WETTERI

# Wetteri Plc

Interim report for 1 January to 30 September 2024

## 30% growth in net sales, historically poor market conditions weakened operational performance

## Wetteri Plc's interim report for 1 January to 30 September 2024

# 30% growth in net sales, historically poor market conditions weakened operational performance

## Summary of the review period 1 July to 30 September 2024

- The Group's revenue was EUR 119.6 million (EUR 110.3 million), with an increase of 8%
- Adjusted EBITDA was EUR 6.2 million (EUR 6.9 million)
- The adjusted operating profit was EUR 2.1 million (EUR 3.3 million)
- The operating profit was EUR 1.2 million (EUR 2.1 million)
- The revenue of the Passenger Cars segment decreased by EUR 1.1 million (-2%) year-on-year
- The revenue of the Heavy Equipment segment increased by EUR 7.5 million (50%) year-on-year
- The revenue of the Maintenance Services segment increased by EUR 3.2 million (16%) year-on-year

## Summary of the review period 1 January to 30 September 2024

- The Group's revenue was EUR 395.3 million (EUR 304.6 million), with an increase of 30%, which was mainly generated through strategic acquisitions
- Adjusted EBITDA was EUR 17.0 million (EUR 17.6 million)
- The adjusted operating profit was EUR 5.4 million (EUR 8.2 million)
- The operating profit was EUR 1.7 million (EUR 4.3 million)
- The revenue of the Passenger Cars segment increased by EUR 63.6 million (33%) year-on-year; invoiced sales of used cars grew by 72%
- The revenue of the Heavy Equipment segment increased by EUR 8.7 million (17%) year-on-year
- The revenue of the Maintenance Services segment increased by EUR 19.0 million (35%) 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

## Updated financial guidance for 2024 (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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023[1)] | Change | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023[1)] | Change | 1 Jan to 31 Dec 2023[1)] |
|---|---|---|---|---|---|---|---|
| Revenue | 119,649 | 110,308 | 8% | 395,309 | 304,562 | 30% | 432,502 |
| EBITDA | 5,818 | 6,329 | -8% | 14,968 | 15,775 | -5% | 20,061 |
| EBITDA, % of revenue | 5% | 6% | | 4% | 5% | | 5% |
| Adjusted EBITDA [2)] | 6,211 | 6,852 | -9% | 16,979 | 17,563 | -3% | 23,970 |
| Adjusted EBITDA, % of revenue | 5% | 6% | | 4% | 6% | | 6% |
| Operating profit (loss) (EBIT) | 1,186 | 2,127 | -44% | 1,655 | 4,279 | -61% | 4,713 |
| Operating profit (loss), % of revenue | 1% | 2% | | 0% | 1% | | 1% |
| Adjusted operating profit [2)] | 2,138 | 3,300 | -35% | 5,365 | 8,192 | -35% | 11,225 |
| Adjusted operating profit, % of revenue | 2% | 3% | | 1% | 3% | | 3% |
| Profit (loss) before tax | -1,954 | -132 | - | -7,324 | -1,329 | - | -4,339 |
| Profit (loss) before tax, % of revenue | -2% | 0% | | -2% | 0% | | -1% |
| Profit (loss) for the period from continuing operations | -982 | -153 | - | -5,962 | -1,319 | - | -4,336 |
| Profit (loss) for the period from continuing operation, % of revenue | -1% | 0% | | -2% | 0% | | -1% |
| Profit (loss) for the period | -882 | -401 | - | -3,266 | -1,087 | - | -4,049 |
| Profit (loss) for the period, % of revenue | -1% | 0% | | -1% | 0% | | -1% |
| Earnings per share from continuing operations, basic (EUR) | -0.01 | 0.00 | | -0.04 | -0.01 | | -0.03 |
| Earnings per share from continuing operations, diluted (EUR) | -0.01 | 0.00 | | -0.04 | -0.01 | | -0.03 |
| Earnings per share, basic (EUR) | -0.01 | 0.00 | | -0.02 | -0.01 | | -0.03 |
| Earnings per share, diluted (EUR) | -0.01 | 0.00 | | -0.02 | -0.01 | | -0.03 |
| Return on equity (ROE), % | -10% | -5% | | -23% | -5% | | -13% |
| Return on investment (ROI), % | -11% | -6% | | -13% | -6% | | -9% |
| Equity ratio, % | 17% | 15% | | 17% | 15% | | 16% |
| Liquidity, % | 80% | 92% | | 80% | 92% | | 83% |
| Average number of personnel during the financial year | 1,011 | 992 | | 1,030 | 899 | | 926 |
| Invoiced sales of new passenger cars (pcs) | 696 | 929 | | 2,690 | 2,474 | | 3,322 |
| Invoiced sales of new commercial trucks (pcs) | 39 | 36 | | 111 | 138 | | 181 |
| Invoiced sales of used passenger cars (pcs) | 2,282 | 1,527 | | 7,247 | 4,211 | | 5,764 |
| Invoiced sales of used commercial trucks (pcs) | 108 | 20 | | 284 | 85 | | 114 |
| Orders: new passenger cars (pcs) | 784 | 746 | | 2,673 | 2,163 | | 2,862 |
| Orders: new commercial trucks (pcs) | 40 | 21 | | 131 | 110 | | 127 |
| Passenger cars: order backlog at the end of the period | 36,337 | 64,665 | | 36,337 | 64,665 | | 57,343 |
| Commercial trucks: order backlog at the end of the period | 17,154 | 18,750 | | 17,154 | 18,750 | | 13,655 |
| Passenger car repair shop: hours sold | 85,153 | 84,129 | | 261,545 | 235,654 | | 319,562 |
| Commercial truck repair shop: hours sold | 25,572 | 24,553 | | 82,014 | 80,464 | | 110,759 |

[1)] The training business operations, which were sold in the first half of 2024, are presented as discontinued operations in the interim report. The income statement items related to the training business operations are presented in the consolidated income statement for the review period as part of the profit (loss) of the Group's discontinued operations, separately from the income statement items related to the Group's continuing operations. The presentation of the income statement for the comparison period and the calculation of the key figures derived from the items in the income statement for the comparison period have also been adjusted accordingly. The adjusted comparison period information is unaudited.

[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.

## Aarne Simula, CEO:

“The situation in the car market continued to be historically weak between January and September, which affected Wetteri’s performance during the review period. The Group’s revenue increased by 30% from the previous year as a result of corporate transactions, amounting to EUR 395.3 million. Adjusted EBITDA fell slightly short of last year’s level and was EUR 17.0 million. The adjusted operating profit decreased year-on-year, amounting to EUR 5.4 million. The difficult market situation, general economic uncertainty and weak consumer confidence had a negative impact on Wetteri’s performance during the review period. Wetteri updated its financial guidance for 2024 on 23 August 2024 because of the weaker-than-expected market situation in the new passenger car trade and postponement of planned new acquisitions.

In January–September, Wetteri’s revenue increased by 33% in the Passenger Cars segment and amounted to EUR 258,6 million. The invoiced sales of used cars increased by 72% in terms of the number of cars. Growth is made possible by Wetteri’s self-sufficiency in used cars: For every new car sold, Wetteri receives a used car, and its extensive range of used cars meets the market demand. The order backlog for new passenger cars at the end of the review period stood at EUR 36.3 million. In January–September, the Heavy Equipment segment’s revenue increased slightly year-on-year and was EUR 61.2 million. The invoiced sales of new commercial trucks totalled 111 units, and the invoiced sales of used commercial trucks amounted to 284 units. The Maintenance Services segment’s revenue increased by 35% in January–September, amounting to EUR 72.8 million.

On November 21, we announced that Wetteri will sell its subsidiary, Wetteri Power Oy, which operates in the sales and maintenance of Volvo and Renault-branded trucks. The purchase price of the transaction is approx. EUR 32.5 million and the implementation of the transaction is estimated to take place around years end. This transaction is very positive for Wetteri's shareholders. The acquisition significantly strengthens Wetteri's balance sheet as well as its ability to execute strategic acquisitions and thus provides excellent support for the company's growth strategy. Profitable growth also opens opportunities to pay dividends in the future.

The automotive industry is going through a historical transformation and the operations will be focused on a few big players. Our goal is to grow into Finland's largest full-service multi-brand car company, and this transaction takes us towards this goal. We see that now is the right time to invest in the growth of the passenger car business. We will continue to develop the heavy equipment business, for which we have excellent prerequisites thanks to this transaction. We have a strong position in the used truck trade and expanded our business by starting to import earthmoving machinery. Truck maintenance will continue with five brands.

The efficiency improvement measures launched in spring 2024 and the review of the cost structure will continue also during the coming year. Annual savings of EUR 5 million are sought. It is clear that the improvement in profitability resulting from the acquisitions will not occur in a short time, but Wetteri will continue to systematically take measures to realize synergy benefits. We are also developing our other activities, and we have recently launched a new service product, Wetteri-Turva, for which we expect strong demand. Wetteri-Turva is an additional security purchased for a replacement car, which covers possible repair or maintenance costs even in unexpected situations.

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 the acquisition Suvanto Trucks, Wetteri gained expertise in procurement channels and the purchase of used commercial trucks. In May, Wetteri signed the first import and distribution agreement in its history on Sany earth-moving machinery. In June, the company strengthened its heavy equipment business by acquiring Lahden Rekkapaja, which specialises in truck superstructures, and opened used commercial truck dealerships in Joensuu and Kuopio. In the late spring of 2024, we opened a major used car dealership in Vantaa in line with the Wetteri Premium concept. This will enable us to respond to the growing demand for high-quality used cars in the Helsinki metropolitan area. Wetteri has a strong position in a market that is turning to growth. In the late summer of 2024, we strengthened our position as a Kia and Mitsubishi dealer by expanding our cooperation with Astara Finland, a brand importer. From the beginning of October, the Rinta-Jouppi car dealership’s Kia and Mitsubishi businesses were transferred to Wetteri in Oulu, Rovaniemi and Pori through a business acquisition. Wetteri will continue to implement its growth strategy even more strongly in the coming year.”

# Operating environment

The operating environment in the automotive sector has been exceptionally challenging. A similar situation was witnessed most recently during the recession in the 1990s. The demand for new passenger cars in particular has been at a very low level for a long time.

