financial position and investments

At the end of the review period, the Group's balance sheet total stood at EUR 231.0 million, of which equity accounted for EUR 37.2 million. Non-current liabilities totalled EUR 53.4 million, including EUR 39.6 million in lease liabilities. At the end of the review period, current liabilities stood at EUR 140.4 million, including EUR 44.4 million in trade and other payables and EUR 10.2 million in lease liabilities. Net working capital stood at EUR 25.3 million at the end of the review period. Inventories amounted to EUR 89.8 million. The equity ratio was 16%.

At the end of the review period, the Group's interest-bearing liabilities consisted of EUR 49.8 million in lease liabilities, EUR 18.9 million in loans from financial institutions, EUR 16.3 million in balance used from the Group's account credit facilities of EUR 18.5 million, EUR 5.8 million in capital loans, EUR 2.0 million in convertible bonds, EUR 0.2 million in other loans, EUR 0.1 million in derivative instruments, EUR 30.9 million in use from the consignment stock facilities for used cars, EUR 16.3 million in use from the facilities for sale and leaseback arrangements for demonstration cars, and EUR 1.5 million in other financial liabilities. Interest-bearing liabilities totalled EUR 141.8 million. Interest-bearing liabilities, excluding lease liabilities, the consignment stock facility in use and the sale and leaseback facility in use, totalled EUR 44.8 million.

Interest-bearing liabilities

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current interest-bearing liabilities			
Capital loans	5,752	5,341	5,742
Loans from financial institutions	305	18,083	293
Loans under the Employee Pensions Act (TyEL)	0	241	371
Product development loans	0	257	129
Other loans	208	1,019	246
Lease liabilities	39,585	40,511	38,624
Other financial liabilities	61	21	4
Derivative instruments	53	0	152
Non-current interest-bearing liabilities, total	**45,963**	**65,474**	**45,560**
Current interest-bearing liabilities			
Loans from financial institutions	18,627	6,876	21,956
Overdraft facilities	16,312	7,863	11,752
Loans under the Employee Pensions Act (TyEL)	0	354	464
Product development loans	0	129	129
Convertible bonds	2,000	2,000	2,000
Lease liabilities	10,167	8,106	8,798
Vehicle consignment stock facilities	30,939	30,817	24,662
Vehicle sale and leaseback facilities	16,316	14,467	15,810
Other financial liabilities	1,454	2,823	1,383
Current interest-bearing liabilities, total	**95,816**	**73,435**	**86,954**
Interest-bearing liabilities, total	**141,779**	**138,909**	**132,515**

Consignment stock financing for used cars and sale and leaseback arrangements for demonstration cars are a significant part of the Group's efficient working capital management and a major part of the Group's interest-bearing liabilities. The Group has access to credit facilities that can be used for the purpose of financing cars. The financing obtained from consignment stock financing for used cars and sale and leaseback arrangements for demonstration cars is presented under current financial liabilities on the consolidated balance sheet. On the other hand, a car issued for financing is included in the Group's inventories and serves as collateral for the financing granted. A car under financing is redeemed when it is sold to a customer.

Of the Group's interest-bearing liabilities, EUR 30.9 million (22%) is related to consignment stock financing for used cars, and EUR 16.3 million (12%) is related to sale and leaseback arrangements concerning the Group's demonstration and courtesy cars (EUR 47.3 million in total). At the end of the review period, the Group had access to EUR 51.5 million in credit facilities related to its consignment stock of vehicles and EUR 26.4 million in credit facilities related to vehicle sale and leaseback arrangements. The facilities granted (EUR 77.9 million in total) enable the Group's growth in line with its strategy.

In the review period, cash flow from operating activities was EUR 11.5 million, and the total cash flow was EUR 0.3 million. Investments amounted to around EUR 1.6 million in the review period. Of the investments, EUR 0.5 million was related to different car brands' delivery facilities and showrooms and EUR 0.2 million to the energy-efficient car paint shop at the Kajaani repair shop. The rest of the investments were mainly related to dealership equipment.

Group governance and management

Board of Directors

The members of Wetteri Plc's Board of Directors are Markku Kankaala (Chair), Martti Haapala, Mikael Malmsten, Satu Mehtälä, Hannu Pärssinen and Aarne Simula.

Management Team

Aarne Simula serves as the CEO of Wetteri Plc. The company's Management Team consists of the following members:

- Aarne Simula, CEO and President
- Panu Kauppinen, CFO
- Juha Kontio, Head of the Western Finland area of Wetteri Auto Oy
- Samuli Koskela, Director, IR & MA
- Antti Ollikainen, CEO, Wetteri Power Oy and Wetteri Trucks Oy
- Ari Roivainen, Head of the Eastern Finland area of Wetteri Auto Oy
- Sanna Räsänen, HR & CCO

Decisions of the Annual General Meeting and the Board of Directors' inaugural meeting

On 22 May 2024, Wetteri Plc's Annual General Meeting (AGM) adopted the financial statements for 2023 and discharged the Board of Directors and the CEO from liability. In accordance with the Board of Directors' proposal, the AGM decided that no dividend would be paid for the financial year that ended on 31 December 2023.

The AGM confirmed that the Board would consist of six members. Markku Kankaala, Martti Haapala, Mikael Malmsten, Satu Mehtälä, Hannu Pärssinen and Aarne Simula were re-elected as members of the Board. PricewaterhouseCoopers Oy continues as the company's auditor, with Sami Posti, APA, as the principal auditor. The AGM decided to select PricewaterhouseCoopers Oy as the company's sustainability reporting auditor, with APA, Authorised Sustainability Auditor Tiina Puikkoniemi as the principal sustainability reporting auditor.

The AGM decided that each member of the company's Board of Directors would be paid a fee of EUR 3,000 per month, and that the Chair of the Board would be paid a fee of EUR 5,500 per month. No separate meeting fees will be paid. By decision of the AGM, the Chairs of committee meetings will be paid a fee of EUR 500 per meeting, and the members of the committees will be paid a fee of EUR 300 per meeting.

The AGM authorised the Board of Directors to decide on share issues, including the right to issue new shares or transfer shares held by the company, and on the issue of option rights and other special rights entitling their holders to shares. Based on the authorisation, a maximum of 70,000,000 new shares or shares held by the company can be issued in one or more instalments. This represents around 44.5% of the company's current shares. The authorisation replaces previous authorisations and is valid for one year from the decision of the AGM.

Based on the authorisation granted by the AGM, the Board of Directors has the right to decide on share issues and the issue of option rights and other special rights entitling their holders to shares, and on the terms and conditions of such issues. The Board may use the authorisation to finance and enable acquisitions or other business arrangements and investments, for example, or to provide personnel with incentives or encourage them to commit to the company. Based on the authorisation, the Board may decide on share issues against payment and share issues without payment, and consideration other than cash may also be used as payment for the subscription price. The authorisation includes the right to decide on deviation from the shareholders' pre-emptive right if the conditions laid down in the Limited Liability Companies Act are met.

The Board of Directors' inaugural meeting

At its inaugural meeting after Wetteri Plc's AGM, the Board elected Markku Kankaala as Chair and Hannu Pärssinen as Vice Chair from among its members. The other members of the Board are Martti Haapala, Mikael Malmsten, Satu Mehtälä and Aarne Simula.

At the Board's inaugural meeting, Satu Mehtälä was elected as Chair of the Audit Committee, and Markku Kankaala and Hannu Pärssinen were elected as the members of the Audit Committee. Samuli Koskela, secretary to the Board of Directors, was elected as secretary to the Audit Committee. Hannu Pärssinen was elected as Chair of the Remuneration Committee, and Mikael Malmsten, Martti Haapala and Aarne Simula were elected as its members.

Company shares

Wetteri Plc's share capital stood at EUR 96 thousand at the end of the review period, and the total number of shares was 157,149,545. The company did not hold any treasury shares at the end of the review period or the comparison period.

Key events during the review period

On 2 January 2024, the company announced the completion of the acquisition of the car dealership business operations of the Suur-Savo Cooperative Society.

On 11 January 2024, the company announced that the Finnish Competition and Consumer Authority had approved the Suvanto Trucks Oy transaction on 11 January 2024. The transaction was completed 29 February 2024.

On 1 February 2024, the company provided preliminary information about its adjusted operating profit for 2023, which was expected to be around EUR 11.7 million. The company further specified the estimate on 9 February 2024 by announcing that its adjusted operating profit for 2023 would be more than EUR 11.7 million.

On 14 February 2024, the company announced that it would sell its training service companies in Finland (Management Institute of Finland MIF Oy and Tieturi Oy) to Professio Finland Oy. The transaction was completed after the end of the review period on 2 April 2024. The transaction price (EUR 5.3 million) consisted of the basic purchase price, as well as the purchase price based on the net working capital calculation on the transaction date and adjustments made to it on the transaction date, and the return of capital carried out before the execution of the transaction. The buyer paid 40 per cent of the purchase price as a cash consideration on the transaction date, and ten per cent will be paid on 30 June 2024. For the remaining 50 per cent, Wetteri granted an interest-bearing loan with a five-year loan period, the first two years being free of loan repayments.

On 14 February 2024, the company announced negotiations on the renewal of the financing agreement between Wetteri Group's subgroup Themis Holding and the financing bank. In light of the preliminary figures, the covenants of the financing agreement were not fully met at the time of review.

On 12 March 2024, the company announced that it had signed a major dealership agreement on Dongfeng and Voyah electric cars with Nordcars Finland Oy. The cooperation is expected to have a significant impact on Wetteri's position in the electric car market.

On 15 March 2024, the company announced the result of its share issue to personnel. A total of 670 employees participated in the share issue, and the Board of Directors approved the issue of a total of 67,000 new shares.

On 17 April 2024, the company announced that the publication of its financial statements and annual report would be postponed. The reason for the postponement is the schedule for closing the financing negotiations and its impact on the completion of the audit.

On 24 April 2024, the company announced the renewal of the financing agreement and announced that Elo Mutual Pension Insurance Company would become a new financier for the company.

On 30 April 2024, the company published its financial statements, Board of Directors' report, Corporate Governance Statement and remuneration report.

On 30 April 2024, the company published notice of the 2024 Annual General Meeting, which was held in Oulu on 22 May 2024.

On 8 May 2024, the company announced that its subsidiary Wetteri Trucks Oy (formerly Suvanto Trucks Oy) had signed an import and distribution agreement with SANY Northern Europe AB on earth-moving machinery such as excavators and wheel loaders. The agreement may be expanded to also include other SANY earth-moving machinery. The cooperation on import and distribution will significantly strengthen Wetteri's market position in the Heavy Equipment business by expanding its offering from commercial trucks to heavy-duty equipment.

On 17 May 2024, the company announced that it would publish its interim report for January–March earlier than previously announced. The interim report was published on 21 May 2024.

The Annual General Meeting (AGM) of the Company was held on 22 May 2024. The resolutions of the AGM and the inaugural meeting of the Board of Directors were announced after the AGM.

On 26 June 2024, the company announced that the following members had been appointed to its Management Team: Samuli Koskela, Director, IR & MA; Juha Kontio, Head of the Western Finland area of Wetteri Auto Oy; and Ari Roivainen, Head of the Eastern Finland area of Wetteri Auto Oy. They joined the existing members of the Management Team: Aarne Simula, CEO; Antti Ollikainen, CEO of Wetteri Power Oy and Wetteri Trucks Oy; Panu Kauppinen, CFO; and Sanna Räsänen, CCO.

On 28 June 2024, the company announced that it would acquire Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 and execute a directed issue in exchange for EUR 1.3 million towards a total purchase price of EUR 1.4 million.

Key events after the review period

On 13 August 2024, the company announced that the financing agreement between Themis Holding Oy, a subgroup of the Wetteri Plc Group, and the financing bank included covenants measuring the amount of net interest-bearing liabilities divided by the 12-month EBITDA, as well as the equity ratio, and that the covenants were not fully met on 30 June 2024. Wetteri has started negotiations with the financing bank to update the covenants of the financing agreement. The long-term portion (EUR 11.7 million) of the funding under the financing agreement is treated as a current liability in accordance with IAS 1.74.

On 23 August 2024, the company announced that it will lower its financial guidance for 2024. The previous guidance included mergers and acquisitions and the resulting profit and revenue effects. Realization of profit and turnover effects is postponed in time. The performance of Wetteri's operations has been affected by the historically weak and more difficult than expected market situation for new cars: the first registrations of new cars in 2024 will be around 75,000 cars, while in the spring the forecast was about 80,000 new passenger cars. New financial guidance for 2024: net sales of EUR 520-640 million and adjusted operating profit of EUR 12.8-15.6 million. The company's medium-term (3 years) objective is to achieve a turnover of EUR 1,000 million and an operating profit of EUR 30 million.

Personnel

Wetteri’s average number of personnel was 1,039 in the review period. Wetteri’s personnel by function:

- Sales 18%
- Maintenance and spare parts business 76%
- Administration 4%
- Other 2%

92% of its mechanics’ employment relationships and 95% of its white-collar employees’ employment relationships were permanent. Wetteri supports its personnel in learning and offers opportunities for training during their careers. In the automotive sector, importer requirements also call for a high level of staff competence to be maintained. Wetteri offers fair working conditions in accordance with collective agreements and invests in maintaining working capacity and preventing problems. Equal treatment and respect for other people are important values. In its sustainability work, Wetteri invests in accident prevention, well-being at work and the development of working capacity management, among other aspects.

Sustainability

Wetteri determines its material sustainability themes in cooperation with its key stakeholders. Key stakeholders include employees, customers, investors, importers, subcontractors and the operating environment.

Wetteri’s material sustainability themes are low-emission and safe driving, a sustainable working life and a desired workplace, and good management and a responsible company as part of society. The material themes cover environmental responsibility, social responsibility and good governance.

The Group’s Management Team is responsible for the management of sustainability work. It maintains the company’s sustainability plan and its targets and monitors the achievement of the targets. Management systems certified in accordance with ISO 9001 and ISO 14001, as well as the related audits, are important parts of sustainability work as a whole.

Wetteri will examine ways to include sustainability more strongly in the company’s strategy and determine its sustainability targets during 2024. The company is also preparing for CSRD reporting together with its partner.

Environmental responsibility

Wetteri is committed to the automotive sector’s Green Deal agreement, which aims to promote the achievement of the CO_2 emissions reduction targets set for transport, the improvement of the energy efficiency of vehicles, and the increased use of biofuels and other types of alternative motive power. Wetteri seeks to raise its employees’, customers’ and stakeholders’ awareness of environmentally friendly driving, in addition to helping customers find the optimal solution between their transport needs and a minimal climate load.

Social responsibility

Wetteri's material sustainability themes include a sustainable working life and a desired workplace. Wetteri has drawn up guidelines for a flexible working life at different stages of careers with the aim of supporting individuals' coping at work and responding to individual needs. Wetteri invested in personnel training and competence development in ways typical of the automotive industry during 2023. The training includes brand-specific maintenance and sales training, as well as various types of training related to occupational safety and health.

Good governance

Wetteri's Code of Conduct and other operating system guidelines determine practices related to human rights, responsible sourcing, subcontractor audits, good business practice, competition and anti-corruption, for example. Wetteri has a risk management organisation that is partly responsible for developing the company's operating models. Risk management is an integral part of the company's management system.

Wetteri has zero tolerance of all forms of harassment and discrimination in the workplace. Wetteri also has an operating model against inappropriate behaviour, which also outlines the procedures to be applied if harassment is detected in any form.

Key risks and uncertainties

Wetteri divides its risks into operational, strategic and financial risks, and risks related to the operating environment.

Risks in the operating environment are related to the general economic situation, tightening competition, changes in the distribution route model in the car trade, geopolitical tensions, technological development and changes, exposure to industrial action, and changes in consumer behaviour.

Operational risks arise from events caused by inadequate or dysfunctional internal processes and systems or by people. The damage caused by risks may be either direct or indirect, financial, or related to the corporate image that diminishes Wetteri's reputation among the company's customers or partners.

Wetteri's most significant operational risks are related to customer relationship management, possible supply chain disruptions, inventory management, human resources management, the company's IT environment, internal and external financial reporting, profit forecasting, communications and investor relations, and possible key personnel dependencies in governance and business operations.

Wetteri maintains normal insurance cover against various risks associated with the Group's business operations. Because of general restrictions included in insurance policies, the insurance may not necessarily cover all the damage incurred. Wetteri's insurance policies are organised so that they reflect Wetteri's business operations, and the insurance cover corresponds to industry practices and covers the risks against which obtaining insurance can be considered an appropriate measure.

Strategic risks are uncertainties that may, in the short or long term, affect the achievement of the company's strategic targets or even the company's existence. Strategic risks can be caused by failed strategic decisions and slow responses to changes in the operating environment, for example. Strategic risks can often involve both a positive opportunity and a negative threat.

Wetteri's most significant strategic risks are related to the failure of the growth strategy and the execution of acquisitions in accordance with the strategy. In general, acquisitions can involve a variety of challenges, which can lead to high one-off costs, lost synergies and lower than expected return on capital employed in the acquired business. The failure of an acquisition may result from, for example, overvaluing the acquiree, insufficient due diligence, a failure to integrate and manage the acquired business, or underestimating the costs incurred in the process. Wetteri seeks to reduce the risk associated with acquisitions through comprehensive due diligence. The aim is to support the success of integration through careful planning and the elimination of overlaps in the organisation of information management and governance, as well as by supporting personnel during changes and supervisors in change management.

Significant strategic risks also include problems potentially related to Wetteri's business model and failure in the business model. In particular, a failure to prepare for changes in the supply chain and to anticipate the development of customers' consumption behaviour may have an adverse impact on Wetteri's business and financial position and cause reputational harm. In its current form, Wetteri's business model also ties up a relatively high amount of capital, which is characteristic of the car trade and can significantly affect the company's financing needs. As car brand distribution models are evolving towards the agent model, in which cars are sold from the manufacturer's balance sheet instead of the car dealer's balance sheet, the car trade business will tie up less capital in the future.

Wetteri's business operations are also sensitive to cyclical fluctuations, particularly in the trade of new cars, as sales of new cars are cyclical. Cyclical fluctuations may therefore have adverse impacts on Wetteri's capacity to generate income. On the other hand, Wetteri's business model includes not only the sale of new cars, but also the spare parts, maintenance and repair shop business, and the sale of heavy vehicles, whose good profitability and less cyclical nature protect the company from cyclical fluctuations.

Car brand representation agreements with importers are significant for Wetteri's business operations and therefore also involve significant business risks. Representation agreements include terms concerning the termination of the agreement in situations in which material changes take place in Wetteri's ownership or management. The company seeks to mitigate the risk related to car brand representation agreements by having cooperation relationships with importers managed by several members of the management, so that such relationships do not depend on any single key individual.

Problems related to the availability of skilled personnel can also have a significant impact on Wetteri's business operations. This may be caused by a lack of suitable training in the labour market, a decrease in the attractiveness of the sector in the eyes of jobseekers, a general transformation in working life, and a loss of expertise in the market through the retirement of large numbers of experts. Shortages in the availability of skilled personnel can lead to both a reduced capacity to generate income and increased costs, as well as a decline in customer satisfaction.

Financial risks refer to uncertainties related to the organisation's solvency, sufficiency of capital, financial processes and financial reporting. Financial risks may arise from changes in the availability and structure of capital, exchange rates and interest rates, for example. In its business operations, Wetteri is exposed to several financial risks that can affect the company's financial position.

Liquidity risk refers to the risk that Wetteri faces difficulties in trying to meet its payment obligations to the full extent and on time. The Group's key liquidity needs are mainly related to the management of short- and long-term financial liabilities, capital expenditure, payment of taxes, investments, and changes in working capital. Wetteri's financing agreements include covenants related to financial key indicators, as well as other terms related to indebtedness, investments, ownership structure, business continuity, the transfer and pledging of shares, and the distribution of funds. Performance in terms of the covenants is reviewed on 30 June and 31 December. If the covenants are not met at the time of review, this can lead to the maturity of the Group's bank financing. On 13 August 2024, Wetteri announced that the covenants included in one of its financing agreements were not fully met on 30 June 2024. This is explained in more detail in note **10. Financing arrangements** and note **14. Events after the end of the review period**. Taking account of the covenants related to financing agreements and Wetteri's acquisition-driven growth strategy, ensuring liquidity requires careful liquidity risk management and a positive cash flow from operating activities.

To minimise the liquidity risk, the Group's management monitors and forecasts short-term liquidity at least weekly, in addition to which the management maintains a long-term cash flow forecast. To reduce the liquidity risk, Wetteri uses a variety of funding sources to ensure that the company can meet its short-term and long-term payment obligations. The availability and flexibility of the Group's financing is ensured through the use of financial institutions' credit instruments, the financing of used cars and demonstration cars, and the issue of equity instruments. Wetteri has access to extensive credit facilities offered by various financing companies for used cars and demonstration cars that can be used for the purpose of financing cars. The car serves as collateral for the financing received against the car, and the car is redeemed from financing when it is sold to a buyer. The credit facilities for financing cars are agreements valid until further notice, with notice periods of one to six months. The facilities are continuous in nature, and the status of the agreements and the need for adjustments are typically reviewed with the financing companies in connection with acquisitions or at least annually.

The company's debt-intensive capital structure is also related to the liquidity risk. A debt-intensive capital structure can lead to higher financing costs and a decrease in the company's capacity to generate income. Success in raising equity investments and executing share issues is key in minimising the risk associated with the capital structure.

Interest rate risk arises for Wetteri when changes in reference rates and interest margins affect the Group's financing costs. The Group's bank loans consist of variable rate loans linked to Euribor rates. Because of the Euribor-linked loans, the Group is exposed to a cash flow risk arising from variable rate loans. The cash flow risk associated with variable rate loans is hedged against by means of interest rate swaps.

Credit risk is the risk that a counterparty is unable to meet its contractual obligations, thus causing a financial loss to the Group. Wetteri may incur a credit loss if its customers or counterparties to other contracts are unable to meet their obligations towards the Group. Wetteri has policies to ensure that products or services are sold only to customers with an appropriate credit history. The Group checks the credit history and solvency of significant new corporate customers before entering into contracts and actively monitors the creditworthiness and solvency of its customers. Receivables are collected and monitored on a weekly basis. Generally, the Group protects itself from the credit risk related to private customers by conducting only cash transactions with private customers. The Group also offers private customers a Wetteri credit account managed by a third party if the customer wishes.

Exchange rate risk refers to the risk that the Group, when operating internationally, is exposed to the transaction risk arising from different currency positions and the risk arising from the conversion of investments in different currencies into the parent company's functional currency. The Group's exposure to the exchange rate risk is not significant.

Estimated development of the industry and the company in 2024

In 2024, registrations of new passenger cars are estimated to remain at 75,000 in the whole country, compared to an estimate of 80,000 new passenger cars at the beginning of the year. Economic uncertainty has weighed on demand more than anticipated in the early part of the year, but the automotive industry predicts that demand for new passenger cars and heavy equipment will start to grow at the end of 2024. An increase of about 10% is forecast for 2025. Lower interest rates and lower inflation may increase demand for new cars in all vehicle categories, and improved availability of new cars will support demand growth. During the current year, Wetteri has strengthened its brand representations nationwide, which is estimated to support organic growth during the rest of the year. The used car trade is expected to continue to grow. Maintenance operations are expected to remain strong. Customer orders are expected to grow in the second half of the year. Wetteri has launched a program to improve the profitability of operations and achieve savings. The program includes measures with an impact on personnel, more efficient operating models and more efficient use of premises.

Wetteri's disclosure of financial information in 2024

21 November 2024	Interim report for January–September 2024

Webcast on 28 August 2024 at 14.00

Wetteri will arrange a webcast for shareholders, analysts and the media starting at 14:00 on 28 August 2024. In the broadcast, Wetteri Plc's CEO and President Aarne Simula will present January-June financial performance, talk about the company's strategy progress and open the situation in the automotive market. Webcast available in Finnish: https://wetteri.videosync.fi/q2-2024/register.

Oulu 28 August 2024

Wetteri Plc

Board of Directors

Further information:

Aarne Simula, CEO, Wetteri Plc

Tel. +358 400 689 613, aarne.simula@wetteri.fi

Panu Kauppinen, CFO, Wetteri Plc

Tel. +358 44 236 3740, panu.kauppinen@wetteri.fi

Key performance indicators

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023[1)]	Change	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023[1)]	Change	1 Jan to 31 Dec 2023[1)]
Revenue	131,109	106,845	23%	275,660	194,253	42%	432,502
EBITDA	3,804	5,087	-25%	9,150	9,446	-3%	20,061
EBITDA, % of revenue	3%	5%		3%	5%		5%
Items affecting comparability included in EBITDA	808	154		1,618	1,265		3,909
Adjusted EBITDA	4,612	5,241	-12%	10,768	10,711	1%	23,970
Adjusted EBITDA, % of revenue	4%	5%		4%	6%		6%
Operating profit (loss) (EBIT)	-666	1,300	-151%	469	2,153	-78%	4,713
Operating profit (loss), % of revenue	-1%	1%		0%	1%		1%
Items affecting comparability included in operating profit (loss)	1,361	857		2,758	2,739		6,512
Adjusted operating profit	695	2,157	-68%	3,227	4,891	-34%	11,225
Adjusted operating profit, % of revenue	1%	2%		1%	3%		3%
Profit (loss) before tax	-3,889	-1,063	-	-5,370	-1,197	-	-4,339
Profit (loss) before tax, % of revenue	-3%	-1%		-2%	-1%		-1%
Profit (loss) for the period from continuing operations	-3,672	-920	-	-4,980	-1,166	-	-4,336
Profit (loss) for the period from continuing operations, % of revenue	-3%	-1%		-2%	-1%		-1%
Profit (loss) for the period	-1,102	-720	-	-2,384	-686	-	-4,049
Profit (loss) for the period, % of revenue	-1%	-1%		-1%	0%		-1%
Earnings per share from continuing operations, basic (EUR)	-0.02	-0.01		-0.03	-0.01		-0.03
Earnings per share from continuing operations, diluted (EUR)	-0.02	-0.01		-0.03	-0.01		-0.03
Earnings per share, basic (EUR)	-0.01	-0.01		-0.02	-0.01		-0.03
Earnings per share, diluted (EUR)	-0.01	-0.01		-0.02	-0.01		-0.03
Balance sheet total	231,002	220,447	5%	231,002	220,447	5%	214,302
Net debt	140,653	137,852	2%	140,653	137,852	2%	131,659
Return on equity (ROE), %	-41%	-8%		-29%	-4%		-13%
Return on investment (ROI), %	-16%	-8%		-13%	-6%		-9%
Equity ratio, %	16%	16%		16%	16%		16%
Liquidity, %	85%	93%		85%	93%		83%
Gearing, %	378%	403%		378%	403%		388%
Average number of personnel during the financial year [2)]	1,025	955		1,039	852		926
Invoiced sales of new passenger cars (pcs)	924	962		1,994	1,545		3,322
Invoiced sales of new commercial trucks (pcs)	28	46		72	102		181
Invoiced sales of used passenger cars (pcs)	2,522	1,464		4,965	2,684		5,764
Invoiced sales of used commercial trucks (pcs)	124	33		176	65		114
Orders: new passenger cars (pcs)	887	787		1,889	1,417		2,862
Orders: new commercial trucks (pcs)	55	45		91	89		127
Passenger cars: order backlog at the end of the period	36,476	71,361		36,476	71,361		57,343
Commercial trucks: order backlog at the end of the period	16,378	21,700		16,378	21,700		13,655
Passenger car repair shop: hours sold	87,342	86,132		176,392	151,525		319,562
Commercial truck repair shop: hours sold	27,224	26,443		56,442	55,911		110,759

[1)] Training business operations sold during the first half of 2024 are presented as discontinued operations on the half-year report, and the income statement items of training business are presented in the consolidated income statement as part of the Group's profit (loss) from discontinued operations, separately from the income statement items of the Group's continuing operations. The presentation of the income statement for the comparison period and the calculation of the key performance indicators derived from the comparison period's income statement items have also been adjusted accordingly.