According to statistics from the Finnish Information Centre of the Automobile Sector, a total of 55,507 new cars were registered in January–September, with a 19.1% decrease year-on-year. The number of registrations of new cars is expected to be around 75,000 this year. At the beginning of the year, the number was estimated at around 80,000. In January–September, used car sales in car dealerships were around 5% higher than last year.

The number of first registrations of new vans totalled 7,505 in January–September, with a decrease of 11.5% 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 January–September, the number of first registrations of commercial trucks was markedly lower than last year, depending on the weight category. In the over 16-tonne weight category, the number of registrations decreased by slightly less than 10% year-on-year, while the number of registrations in the under 6-tonne weight category decreased by around 32%. A total of 2,671 commercial trucks were registered in January–September. This year, the number of first registrations of commercial trucks is expected to be around 3,200 (3,949 in 2023). The automotive industry estimates that the number of first registrations of commercial trucks will start to increase next year. In September 2024, the number of new registrations of commercial trucks increased by around 6%.

According to statistics published by ACEA (The European Automobile Manufacturers' Association) for January–September, registrations of new cars in Europe decreased in Germany (-1%) and France (-1.8%), remained almost unchanged in Italy and continued to grow slightly in Spain (+4.7%). Compared with the corresponding period last year, the total number of first registrations in Europe in January–September was around 8,000,000 vehicles, which is practically at the same level as in the previous year (+0.6%).

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 may increase the demand for new passenger cars.  However, consumer confidence remains low.

The construction industry expects infrastructure construction to increase in 2025, with government investments in transport infrastructure and maintenance and investments in the energy transition accelerating growth in the industry. The growth of infrastructure construction may increase, for example, the demand for commercial vehicles, heavy equipment and earthmoving machinery.

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 and closure.

For 2025, the automotive industry forecasts a 10% increase in demand. In both Finland and Europe as a whole, there are already initial signs of an increase in the demand for new cars.

# Strategy

Due to its changed situation with the sale of Wetteri Power, Wetteri will update its strategy in the beginning of year 2025 for both the passenger car business and heavy equipment business.

The consolidation of the automotive industry is a key driver of growth for Wetteri. It will boost the company's profitability over the next few years. Wetteri is a strongly growth-oriented company that grows 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 and used commercial trucks, and the spare parts, maintenance and repair shop business, as well as the sale of used cars. Sales of new Volvo and Renault trucks will cease as a result of the corporate transaction at the beginning of 2025. In addition, the company is involved in the heavy equipment superstructure business and the import and distribution of Sany earth-moving machinery. Its 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 Finland's largest car brand representation, 40 brands in total. Multi-brand representation is a strategic strength, due to which the company has a unique market position in most of the best-selling car brands in Finland in both the car trade 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 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 1 January 2024. On 11 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 29 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 equipment 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 equipment 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. In early October, Wetteri acquired Autoliike Rinta-Jouppi's Kia and Mitsubishi businesses in Oulu, Pori and Rovaniemi. As a result of the transaction, Wetteri is one of the largest Kia dealers in Finland.

The expansion of brand representation is an organic growth factor: through broader representation, it is possible to meet the needs of very different customer segments, and Wetteri has a significant market share in most of the best-selling car brands. 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 of 2024, Wetteri started an efficiency programme to improve profitability and reduce costs. The efficiency programme includes measures to reorganise operations and improve the efficiency of administration, for example. In terms of facilities, possibilities to combine functions have been explored, and the efficient use of facilities has been enhanced. Wetteri operates in 50 locations, and its annual rental expenses 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 reduce annual costs by around EUR 5 million.

# Business performance in the review period

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | Change | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Dec 2023 | Change | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | |
| Revenue | 119,649 | 110,308 | 8% | 395,309 | 304,562 | 30% | 432,502 |
| EBITDA | 5,818 | 6,329 | -8% | 14,968 | 15,775 | -5% | 20,061 |
| Adjusted EBITDA | 6,211 | 6,852 | -9% | 16,979 | 17,563 | -3% | 23,970 |
| Operating profit (EBIT) | 1,186 | 2,127 | -44% | 1,655 | 4,279 | -61% | 4,713 |
| Adjusted operating profit | 2,138 | 3,300 | -35% | 5,365 | 8,192 | -35% | 11,225 |

The Wetteri Plc Group's revenue in the third quarter of 2024 was EUR 119.6 million. Compared with the corresponding period in the previous year (EUR 110,3 million), its revenue increased by 8%. Its third-quarter EBITDA was EUR 5.8 (6.3) million. The adjusted EBITDA was EUR 6.2 (6.9) million, operating profit EUR 1.2 (2.1) million and adjusted operating profit EUR 2.1 (3.3) million.

Revenue in January–September 2024 was EUR 395.3 million. Compared with the corresponding period in the previous year (EUR 304.6 million), revenue increased by 30%. January-September EBITDA was EUR 15.0 (15.8) million. The adjusted EBITDA was EUR 17.0 (17.6) million, operating profit EUR 1.7 (4.3) million and adjusted operating profit EUR 5.4 (8.2) 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. Revenue and the operating result decreased in the review period as a result of 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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | Change | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | Change | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| **Passenger Cars** | | | | | | | |
| Revenue | 72,604 | 73,750 | -2% | 258,616 | 195,030 | 33% | 284,456 |
| EBITDA | -266 | 1,555 | -117% | 229 | 3,954 | -94% | 4,235 |
| Adjusted EBITDA | -221 | 1,672 | -113% | 774 | 4,136 | -81% | 5,070 |
| Operating profit (EBIT) | -2,015 | -350 | - | -4,843 | -1,091 | - | -2,491 |
| Adjusted operating profit | -1,579 | 263 | -701% | -3,077 | 499 | -716% | 77 |

The Passenger Car segment's revenue in January–September 2024 was EUR 258.6 million, with an increase of 33% 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 2,690 invoiced sales of new passenger cars in the review period, up 9% 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 36.3 million. The order backlog consisted of 730 cars at the end of the review period.

The invoiced sales of used cars totalled 7,247 in January–September 2024, up 72% from the corresponding period in the previous year.

### Heavy Equipment segment

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | Change | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | Change | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| **Heavy Equipment** | | | | | | | |
| Revenue | 22,526 | 15,044 | 50% | 61,171 | 52,422 | 17% | 67,846 |
| EBITDA | 1,372 | 1,244 | 10% | 3,845 | 3,339 | 15% | 4,809 |
| Adjusted EBITDA | 1,551 | 1,265 | 23% | 4,271 | 3,946 | 8% | 5,441 |
| Operating profit (EBIT) | 662 | 779 | -15% | 1,821 | 1,657 | 10% | 2,596 |
| Adjusted operating profit | 903 | 851 | 6% | 2,413 | 2,667 | -10% | 3,682 |

The Heavy Equipment segment's revenue in January–September increased 17% from the previous year and amounted to EUR 61.2 million. The invoiced sales of new commercial trucks totalled 111 in the review period (138 in the corresponding period in the previous year). The invoiced sales of used commercial trucks totalled 284 (85 in January–September 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 179 in March–September.

A total of 131 new commercial trucks were ordered during January–September 2024, with an increase of 21 trucks from the previous year. The value of the order backlog was EUR 17,2 million. The market share of Wetteri Power Oy's Volvo and Renault commercial trucks was 34.3% in the market area at the end of September. 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 23.0 million (EUR 20.5 million at the end of the comparison period). The maintenance contract coverage is more than 95%.

**Maintenance Services segment**

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | Change | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | Change | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| **Maintenance Services** | | | | | | | |
| Revenue | 23,554 | 20,358 | 16% | 72,840 | 53,882 | 35% | 76,040 |
| EBITDA | 4,483 | 3,592 | 25% | 10,595 | 8,814 | 20% | 10,534 |
| Adjusted EBITDA | 4,623 | 3,865 | 20% | 11,584 | 9,688 | 20% | 12,654 |
| Operating profit (EBIT) | 2,328 | 1,472 | 58% | 4,436 | 3,427 | 29% | 3,151 |
| Adjusted operating profit | 2,570 | 1,846 | 39% | 5,732 | 4,608 | 24% | 5,680 |

The Maintenance Services segment's revenue in January–September 2024 was EUR 72.8 million, with an increase of 35% from the corresponding period in the previous year. A total of 261,545 maintenance and repair shop hours were sold in January–September 2024, up 11% from the corresponding period in the previous year. The euro-denominated maintenance work invoicing increased by 21% 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–September 2024 increased by 22% 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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | Change | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | Change | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| **Items not allocated to operating segments** | | | | | | | |
| Revenue | 964 | 1,157 | -17% | 2,682 | 3,227 | -17% | 4,160 |
| EBITDA | 228 | -62 | - | 299 | -333 | - | 482 |
| Adjusted EBITDA | 258 | 51 | 409% | 350 | -206 | - | 805 |
| Operating profit (EBIT) | 212 | 226 | -6% | 241 | 286 | -16% | 1,456 |
| Adjusted operating profit | 244 | 340 | -28% | 298 | 418 | -29% | 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 interim 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 (**4. Discontinued operations**). 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 218.7 million, of which equity accounted for EUR 36.4 million. Non-current liabilities totalled EUR 47.2 million, including EUR 39.8 million in lease liabilities. At the end of the review period, current liabilities stood at EUR 135.1 million, including EUR 37.2 million in trade and other payables and EUR 10.4 million in lease liabilities. Net working capital stood at EUR 25.0 million at the end of the review period. Inventories amounted to EUR 85.8 million. The equity ratio was 17%.

At the end of the review period, the Group's interest-bearing liabilities consisted of EUR 50.2 million in lease liabilities, EUR 17.1 million in loans from financial institutions, EUR 17.3 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 26.3 million in use from the consignment stock facilities for used cars, EUR 17.2 million in use from the facilities for sale and leaseback arrangements for demonstration cars, and EUR 1.9 million in other financial liabilities. Interest-bearing liabilities totalled EUR 138.1 million. Interest-bearing liabilities, excluding lease liabilities, the consignment stock facility in use and the sale and leaseback facility in use, totalled EUR 44.4 million.