[2)] The calculation of the number of personnel has been revised in the review period so that the number of personnel at the end of each month has been added together, and the amount thus obtained has been divided by the number of months in the review period. The comparison information has also been adjusted to correspond to this calculation method.

Calculation formulas for key indicators

EBITDA	=	Operating profit (loss) + depreciation, amortisation and impairment
EBITDA, % of revenue	=	EBITDA/revenue
Adjusted EBITDA	=	EBITDA + items affecting comparability included in EBITDA
Adjusted EBITDA, % of revenue	=	Adjusted EBITDA/revenue
Operating profit (loss) (EBIT)	=	Revenue + other operating income – materials and services – the cost of employee benefits – depreciation, amortisation and impairment – other operating expenses
Operating profit (loss), % of revenue	=	Operating profit (loss)/revenue
Adjusted operating profit	=	Operating profit (loss) + items affecting comparability included in operating profit
Adjusted operating profit, % of revenue	=	Adjusted operating profit (loss)/revenue
Earnings per share from continuing operations, basic (EUR)	=	Profit (loss) for the period from continuing operations/weighted average number of shares during the period
Earnings per share from continuing operations, diluted (EUR)	=	Profit (loss) for the period from continuing operations/weighted average number of shares during the period, adjusted for share issues
Earnings per share, basic (EUR)	=	Profit (loss) for the period from continuing and discontinued operations/weighted average number of shares during the period
Earnings per share, diluted (EUR)	=	Profit (loss) for the period from continuing and discontinued operations/weighted average number of shares during the period, adjusted for share issues
Net debt	=	Interest-bearing liabilities – cash and cash equivalents
Return on equity, %	=	Profit (loss) for the period from continuing and discontinued operations/equity on average during the period
Return on investment, %	=	Profit (loss) for the period from continuing and discontinued operations before tax + financial expenses from continuing and discontinued operations/equity of average during the period + interest-bearing liabilities on average during the period
Equity ratio, %	=	Equity/balance sheet total – advances received
Liquidity, %	=	Current assets/current liabilities
Gearing, %	=	Net debt/equity

Reconciliation of key indicators

Formation of adjusted EBITDA

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Adjusted EBITDA					
Operating profit (loss)	-666	1,300	469	2,153	4,713
Depreciation, amortisation and impairment	4,470	3,787	8,682	7,293	15,349
EBITDA	**3,804**	**5,087**	**9,150**	**9,446**	**20,061**
Items affecting comparability included in EBITDA	808	154	1,618	1,265	3,909
Total	**4,612**	**5,241**	**10,768**	**10,711**	**23,970**

Formation of items affecting comparability included in EBITDA

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Items affecting comparability included in EBITDA					
Negative goodwill	0	-349	-212	-349	-254
Transaction and integration costs related to business combinations	464	121	1,040	196	1,594
Transaction costs related to the divestment of discontinued operations	94	0	152	0	0
Expenses related to the planning of share issues and other financing arrangements	6	115	6	115	77
Compensation for termination of employment	0	0	0	240	240
Expenses related to the reverse acquisition of Wetteri Plc arising from listing on the stock exchange	0	1	0	1	1
Depreciation of the fair value of inventories	245	266	632	1,063	2,251
Total	**808**	**154**	**1,618**	**1,265**	**3,909**

Formation of adjusted operating profit

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Adjusted operating profit					
Operating profit (loss)	-666	1,300	469	2,153	4,713
Items affecting comparability included in operating profit	1,361	857	2,758	2,739	6,512
Total	**695**	**2,157**	**3,227**	**4,891**	**11,225**

Formation of items affecting comparability included in operating profit

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Items affecting comparability included in operating profit					
Negative goodwill	0	-349	-212	-349	-254
Transaction and integration costs related to business combinations	464	121	1,040	196	1,594
Transaction costs related to the divestment of discontinued operations	94	0	152	0	0
Expenses related to the planning of share issues and other financing arrangements	6	115	6	115	77
Compensation for termination of employment	0	0	0	240	240
Expenses related to the reverse acquisition of Wetteri Plc arising from listing on the stock exchange	0	1	0	1	1
Depreciation of the fair value of inventories	245	266	632	1,063	2,251
Amortisation of the fair value of the brand value	292	292	584	584	1,168
Amortisation of the fair value of representation agreements	254	300	507	549	981
Amortisation of the fair value of the order backlog	7	111	49	340	455
Total	**1,361**	**857**	**2,758**	**2,739**	**6,512**

Formation of net debt

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Net debt			
Interest-bearing liabilities	141,779	138,909	132,515
Cash and cash equivalents	-1,126	-1,058	-856
Total	**140,653**	**137,852**	**131,659**

Formation of return on equity (ROE), %

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Return on equity (ROE), %					
Profit (loss) for the period from continuing and discontinued operations	-15,295	-2,882	-10,210	-1,371	-4,049
Equity on average during the period	37,168	34,554	35,582	32,227	32,080
Total	**-41%**	**-8%**	**-29%**	**-4%**	**-13%**

Formation of return on investment (ROI), %

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Return on investment (ROI), %					
Profit (loss) from continuing and discontinued operations before tax	-16,164	-3,486	-10,988	-1,468	-3,824
Financial expenses from continuing and discontinued operations	-13,151	-9,768	-11,903	-6,931	-9,254
Equity on average during the period	37,168	34,554	35,582	32,227	32,080
Interest-bearing liabilities on average during the period	143,312	133,966	137,147	117,230	114,033
Total	**-16%**	**-8%**	**-13%**	**-6%**	**-9%**

Formation of the equity ratio, %

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Equity ratio, %			
Equity	37,245	34,212	33,918
Balance sheet total	231,002	220,447	214,302
Advances received	983	258	1,709
Total	**16%**	**16%**	**16%**

Formation of liquidity, %

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Liquidity, %			
Current assets	119,562	106,037	107,729
Current liabilities	140,383	114,098	129,626
Total	**85%**	**93%**	**83%**

Formation of gearing, %

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Gearing, %			
Net debt	140,653	137,852	131,659
Equity	37,245	34,212	33,918
Total	**378%**	**403%**	**388%**

Condensed consolidated financial information

Consolidated statement of comprehensive income

EUR thousand	Note	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
CONTINUING OPERATIONS						
Revenue	1, 2	131,109	106,845	275,660	194,253	432,502
Other operating income	3	70	426	383	581	743
Materials and services		-106,274	-85,060	-223,970	-155,136	-343,725
The cost of employee benefits		-14,277	-12,008	-28,818	-21,281	-46,583
Depreciation, amortisation and impairment	5, 6	-4,470	-3,787	-8,682	-7,293	-15,349
Other operating expenses		-6,823	-5,115	-14,105	-8,971	-22,876
Operating profit (loss)	**2**	**-666**	**1,300**	**469**	**2,153**	**4,713**
Financial income		64	52	85	65	78
Financial expenses		-3,286	-2,415	-5,923	-3,415	-9,130
Financial income and expenses		**-3,223**	**-2,363**	**-5,838**	**-3,350**	**-9,052**
Share of profit or loss of associates		0	0	0	0	0
Profit (loss) before tax		**-3,889**	**-1,063**	**-5,370**	**-1,197**	**-4,339**
Income taxes		217	143	389	32	3
Profit (loss) for the period from continuing operations		**-3,672**	**-920**	**-4,980**	**-1,166**	**-4,336**
DISCONTINUED OPERATIONS						
Profit (loss) from discontinued operations	4	2,569	200	2,596	480	286
Profit (loss) for the period		**-1,102**	**-720**	**-2,384**	**-686**	**-4,049**
Other items of comprehensive income that may be reclassified as profit or loss						
Translation differences arising from net investments in subsidiaries		-4	37	6	56	29
Comprehensive income for the period		**-1,107**	**-683**	**-2,378**	**-629**	**-4,021**
Distribution of profit (loss) for the period						
To shareholders of the parent company		-1,102	-720	-2,384	-686	-4,049
To non-controlling interests		0	0	0	0	0
		-1,102	**-720**	**-2,384**	**-686**	**-4,049**
Distribution of comprehensive income for the period						
To shareholders of the parent company		-1,107	-683	-2,378	-629	-4,021
To non-controlling interests		0	0	0	0	0
		-1,107	**-683**	**-2,378**	**-629**	**-4,021**
Earnings per share calculated from the profit (loss) from continuing operations attributable to shareholders of the parent company						
Basic earnings per share (EUR)		-0.02	-0.01	-0.03	-0.01	-0.03
Diluted earnings per share (EUR)		-0.02	-0.01	-0.03	-0.01	-0.03
Earnings per share calculated from the profit (loss) attributable to shareholders of the parent company						
Basic earnings per share (EUR)		-0.01	-0.01	-0.02	-0.01	-0.03
Diluted earnings per share (EUR)		-0.01	-0.01	-0.02	-0.01	-0.03

Consolidated balance sheet

EUR thousand	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS				
Non-current assets				
Goodwill	5	32,517	33,215	32,942
Intangible assets	5	6,364	10,407	7,806
Property, plant and equipment	6, 7	69,223	68,429	64,295
Interests in associates		0	0	0
Other shares and interests		296	294	298
Non-current receivables		7	259	238
Non-current financial assets	9	2,181	159	74
Deferred tax assets		852	1,648	920
Total non-current assets		**111,440**	**114 410**	**106,573**
Current assets				
Inventories	8	89,811	75,030	77,819
Trade and other receivables	9	28,251	29,279	28,184
Other financial assets	9	19	25	33
Tax assets based on taxable income for the period		355	32	836
Cash and cash equivalents	9	1,126	1,670	856
Total current assets		**119,562**	**106,037**	**107,729**
TOTAL ASSETS		**231,002**	**220,447**	**214,302**
EQUITY AND LIABILITIES				
Equity				
Share capital		96	96	96
Invested unrestricted equity fund	11	45,876	37,074	40,171
Translation differences		40	62	34
Retained earnings		-7,883	-3,834	-3,834
Profit (loss) for the period		-2,384	-686	-4,049
Equity loan		1,500	1,500	1,500
Total equity attributable to shareholders of the company		**37,245**	**34,212**	**33,918**
Non-current liabilities				
Loans	9	6,265	24,942	6,780
Lease liabilities	7, 9	39,633	40,511	38,624
Other non-current liabilities		5,104	4,565	3,074
Other financial liabilities	9	114	21	156
Deferred tax liabilities		2,257	2,097	2,123
Total non-current liabilities		**53,373**	**72,137**	**50,757**
Current liabilities				
Loans	9	36,939	17,222	36,301
Lease liabilities	7, 9	10,168	8,106	8,798
Trade and other payables	9	44,373	40,329	42,476
Provisions		133	133	133
Other financial liabilities	9	48,710	48,107	41,856
Tax liabilities based on taxable income for the period		61	200	63
Total current liabilities		**140,383**	**114,098**	**129,626**
Total liabilities		**193,757**	**186,235**	**180,383**
TOTAL EQUITY AND LIABILITIES		**231,002**	**220,447**	**214,302**

Consolidated cash flow statement

EUR thousand	Note	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Cash flow from operating activities				
Payments received from customers for the sale of goods and services		280,134	193,118	438,630
Payments made to suppliers of goods, service providers and personnel		-263,110	-181,968	-418,583
Payments from other operating income		177	247	506
Transaction costs related to business combinations and divestment of discontinued operations	3, 4	-226	-196	-451
Interest received		70	21	65
Interest paid		-6,053	-3,464	-8,694
Income taxes paid		512	6	-424
Cash flow from operating activities [1)]		**11,505**	**7,764**	**11,048**
Cash flow from investing activities				
Investments in intangible assets	5	0	-39	-43
Investments in property, plant and equipment	6	-1,622	-1,540	-2,362
Investments in other shares and interests		0	-220	-224
Business combinations less cash and cash equivalents acquired	3	-378	-14,334	-14,318
Divestment of discontinued operations	4	1,388	0	0
Cash flow from investing activities [1)]		**-612**	**-16,133**	**-16,947**
Cash flow from financing activities				
Share issues against payment	11	0	2,300	5,700
Transaction costs related to the issue of new shares	11	-31	-116	-456
Withdrawals of long-term loans	9	0	9,500	417
Withdrawals of long-term loans from related parties	12	0	1,000	1,000
Repayments of long-term loans to related parties	12	0	0	-800
Repayment of principal on lease liabilities	7	-4,900	-3,616	-7,855
Withdrawals of short-term loans [2) 3)]	9	4,750	2,500	12,083
Repayments of short-term loans [2)]	9	-9,014	-5,964	-5,107
Withdrawals of other financial liabilities	9	71,956	47,107	100,486
Repayments of other financial liabilities	9	-73,390	-43,875	-99,889
Cash flow from financing activities [1)]		**-10,629**	**8,835**	**5,579**
Total cash flow [1)]		**264**	**467**	**-320**
Change in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period		856	1,147	1,147
Impact of changes in exchange rates on cash and cash equivalents		6	56	29
Cash and cash equivalents at the end of the period	9	1,126	1,670	856
Change in cash and cash equivalents		**264**	**467**	**-320**

[1)] The cash flows in the cash flow statement include the cash flows from both the Group's continuing and discontinued operations. The share of discontinued operations in cash flows is presented in Note **4. Discontinued operations**.

[2)] Withdrawals of short-term loans also include the amount of the short-term portion of long-term loans at the time the loan was drawn down. Correspondingly, repayments of short-term loans include payments of the short-term portion of long-term loans.

[3)] Withdrawals of short-term loans in the review period include the total withdrawal of a loan of EUR 4,750 thousand granted to the Group by Elo Mutual Pension Insurance Company during the period, because both the long- and short-term portion of the loan is presented as current financial liabilities on the 30 June 2024 balance sheet (see Note **10. Financing arrangements**). Similarly, the withdrawals of short-term loans in the comparison period 1 January to 31 December 2023 include the total withdrawal of loans of EUR 12,000 thousand granted to the Group by Nordea Bank Plc and Varma Mutual Pension Insurance Company during the comparison period.

Consolidated statement of changes in equity

EUR thousand	Note	Share capital	Invested unrestricted equity fund	Translation differences	Retained earnings	Equity loan	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Equity 1 Jan 2024		**96**	**40,171**	**34**	**-7,883**	**1,500**	**33,918**	**0**	**33,918**
Profit (loss) for the period					-2,384		**-2,384**		**-2,384**
Other items of comprehensive income				6			**6**		**6**
Comprehensive income for the period		**0**	**0**	**6**	**-2,384**	**0**	**-2,378**	**0**	**-2,378**
Transaction costs related to the new shares issued in connection with the share issue on 22 December 2023			-1				**-1**		**-1**
Share exchange of Suvanto Trucks Oy on 29 February 2024	3, 11		4,435				**4,435**		**4,435**
Transaction costs related to the new shares issued in connection with the share exchange of Suvanto Trucks Oy on 29 February 2024	3		-24				**-24**		**-24**
Share issue without payment to personnel on 15 March 2024	11		33				**33**		**33**
Share exchange of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 on 28 June 2024	3, 11		1,262				**1,262**		**1,262**
Transactions with shareholders		**0**	**5,705**	**0**	**0**	**0**	**5,705**	**0**	**5,705**
Equity 30 Jun 2024		**96**	**45,876**	**40**	**-10,267**	**1,500**	**37,245**	**0**	**37,245**

EUR thousand	Share capital	Invested unrestricted equity fund	Translation differences	Retained earnings	Equity loan	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Equity 1 Jan 2023	**96**	**32,474**	**6**	**-3,834**	**1,500**	**30,242**	**0**	**30,242**
Profit (loss) for the period				-686		**-686**		**-686**
Other items of comprehensive income			56			**56**		**56**
Comprehensive income for the period	**0**	**0**	**56**	**-686**	**0**	**-629**	**0**	**-629**
Share issue 7 Mar 2023		4,600				**4,600**		**4,600**
Transactions with shareholders	**0**	**4,600**	**0**	**0**	**0**	**4,600**	**0**	**4,600**
Equity 30 Jun 2023	**96**	**37,074**	**62**	**-4,519**	**1,500**	**34,212**	**0**	**34,212**

EUR thousand	Share capital	Invested unrestricted equity fund	Translation differences	Retained earnings	Equity loan	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Equity 1 Jan 2023	**96**	**32,474**	**6**	**-3,834**	**1,500**	**30,242**	**0**	**30,242**
Profit (loss) for the period				-4,049		**-4,049**		**-4,049**
Other items of comprehensive income			29			**29**		**29**
Comprehensive income for the period	**0**	**0**	**29**	**-4,049**	**0**	**-4,021**	**0**	**-4,021**
Share issue 7 Mar 2023		4,600				**4,600**		**4,600**
Share issue 22 Dec 2023		3,400				**3,400**		**3,400**
Transaction costs related to the new shares issued in connection with the share issue on 22 December 2023		-302				**-302**		**-302**
Transactions with shareholders	**0**	**7,698**	**0**	**0**	**0**	**7,698**	**0**	**7,698**
Equity 31 Dec 2023	**96**	**40,171**	**34**	**-7,883**	**1,500**	**33,918**	**0**	**33,918**

Notes to the Group's half-year report

Basic information about the Group

Wetteri Plc (hereinafter "Wetteri Plc", the "parent company" or the "company") is a Finnish public limited company. Wetteri Plc is the parent company of the Wetteri Group (hereinafter "Wetteri", the "Wetteri Group" or the "Group"). The company is domiciled in Oulu, and its registered address is Äimäkuja 2–3, 90400 Oulu. The company's shares are traded on the stock exchange list maintained by Nasdaq Helsinki Ltd under the ticker symbol WETTERI.

At the time of publication of this half-year report, the Group consisted of the parent company, Themis Holding Oy, Wetteri Yhtiöt Oy, Wetteri Auto Oy, Wetteri Power Oy, Wetteri Trucks Oy (formerly Suvanto Trucks Oy), Lahden Rekkapaja Oy, Autotalo Mobila Oy, Pohjois-Suomen Autotalot Oy, Kiinteistö Oy Lahden Konekatu 3 and Informator Utbildning Svenska AB. The Group sold its Finnish training business companies Management Institute of Finland MIF Oy and Tieturi Oy on 2 April 2024.

The Group's current structure was formed in a share exchange (reverse acquisition) executed on 9 December 2022, in which the shareholders of Themis Holding Oy transferred their shares to Wetteri Plc in exchange for new shares issued by Wetteri Plc, and before that, in a share transaction executed on 11 May 2022, in which Themis Holding Oy acquired the entire share capital of Wetteri Yhtiöt Oy.

Basis of preparation

This half-year report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read alongside the consolidated financial statements for the financial year that ended on 31 December 2023. The interim report follows the same accounting principles as the Group's financial statements for the financial year that ended on 31 December 2023, as well as the amendments to the IAS and the IFRS that entered into force on 1 January 2024. The application of the amendments to the IAS and the IFRS that entered into force on 1 January 2024 has no material impact on the Group's financial reporting.

The preparation of the interim report in accordance with the IAS and the IFRS requires the management to use accounting estimates that affect the amount of assets and liabilities presented in the interim report, as well as the amount of income and expenses presented for the review period. In addition, the management has to use judgement when applying the accounting principles of the interim report. The accounting estimates are based on the management's previous experience, expectations of the future and current best knowledge of the conditions surrounding the Group. However, the assumptions behind the estimates may differ from the actual results. In connection with the preparation of this interim report, the most significant estimates made by the management related to the Group's accounting principles and key uncertainties are the same as those applied to the Group's financial statements for the financial year that ended on 31 December 2023.

The financial information for the review period is not comparable with the financial information for the comparison period because the Group completed, by the end of the review period, a total of five acquisitions during 2023 and 2024, in which the results of the acquired businesses have only been consolidated into the Group's result from the execution of the transactions onwards. More detailed information about the acquisitions carried out during the review period is provided in Note **3. Business combinations**, and the acquisitions carried out during the comparison period are described in more detail in the consolidated financial statements for the financial year that ended on 31 December 2023.

The interim report is presented in thousands of euros. The euro is the operating and presentation currency of the Group. The figures presented in the interim report have been rounded. For this reason, the aggregate amount of individual figures may not correspond to the total amount presented.

The information presented in the interim report is unaudited.

1. Revenue

Revenue by sales category

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Sales of passenger cars	86,956	69,086	184,239	119,213	279,749
Sales of spare parts and accessories for passenger cars	13,853	11,004	29,044	19,556	45,046
Sales of maintenance and repair services for passenger cars	9,815	7,992	20,123	14,036	31,180
Sales of heavy vehicles	10,952	9,876	22,796	23,609	39,971
Sales of spare parts and accessories for heavy vehicles	4,980	4,387	9,926	8,802	17,926
Sales of maintenance and repair services for heavy vehicles	2,714	2,371	5,532	4,926	9,784
Service station sales	796	969	1,703	1,961	4,056
Financial and insurance product brokerage	493	652	1,323	1,100	2,701
Renting of vehicles	549	439	974	947	1,984
Sales of training services	0	69	0	104	104
Total	**131,109**	**106,845**	**275,660**	**194,253**	**432,502**

Revenue by performance obligation

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
At a point in time	130,560	106,336	274,687	193,202	430,414
Over time	549	508	974	1,051	2,088
Total	**131,109**	**106,845**	**275,660**	**194,253**	**432,502**

Geographical breakdown of revenue

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Finland	130,476	106,776	274,572	194,152	432,400
Sweden	0	0	0	0	0
Rest of Europe	633	0	1,088	0	0
Rest of the world	0	69	0	102	102
Total	**131,109**	**106,845**	**275,660**	**194,253**	**432,502**

2. Operating segments

An operating segment is a unit of the Group that engages in business operations, the results of which are regularly monitored by the Group’s chief operating decision maker (CODM). The Group’s chief operating decision maker is Wetteri Plc’s Board of Directors. The Board monitors the Group’s result based on the following operating segments, which are also the Group’s reporting segments: Passenger Cars, Heavy Equipment and Maintenance Services. The Group’s operating segments to be reported have been determined based on regular reporting to the Group’s Board of Directors. Based on the reporting, the Board of Directors makes strategic and operational decisions on resource allocation and assesses business performance. In addition to revenue, key performance indicators monitored by the Board of Directors include EBITDA, adjusted EBITDA, the operating profit (EBIT) and the adjusted operating profit.

The **Passenger Cars** operating segment engages in the resale of new passenger cars and goods transport vehicles and used cars. It has locations in Oulu, Iisalmi, Joensuu, Kajaani, Kemi, Kempele, Kuopio, Kuusamo, Lahti, Lempäälä, Mikkeli, Pori, Raisio, Rauma, Rovaniemi, Savonlinna, Vantaa and Ylivieska.

The **Heavy Equipment** operating segment engages in the sale of commercial trucks and in maintenance and repair shop operations and spare parts sales for heavy equipment. It has locations in Oulu, Joensuu, Kajaani, Kemi, Kempele, Kuopio, Kokkola, Lahti, Rovaniemi, Tampere, Turku and Vantaa.

The **Maintenance Services** operating segment engages in maintenance and repair shop operations and spare parts sales for passenger cars.

Items not allocated to operating segments include the business operations of the Group's service station in Kuusamo and other items not allocated to the segments.

Revenue by operating segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Passenger Cars	87,545	70,164	186,012	121,280	284,456
Heavy Equipment	18,974	16,619	38,645	37,379	67,846
Maintenance Services	23,782	19,025	49,286	33,524	76,040
Items not allocated to operating segments	807	1,038	1,718	2,070	4,160
Revenue	**131,109**	**106,845**	**275,660**	**194,253**	**432,502**

EBITDA by operating segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Passenger Cars	-79	1,780	495	2,399	4,235
Heavy Equipment	897	1,057	2,473	2,096	4,809
Maintenance Services	2,905	2,305	6,111	5,222	10,534
Items not allocated to operating segments	81	-55	71	-271	482
EBITDA	**3,804**	**5,087**	**9,150**	**9,446**	**20,061**

Adjusted EBITDA by operating segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Passenger Cars	146	1,839	995	2,465	5,070
Heavy Equipment	1,074	1,204	2,721	2,680	5,441
Maintenance Services	3,144	2,554	6,961	5,823	12,654
Items not allocated to operating segments	248	-356	92	-257	805
Adjusted EBITDA	**4,612**	**5,241**	**10,768**	**10,711**	**23,970**
Negative goodwill	0	349	212	349	254
Transaction and integration costs related to business combinations	-464	-121	-1,040	-196	-1,594
Transaction costs related to the divestment of discontinued operations	-94	0	-152	0	0
Expenses related to the planning of share issues and other financing arrangements	-6	-115	-6	-115	-77
Compensation for termination of employment	0	0	0	-240	-240
Expenses related to the reverse acquisition of Wetteri Plc arising from listing on the stock exchange	0	-1	0	-1	-1
Depreciation of the fair value of inventories	-245	-266	-632	-1,063	-2,251
EBITDA	**3,804**	**5,087**	**9,150**	**9,446**	**20,061**

The adjusted EBITDA does not take account of items affecting the comparability of the operating segments' EBITDA, such as transaction and integration costs arising from business combinations and other significant non-recurring items of income or expenses in the review period, as well as amortisation of the fair value of assets recognised on the balance sheet by means of acquisition calculations. In future periods, items affecting the comparability of EBITDA may also include other significant non-recurring items of income and expenses. The purpose of the adjusted EBITDA is to improve the comparability of the operating segments' EBITDA between periods.

Of the items affecting comparability for the financial year, the negative goodwill of the business acquisition (EUR 212 thousand) is included in other operating income in the income statement. Of the transaction and integration costs of corporate and business acquisitions, EUR 463 thousand is included in the cost of employee benefits in the income statement and EUR 577 thousand in other operating expenses. The transaction costs of EUR 152 thousand related to the divestment of discontinued operations are included in other operating expenses in the income statement. Expenses related to the planning of share issues and other financing arrangements, EUR 6 thousand, are included in other operating expenses in the income statement.