**Interest-bearing liabilities**

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Non-current interest-bearing liabilities** | | | |
| Capital loans | 0 | 5,300 | 5,742 |
| Loans from financial institutions | 199 | 16,292 | 293 |
| Loans under the Employee Pensions Act (TyEL) | 0 | 658 | 371 |
| Product development loans | 0 | 257 | 129 |
| Other loans | 212 | 1,045 | 246 |
| Lease liabilities | 39,792 | 40,807 | 38,624 |
| Other financial liabilities | 98 | 13 | 4 |
| Derivative instruments | 132 | 0 | 152 |
| **Non-current interest-bearing liabilities, total** | **40,433** | **64,373** | **45,560** |
| | | | |
| **Current interest-bearing liabilities** | | | |
| Capital loans | 5,789 | 0 | 0 |
| Loans from financial institutions | 16,895 | 7,269 | 21,956 |
| Overdraft facilities | 17,257 | 12,032 | 11,752 |
| Loans under the Employee Pensions Act (TyEL) | 0 | 438 | 464 |
| Product development loans | 0 | 129 | 129 |
| Convertible bonds | 2,000 | 2,000 | 2,000 |
| Lease liabilities | 10,383 | 8,698 | 8,798 |
| Vehicle consignment stock facilities | 26,268 | 28,220 | 24,662 |
| Vehicle sale and leaseback facilities | 17,247 | 15,911 | 15,810 |
| Other financial liabilities | 1,837 | 1,951 | 1,383 |
| **Current interest-bearing liabilities, total** | **97,676** | **76,648** | **86,954** |
| **Interest-bearing liabilities, total** | **138,109** | **141,021** | **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 26.3 million (19%) is related to consignment stock financing for used cars, and EUR 17.2 million (12%) is related to sale and leaseback arrangements concerning the Group's demonstration and courtesy cars (EUR 43.6 million in total). At the end of the review period, the Group had access to EUR 51.8 million in credit facilities related to its consignment stock of vehicles and EUR 24.3 million in credit facilities related to vehicle sale and leaseback arrangements. The facilities granted (EUR 76.1 million in total) enable the Group's growth in line with its strategy.

Cash flow from operating activities for the review period was EUR 18.5 million, and the total cash flow was EUR 0.0 million. Investments amounted to around EUR 2.1 million in the review period. Of the investments, EUR 0.6 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), Hannu Pärssinen (Vice-chair), Martti Haapala, Mikael Malmsten, Satu Mehtälä, 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
- 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 and Communications Director (until 30 November 2024)

# 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, HR and Communications Director.

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.

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 would adjust its financial guidance for 2024 downwards. The previous guidance included corporate transactions and the resulting profit and revenue impacts. The profit and revenue impacts will materialise later than expected. Wetteri's performance has been affected by the historically weak market situation for new cars, which has turned out to be more difficult than expected. The number of first registrations of new cars will be around 75,000 in 2024, while the forecast in the spring was around 80,000 new passenger cars. New financial guidance for 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.

On 28 August 2024, the company published its half-year report for January–June 2024.

## Key events after the review period

On 29 October 2024, the company announced that the financiers will not exercise their right to demand immediate repayment from the Themis Holding Oy subgroup even though the covenants under the financing agreement had not been fully met, as announced on 13 August 2024.

On 31 October 2024, the company announced a change in its Management Team: Sanna Räsänen, HR and Communications Director, will leave Wetteri for a position in another company.

On 5 November 2024, the company announced another change in its Management Team: Pietu Parikka has been appointed as the company's CFO and COO and a member of its Management Team. Parikka will start in his new role on 5 May 2025 at the latest. The current CFO of the company will continue in his role until the change of CFO and will then take on the role of an advisor.

On 8 November 2024, the company announced that it had terminated its liquidity providing agreement with Lago Kapital Oy to end on 8 January 2025. The company's management estimates that the share's liquidity is sufficient without the LP-agreement.

On November 19, 2024, the company announced that the publication of its January-September interim report will be postponed from the original date of November 21, 2024 to November 22, 2024 due to events after the review period.

**Sale of Wetteri Power Oy to Persson Invest Ab**

On 21 November 2024, the company announced the sale of its heavy equipment business subsidiary Wetteri Power Oy to Swedish Persson Invest Ab. The implementation of the transaction is estimated to occur 31 December 2024.

Following the transaction, Wetteri will continue its used truck sales, bodywork business, and existing maintenance and repair operations for brands other than Volvo and Renault.

Wetteri Group's ability to invest in growth strengthens significantly through this transaction. The sale strengthens the company's equity and provides excellent opportunities to invest in the development and growth of both the passenger car business and the heavy equipment business, for example, with strategic acquisitions.

In the future, the items in Wetteri Power Oy's income statement will be presented in the Group's financial reporting as part of the result of the Group's discontinued operations separately from the result of the Group's continuing operations. The financial information for the comparison period will also be adjusted accordingly.

The transaction has no impact on Wetteri's 2024 financial guidance, which includes revenue and adjusted profit combined from continuing and discontinued operations.

Terms of transaction

The purchase price consists of a base price of EUR 27.0 million, adjusted based on Wetteri Power Oy's net profit for 2024, and an earn-out component based on EBITDA for 2025, which can either increase or decrease the base price by up to EUR 5.5 million. The company estimates the total purchase price to be approximately EUR 32.5 million. The base price, including adjustments, will be paid at the time of the transaction, and the additional earn-out component is expected to be paid during the second quarter of 2026.

As part of the transaction, it has been agreed that Wetteri Group will continue to provide Wetteri Power's administrative services also in the future.

# Personnel

Wetteri's average number of personnel was 1,030 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 has been preparing for ESRS reporting during the current year and has identified key sustainability topics for the company through a double materiality assessment. Wetteri continues to develop its sustainability reporting with a partner.

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 equipment, 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.

# Estimate of future developments in the industry and the company

The total number of first registrations of new cars in Finland is expected to be around 75,000 in 2024, while the forecast in early 2024 was around 80,000 new passenger cars, in January-September in total of 55,507 new cars were registered. Economic uncertainty has weighed on demand more than expected, but there have been signs of an increase in demand for new cars towards the end of the year. An increase of around 10% is forecast for 2025. Lower interest and inflation rates may increase the demand for new cars as consumer confidence grows. The increased availability of new cars will contribute to the growth of demand.

During the current year, Wetteri has strengthened its brand representation nationwide, which is expected to support organic growth. The used car trade is expected to continue to grow. Maintenance operations are expected to continue at a strong level. Wetteri has started a programme to improve the profitability of its operations and reduce costs. The programme includes measures with an impact on personnel, as well as more efficient operating models and more efficient use of facilities.

# Wetteri's disclosure of financial information in 2025

Wetteri's financial information schedule for 2025 will be published in December.

**Webcast on 22 November 2024 at 11.30**

Wetteri will hold a webcast for shareholders, analysts and the media on 22 November 2024 at 11.30. During the webcast, Wetteri Plc's CEO, Aarne Simula, will present the result for January–September, provide information about the progress of the company's strategy and discuss the market situation in the automotive sector. The webcast can be followed at https://wetteri.videosync.fi/q3-2024

**Oulu 22 November 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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023[1)] | Change | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023[1)] | Change | 1 Jan to 31 Dec 2023[1)] |
|---|---|---|---|---|---|---|---|
| Revenue | 119,649 | 110,308 | 8% | 395,309 | 304,562 | 30% | 432,502 |
| EBITDA | 5,818 | 6,329 | -8% | 14,968 | 15,775 | -5% | 20,061 |
| EBITDA, % of revenue | 5% | 6% | | 4% | 5% | | 5% |
| Items affecting comparability included in EBITDA | 393 | 523 | | 2,011 | 1,788 | | 3,909 |
| Adjusted EBITDA | 6,211 | 6,852 | -9% | 16,979 | 17,563 | -3% | 23,970 |
| Adjusted EBITDA, % of revenue | 5% | 6% | | 4% | 6% | | 6% |
| Operating profit (loss) (EBIT) | 1,186 | 2,127 | -44% | 1,655 | 4,279 | -61% | 4,713 |
| Operating profit (loss), % of revenue | 1% | 2% | | 0% | 1% | | 1% |
| Items affecting comparability included in operating profit (loss) | 952 | 1,174 | | 3,710 | 3,912 | | 6,512 |
| Adjusted operating profit | 2,138 | 3,300 | -35% | 5,365 | 8,192 | -35% | 11,225 |
| Adjusted operating profit, % of revenue | 2% | 3% | | 1% | 3% | | 3% |
| Profit (loss) before tax | -1,954 | -132 | - | -7,324 | -1,329 | - | -4,339 |
| Profit (loss) before tax, % of revenue | -2% | 0% | | -2% | 0% | | -1% |
| Profit (loss) for the period from continuing operations | -982 | -153 | - | -5,962 | -1,319 | - | -4,336 |
| Profit (loss) for the period from continuing operation, % of revenue | -1% | 0% | | -2% | 0% | | -1% |
| Profit (loss) for the period | -882 | -401 | - | -3,266 | -1,087 | - | -4,049 |
| Profit (loss) for the period, % of revenue | -1% | 0% | | -1% | 0% | | -1% |
| Earnings per share from continuing operations, basic (EUR) | -0.01 | 0.00 | | -0.04 | -0.01 | | -0.03 |
| Earnings per share from continuing operations, diluted (EUR) | -0.01 | 0.00 | | -0.04 | -0.01 | | -0.03 |
| Earnings per share, basic (EUR) | -0.01 | 0.00 | | -0.02 | -0.01 | | -0.03 |
| Earnings per share, diluted (EUR) | -0.01 | 0.00 | | -0.02 | -0.01 | | -0.03 |
| Balance sheet total | 218,690 | 220,543 | -1% | 218,690 | 220,543 | -1% | 214,302 |
| Net debt | 137,243 | 140,224 | -2% | 137,243 | 140,224 | -2% | 131,659 |
| Return on equity (ROE), % | -10% | -5% | | -23% | -5% | | -13% |
| Return on investment (ROI), % | -11% | -6% | | -13% | -6% | | -9% |
| Equity ratio, % | 17% | 15% | | 17% | 15% | | 16% |
| Liquidity, % | 80% | 92% | | 80% | 92% | | 83% |
| Gearing, % | 377% | 415% | | 377% | 415% | | 388% |
| Average number of personnel during the review period | 1,011 | 992 | | 1,030 | 899 | | 926 |
| Invoiced sales of new passenger cars (pcs) | 696 | 929 | | 2,690 | 2,474 | | 3,322 |
| Invoiced sales of new commercial trucks (pcs) | 39 | 36 | | 111 | 138 | | 181 |
| Invoiced sales of used passenger cars (pcs) | 2,282 | 1,527 | | 7,247 | 4,211 | | 5,764 |
| Invoiced sales of used commercial trucks (pcs) | 108 | 20 | | 284 | 85 | | 114 |
| Orders: new passenger cars (pcs) | 784 | 746 | | 2,673 | 2,163 | | 2,862 |
| Orders: new commercial trucks (pcs) | 40 | 21 | | 131 | 110 | | 127 |
| Passenger cars: order backlog at the end of the period | 36,337 | 64,665 | | 36,337 | 64,665 | | 57,343 |
| Commercial trucks: order backlog at the end of the period | 17,154 | 18,750 | | 17,154 | 18,750 | | 13,655 |
| Passenger car repair shop: hours sold | 85,153 | 84,129 | | 261,545 | 235,654 | | 319,562 |
| Commercial truck repair shop: hours sold | 25,572 | 24,553 | | 82,014 | 80,464 | | 110,759 |