Reconciliation of EBITDA to operating profit

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
EBITDA	3,804	5,087	9,150	9,446	20,061
Depreciation and impairment	-4,470	-3,787	-8,682	-7,293	-15,349
Operating profit (EBIT)	**-666**	**1,300**	**469**	**2,153**	**4,713**

Operating profit (EBIT) by operating segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Passenger Cars	-1,747	52	-2,828	-741	-2,491
Heavy Equipment	154	540	1,160	878	2,596
Maintenance Services	862	393	2,108	1,955	3,151
Items not allocated to operating segments	64	315	29	60	1,456
Operating profit (EBIT)	**-666**	**1,300**	**469**	**2,153**	**4,713**

Adjusted operating profit by operating segment

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Passenger Cars	-1,125	596	-1,499	237	77
Heavy Equipment	383	800	1,510	1,816	3,682
Maintenance Services	1,203	745	3,162	2,762	5,680
Items not allocated to operating segments	234	16	54	77	1,787
Adjusted operating profit	**695**	**2,157**	**3,227**	**4,891**	**11,225**
Negative goodwill	0	349	212	349	254
Transaction and integration costs related to business combinations	-464	-121	-1,040	-196	-1,594
Transaction costs related to the divestment of discontinued operations	-94	0	-152	0	0
Expenses related to the planning of share issues and other financing arrangements	-6	-115	-6	-115	-77
Compensation for termination of employment	0	0	0	-240	-240
Expenses related to the reverse acquisition of Wetteri Plc arising from listing on the stock exchange	0	-1	0	-1	-1
Depreciation of the fair value of inventories	-245	-266	-632	-1,063	-2,251
Amortisation of the fair value of the brand value	-292	-292	-584	-584	-1,168
Amortisation of the fair value of representation agreements	-254	-300	-507	-549	-981
Amortisation of the fair value of the order backlog	-7	-111	-49	-340	-455
Operating profit (EBIT)	**-666**	**1,300**	**469**	**2,153**	**4,713**

The adjusted operating profit does not take account of items affecting the comparability of the operating segments' operating profit. The purpose of the indicator is to improve the comparability of the operating segments' operating profit between periods. The income and expense items taken into account as items affecting comparability are described in more detail in connection with the description of segment-specific adjusted EBITDA above.

3. Business combinations

Acquisition of the car dealership business of the Suur-Savo Cooperative Society

The Group's subsidiary Wetteri Auto Oy acquired the car dealership business operations of the Suur-Savo Cooperative Society in Mikkeli, Savonlinna and Vantaa in a business acquisition executed on 1 January 2024. The transaction has been treated in the Group's financial reporting as a business combination using the acquisition method, and the result and net assets of the acquired business have been consolidated into the Group since the execution of the transaction on 1 January 2024.

As a result of the business acquisition, Wetteri's geographical presence strengthened in eastern Finland and the Helsinki metropolitan area, and the number of personnel increased by 81 people. In the business transaction, Wetteri acquired the passenger car sales and maintenance operations of the Suur-Savo Cooperative Society. The brand representation of new Mercedes-Benz and Nissan passenger cars was transferred to Wetteri through the acquisition.

Consideration transferred in the business acquisition

EUR thousand	
Cash consideration paid	299
Consideration transferred	**299**

The consideration transferred in the business transaction was EUR 299 thousand. The consideration transferred was paid in full as a cash consideration.

Preliminary information about the identifiable net assets acquired and goodwill generated through the business acquisition

EUR thousand	**1 Jan 2024**
ASSETS	
Non-current assets	
Intangible assets	59
Property, plant and equipment	854
Total non-current assets	**913**
Current assets	
Inventories	8,463
Trade and other receivables	72
Total current assets	**8,535**
TOTAL ASSETS	**9,448**
LIABILITIES	
Non-current liabilities	
Lease liabilities	139
Deferred tax liabilities	38
Total non-current liabilities	**177**
Current liabilities	
Lease liabilities	97
Trade and other payables	656
Other financial liabilities	8,007
Total current liabilities	**8,760**
TOTAL LIABILITIES	**8,937**
Acquired identifiable net assets	511
Negative goodwill	-212
Acquired net assets	**299**

The information presented above about the identifiable net assets acquired and negative goodwill generated through the business acquisition is preliminary. The assets transferred to the Group through the business acquisition include the following: intangible assets; property, plant and equipment; right-of-use assets in leases; inventories; and receivables from importers of vehicles. The assumed liabilities include the following: long-term and short-term lease liabilities; financial liabilities related to a consignment stock arrangement for vehicles; and liabilities related to employee contributions such as payroll and holiday pay liabilities.

The identifiable assets and assumed liabilities at the time of acquisition on 1 January 2024 have been measured at fair value. The negative goodwill generated by the acquisition is EUR 212 thousand, the amount by which the fair value of the identifiable assets and assumed liabilities exceeds the transferred consideration. The negative goodwill is recognised through profit or loss as a transaction gain in other operating income in the Group's comprehensive income. The transaction generated profit for the Group because the seller’s strategic plan included exiting from the car trade business, as the car trade will increasingly focus on larger players in the field and will move towards various agent models, through which car factories and importers seek to reduce distribution route costs. Therefore, the acquisition was a bargain purchase considering the car brand representation, order backlog and inventories included in the transaction. The negative goodwill arising from the acquisition is not taxable income for the Group.

The acquired intangible assets include the fair values of EUR 51 thousand and EUR 8 thousand allocated to car brand representation agreements of Mercedes-Benz and Nissan and the order backlog of new vehicles at the time of acquisition when determining identifiable net assets. The preliminary fair value of intangible assets has been determined using an income-based valuation method, whereby the fair value of the assets is based on the present value of their estimated future cash flows. In determining the fair value of car brand representation agreements, the relief-from-royalty method has been used as the income-based valuation method, while the multi-period excess earnings method has been used in determining the fair value of the order backlog.

The acquired inventories include an increase of EUR 131 thousand in the book value of work in progress related to spare parts and maintenance services included in the inventory at the time of acquisition, arising from the initial fair value allocation. The book value of the vehicles included in inventories at the time of acquisition was considered substantially equivalent to the fair value of the vehicles and was therefore not adjusted for fair value allocation.

Cash flow from the business acquisition

EUR thousand	
Cash consideration paid	-299
Cash flow	**-299**

Costs related to the business acquisition

In the review period, the cost of employee benefits in the income statement includes EUR 153 thousand in integration costs arising from the business combination, and other operating expenses include EUR 177 thousand in integration costs arising from the business combination. The transaction costs of EUR 82 thousand related to the business acquisition have been recognised as an expense in other operating expenses in the income statement for the previous financial year. Transaction costs include fees charged by legal advisors. In addition, other operating expenses in the income statement for the previous financial year include integration costs of EUR 23 thousand arising from the business combination, which were incurred before the completion of the business acquisition.

Impact of the business acquisition on the Group’s revenue and profit

The management estimates that the revenue of the acquired business included in the Group’s statement of comprehensive income for 1 January to 30 June 2024 is EUR 20,280 thousand, and that the result is EUR -1,738 thousand. The result includes amortisation and depreciation of the fair value allocated to intangible assets and inventories at the time of acquisition, totalling EUR -74 thousand, but not the negative goodwill of EUR 212 thousand.

Share exchange of Suvanto Trucks Oy

The parent company, Wetteri Plc, acquired the entire share capital of Suvanto Trucks Oy (now Wetteri Trucks Oy) through a share exchange executed on 29 February 2024. The transaction has been treated in the Group’s financial reporting as a business combination using the acquisition method, and the result and net assets of Suvanto Trucks Oy have been consolidated into the Group since the execution of the transaction on 29 February 2024. Suvanto Trucks Oy engages in the trade and maintenance of used heavy vehicles in Turku, Tampere and Vantaa. The company also has operations in northern Finland. Suvanto Trucks Oy is one of Finland’s largest sellers of used heavy vehicles. The company also serves as an importer and reseller of AJK hookloaders and a reseller of PM loader cranes.

Consideration transferred in the share exchange

EUR thousand	
Fair value of the new shares issued by Wetteri Plc	4,435
Consideration transferred	**4,435**

The consideration transferred in the share exchange was EUR 4,435 thousand and consisted of the fair value of the new shares issued by Wetteri Plc in the share exchange. The fair value of the new shares issued was determined by multiplying the number of equity interests 8,869,936 by the closing price of the Wetteri Plc share EUR 0.50 on the date of execution of the share exchange 29 February 2024. The consideration transferred has been entered in Wetteri Plc's invested unrestricted equity fund. The share exchange was carried out under a share issue authorisation granted by the Annual General Meeting of Wetteri Plc on 8 May 2023.

Preliminary information about the identifiable net assets acquired and goodwill generated through the share exchange

EUR thousand	29 Feb 2024
ASSETS	
Non-current assets	
Intangible assets	22
Property, plant and equipment	2,303
Interests in associates	0
Deferred tax assets	51
Total non-current assets	**2,376**
Current assets	
Inventories	9,511
Trade and other receivables	2,610
Tax assets based on taxable income for the period	6
Cash and cash equivalents	7
Total current assets	**12,134**
TOTAL ASSETS	**14,511**
LIABILITIES	
Non-current liabilities	
Loans	400
Lease liabilities	691
Other non-current liabilities	1,129
Other financial liabilities	70
Deferred tax liabilities	146
Total non-current liabilities	**2,435**
Current liabilities	
Loans	4,575
Lease liabilities	216
Trade and other payables	3,337
Other financial liabilities	913
Total current liabilities	**9,040**
TOTAL LIABILITIES	**11,476**
Acquired identifiable net assets	3,035
Goodwill	1,400
Acquired net assets	**4,435**

The information presented above about the identifiable net assets acquired and goodwill generated through the acquisition of Suvanto Trucks Oy is preliminary.

Suvanto Trucks Oy's identifiable assets and assumed liabilities at the time of acquisition on 29 February 2024 have been measured at fair value. The goodwill generated by the acquisition is EUR 1,400 thousand, the amount by which the transferred consideration exceeds the fair value of the identifiable assets and assumed liabilities. Goodwill is the result of expected future profits for the acquired business and the synergy benefits expected as a result of the acquisition. The goodwill generated in the acquisition is not deductible in taxation.

The acquired intangible assets include the fair value of EUR 22 thousand allocated to the AJK and PM brand representation agreements in determining the identifiable net assets. The initial fair value of intangible assets has been determined using an income-based valuation method, whereby the fair value of the assets is based on the present value of their estimated future cash flows. In determining the fair value of brand representation agreements, the relief-from-royalty method has been used as the income-based valuation method.

The acquired inventories include an increase of EUR 707 thousand in the book value of the stock of cars and accessories included in the inventory at the time of acquisition, arising from the initial fair value allocation.

Cash flow from the share exchange

EUR thousand	
Cash consideration paid	0
Cash and cash equivalents acquired	7
Cash flow	**7**

Costs related to the share exchange

The transaction costs of EUR 30 thousand related to the share exchange have been treated as a reduction in the subscription price of the new shares recorded in the Group's invested unrestricted equity fund, adjusted for a tax impact of EUR 6 thousand, because they are directly related to the issue of the new shares in the share exchange. The transaction costs include fees charged by legal advisors, among other expenses. The transfer tax of EUR 62 thousand paid for the acquisition of the shares is included in other operating expenses of the income statement.

Impact of the share exchange on the Group's revenue and profit

The management estimates that the revenue of the acquired company included in the consolidated statement of comprehensive income for 1 March to 30 June 2024 is EUR 7,096 thousand, and that the result is EUR -340 thousand. The result includes amortisation and depreciation of the fair value allocated to intangible assets and inventories at the time of acquisition, totalling EUR -237 thousand.

Share exchange of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3

The parent company, Wetteri Plc, acquired the entire share capital of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 through a partial share exchange executed on 28 June 2024. The share exchange has been treated in the Group's financial reporting as a business combination using the acquisition method, and the result and net assets of the companies have been consolidated into the Group since the execution of the transaction on 28 June 2024. Lahden Rekkapaja Oy is a company providing installation, maintenance, spare parts and repair services for heavy equipment superstructures, employing around 10 people.

Consideration transferred in the share exchange

EUR thousand	
Fair value of the new shares issued by Wetteri Plc	1,262
Cash consideration paid	100
Consideration transferred	**1,362**

The consideration transferred in the share exchange was EUR 1,362 thousand and consisted of the fair value of the new shares issued by Wetteri Plc (EUR 1,262 thousand) and the cash consideration paid (EUR 100 thousand). The fair value of the new shares issued was determined by multiplying the number of equity interests 2,823,017 by the closing price of the Wetteri Plc share EUR 0.447 on the date of execution of the share exchange 28 June 2024. The consideration transferred has been entered in Wetteri Plc's invested unrestricted equity fund. The share exchange was carried out under a share issue authorisation granted by the Annual General Meeting of Wetteri Plc on 22 May 2024.

Preliminary information about the identifiable net assets acquired and goodwill generated through the share exchange

EUR thousand	28 June 2024
ASSETS	
Non-current assets	
Property, plant and equipment	1,285
Total non-current assets	**1,285**
Current assets	
Inventories	822
Trade and other receivables	354
Tax assets based on taxable income for the period	5
Cash and cash equivalents	14
Total current assets	**1,194**
TOTAL ASSETS	**2,480**
LIABILITIES	
Non-current liabilities	
Loans	104
Lease liabilities	49
Deferred tax liabilities	136
Total non-current liabilities	**289**
Current liabilities	
Loans	666
Lease liabilities	0
Trade and other payables	371
Total current liabilities	**1,037**
TOTAL LIABILITIES	**1,326**
Acquired identifiable net assets	1,154
Goodwill	208
Acquired net assets	**1,362**

The information presented above about the identifiable net assets acquired and goodwill generated through the acquisition of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 is preliminary.

The companies' identifiable assets and assumed liabilities at the time of acquisition on 28 June 2024 have been measured at fair value. The goodwill generated by the acquisition is EUR 208 thousand, the amount by which the transferred consideration exceeds the fair value of the identifiable assets and assumed liabilities. Goodwill is the result of expected future profits for the acquired business and the synergy benefits expected as a result of the acquisition. The goodwill generated in the acquisition is not deductible in taxation.

The acquired property, plant and equipment include an increase of EUR 681 thousand arising from the initial fair value allocation of the property owned by the real estate company.

Cash flow from the share exchange

EUR thousand	
Cash consideration paid	100
Cash and cash equivalents acquired	14
Cash flow	**114**

Impact of the share exchange on the Group's revenue and profit

As the acquisition date of the companies was at the very end of the review period, the Group's comprehensive income statement for the review period does not yet include the revenue or results of the acquired companies.

4. Discontinued operations

Wetteri sold its training business operations in Finland and Sweden during the review period in two separate transactions. The transactions resulted in a total capital gain of EUR 2,721 thousand for the Group. Following the completion of the transactions, the Group no longer has training business operations. The training business is presented as discontinued operations in the comprehensive income statement in the half-year report. Both the result of the training business and the capital gain are included in the profit (loss) from discontinued operations item of the income statement.

In early 2024, Wetteri announced the sale of its Finnish training business companies Management Institute of Finland MIF Oy and Tieturi Oy. The divestment was completed on 2 April 2024. The buyer was Professio Finland Oy, which specialises in working life training. The final transaction price EUR 4,045 thousand consisted of the basic purchase price, as well as the purchase price based on the net working capital calculation on the transaction date and adjustments made to it on the transaction date, and the return of capital carried out before the execution of the transaction. The buyer paid around 40 per cent of the purchase price as a cash consideration on the transaction date, and around 10 per cent on 30 June 2024. For the remaining portion, around 50 per cent, Wetteri granted an interest-bearing loan with a five-year loan period, the first two years being free of loan repayments.

On 29 April 2024, Wetteri sold the entire business of Informator Utbildning Svenska AB, a Group company operating in Sweden, to a local operator. As the business operations of Informator Utbildning Svenska AB were small-scale and loss-making in recent years, a nominal purchase price of EUR 0.1 was used as the transaction price.

The income statement items of Management Institute of Finland MIF Oy, Tieturi Oy and Informator Utbildning Svenska AB are presented in the consolidated income statement as part of the Group's profit (loss) from discontinued operations, separately from the income statement items of the Group's continuing operations. The presentation of the income statement for the comparison period has been adjusted accordingly. The criteria for presenting the training business operations conducted by Management Institute of Finland MIF Oy, Tieturi Oy and Informator Utbilding Svenska AB as discontinued operations were met during the first half of 2024. The results of the companies were presented as part of the Group's items not allocated to operating segments before their classification as discontinued operations.

Information concerning the profit (loss) of discontinued operations

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Revenue	45	3,069	2,381	5,945	10,785
Other operating income	0	13	6	16	17
Materials and services	-28	-1,240	-846	-2,404	-4,326
The cost of employee benefits	-53	-1,161	-1,123	-2,198	-4,180
Depreciation, amortisation and impairment	0	-67	-37	-131	-309
Other operating expenses	-115	-396	-477	-714	-1,349
Profit (loss) from discontinued operations	**-151**	**219**	**-96**	**514**	**639**
Financial income	0	0	0	0	0
Financial expenses	-1	-27	-28	-50	-124
Financial income and expenses	**-1**	**-27**	**-28**	**-50**	**-124**
Share of profit or loss of associates	0	0	0	0	0
Profit (loss) from discontinued operations before tax	**-152**	**191**	**-124**	**463**	**515**
Income taxes	0	8	-1	17	-229
Profit (loss) for the period from discontinued operations	**-152**	**200**	**-125**	**480**	**286**
Capital gain (loss) from discontinued operations after taxes	2,721	0	2,721	0	0
Profit (loss) from discontinued operations	**2,569**	**200**	**2,596**	**480**	**286**
Earnings per share calculated from the profit (loss) from discontinued operations attributable to shareholders of the parent company					
Basic earnings per share (EUR)	0.02	0.00	0.02	0.00	0.00
Diluted earnings per share (EUR)	0.02	0.00	0.02	0.00	0.00

Information concerning the cash flows of discontinued operations

EUR thousand	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Cash flow of discontinued operations			
Net cash flow from operating activities	835	641	753
Net cash flow from investing activities (period 1 Jan to 30 Jun 2024 includes the cash payment of EUR 1,971 thousand received from the sale of discontinued operations)	1,953	-38	-43
Net cash flow from financing activities	-235	-612	-727
Total cash flow	**2,553**	**-9**	**-17**

Information concerning the divestment of discontinued operations

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Consideration received					
Cash payment	1,971	0	1,971	0	0
Loan receivable	2,074	0	2,074	0	0
Total consideration	**4,045**	**0**	**4,045**	**0**	**0**
Book value of divested net assets	-1,324	0	-1,324	0	0
Capital gain (loss) from discontinued operations before taxes	**2,721**	**0**	**2,721**	**0**	**0**
Tax on capital gains	0	0	0	0	0
Capital gain (loss) from discontinued operations after taxes	**2,721**	**0**	**2,721**	**0**	**0**

Net assets of discontinued operations at the time of sale

EUR thousand	
Assets	
Goodwill	2,034
Intangible assets	328
Property, plant and equipment	69
Other shares and interests	0
Non-current receivables	230
Deferred tax assets	306
Trade and other receivables	1,372
Cash and cash equivalents	584
Total assets	**4,923**
Liabilities	
Long-term loans	499
Long-term lease liabilities	19
Short-term loans	860
Short-term lease liabilities	31
Trade and other payables	2,189
Total liabilities	**3,599**
Divested net assets	**1,324**

5. Goodwill and intangible assets

The Group's goodwill and intangible assets increased in the review period as a result of the business acquisition of the Suur-Savo Cooperative Society on 1 January 2024, the acquisition of Suvanto Trucks Oy on 29 February 2024 (share exchange), and the acquisition of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 (share exchange) on 28 June 2024. Note **3. Business combinations** provides more information about the acquisitions and the goodwill and intangible assets recognised on the Group's balance sheet as a result of the transactions.

EUR thousand	Goodwill	Brand	Representation agreements	Customer relationships	Order backlog	Development expenses	Other intangible assets	Total intangible assets
Cost 1 Jan 2024	32,942	6,072	5,002	240	1,088	204	198	**45,746**
Business acquisition 1 Jan 2024	0	0	51	0	8	0	0	**59**
Share exchange 29 Feb 2024	1,400	0	22	0	0	0	0	**1,422**
Share exchange 28 Jun 2024	208	0	0	0	0	0	0	**208**
Additions	0	0	0	0	0	0	0	**0**
Disposals	-2,034	-175	0	-98	0	-55	0	**-2,362**
Cost 30 Jun 2024	**32,517**	**5,896**	**5,075**	**142**	**1,096**	**149**	**198**	**45,073**
Accumulated amortisation and impairment 1 Jan 2024	0	-1,991	-1,594	-127	-1,043	-136	-106	**-4,997**
Amortisation of assets in continuing operations	0	-584	-507	0	-49	-9	-21	**-1,170**
Amortisation of assets in discontinued operations	0	-6	0	-15	0	-4	0	**-24**
Impairment	0	0	0	0	0	0	0	**0**
Accumulated amortisation and impairment 30 Jun 2024	**0**	**-2,581**	**-2,100**	**-142**	**-1,092**	**-149**	**-127**	**-6,192**
Book value 1 Jan 2024	32,942	4,080	3,408	113	45	68	92	**40,748**
Book value 30 Jun 2024	**32,517**	**3,315**	**2,975**	**0**	**4**	**0**	**71**	**38,881**

EUR thousand	Goodwill	Brand	Representation agreements	Customer relationships	Order backlog	Development expenses	Other intangible assets	Total intangible assets
Cost 1 Jan 2023	21,075	6,072	4,596	240	882	161	198	**33,224**
Business acquisition 7 March 2023	12,140	0	1,310	0	140	0	0	**13,590**
Business acquisition 31 May 2023	0	0	433	0	25	0	0	**458**
Additions	0	0	0	0	0	39	0	**39**
Disposals	0	0	0	0	0	0	0	**0**
Cost 30 Jun 2023	**33,215**	**6,072**	**6,339**	**240**	**1,047**	**201**	**198**	**47,311**
Accumulated amortisation and impairment 1 Jan 2023	0	-777	-613	-7	-588	-10	-52	**-2,047**
Amortisation of assets in continuing operations	0	-584	-549	0	-340	-36	-27	**-1,537**
Amortisation of assets in discontinued operations	0	-23	0	-60	0	-23	0	**-106**
Impairment	0	0	0	0	0	0	0	**0**
Accumulated amortisation and impairment 30 Jun 2023	**0**	**-1,384**	**-1,162**	**-67**	**-928**	**-69**	**-79**	**-3,690**
Book value 1 Jan 2023	21,075	5,295	3,983	233	294	151	147	**31,177**
Book value 30 Jun 2023	**33,215**	**4,688**	**5,177**	**173**	**119**	**131**	**119**	**43,622**

EUR thousand	Goodwill	Brand	Representation agreements	Customer relationships	Order backlog	Development expenses	Other intangible assets	Total intangible assets
Cost 1 Jan 2023	21,075	6,072	4,596	240	882	161	198	**33,224**
Business acquisition 7 March 2023	11,867	0	310	0	175	0	0	**12,352**
Business acquisition 31 May 2023	0	0	96	0	31	0	0	**127**
Additions	0	0	0	0	0	43	0	**43**
Disposals	0	0	0	0	0	0	0	**0**
Cost 31 Dec 2023	**32,942**	**6,072**	**5,002**	**240**	**1,088**	**204**	**198**	**45,746**
Accumulated amortisation and impairment 1 Jan 2023	0	-777	-613	-7	-588	-10	-52	**-2,047**
Amortisation of assets in continuing operations	0	-1,168	-981	0	-455	-34	-55	**-2,692**
Amortisation of assets in discontinued operations	0	-46	0	-120	0	-92	0	**-258**
Impairment	0	0	0	0	0	0	0	**0**
Accumulated amortisation and impairment 31 Dec 2023	**0**	**-1,991**	**-1,594**	**-127**	**-1,043**	**-136**	**-106**	**-4,997**
Book value 1 Jan 2023	21,075	5,295	3,983	233	294	151	147	**31,177**
Book value 31 Jan 2023	**32,942**	**4,080**	**3,408**	**113**	**45**	**68**	**92**	**40,748**

6. Property, plant and equipment

The amount of property, plant and equipment increased during the review period mainly as a result of the recognition of right-of-use assets EUR 4,056 thousand and machinery and equipment EUR 616 thousand of the car dealerships in Vantaa, Mikkeli and Savonlinna and Heavy Equipment facilities in Turku, Tampere and Vantaa as well as cars EUR 1,007 thousand following the business acquisition of the Suur-Savo Cooperative Society on 1 January 2024 and the acquisition (share exchange) of Suvanto Trucks Oy on 29 February 2024.

During the review period, property, plant and equipment also increased as a result of the recognition of the property EUR 1,222 thousand transferred to the Group through the acquisition (share exchange) of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 on 28 June 2024.

Other increases in property, plant and equipment during the period were mainly related to index increases of EUR 1,724 thousand in the Group's leases at the beginning of 2024, a total of EUR 506 thousand in investments in car brands' delivery facilities and showrooms, and a total of EUR 220 thousand in investments related to the energy-efficient car paint shop opened at the Kajaani repair shop.

EUR thousand	Right-of-use assets	Land areas	Buildings and structures	Machinery and equipment	Vehicles	Works of art	Total property, plant and equipment
Cost 1 Jan 2024	59,082	23	9,559	5,753	8,914	76	**83,407**
Business acquisition 1 Jan 2024	236	0	134	484	0	0	**854**
Share exchange 29 Feb 2024	907	0	0	132	1,264	0	**2,303**
Share exchange 28 Jun 2024	49	0	1,222	14	0	0	**1,285**
Additions	6,138	0	1,066	555	0	0	**7,759**
Disposals	-49	0	0	-8	-266	-12	**-335**
Transfers from inventories	0	0	0	0	2,286	0	**2,286**
Transfers to inventories	0	0	0	0	-1,701	0	**-1,701**
Cost 30 Jun 2024	**66,363**	**23**	**11,981**	**6,931**	**10,497**	**63**	**95,859**
Accumulated depreciation and impairment 1 Jan 2024	-12,762	0	-2,853	-1,597	-1,900	0	**-19,112**
Depreciation of assets in continuing operations	-5,273	0	-866	-740	-632	0	**-7,512**
Depreciation of assets in discontinued operations	-11	0	0	-1	0	0	**-13**
Impairment	0	0	0	0	0	0	**0**
Accumulated depreciation and impairment 30 Jun 2024	**-18,046**	**0**	**-3,720**	**-2,338**	**-2,531**	**0**	**-26,636**
Book value 1 Jan 2024	46,320	23	6,705	4,157	7,014	76	**64,295**
Book value 30 Jun 2024	**48,317**	**23**	**8,262**	**4,593**	**7,966**	**63**	**69,223**

EUR thousand	Right-of-use assets	Land areas	Buildings and structures	Machinery and equipment	Vehicles	Works of art	Total property, plant and equipment
Cost 1 Jan 2023	41,547	23	8,271	2,312	4,552	76	**56,781**
Business acquisition 7 March 2023	6,916	0	0	1,561	5,349	0	**13,827**
Business acquisition 31 May 2023	3,941	0	0	805	655	0	**5,402**
Additions	3,635	0	888	652	0	0	**5,174**
Disposals	0	0	0	0	-108	0	**-108**
Transfers from inventories	0	0	0	0	1,421	0	**1,421**
Transfers to inventories	0	0	0	0	-1,882	0	**-1,882**
Cost 30 Jun 2023	**56,039**	**23**	**9,159**	**5,331**	**9,987**	**76**	**80,615**
Accumulated depreciation and impairment 1 Jan 2023	-4,167	0	-1,127	-499	-611	0	**-6,404**
Depreciation of assets in continuing operations	-3,926	0	-767	-473	-590	0	**-5,756**
Depreciation of assets in discontinued operations	-23	0	0	-2	0	0	**-25**
Impairment	0	0	0	0	0	0	**0**
Accumulated depreciation and impairment 30 Jun 2023	**-8,116**	**0**	**-1,894**	**-974**	**-1,201**	**0**	**-12,186**
Book value 1 Jan 2023	37,379	23	7,144	1,813	3,941	76	**50,376**
Book value 30 Jun 2023	**47,922**	**23**	**7,265**	**4,356**	**8,786**	**76**	**68,429**