[1)] The training business operations, which were sold in the first half of 2024, are presented as discontinued operations in the interim report. The income statement items related to the training business operations are presented in the consolidated income statement for the review period as part of the profit (loss) of the Group's discontinued operations, separately from the income statement items related to the Group's continuing operations. The presentation of the income statement for the comparison period and the calculation of the key figures derived from the items in the income statement for the comparison period have also been adjusted accordingly. The adjusted comparison period information is unaudited.

# 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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Adjusted EBITDA** | | | | | |
| Operating profit (loss) | 1,186 | 2,127 | 1,655 | 4,279 | 4,713 |
| Depreciation, amortisation and impairment | 4,632 | 4,202 | 13,314 | 11,496 | 15,349 |
| **EBITDA** | **5,818** | **6,329** | **14,968** | **15,775** | **20,061** |
| Items affecting comparability included in EBITDA | 393 | 523 | 2,011 | 1,788 | 3,909 |
| **Total** | **6,211** | **6,852** | **16,979** | **17,563** | **23,970** |

## Formation of items affecting comparability included in EBITDA

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Items affecting comparability included in EBITDA** | | | | | |
| Negative goodwill | -50 | 0 | -262 | -349 | -254 |
| Transaction and integration costs related to business combinations | 215 | 440 | 1,255 | 635 | 1,594 |
| Transaction costs related to the divestment of discontinued operations | 5 | 0 | 156 | 0 | 0 |
| Expenses related to the planning of share issues and other financing arrangements | 4 | 84 | 10 | 198 | 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 | 0 | 0 | 1 | 1 |
| Depreciation of the fair value of inventories | 220 | 0 | 852 | 1,063 | 2,251 |
| **Total** | **393** | **523** | **2,011** | **1,788** | **3,909** |

## Formation of adjusted operating profit

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Adjusted operating profit** | | | | | |
| Operating profit (loss) | 1,186 | 2,127 | 1,655 | 4,279 | 4,713 |
| Items affecting comparability included in operating profit | 952 | 1,174 | 3,710 | 3,912 | 6,512 |
| **Total** | **2,138** | **3,300** | **5,365** | **8,192** | **11,225** |

## Formation of items affecting comparability included in operating profit

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Items affecting comparability included in operating profit** | | | | | |
| Negative goodwill | -50 | 0 | -262 | -349 | -254 |
| Transaction and integration costs related to business combinations | 215 | 440 | 1,255 | 635 | 1,594 |
| Transaction costs related to the divestment of discontinued operations | 5 | 0 | 156 | 0 | 0 |
| Expenses related to the planning of share issues and other financing arrangements | 4 | 84 | 10 | 198 | 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 | 0 | 0 | 1 | 1 |
| Depreciation of the fair value of inventories | 220 | 0 | 852 | 1,063 | 2,251 |
| Amortisation of the fair value of the brand value | 292 | 292 | 876 | 876 | 1,168 |
| Amortisation of the fair value of representation agreements | 254 | 317 | 761 | 866 | 981 |
| Amortisation of the fair value of the order backlog | 2 | 41 | 51 | 381 | 455 |
| Depreciation of the fair value of buildings | 11 | 0 | 11 | 0 | 0 |
| **Total** | **952** | **1,174** | **3,710** | **3,912** | **6,512** |

## Formation of net debt

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Net debt** | | | |
| Interest-bearing liabilities | 138,109 | 141,021 | 132,515 |
| Cash and cash equivalents | -866 | -796 | -856 |
| **Total** | **137,243** | **140,224** | **131,659** |

## Formation of return on equity (ROE), %

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Return on equity (ROE), %** | | | | | |
| Profit (loss) for the period from continuing and discontinued operations | -3,530 | -1,604 | -7,983 | -1,449 | -4,049 |
| Equity on average during the period | 36,804 | 34,006 | 35,140 | 32,020 | 32,080 |
| **Total** | **-10%** | **-5%** | **-23%** | **-5%** | **-13%** |

## Formation of return on investment (ROI), %

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Return on investment (ROI), %** | | | | | |
| Profit (loss) from continuing and discontinued operations before tax | -7,418 | -1,261 | -9,798 | -1,399 | -3,824 |
| Financial expenses from continuing and discontinued operations | -12,798 | -9,248 | -12,201 | -7,703 | -9,254 |
| Equity on average during the period | 36,804 | 34,006 | 35,140 | 32,020 | 32,080 |
| Interest-bearing liabilities on average during the period | 139,969 | 139,965 | 135,312 | 118,286 | 114,033 |
| **Total** | **-11%** | **-6%** | **-13%** | **-6%** | **-9%** |

## Formation of the equity ratio, %

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Equity ratio, %** | | | |
| Equity | 36,362 | 33,799 | 33,918 |
| Balance sheet total | 218,690 | 220,543 | 214,302 |
| Advances received | 542 | 276 | 1,709 |
| **Total** | **17%** | **15%** | **16%** |

## Formation of liquidity, %

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Liquidity, %** | | | |
| Current assets | 108,493 | 107,427 | 107,729 |
| Current liabilities | 135,089 | 116,924 | 129,626 |
| **Total** | **80%** | **92%** | **83%** |

## Formation of gearing, %

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Gearing, %** | | | |
| Net debt | 137,243 | 140,224 | 131,659 |
| Equity | 36,362 | 33,799 | 33,918 |
| **Total** | **377%** | **415%** | **388%** |

# Condensed consolidated financial information

# Consolidated statement of comprehensive income

| EUR thousand | Note | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023[1)] | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023[1)] | 1 Jan to 31 Dec 2023[1)] |
|---|---|---|---|---|---|---|
| **CONTINUING OPERATIONS** | | | | | | |
| Revenue | 1, 2 | 119,649 | 110,308 | 395,309 | 304,562 | 432,502 |
| Other operating income | 3 | 161 | 91 | 544 | 671 | 743 |
| Materials and services | | -95,672 | -88,418 | -319,642 | -243,553 | -343,725 |
| The cost of employee benefits | | -12,451 | -11,400 | -41,269 | -32,681 | -46,583 |
| Depreciation, amortisation and impairment | 5, 6 | -4,632 | -4,202 | -13,314 | -11,496 | -15,349 |
| Other operating expenses | | -5,869 | -4,253 | -19,974 | -13,224 | -22,876 |
| **Operating profit (loss)** | **2** | **1,186** | **2,127** | **1,655** | **4,279** | **4,713** |
| Financial income | | 59 | 13 | 144 | 78 | 78 |
| Financial expenses | | -3,199 | -2,271 | -9,122 | -5,686 | -9,130 |
| **Financial income and expenses** | | **-3,140** | **-2,258** | **-8,979** | **-5,608** | **-9,052** |
| Share of profit or loss of associates | | 0 | 0 | 0 | 0 | 0 |
| **Profit (loss) before tax** | | **-1,954** | **-132** | **-7,324** | **-1,329** | **-4,339** |
| Income taxes | | 972 | -22 | 1,361 | 10 | 3 |
| **Profit (loss) for the period from continuing operations** | | **-982** | **-153** | **-5,962** | **-1,319** | **-4,336** |
| **DISCONTINUED OPERATIONS** | | | | | | |
| Profit (loss) from discontinued operations | 4 | 100 | -248 | 2,696 | 232 | 286 |
| **Profit (loss) for the period** | | **-882** | **-401** | **-3,266** | **-1,087** | **-4,049** |
| **Other items of comprehensive income that may be reclassified as profit or loss** | | | | | | |
| Translation differences arising from net investments in subsidiaries | | -1 | -12 | 5 | 44 | 29 |
| **Comprehensive income for the period** | | **-883** | **-413** | **-3,261** | **-1,043** | **-4,021** |
| **Distribution of profit (loss) for the period** | | | | | | |
| To shareholders of the parent company | | -882 | -401 | -3,266 | -1,087 | -4,049 |
| To non-controlling interests | | 0 | 0 | 0 | 0 | 0 |
| | | **-882** | **-401** | **-3,266** | **-1,087** | **-4,049** |
| **Distribution of comprehensive income for the period** | | | | | | |
| To shareholders of the parent company | | -883 | -413 | -3,261 | -1,043 | -4,021 |
| To non-controlling interests | | 0 | 0 | 0 | 0 | 0 |
| | | **-883** | **-413** | **-3,261** | **-1,043** | **-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) | | -0.01 | 0.00 | -0.04 | -0.01 | -0.03 |
| Diluted earnings per share (EUR) | | -0.01 | 0.00 | -0.04 | -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 | 0.00 | -0.02 | -0.01 | -0.03 |
| Diluted earnings per share (EUR) | | -0.01 | 0.00 | -0.02 | -0.01 | -0.03 |

[1)] The training business operations, which were sold in the first half of 2024, are presented as discontinued operations in the interim report and the income statement items related to the training business operations are presented in the consolidated income statement for the review period as part of the profit (loss) of the Group's discontinued operations, separately from the income statement items related to the Group's continuing operations. The presentation of the income statement for the comparison period has also been adjusted accordingly. The adjusted comparison period information is unaudited. More detailed information on the profit (loss) from discontinued operations for both the reporting period and the comparison period is presented in Note **4. Discontinued operations**.