EUR thousand	Right-of-use assets	Land areas	Buildings and structures	Machinery and equipment	Vehicles	Works of art	Total property, plant and equipment
Cost 1 Jan 2023	41,547	23	8,271	2,312	4,552	76	**56,781**
Business acquisition 7 March 2023	212	0	0	1,561	5,349	0	**7,123**
Business acquisition 31 May 2023	3,941	0	0	805	655	0	**5,402**
Additions	13,382	0	1,287	1,056	0	0	**15,726**
Disposals	0	0	0	-14	-308	0	**-322**
Transfers from inventories	0	0	0	80	1,783	0	**1,862**
Transfers to inventories	0	0	0	-48	-3,117	0	**-3,164**
Cost 31 Dec 2023	**59,082**	**23**	**9,559**	**5,753**	**8,914**	**76**	**83,407**
Accumulated depreciation and impairment 1 Jan 2023	-4,167	0	-1,127	-499	-611	0	**-6,404**
Depreciation of assets in continuing operations	-8,547	0	-1,726	-1,094	-1,289	0	**-12,656**
Depreciation of assets in discontinued operations	-47	0	0	-4	0	0	**-51**
Impairment	0	0	0	0	0	0	**0**
Accumulated depreciation and impairment 31 Dec 2023	**-12,762**	**0**	**-2,853**	**-1,597**	**-1,900**	**0**	**-19,112**
Book value 1 Jan 2023	37,379	23	7,144	1,813	3,941	76	**50,376**
Book value 31 Jan 2023	**46,320**	**23**	**6,705**	**4,157**	**7,014**	**76**	**64,295**

7. Leases

In the review period, the right-of-use assets and lease liabilities recognised on the balance sheet increased by EUR 196 thousand as a result of the recognition of the lease concerning the premises of the Vantaa car dealership, which was transferred to the Group through the business acquisition of the Suur-Savo Cooperative Society on 1 January 2024, and by EUR 2,953 thousand as a result of the leases negotiated with the seller concerning the business premises of Mikkeli and Savonlinna car dealerships in connection with the acquisition. In addition, the amount of right-of-use assets and lease liabilities increased by EUR 907 thousand with the acquisition of Suvanto Trucks Oy on 29 February 2024, with the leases of Suvanto Trucks Oy's Turku, Tampere and Vantaa premises transferred to the Group. In the review period, right-of-use assets and lease liabilities arising from index increases of EUR 1,724 thousand implemented at the beginning of 2024 were also recognised on the consolidated balance sheet.

Amounts recognised on the balance sheet for leases

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Right-of-use assets			
Land areas	489	381	431
Buildings and structures	46,499	46,907	45,292
Machinery and equipment	1,329	634	597
Total	**48,317**	**47,922**	**46,320**
Lease liabilities			
Long-term	39,633	40,511	38,624
Short-term	10,168	8,106	8,798
Total	**49,801**	**48,618**	**47,422**

Amounts recognised in the income statement for leases

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Depreciation of right-of-use assets					
Land areas	-8	-4	-15	-8	-22
Buildings and structures	-2,561	-2,064	-5,076	-3,801	-8,293
Machinery and equipment	-108	-70	-194	-139	-279
Total depreciation of right-of-use assets	**-2,677**	**-2,139**	**-5,285**	**-3,949**	**-8,594**
Interest expenses on lease liabilities	-563	-434	-1,129	-770	-1,759
Costs related to short-term and low-value leases	-146	-101	-353	-336	-782
Total expense recognised in the income statement	**-3,386**	**-2,674**	**-6,767**	**-5,054**	**-11,135**

8. Inventories

The net change in inventories recognised as an expense was EUR 11,992 (25,514) thousand in the review period. In terms of vehicle inventories in the review period, a total of EUR -1,807 (-2,967) thousand of changes in value were made to the Group's inventories to reach the net realisable value. In terms of spare parts inventories, a total of EUR -660 (-313) thousand of changes in value were made. The changes in value are recognised through profit or loss as part of the change in inventories.

Inventories on the balance sheet

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
New vehicles	26,665	23,955	28,724
Used vehicles	48,054	38,463	35,936
Spare parts and accessories for vehicles	11,496	10,423	11,159
Other finished products	115	134	112
Work in progress	3,318	2,055	1,888
Advances	163	0	0
Total	**89,811**	**75,030**	**77,819**

9. Financial assets and liabilities

Financial liabilities increased during the review period mainly as a result of the business acquisition of the Suur-Savo Cooperative Society on 1 January 2024, the acquisition of Suvanto Trucks Oy on 29 February 2024 and the acquisition of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 on 28 June 2024, through which the Group assumed EUR 956 thousand in long-term and short-term loans from financial institutions, EUR 4,789 thousand in overdraft facility balance, EUR 4,105 thousand in long-term and short-term lease liabilities, EUR 8,007 thousand in financial liabilities related to consignment stock arrangements for vehicles, and EUR 913 thousand in financial liabilities related to sale and leaseback arrangements for vehicles. Note **3. Business combinations** provides more information about the acquisitions.

Financial assets and liabilities by valuation category

	30 Jun 2024		30 Jun 2023		31 Dec 2023	
EUR thousand	Measured at amortised cost	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through profit or loss
Non-current financial assets						
Loan receivables	2,103	0	0	0	0	0
Derivative instruments	0	78	0	159	0	74
Total non-current financial assets	**2,103**	**78**	**0**	**159**	**0**	**74**
Current financial assets						
Trade receivables	20,559	0	21,770	0	20,874	0
Other financial assets	19	0	25	0	33	0
Cash and cash equivalents	1,126	0	1,670	0	856	0
Total current financial assets	**21,704**	**0**	**23,465**	**0**	**21,763**	**0**
Total financial assets	**23,806**	**78**	**23,465**	**159**	**21,763**	**74**
Non-current financial liabilities						
Capital loans	5,752	0	5,341	0	5,742	0
Loans from financial institutions	305	0	18,083	0	293	0
Loans under the Employee Pensions Act (TyEL)	0	0	241	0	371	0
Product development loans	0	0	257	0	129	0
Other loans	208	0	1,019	0	246	0
Lease liabilities	39,585	0	40,511	0	38,624	0
Other financial liabilities	61	0	21	0	4	0
Derivative instruments	0	53	0	0	0	152
Total non-current financial liabilities	**45,910**	**53**	**65,474**	**0**	**45,408**	**152**
Current financial liabilities						
Loans from financial institutions	18,627	0	6,876	0	21,956	0
Overdraft facilities	16,312	0	7,863	0	11,752	0
Loans under the Employee Pensions Act (TyEL)	0	0	354	0	464	0
Product development loans	0	0	129	0	129	0
Convertible bonds	2,000	0	2,000	0	2,000	0
Lease liabilities	10,167	0	8,106	0	8,798	0
Trade payables	20,900	0	20,565	0	21,942	0
Vehicle consignment stock facilities	30,939	0	30,817	0	24,662	0
Vehicle sale and leaseback facilities	16,316	0	14,467	0	15,810	0
Other financial liabilities	1,454	0	2,823	0	1,383	0
Total current financial liabilities	**116,716**	**0**	**94,000**	**0**	**108,897**	**0**
Total financial liabilities	**162,626**	**53**	**159,474**	**0**	**154,305**	**152**

Fair value of financial assets and liabilities

EUR thousand	30 Jun 2024 Book value	30 Jun 2024 Fair value	30 Jun 2023 Book value	30 Jun 2023 Fair value	31 Dec 2023 Book value	31 Dec 2023 Fair value	Hierarchy level
Non-current financial assets							
Loan receivables	2,103	2,103	0	0	0	0	Level 3
Derivative instruments	78	78	159	159	74	74	Level 2
Total non-current financial assets	**2,181**	**2,181**	**159**	**159**	**74**	**74**	
Current financial assets							
Trade receivables	20,559	20,559	21,770	21,770	20,874	20,874	
Other financial assets	19	19	25	25	33	33	
Cash and cash equivalents	1,126	1,126	1,670	1,670	856	856	
Total current financial assets	**21,704**	**21,704**	**23,465**	**23,465**	**21,763**	**21,763**	
Total financial assets	**23,885**	**23,885**	**23,625**	**23,625**	**21,837**	**21,837**	
Non-current financial liabilities							
Loans	6,265	6,265	24,942	24,942	6,780	6,780	Level 3
Lease liabilities	39,585	39,585	40,511	40,511	38,624	38,624	Level 3
Other financial liabilities	61	61	21	21	4	4	
Derivative instruments	53	53	0	0	152	152	Level 2
Total non-current financial liabilities	**45,963**	**45,963**	**65,474**	**65,474**	**45,560**	**45,560**	
Current financial liabilities							
Loans	36,939	36,939	17,222	17,222	36,301	36,301	Level 3
Lease liabilities	10,167	10,167	8,106	8,106	8,798	8,798	Level 3
Trade payables	20,900	20,900	20,565	20,565	21,942	21,942	
Vehicle consignment stock facilities	30,939	30,939	30,817	30,817	24,662	24,662	
Vehicle sale and leaseback facilities	16,316	16,316	14,467	14,467	15,810	15,810	
Other financial liabilities	1,454	1,454	2,823	2,823	1,383	1,383	
Total current financial liabilities	**116,716**	**116,716**	**94,000**	**94,000**	**108,897**	**108,897**	
Total financial liabilities	**162,679**	**162,679**	**159,474**	**159,474**	**154,457**	**154,457**	

Because of the nature of trade receivables, other financial assets, trade payables, consignment stock facilities, sale and leaseback facilities and other financial liabilities, their book value is assumed to be the same as their fair value.

10. Financing arrangements

In April 2024, Wetteri renegotiated the covenants included in the financing agreement between the Themis Holding Oy subgroup, which is part of the Group, and Nordea Bank Plc and Varma Mutual Pension Insurance Company. At the end of the review period, the funding under the financing agreement included bank loans of EUR 18,175 thousand and an overdraft facility of EUR 13,300 thousand. As a result of the negotiations, the covenant terms of the financing agreement were amended as follows: the 12-month EBITDA divided by interest-bearing net liabilities of the Themis Holding Oy subgroup must be no more than 4.60x on 30 June 2024, no more than 4.20x on 31 December 2024 and no more than 1.50x on 30 June 2025 and thereafter, and its equity ratio must be at least 25% on 30 June 2024, at least 26% on 31 December 2024 and at least 35% on 30 June 2025 and thereafter. The Wetteri Group's equity ratio must be at least 19% on 30 June 2024, at least 19.5% on 31 December 2024 and at least 30% on 30 June 2025 and thereafter. In addition, Elo Mutual Pension Insurance Company replaced Varma Mutual Pension Insurance Company in the financing agreement, and the Group refinanced Varma's EUR 4,750 thousand loan with a corresponding loan from Elo. The maturity of the new loan is around three years from the date of the drawdown, and the loan is repaid semi-annually in the following instalments: EUR 750 thousand on 7 September 2024, 7 March 2025 and 7 September 2025; EUR 800 thousand on 7 March 2026; and EUR 850 thousand on 7 September 2026 and 7 March 2027. The loan margin is 3.95%.

With the business acquisition of the Suur-Savo Cooperative Society on 1 January 2024, the vehicle consignment stock facilities granted to the Group by financing companies increased by EUR 15,689 thousand. With the acquisition of Suvanto Trucks Oy, the Group also gained access to a facility of EUR 1,000 thousand granted to Suvanto Trucks Oy concerning sale and leaseback arrangements for vehicles. At the end of the review period, the Group had access to consignment stock facilities of EUR 51,536 thousand and facilities of EUR 26,392 thousand concerning sale and leaseback arrangements for vehicles. Within these facilities, the Group can place vehicles for purchase for financial companies' consignment stock or place vehicles for sale and leaseback.

With the acquisition of Suvanto Trucks Oy on 29 February 2024, the Group assumed responsibility for the outstanding loan capital of EUR 800 thousand from Nordea Bank Plc to Suvanto Trucks Oy. The loan will mature on 21 December 2025, and it is repaid in instalments of EUR 100,000 every three months. The loan margin is 2.50%. The transaction also gave the Group access to a EUR 4,500 thousand overdraft facility granted by Nordea Bank Plc to Suvanto Trucks Oy. Interest is paid on the overdraft facility, in addition to an overdraft commission of 0,75%. The interest margin on the overdraft facility is 1.35%.

With the acquisition of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 on 28 June 2024, the Group assumed responsibility for the outstanding loan capital of EUR 156 thousand from Nordea Bank Plc to Suvanto Trucks Oy. The loan will mature on 30 August 2026, and it is repaid in monthly instalments of around EUR 6 thousand. The loan margin is 2.38%. The transaction also gave the Group access to a EUR 700 thousand overdraft facility granted by Nordea Bank Plc to the companies. Interest is paid on the overdraft facility, in addition to an overdraft commission of 1,1%. The interest margin on the overdraft facility is 1.9%.

Covenants included in financing

The bank financing granted by Nordea Bank Plc and Elo Mutual Pension Insurance Company to the Group companies Themis Holding Oy and Wetteri Yhtiöt Oy includes a covenant measuring 12-month EBITDA divided by net interest-bearing liabilities. The bank financing consisted of EUR 18,175 thousand in bank loans and EUR 13,300 thousand in overdraft facilities at the end of the review period. According to the financing agreement, the 12-month EBITDA divided by interest-bearing net liabilities is calculated in accordance with Finnish accounting practice based on the interest-bearing net liabilities and 12-month EBITDA of the subgroup consisting of Themis Holding Oy and its subsidiaries Wetteri Yhtiöt Oy, Wetteri Auto Oy, Wetteri Power Oy, Autotalo Mobila Oy and Pohjois-Suomen Autotalot Oy. The terms and conditions of the bank financing granted by Nordea Bank Plc and Elo Mutual Pension Insurance Company also include a covenant measuring the equity ratio of the Wetteri Group and the subgroup formed by Themis Holding Oy and its subsidiaries Wetteri Yhtiöt Oy, Wetteri Auto Oy, Wetteri Power Oy, Autotalo Mobila Oy and Pohjois-Suomen Autotalot Oy. When calculating the equity ratio, the subordinated capital loans granted by Simula Invest Oy and PM Ruukki Oy are treated as equity **(Note 12. Related party transactions)**. Financial performance against the covenants is reviewed annually on 30 June and 31 December.

On 13 August 2024, Wetteri announced that the covenants included in the Themis Holding Oy subgroup's financing agreement, which measure 12-month EBITDA divided by net interest-bearing liabilities, as well as the equity ratio, had not been fully met on 30 June 2024. Wetteri has started negotiations with the financiers to update the covenant terms of the financing agreement. As the negotiations started after the end of the review period, and the financiers did not announce before the end of the review period that they were not going to have the receivables fall due, the outcome of the negotiations has not been taken into account in the half-year report on 30 June 2024. Consequently, the funding under the financing agreement, including EUR 18,175 thousand in bank loans and EUR 11,682 thousand in use under the overdraft facility, is presented in full as a current liability in the half-year report. If the negotiations had been completed and the financiers had announced before the end of the review period that they were not going to have the receivables fall due, EUR 11,650 thousand of the financing would have been presented as a non-current liability in the half-year report.

11. Share issues

On 11 December 2023, Wetteri announced the acquisition of the entire share capital of Suvanto Trucks Oy, a company engaged in business operations related to heavy vehicles. The share exchange and the acquisition of the shares in Suvanto Trucks Oy were carried out on 29 February 2024. In connection with the share exchange, Wetteri's Board of Directors issued a total of 8,869,936 new shares in the company in a directed share issue to the shareholders of Suvanto Trucks Oy, who paid for these new shares with shares in Suvanto Trucks Oy. The directed share issue was carried out under an authorisation granted by the company's Annual General Meeting on 8 May 2023. The share subscription price in the directed share issue was EUR 0.469 per share. The subscription price was based on the terms and conditions of the share exchange agreement and was determined in accordance with the share price at the time of execution. Following the share issue, the total number of shares in Wetteri Plc increased to 157,082,545 from 148,212,609. The share capital of the company did not change as a result of the share issue. The new shares were entered in the Trade Register on 7 March 2024 and became subject to public trading on the Helsinki Stock Exchange on 15 March 2024.

On 21 December 2023, Wetteri announced a share issue without payment to the personnel. The company would issue a maximum of 100,000 new shares in the company to the employees of Wetteri Plc and its car trade business operations without consideration, in deviation from the shareholders' pre-emptive right. The company had a particularly weighty financial reason for deviating from the shareholders' pre-emptive right, as the purpose of the personnel issue was to strengthen the employees' ownership, motivation and commitment to the company. On 15 March 2024, the company announced that 670 employees had participated in the share issue, and the Board of Directors approved the issue of a total of 67,000 new shares through the share issue to personnel. The directed share issue to the personnel without payment was carried out under an authorisation granted by the company's Annual General Meeting on 8 May 2023. Following the share issue, the total number of shares in Wetteri Plc increased to 157,149,545 from 157,082,545. The share capital of the company did not change as a result of the share issue. The new shares were entered in the Trade Register on 22 March 2024 and became subject to public trading on the Helsinki Stock Exchange on 25 March 2024.

On 28 June 2024, Wetteri announced the acquisition of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 through a share exchange. In connection with the share exchange, Wetteri's Board of Directors issued a total of 2,823,017 new shares in the company in a directed share issue to the shareholders of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3, who paid for these new shares with shares in Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3. The directed share issue was carried out under an authorisation granted by the company's Annual General Meeting on 22 May 2024. The share subscription price in the directed share issue was EUR 0.447 per share. The subscription price was based on the terms and conditions of the share exchange agreement and was determined in accordance with the share price at the time of execution. Following the share issue, the total number of shares in Wetteri Plc increased to 159,972,562 from 157,149,545. The share capital of the company did not change as a result of the share issue. By the time of publication of the half-year report, the new shares have not yet been entered in the Trade Register, and they have not yet become subject to public trading on the Helsinki Stock Exchange.

Costs related to share issues

The transaction costs of EUR 30 thousand of the directed share issue carried out in connection with the share exchange of Suvanto Trucks Oy have been treated as a reduction in the subscription price of the new shares recorded in the Group's invested unrestricted equity fund, adjusted for a tax impact of EUR 6 thousand, because they are additional expenses that are directly attributable to the equity transaction, and that would otherwise have been avoided. The transaction costs include fees charged by legal advisors, among other expenses.

12. Related party transactions

The Group's related parties include its parent company, Wetteri Plc, with its subsidiaries, as well as an associated company. The Group's related parties also include key members of the Group's management, including the members of the Board of Directors, the CEO and the members of the Management Team, as well as their close family members and entities in which these persons have control or joint control.

All transactions with key members of the Group's management and other related parties during the review period and the comparison period were conducted under normal market conditions.

Transactions with key members of the management and their controlled entities

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Income statement items					
Sale of goods and services	37	1	39	179	409
Purchases of goods and services	-192	2	-192	-136	-215
Interest expenses on capital loans	-113	-102	-224	-201	-443
Interest expenses on other loans	0	-15	0	-15	-49
Total income statement items	**-268**	**-115**	**-377**	**-174**	**-299**

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Equity items					
Share issue 7 Mar 2023	0	0	0	300	300
Share issue 22 Dec 2023	0	0	0	0	800
Total equity items	**0**	**0**	**0**	**300**	**1,100**

Key members of the Group's management have purchased cars and other goods and services from the Group during the review period and the comparison period. They have also sold used cars to the Group. Key members of the Group's management have the right to buy cars and other goods and services from the Group and sell cars to the Group in accordance with the Group-wide personnel policy.

The Group has a capital loan of EUR 5,500 thousand in accordance with chapter 12, section 1 of the Limited Liability Companies Act from Simula Invest Oy and PM Ruukki Oy, which are controlled entities of Aarne Simula and Markku

Kankaala, key members of the Group's management, and are also major shareholders of the Group. The interest rate on the loans is 8%. The interest expense of EUR 224 (201) thousand accrued on the loans during the review period has been recognised as a financial expense in the consolidated income statement.

The loans must be repaid on demand, but regardless of the repayment term, the creditors have undertaken not to demand repayment of the loans until 30 June 2025 unless the creditors and the debtor otherwise agree. In the event of the debtor's liquidation and bankruptcy, the principal of the loan and its interest can only be paid with a lower priority than all other debt. The principal may otherwise be returned and interest paid only to the extent that the amount of the debtor's unrestricted equity and all capital loans at the time of payment exceeds the amount of the debtor's loss recognised on the balance sheet in the most recently ended financial year or included in more recent financial statements. There is no guarantee for the payment of the principal or interest. In addition, the Group's bank financing agreement includes a condition that the repayment of the principal and payment of the interest on the loans require the consent of the bank.

Open balances with key members of the management and their controlled entities

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Liabilities			
Capital loans	5,500	4,926	5,500
Interest accrued on capital loans	252	415	242
Other loans	0	800	0
Interest accrued on other loans	0	15	33
Trade and other payables	34	0	0
Total liabilities	**5,787**	**6,156**	**5,775**

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets			
Trade and other receivables	18	0	0
Total assets	**18**	**0**	**0**

The book value of the capital loans granted to the Group by Simula Invest Oy and PM Ruukki Oy, which are controlled entities of key members of the Group's management, is EUR 5,752 (5,742) thousand and includes EUR 252 (242) thousand of unpaid interest accrued on the capital loans.

Transactions with other related parties

EUR thousand	1 Apr to 30 Jun 2024	1 Apr to 30 Jun 2023	1 Jan to 30 Jun 2024	1 Jan to 30 Jun 2023	1 Jan to 31 Dec 2023
Income statement items					
Interest expenses on other loans	-4	-4	-8	-4	-13
Total income statement items	**-4**	**-4**	**-8**	**-4**	**-13**

The Group has a loan of EUR 200 thousand from a related party of Markku Kankaala, who is a key member of the Group's management. The interest paid on the loan consists of the 12-month Euribor rate and a 4.5% margin. The interest expense of EUR 8 (4) thousand accrued on the loan during the review period has been recognised as a financial expense in the consolidated income statement. The loan is payable on demand. However, the loan is subordinate to the Group's bank financing, and consent from the bank is required for the loan to fall due.

Open balances with other related parties

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Liabilities			
Other loans	200	200	200
Interest accrued on other loans	8	4	13
Total liabilities	**208**	**204**	**213**

The book value of the loan of EUR 208 (213) thousand granted to the Group by a related party of Markku Kankaala, a key member in the Group's management, includes EUR 8 (13) thousand in unpaid interest accrued on the loan.

Wetteri Plc also has a capital loan receivable of EUR 480 thousand under chapter 12, section 1 of the Limited Liability Companies Act from the Group's associated company Brain Alliance Oy, which was put into liquidation on 18 April 2023 for the dissolution of the company. The interest rate on the loan receivable is 5%. The capital loan receivable or the accrued interest has no book value on the Group's balance sheet because the interest accrued on the loan receivable has been forgiven, and the value of the loan receivable is otherwise considered to have decreased permanently.

13. Contingent liabilities and assets, and commitments

Contingent liabilities

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Collateral given for own commitments			
Business mortgages	82,873	38,483	79,483
Mortgage on lease rights of a place of business	1,300	0	0
Other guarantees	26,840	18,582	26,790

The shares in the Group's subsidiaries are pledged as collateral for the Group's loans. The Group's subsidiaries have also given an unlimited directly enforceable guarantee on behalf of one another.

The Group's inventories include vehicles that serve as collateral for the Group's liabilities. At the end of the review period, the book value of the vehicles serving as collateral for the Group's liabilities was EUR 46,961 (40,219) thousand. The vehicles are vehicles subject to a sale and leaseback arrangement and a consignment stock arrangement.

Other off-balance-sheet liabilities

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Leasing liabilities			
Due within 1 year	298	172	147
Due within 1–5 years	588	200	248

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Lease liabilities			
Due within 1 year	0	166	164
Due within 1–5 years	0	0	0

EUR thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
Other liabilities	95	78	67

The Group has leased premises, furniture and equipment. The leasing liabilities and lease liabilities include low-value leasing contracts and leases denominated in euros, as well as leasing contracts and leases ending within less than 12 months. The undiscounted minimum rents, excluding VAT, payable based on leasing contracts and leases are shown above. The Group also has a minor amount of other liabilities to financing companies.

Obligation to adjust VAT deductions on real property investments

The Group has an obligation to adjust its VAT deductions on real property investments if the use of the property for a purpose that is subject to VAT decreases during the adjustment period. The obligation to adjust VAT deductions applies to the investments made in the Group's premises in Lahti, Ylivieska, Rovaniemi, Kokkola, Kemi, Oulu, Kajaani, Mikkeli and Savonlinna, for which the last years for adjustments to VAT deductions are 2024, 2029, 2032, 2032, 2033, 2033, 2033, 2033 and 2033 respectively. The maximum amount of the obligation at the end of the review period was EUR 1,576 (1,470) thousand.

Disputes and legal proceedings

No legal claims for damages have been made against the Group's companies, and the Group's balance sheet does not include provisions for legal proceedings.

14. Events after the end of the review period

Acquisition of the business operations of the Lempäälä location of Sports Car Center

Wetteri announced on 2 July 2024 that Wetteri Auto Oy, a subsidiary of the Group, would acquire the business operations of Sports Car Center's Lempäälä location. Car sales and Volvo and Mercedes-Benz brand-specific maintenance will be transferred to Wetteri in the transaction. The purchase price of the transaction is EUR 50 thousand, and the potential additional purchase price is up to EUR 150 thousand. Wetteri has used car trade operations in the property where the business operations to be purchased from Sports Car Center are located, and the development of the site concept towards new brand representation will be made possible with the acquisition.

The transaction was executed and the business was transferred to Wetteri on 1 August 2024. The profit and net assets of the acquired business operations will be consolidated into the Group as of the completion of the transaction, so the financial impacts of the transaction have not been taken into account in the half-year report for 1 January to 30 June 2024.

Negotiations related to the covenants of the financing agreement

On 13 August 2024, Wetteri announced that the covenants included in the financing agreement between the Themis Holding Oy subgroup and the financing bank, which measure 12-month EBITDA divided by net interest-bearing liabilities, as well as the equity ratio, had not been fully met on 30 June 2024. Wetteri has started negotiations with the financing bank to update the covenant terms of the financing agreement. As the negotiations started after the end of the review period, and the financiers did not announce before the end of the review period that they were not going to have the receivables fall due, the outcome of the negotiations has not been taken into account in the half-year report on 30 June 2024. Consequently, the funding under the financing agreement, including EUR 18,175 thousand in bank loans and EUR 11,682 thousand in use under the overdraft facility, is presented in full as a current liability in the half-year report. If the negotiations had been completed and the financiers had announced before the end of the review period that they were not going to have the receivables fall due, EUR 11,650 thousand of the financing would have been presented as a non-current liability in the half-year report.

Profit warning and updating of the financial guidance for 2024

On 23 August 2024, Wetteri gave a profit warning and announced that it would lower its financial guidance for 2024. The updated financial guidance can be found on page 1 of the half-year report.

Wetteri's previous guidance included mergers and acquisitions with profit and revenue effects, the realisation of which is postponed in time. The performance of Wetteri's operations has also been affected by the historically weak and more difficult than expected market situation for new cars: the first registrations of new cars in 2024 will be around 75,000 cars, while in the spring the forecast was about 80,000 new passenger cars.

Wetteri's growth strategy has not been changed and Wetteri will continue to promote acquisitions. Wetteri has launched a programme to improve the profitability of its operations and to cut costs. The programme includes the reorganisation of activities and the dismantling of overlaps, as well as the adjusting the use of labour. In addition, the use of premises has been enhanced. With new brand representations, organic growth is also expected during the end of 2024. The automotive industry predicts a 10% increase in new car registrations for 2025.