# Consolidated balance sheet

| EUR thousand | Note | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | 5 | 32,657 | 33,215 | 32,942 |
| Intangible assets | 5 | 5,806 | 9,673 | 7,806 |
| Property, plant and equipment | 6, 7 | 67,655 | 67,858 | 64,295 |
| Interests in associates | | 0 | 0 | 0 |
| Other shares and interests | | 296 | 298 | 298 |
| Non-current receivables | | 7 | 240 | 238 |
| Non-current financial assets | 9 | 2,116 | 147 | 74 |
| Deferred tax assets | | 1,660 | 1,685 | 920 |
| **Total non-current assets** | | **110,197** | **113,117** | **106,573** |
| | | | | |
| **Current assets** | | | | |
| Inventories | 8 | 85,825 | 77,347 | 77,819 |
| Trade and other receivables | 9 | 21,365 | 29,130 | 28,184 |
| Other financial assets | 9 | 21 | 43 | 33 |
| Tax assets based on taxable income for the period | | 416 | 111 | 836 |
| Cash and cash equivalents | 9 | 866 | 796 | 856 |
| **Total current assets** | | **108,493** | **107,427** | **107,729** |
| | | | | |
| **TOTAL ASSETS** | | **218,690** | **220,543** | **214,302** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | 96 | 96 | 96 |
| Invested unrestricted equity fund | 11 | 45,876 | 37,074 | 40,171 |
| Translation differences | | 39 | 50 | 34 |
| Retained earnings | | -7,883 | -3,834 | -3,834 |
| Profit (loss) for the period | | -3,266 | -1,087 | -4,049 |
| Equity loan | | 1,500 | 1,500 | 1,500 |
| **Total equity attributable to shareholders of the company** | | **36,362** | **33,799** | **33,918** |
| | | | | |
| **Non-current liabilities** | | | | |
| Loans | 9 | 411 | 23,553 | 6,780 |
| Lease liabilities | 7, 9 | 39,792 | 40,807 | 38,624 |
| Other non-current liabilities | | 4,686 | 3,433 | 3,074 |
| Other financial liabilities | 9 | 230 | 13 | 156 |
| Deferred tax liabilities | | 2,119 | 2,016 | 2,123 |
| **Total non-current liabilities** | | **47,239** | **69,821** | **50,757** |
| | | | | |
| **Current liabilities** | | | | |
| Loans | 9 | 41,941 | 21,868 | 36,301 |
| Lease liabilities | 7, 9 | 10,383 | 8,698 | 8,798 |
| Trade and other payables | 9 | 37,225 | 39,888 | 42,476 |
| Provisions | | 133 | 133 | 133 |
| Other financial liabilities | 9 | 45,352 | 46,082 | 41,856 |
| Tax liabilities based on taxable income for the period | | 55 | 255 | 63 |
| **Total current liabilities** | | **135,089** | **116,924** | **129,626** |
| **Total liabilities** | | **182,328** | **186,744** | **180,383** |
| | | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **218,690** | **220,543** | **214,302** |

# Consolidated cash flow statement

| EUR thousand | Note | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|
| **Cash flow from operating activities** | | | | |
| Payments received from customers for the sale of goods and services | | 405,333 | 304,762 | 438,630 |
| Payments made to suppliers of goods, service providers and personnel | | -378,252 | -290,659 | -418,583 |
| Payments from other operating income | | 253 | 292 | 506 |
| Transaction costs related to business combinations and divestment of discontinued operations | 3, 4 | -303 | -225 | -451 |
| Interest received | | 155 | 24 | 65 |
| Interest paid | | -9,137 | -5,772 | -8,694 |
| Income taxes paid | | 459 | -223 | -424 |
| **Cash flow from operating activities [1)]** | | **18,509** | **8,199** | **11,048** |
| | | | | |
| **Cash flow from investing activities** | | | | |
| Investments in intangible assets | 5 | 0 | -45 | -43 |
| Investments in property, plant and equipment | 6 | -2,101 | -1,906 | -2,362 |
| Investments in other shares and interests | | 0 | -224 | -224 |
| Business combinations less cash and cash equivalents acquired | 3 | -425 | -14,318 | -14,318 |
| Divestment of discontinued operations | 4 | 1,388 | 0 | 0 |
| **Cash flow from investing activities [1)]** | | **-1,138** | **-16,493** | **-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 | -200 | -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 | -7,464 | -5,692 | -7,855 |
| Withdrawals of short-term loans [2) 3)] | 9 | 5,466 | 3,000 | 12,083 |
| Repayments of short-term loans [2)] | 9 | -10,581 | -3,207 | -5,107 |
| Withdrawals of short-term loans from related parties | 12 | 800 | 0 | 0 |
| Repayments of short-term loans to related parties | 12 | -800 | 0 | 0 |
| Withdrawals of other financial liabilities | 9 | 102,657 | 58 271 | 100,486 |
| Repayments of other financial liabilities | 9 | -107,412 | -57,073 | -99,889 |
| **Cash flow from financing activities [1)]** | | **-17,365** | **7,899** | **5,579** |
| **Total cash flow [1)]** | | **6** | **-395** | **-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 | | 5 | 44 | 29 |
| Cash and cash equivalents at the end of the period | 9 | 866 | 796 | 856 |
| **Change in cash and cash equivalents** | | **5** | **-395** | **-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 amount of the loan of EUR 4,750 thousand granted by Elo Mutual Pension Insurance Company to the Group in the review period, as both the long-term and short-term portions of the loan are presented on the consolidated balance sheet on 30 September 2024 under current financial liabilities as explained in more detail in Note **10. Financing arrangements**. On the same basis, short-term loan withdrawals in the comparison period from 1 January to 31 December 2023 include the total amount of the loans of EUR 12,000 thousand granted by Nordea Bank Abp and Varma Mutual Pension Insurance Company to the Group in 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 | | | | | -3,266 | | **-3,266** | | **-3,266** |
| Other items of comprehensive income | | | | 5 | | | **5** | | **5** |
| **Comprehensive income for the period** | | **0** | **0** | **5** | **-3,266** | **0** | **-3,261** | **0** | **-3,261** |
| 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 Sep 2024** | | **96** | **45,876** | **39** | **-11,149** | **1,500** | **36,362** | **0** | **36,362** |

| 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 | | | | -1,087 | | **-1,087** | | **-1,087** |
| Other items of comprehensive income | | | 44 | | | **44** | | **44** |
| **Comprehensive income for the period** | **0** | **0** | **44** | **-1,087** | **0** | **-1,043** | **0** | **-1,043** |
| 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 Sep 2023** | **96** | **37,074** | **50** | **-4,920** | **1,500** | **33,799** | **0** | **33,799** |

| 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 interim 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 interim 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 interim 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 six 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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| Sales of passenger cars | 71,501 | 72,339 | 255,740 | 191,552 | 279,749 |
| Sales of spare parts and accessories for passenger cars | 13,699 | 12,207 | 42,743 | 31,762 | 45,046 |
| Sales of maintenance and repair services for passenger cars | 9,834 | 8,323 | 29,957 | 22,358 | 31,180 |
| Sales of heavy equipment | 14,773 | 8,474 | 37,569 | 32,083 | 39,971 |
| Sales of spare parts and accessories for heavy equipment | 4,928 | 4,235 | 14,854 | 13,037 | 17,926 |
| Sales of maintenance and repair services for heavy equipment | 2,613 | 2,263 | 8,145 | 7,189 | 9,784 |
| Service station sales | 960 | 1,157 | 2,663 | 3,118 | 4,056 |
| Financial and insurance product brokerage | 815 | 758 | 2,139 | 1,858 | 2,701 |
| Renting of vehicles | 525 | 553 | 1,499 | 1,500 | 1,984 |
| Sales of training services | 0 | 0 | 0 | 104 | 104 |
| **Total** | **119,649** | **110,308** | **395,309** | **304,562** | **432,502** |

### Revenue by performance obligation

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| At a point in time | 119,124 | 109,755 | 393,811 | 302,957 | 430,414 |
| Over time | 525 | 553 | 1,499 | 1,605 | 2,088 |
| **Total** | **119,649** | **110,308** | **395,309** | **304,562** | **432,502** |

### Geographical breakdown of revenue

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| Finland | 119,276 | 110,159 | 393,052 | 303,672 | 431,387 |
| Rest of Europe | 300 | 127 | 1,855 | 721 | 898 |
| Rest of the world | 73 | 23 | 401 | 169 | 217 |
| **Total** | **119,649** | **110,308** | **395,309** | **304,562** | **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 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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| Passenger Cars | 72,604 | 73,750 | 258,616 | 195,030 | 284,456 |
| Heavy Equipment | 22,526 | 15,044 | 61,171 | 52,422 | 67,846 |
| Maintenance Services | 23,554 | 20,358 | 72,840 | 53,882 | 76,040 |
| Items not allocated to operating segments | 964 | 1,157 | 2,682 | 3,227 | 4,160 |
| **Revenue** | **119,649** | **110,308** | **395,309** | **304,562** | **432,502** |

### EBITDA by operating segment

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| Passenger Cars | -266 | 1,555 | 229 | 3,954 | 4,235 |
| Heavy Equipment | 1,372 | 1,244 | 3,845 | 3,339 | 4,809 |
| Maintenance Services | 4,483 | 3,592 | 10,595 | 8,814 | 10,534 |
| Items not allocated to operating segments | 228 | -62 | 299 | -333 | 482 |
| **EBITDA** | **5,818** | **6,329** | **14,968** | **15,775** | **20,061** |

### Adjusted EBITDA by operating segment

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| Passenger Cars | -221 | 1,672 | 774 | 4,136 | 5,070 |
| Heavy Equipment | 1,551 | 1,265 | 4,271 | 3,946 | 5,441 |
| Maintenance Services | 4,623 | 3,865 | 11,584 | 9,688 | 12,654 |
| Items not allocated to operating segments | 258 | 51 | 350 | -206 | 805 |
| **Adjusted EBITDA** | **6,211** | **6,852** | **16,979** | **17,563** | **23,970** |
| Negative goodwill | 50 | 0 | 262 | 349 | 254 |
| Transaction and integration costs related to business combinations | -215 | -440 | -1,255 | -635 | -1,594 |
| Transaction costs related to the divestment of discontinued operations | -5 | 0 | -156 | 0 | 0 |
| Expenses related to the planning of share issues and other financing arrangements | -4 | -84 | -10 | -198 | -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 | 0 | 0 | -1 | -1 |
| Depreciation of the fair value of inventories | -220 | 0 | -852 | -1,063 | -2,251 |
| **EBITDA** | **5,818** | **6,329** | **14,968** | **15,775** | **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 business acquisitions (EUR 262 thousand) is included in other operating income in the income statement. Of the transaction and integration costs of corporate and business acquisitions, EUR 533 thousand is included in the cost of employee benefits in the income statement and EUR 722 thousand in other operating expenses. The transaction costs (EUR 156 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 10 thousand, are included in other operating expenses in the income statement.

**Reconciliation of EBITDA to operating profit**

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| EBITDA | 5,818 | 6,329 | 14,968 | 15,775 | 20,061 |
| Depreciation and impairment | -4,632 | -4,202 | -13,314 | -11,496 | -15,349 |
| **Operating profit (EBIT)** | **1,186** | **2,127** | **1,655** | **4,279** | **4,713** |

**Operating profit (EBIT) by operating segment**

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| Passenger Cars | -2,015 | -350 | -4,843 | -1,091 | -2,491 |
| Heavy Equipment | 662 | 779 | 1,821 | 1,657 | 2,596 |
| Maintenance Services | 2,328 | 1,472 | 4,436 | 3,427 | 3,151 |
| Items not allocated to operating segments | 212 | 226 | 241 | 286 | 1,456 |
| **Operating profit (EBIT)** | **1,186** | **2,127** | **1,655** | **4,279** | **4,713** |

**Adjusted operating profit by operating segment**

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| Passenger Cars | -1,579 | 263 | -3,077 | 499 | 77 |
| Heavy Equipment | 903 | 851 | 2,413 | 2,667 | 3,682 |
| Maintenance Services | 2,570 | 1,846 | 5,732 | 4,608 | 5,680 |
| Items not allocated to operating segments | 244 | 340 | 298 | 418 | 1,787 |
| **Adjusted operating profit** | **2,138** | **3,300** | **5,365** | **8,192** | **11,225** |
| Negative goodwill | 50 | 0 | 262 | 349 | 254 |
| Transaction and integration costs related to business combinations | -215 | -440 | -1,255 | -635 | -1,594 |
| Transaction costs related to the divestment of discontinued operations | -5 | 0 | -156 | 0 | 0 |
| Expenses related to the planning of share issues and other financing arrangements | -4 | -84 | -10 | -198 | -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 | 0 | 0 | -1 | -1 |
| Amortisation of the fair value of inventories | -220 | 0 | -852 | -1,063 | -2,251 |
| Amortisation of the fair value of the brand value | -292 | -292 | -876 | -876 | -1,168 |
| Amortisation of the fair value of representation agreements | -254 | -317 | -761 | -866 | -981 |
| Amortisation of the fair value of the order backlog | -2 | -41 | -51 | -381 | -455 |
| Depreciation of the fair value of buildings | -11 | 0 | -11 | 0 | 0 |
| **Operating profit (EBIT)** | **1,186** | **2,127** | **1,655** | **4,279** | **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 transaction is preliminary. The assets transferred to the Group through the business transaction 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 deal 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 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 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 178 thousand in integration costs arising from the business combination, and other operating expenses include EUR 199 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 transaction.

**Impact of the business transaction 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 September 2024 is EUR 31,365 thousand, and that the result is EUR -2,448 thousand. The result includes amortisation and depreciation of the fair value allocated to intangible assets and inventories at the time of acquisition, totalling EUR -112 thousand, but not the negative goodwill generated (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 equipment 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 equipment. 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 allocated to the AJK and PM brand representation agreements (EUR 22 thousand) 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 shares is included in other operating expenses in 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 September 2024 is EUR 11,223 thousand, and that the result is EUR -632 thousand. The result includes amortisation and depreciation of the fair value allocated to intangible assets and inventories at the time of acquisition, totalling EUR -415 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 | 511 |
| **Total current liabilities** | **1,177** |
| **TOTAL LIABILITIES** | **1,466** |
| | |
| Acquired identifiable net assets | 1,014 |
| Goodwill | 348 |
| **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 348 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 tangible fixed assets 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** |

**Costs related to the share exchange**

The transfer tax of EUR 21 thousand paid for the acquisition of shares is included in other operating expenses in the income statement.

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

The management estimates that the revenue of the acquired companies included in the consolidated statement of comprehensive income for 28 June to 30 September 2024 is EUR 750 thousand, and that the result is EUR 166 thousand. The result includes depreciation of the fair value allocated to the building at the time of acquisition, totalling EUR -11 thousand.

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

Wetteri Auto Oy, a subsidiary of the Group, acquired the business operations of Sports Car Center's Lempäälä location in a business acquisition carried out on 1 August 2024. Car sales and Volvo brand-specific maintenance were transferred to Wetteri in the transaction. The transaction price was EUR 47 thousand. The possible contingent consideration (additional purchase price) is up to EUR 150 thousand.

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 August 2024.

**Consideration transferred in the business acquisition**

| EUR thousand | |
|---|---|
| Cash consideration paid | 47 |
| Contingent consideration (additional purchase price) | 0 |
| **Consideration transferred** | **47** |

The cash consideration paid in the business acquisition was EUR 47 thousand. The consideration transferred was paid in full as a cash consideration. The contingent additional purchase price of the business acquisition, which amounts to a maximum of EUR 150 thousand, has not been recorded at the time of execution of the transaction, because it is likely that the additional purchase price will not realise.

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

| EUR thousand | **1 August 2024** |
|---|---|
| **ASSETS** | |
| **Current assets** | |
| Inventories | 126 |
| **Total current assets** | **126** |
| **TOTAL ASSETS** | **126** |
| | |
| **LIABILITIES** | |
| **Non-current liabilities** | |
| Deferred tax liabilities | 13 |
| **Total non-current liabilities** | **13** |
| | |
| **Current liabilities** | |
| Trade and other payables | 16 |
| **Total current liabilities** | **16** |
| **TOTAL LIABILITIES** | **29** |
| | |
| Acquired identifiable net assets | 97 |
| Goodwill | -50 |
| **Acquired net assets** | **47** |

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 in the business transaction include inventories, and the assumed liabilities include employees' holiday pay liabilities.

The identifiable assets and assumed liabilities at the time of acquisition on 1 August 2024 have been measured at fair value. The negative goodwill generated by the acquisition is EUR 50 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 negative goodwill arising from the acquisition is not taxable income for the Group.

The acquired inventories include an increase of EUR 63 thousand in the book value of the stock of spare parts and accessories included in the inventory at the time of acquisition, arising from the initial fair value allocation.

**Cash flow from the business acquisition**

| EUR thousand | |
|---|---|
| Cash consideration paid | -47 |
| **Cash flow** | **-47** |

**Costs related to the business acquisition**

Other operating expenses in the income statement for the review period include EUR 5 thousand in integration costs arising from the business combination.

**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 August to 30 September 2024 is EUR 106 thousand, and that the result is EUR -57 thousand. The result includes depreciation of the fair value allocated to inventories at the time of acquisition, totalling EUR -10 thousand, but not the negative goodwill generated (EUR 50 thousand).

# 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 operations are presented as discontinued operations in the comprehensive income statement in the interim report. Both the profit of the training business and the capital gain arising from the transactions are included in the income statement item “Profit (loss) from discontinued operations”.

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 profit (loss) of the Group’s 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 Jul to 30 Sep 2024[1)] | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Revenue** | 64 | 1,691 | 2,445 | 7,636 | 10,785 |
| Other operating income | 0 | 4 | 6 | 20 | 17 |
| Materials and services | 51 | -687 | -795 | -3,091 | -4,326 |
| The cost of employee benefits | 44 | -805 | -1,079 | -3,003 | -4,180 |
| Depreciation, amortisation and impairment | 0 | -70 | -37 | -202 | -309 |
| Other operating expenses | -59 | -275 | -535 | -990 | -1,349 |
| **Profit (loss) from discontinued operations** | **100** | **-143** | **4** | **371** | **639** |
| Financial income | 0 | 0 | 0 | 0 | 0 |
| Financial expenses | 0 | -41 | -29 | -91 | -124 |
| **Financial income and expenses** | **0** | **-41** | **-29** | **-91** | **-124** |
| Share of profit or loss of associates | 0 | 0 | 0 | 0 | 0 |
| **Profit (loss) from discontinued operations before tax** | **100** | **-184** | **-25** | **280** | **515** |
| Income taxes | 0 | -64 | -1 | -47 | -229 |
| **Profit (loss) for the period from discontinued operations** | **100** | **-248** | **-25** | **232** | **286** |
| Capital gain (loss) from discontinued operations after taxes | 0 | 0 | 2,721 | 0 | 0 |
| **Profit (loss) from discontinued operations** | **100** | **-248** | **2,696** | **232** | **286** |
| **Earnings per share calculated from the profit (loss) from discontinued operations attributable to shareholders of the parent company** | | | | | |
| Basic earnings per share (EUR) | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |
| Diluted earnings per share (EUR) | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |

1) The result from discontinued operations for the period July 1 to September 30 2024 has been caused by entries regarding the Swedish education business sold on 29 April 2024 made to the result of the group company Informator Utbildning Svenska AB.

## Information concerning the cash flows of discontinued operations

| EUR thousand | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|
| **Cash flow of discontinued operations** | | | |
| Net cash flow from operating activities | 833 | 274 | 753 |
| Net cash flow from investing activities (the period 1 January to 30 September 2024 includes a cash payment of EUR 1,971 thousand received from the sale of discontinued operations) | 1,953 | -43 | -43 |
| Net cash flow from financing activities | -235 | -230 | -727 |
| **Total cash flow** | **2,551** | **2** | **-17** |

## Information concerning the divestment of discontinued operations

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

The disposals of goodwill and intangible assets are entirely related to the sales of the education business in Finland and Sweden in the first half of the calendar year. Information on net assets sold in the transactions is given in Note **4. Discontinued operations**.

| 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 | 348 | 0 | 0 | 0 | 0 | 0 | 0 | **348** |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Disposals | -2,034 | -175 | 0 | -98 | 0 | -55 | 0 | **-2,362** |
| **Cost 30 Sep 2024** | **32,657** | **5,896** | **5,075** | **142** | **1,096** | **149** | **198** | **45,213** |
| 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 | -876 | -761 | 0 | -51 | -9 | -31 | **-1,728** |
| 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 Sep 2024** | **0** | **-2,873** | **-2,354** | **-142** | **-1,094** | **-149** | **-138** | **-6,750** |
| Book value 1 Jan 2024 | 32,942 | 4,080 | 3,408 | 113 | 45 | 68 | 92 | **40,748** |
| **Book value 30 Sep 2024** | **32,657** | **3,023** | **2,721** | **0** | **2** | **0** | **61** | **38,463** |

| 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 | 43 | 2 | **45** |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Cost 30 Sep 2023** | **33,215** | **6,072** | **6,339** | **240** | **1,047** | **204** | **200** | **47,317** |
| Accumulated amortisation and impairment 1 Jan 2023 | 0 | -777 | -613 | -7 | -588 | -10 | -52 | **-2,047** |
| Amortisation of assets in continuing operations | 0 | -876 | -866 | 0 | -381 | -54 | -41 | **-2,219** |
| Amortisation of assets in discontinued operations | 0 | -34 | 0 | -90 | 0 | -39 | 0 | **-164** |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Accumulated amortisation and impairment 30 Sep 2023** | **0** | **-1,688** | **-1,479** | **-97** | **-970** | **-103** | **-93** | **-4,429** |
| Book value 1 Jan 2023 | 21,075 | 5,295 | 3,983 | 233 | 294 | 151 | 147 | **31,177** |
| **Book value 30 Sep 2023** | **33,215** | **4,384** | **4,860** | **143** | **78** | **101** | **107** | **42,888** |

| 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 additions made to property, plant and equipment during the review period mainly relate to the business acquisition of the Suur-Savo Cooperative on 1 January 2024, the acquisition of Suvanto Trucks Oy on 29 February 2024 (share exchange), the acquisition of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 (share exchange) on 28 June 2024 and the business acquisition of the Lempäälä location of Sports Car Center on 1 August 2024, as a result of which the right-of-use assets of premises and their equipment and other tangible assets transferred to the group in the transactions were recognised on the group's balance sheet. During the review period, a total of EUR 605 thousand in investments were also made in car brands' delivery facilities and showrooms, and a total of EUR 242 thousand in investments were made in 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 | 9,897 | 0 | 1,214 | 889 | 0 | 0 | **12,000** |
| Disposals | -833 | 0 | 0 | -8 | -473 | -12 | **-1,326** |
| Transfers from inventories | 0 | 0 | 0 | 0 | 2,583 | 0 | **2,583** |
| Transfers to inventories | 0 | 0 | 0 | 0 | -2,741 | 0 | **-2,741** |
| **Cost 30 Sep 2024** | **69,338** | **23** | **12,129** | **7,265** | **9,546** | **63** | **98,364** |
| 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 | -8,024 | 0 | -1,346 | -1,243 | -972 | 0 | **-11,585** |
| 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 Dec** | **-20,797** | **0** | **-4,199** | **-2,841** | **-2,872** | **0** | **-30,710** |
| Book value 1 Jan 2024 | 46,320 | 23 | 6,705 | 4,157 | 7,014 | 76 | **64,295** |
| **Book value 30 Sep 2024** | **48,541** | **23** | **7,929** | **4,424** | **6,674** | **63** | **67,655** |

| 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 | 13,303 | 0 | 1,230 | 649 | 0 | 0 | **15,182** |
| Disposals | 0 | 0 | 0 | -14 | -297 | 0 | **-311** |
| Transfers from inventories | 0 | 0 | 0 | 80 | 1,676 | 0 | **1,756** |
| Transfers to inventories | 0 | 0 | 0 | -38 | -2,316 | 0 | **-2,354** |
| **Cost 30 Sep 2023** | **59,002** | **23** | **9,501** | **5,356** | **9,619** | **76** | **83,577** |
| Accumulated depreciation and impairment 1 Jan 2023 | -4,167 | 0 | -1,127 | -499 | -611 | 0 | **-6,404** |
| Depreciation of assets in continuing operations | -6,229 | 0 | -1,295 | -798 | -955 | 0 | **-9,277** |
| Depreciation of assets in discontinued operations | -35 | 0 | 0 | -3 | 0 | 0 | **-38** |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Accumulated depreciation and impairment 30 Sep 2023** | **-10,431** | **0** | **-2,422** | **-1,300** | **-1,566** | **0** | **-15,719** |
| Book value 1 Jan 2023 | 37,379 | 23 | 7,144 | 1,813 | 3,941 | 76 | **50,376** |
| **Book value 30 Sep 2023** | **48,572** | **23** | **7,079** | **4,055** | **8,053** | **76** | **67,858** |

| 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 mainly as a result of the leases of premises and equipment transferred to the group or entered into with the vendors in the acquisitions of the Suur-Savo Cooperative on 1 January 2024, Suvanto Trucks Oy on 29 February 2024, Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 on 28 June 2024 and the Lempäälä location of Sports Car Center on 1 August 2024. Right-of-use assets and lease liabilities arising from index increases of EUR 1,801 thousand implemented in 2024 were also recognised on the group's balance sheet in the review period.

**Amounts recognised on the balance sheet for leases**

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Right-of-use assets** | | | |
| Land areas | 481 | 438 | 431 |
| Buildings and structures | 46,246 | 47,496 | 45,292 |
| Machinery and equipment | 1,814 | 637 | 597 |
| **Total** | **48,541** | **48,572** | **46,320** |
| | | | |
| **Lease liabilities** | | | |
| Long-term | 39,792 | 40,807 | 38,624 |
| Short-term | 10,383 | 8,698 | 8,798 |
| **Total** | **50,175** | **49,506** | **47,422** |

**Amounts recognised in the income statement for leases**

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Depreciation of right-of-use assets** | | | | | |
| Land areas | -8 | -6 | -23 | -15 | -22 |
| Buildings and structures | -2,620 | -2,237 | -7,696 | -6,038 | -8,293 |
| Machinery and equipment | -122 | -71 | -316 | -210 | -279 |
| **Total depreciation of right-of-use assets** | **-2,751** | **-2,314** | **-8,035** | **-6,263** | **-8,594** |
| Interest expenses on lease liabilities | -586 | -502 | -1,715 | -1,272 | -1,759 |
| Expenses caused by the termination of leases | -9 | 0 | -9 | 0 | 0 |
| Costs related to short-term and low-value leases | -216 | -275 | -568 | -610 | -782 |
| **Total expense recognised in the income statement** | **-3,561** | **-3,091** | **-10,327** | **-8,145** | **-11,135** |

# 8. Inventories

The net change in inventories recognised as an expense was EUR 8,005 (27,830) thousand in the review period. In terms of vehicle inventories in the review period, a total of EUR -2,703 (-5,116) 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 -951 (-520) thousand of changes in value was 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 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| New vehicles | 27,570 | 27,214 | 28,724 |
| Used vehicles | 43,295 | 37,013 | 35,936 |
| Spare parts and accessories for vehicles | 11,601 | 10,641 | 11,159 |
| Other finished products | 116 | 132 | 112 |
| Work in progress | 3,237 | 2,347 | 1,888 |
| Advance payments | 5 | 0 | 0 |
| **Total** | **85,825** | **77,347** | **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 on 1 January 2024, the acquisition of Suvanto Trucks Oy on 29 February 2024, the acquisition of Lahden Rekkapaja Oy and Kiinteistö Oy Lahden Konekatu 3 on 28 June 2024 and the acquisition of the Lempäälä location of Sports Car Center on 1 August 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 6,502 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 Sep 2024 | | 30 Sep 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 | 2,074 | 0 | 0 | 0 | 0 | 0 |
| Derivative instruments | 0 | 43 | 0 | 147 | 0 | 74 |
| **Total non-current financial assets** | **2,074** | **43** | **0** | **147** | **0** | **74** |
| **Current financial assets** | | | | | | |
| Trade receivables | 14,632 | 0 | 22,175 | 0 | 20,874 | 0 |
| Other financial assets | 21 | 0 | 43 | 0 | 33 | 0 |
| Cash and cash equivalents | 866 | 0 | 796 | 0 | 856 | 0 |
| **Total current financial assets** | **15,519** | **0** | **23,014** | **0** | **21,763** | **0** |
| **Total financial assets** | **17,593** | **43** | **23,014** | **147** | **21,763** | **74** |
| **Non-current financial liabilities** | | | | | | |
| Capital loans | 0 | 0 | 5,300 | 0 | 5,742 | 0 |
| Loans from financial institutions | 199 | 0 | 16,292 | 0 | 293 | 0 |
| Loans under the Employee Pensions Act (TyEL) | 0 | 0 | 658 | 0 | 371 | 0 |
| Product development loans | 0 | 0 | 257 | 0 | 129 | 0 |
| Other loans | 212 | 0 | 1,045 | 0 | 246 | 0 |
| Lease liabilities | 39,792 | 0 | 40,807 | 0 | 38,624 | 0 |
| Other financial liabilities | 98 | 0 | 13 | 0 | 4 | 0 |
| Derivative instruments | 0 | 132 | 0 | 0 | 0 | 152 |
| **Total non-current financial liabilities** | **40,301** | **132** | **64,373** | **0** | **45,408** | **152** |
| **Current financial liabilities** | | | | | | |
| Capital loans | 5,789 | 0 | 0 | 0 | 0 | 0 |
| Loans from financial institutions | 16,895 | 0 | 7,269 | 0 | 21,956 | 0 |
| Overdraft facilities | 17,257 | 0 | 12,032 | 0 | 11,752 | 0 |
| Loans under the Employee Pensions Act (TyEL) | 0 | 0 | 438 | 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 | 10,383 | 0 | 8,698 | 0 | 8,798 | 0 |
| Trade payables | 19,517 | 0 | 22,109 | 0 | 21,942 | 0 |
| Vehicle consignment stock facilities | 26,268 | 0 | 28,220 | 0 | 24,662 | 0 |
| Vehicle sale and leaseback facilities | 17,247 | 0 | 15,911 | 0 | 15,810 | 0 |
| Other financial liabilities | 1,837 | 0 | 1,951 | 0 | 1,383 | 0 |
| **Total current financial liabilities** | **117,193** | **0** | **98,757** | **0** | **108,897** | **0** |
| **Total financial liabilities** | **157,494** | **132** | **163,130** | **0** | **154,305** | **152** |

**Fair value of financial assets and liabilities**

| EUR thousand | 30 Sep 2024 Book value | 30 Sep 2024 Fair value | 30 Sep 2023 Book value | 30 Sep 2023 Fair value | 31 Dec 2023 Book value | 31 Dec 2023 Fair value | Hierarchy level |
|---|---|---|---|---|---|---|---|
| **Non-current financial assets** | | | | | | | |
| Loan receivables | 2,074 | 2,074 | 0 | 0 | 0 | 0 | Level 3 |
| Derivative instruments | 43 | 43 | 147 | 147 | 74 | 74 | Level 2 |
| **Total non-current financial assets** | **2,116** | **2,116** | **147** | **147** | **74** | **74** | |
| **Current financial assets** | | | | | | | |
| Trade receivables | 14,632 | 14,632 | 22,175 | 22,175 | 20,874 | 20,874 | |
| Other financial assets | 21 | 21 | 43 | 43 | 33 | 33 | |
| Cash and cash equivalents | 866 | 866 | 796 | 796 | 856 | 856 | |
| **Total current financial assets** | **15,519** | **15,519** | **23,014** | **23,014** | **21,763** | **21,763** | |
| **Total financial assets** | **17,636** | **17,636** | **23,161** | **23,161** | **21,837** | **21,837** | |
| **Non-current financial liabilities** | | | | | | | |
| Loans | 411 | 411 | 23,553 | 23,553 | 6,780 | 6,780 | Level 3 |
| Lease liabilities | 39,792 | 39,792 | 40,807 | 40,807 | 38,624 | 38,624 | Level 3 |
| Other financial liabilities | 98 | 98 | 13 | 13 | 4 | 4 | |
| Derivative instruments | 132 | 132 | 0 | 0 | 152 | 152 | Level 2 |
| **Total non-current financial liabilities** | **40,433** | **40,433** | **64,373** | **64,373** | **45,560** | **45,560** | |
| **Current financial liabilities** | | | | | | | |
| Loans | 41,941 | 41,941 | 21,868 | 21,868 | 36,301 | 36,301 | Level 3 |
| Lease liabilities | 10,383 | 10,383 | 8,698 | 8,698 | 8,798 | 8,798 | Level 3 |
| Trade payables | 19,517 | 19,517 | 22,109 | 22,109 | 21,942 | 21,942 | |
| Vehicle consignment stock facilities | 26,268 | 26,268 | 28,220 | 28,220 | 24,662 | 24,662 | |
| Vehicle sale and leaseback facilities | 17,247 | 17,247 | 15,911 | 15,911 | 15,810 | 15,810 | |
| Other financial liabilities | 1,837 | 1,837 | 1,951 | 1,951 | 1,383 | 1,383 | |
| **Total current financial liabilities** | **117,193** | **117,193** | **98,757** | **98,757** | **108,897** | **108,897** | |
| **Total financial liabilities** | **157,627** | **157,627** | **163,130** | **163,130** | **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 16,460 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 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 51,790 thousand and facilities of EUR 24,264 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 16,460 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. On 29 October 2024, the financiers announced that they would not exercise their right to have their receivables fall due although the covenant terms had not been met. Since the announcement was made after the end of the review period, the outcome of the negotiations has not been taken into account in the interim report on 30 September 2024. Consequently, the financing under the financing agreement, including EUR 16,460 thousand in bank loans and EUR 12,736 thousand in use under the overdraft facility, is presented in full as a current liability in the interim report. If the financiers had announced before the end of the review period that they were not going to have the receivables fall due, EUR 10,386 thousand of the financing would have been presented as a non-current liability in the interim 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 equipment. 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. The new shares were entered in the Trade Register on 30 October 2024.

**Costs related to share issues**

The transaction costs (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 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Income statement items** | | | | | |
| Sale of goods and services | 239 | 159 | 278 | 338 | 409 |
| Purchases of goods and services | -191 | -79 | -383 | -215 | -215 |
| Interest expenses on capital loans | -112 | -105 | -337 | -307 | -443 |
| Interest expenses on other loans | 0 | -34 | -4 | -49 | -49 |
| **Total income statement items** | **-65** | **-59** | **-446** | **-233** | **-299** |

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 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 337 (307) 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.

In the first quarter of the financial year, the Group took a loan with a capital of EUR 800 thousand from ProUp Oy, the controlling entity of Martti Haapala, a key member of the Group's management. The loan was also repaid during the first quarter. The interest rate on the loan was 9.5%. The interest expense of EUR 4 (0) thousand accrued on the loan during loan period has been recognised as a financial expense in the consolidated income statement.

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

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Liabilities** | | | |
| Capital loans | 5,500 | 4,926 | 5,500 |
| Interest accrued on capital loans | 289 | 374 | 242 |
| Other loans | 0 | 800 | 0 |
| Interest accrued on other loans | 0 | 33 | 33 |
| Trade and other payables | 25 | 0 | 0 |
| **Total liabilities** | **5,814** | **6,133** | **5,775** |

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Assets** | | | |
| Trade and other receivables | 72 | 0 | 0 |
| **Total assets** | **72** | **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 5,789 (5,742) thousand and includes EUR 289 (242) thousand of unpaid interest accrued on the capital loans.

**Transactions with other related parties**

| EUR thousand | 1 Jul to 30 Sep 2024 | 1 Jul to 30 Sep 2023 | 1 Jan to 30 Sep 2024 | 1 Jan to 30 Sep 2023 | 1 Jan to 31 Dec 2023 |
|---|---|---|---|---|---|
| **Income statement items** | | | | | |
| Interest expenses on other loans | -4 | -8 | -12 | -12 | -13 |
| **Total income statement items** | **-4** | **-8** | **-12** | **-12** | **-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 12 (12) 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 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Liabilities** | | | |
| Other loans | 200 | 200 | 200 |
| Interest accrued on other loans | 12 | 12 | 13 |
| **Total liabilities** | **212** | **212** | **213** |

The book value of the loan of EUR 212 (213) thousand granted to the Group by a related party of Markku Kankaala, a key member in the Group's management, includes EUR 12 (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 Sep 2024 | 30 Sep 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 | 27,221 | 18,753 | 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 43,234 (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 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Leasing liabilities** | | | |
| Due within 1 year | 309 | 186 | 147 |
| Due within 1–5 years | 586 | 266 | 248 |

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| **Lease liabilities** | | | |
| Due within 1 year | 0 | 166 | 164 |
| Due within 1–5 years | 0 | 0 | 0 |

| EUR thousand | 30 Sep 2024 | 30 Sep 2023 | 31 Dec 2023 |
|---|---|---|---|
| Other liabilities | 168 | 80 | 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 1,540 (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 Rinta-Joupin Autoliike Oy's Kia and Mitsubishi businesses

On 1 October 2024, Wetteri announced that the Group's subsidiary Wetteri Auto Oy would acquire the Kia and Mitsubishi businesses of Rinta-Joupin Autoliike in Oulu, Pori and Rovaniemi. In the business acquisition, Kia and Mitsubishi sales and maintenance operations were transferred to Wetteri. The transaction was executed and the business was transferred to Wetteri on 1 October 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 interim report for 1 January to 30 September 2024.

**Negotiations related to the covenants of the financing agreement**

During the review period, on 13 August 2024, Wetteri announced that the covenants included in the financing agreement of 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. On 29 October 2024, the financiers announced that they would not exercise their right to have their receivables fall due although the covenant terms had not been met. Since the announcement was made after the end of the review period, the outcome of the negotiations has not been taken into account in the interim report on 30 September 2024. Consequently, the financing under the financing agreement, including EUR 16,460 thousand in bank loans and EUR 12,736 thousand in use under the overdraft facility, is presented in full as a current liability in the interim report. If the financiers had announced before the end of the review period that they were not going to have the receivables fall due, EUR 10,386 thousand of the financing would have been presented as a non-current liability in the interim report.

**Changes in Wetteri Plc’s Management Team**

On 31 October 2024 and 5 November 2024, Wetteri announced changes in its Management Team. Sanna Räsänen, HR and Communications Director and a member of the Management Team, will leave Wetteri for a position in another company on 1 December 2024. Pietu Parikka has been appointed as the company’s CFO and COO and a member of its Management Team. Parikka will start in his new role on 5 May 2025 at the latest. Panu Kauppinen, Wetteri’s current CFO, will continue in his role until the change of CFO and will then take on the role of an advisor.

**End of liquidity provision for Wetteri Plc’s shares**

Wetteri announced that it had terminated its liquidity provision agreement with Lago Kapital Oy. The agreement will expire on 8 January 2025. The company estimates that the liquidity of its share is sufficient without liquidity provision.

**Sale of Wetteri Power Oy to Persson Invest AB**

On 21 November 2024, Wetteri announced that it will sell its subsidiary Wetteri Power Oy to Swedish Persson Invest AB. Closing is expected to occur approx. on 31 December 2024. Transaction price is approx. EUR 32,500 thousand, depending on e.g. Wetteri Power Oy's result in 2025. Following the transaction, Wetteri will continue its used truck sales, bodywork business, and existing maintenance and repair operations for brands other than Volvo and Renault.

As a result of the transaction, the items in Wetteri Power Oy's income statement will in the future be presented in the Group's financial reporting as part of the result of the Group's discontinued operations separately from the result of the Group's continuing operations. The financial information for the comparison period will also be adjusted accordingly. The criteria for classifying Wetteri Power Oy's assets and liabilities as held for sale and for presenting the income statement items as discontinued operations have been met before the publication of this interim report, but after the end of the review period from January 1 to September 30 2024. Consequently, the subsidiary's assets and liabilities have not been classified as held for sale, nor have the items in the income statement been classified as part of the result of discontinued operations in the interim report from January 1 to September 30 2024, but are still presented as part of the Heavy Equipment operating segment.

The transaction has no impact on Wetteri's 2024 financial guidance, which includes revenue and adjusted profit combined from continuing and discontinued operations.