

1 APRIL - 30 JUNE 2024

# Q2 2024 Interim Report

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# Wirtek strengthens its focus on the energy sector

Revenue in Q2 2024 was TDKK 16,812 with EBITDA of TDKK 678, both lower compared to the same period last year. Energy is now Wirtek's largest business unit with revenue growth of 95% in Q2 2024. The recent acquisitions of Pragmasoft and Seluxit will further increase growth in Energy with new products and platforms as well as several new clients.

## Transforming our business to stay competitive

At the beginning of 2023 Wirtek transformed the organisation into five separate business units following the successful acquisition of CoreBuild in 2021. The reorganisation has improved Wirtek's competitive advantage by fostering deeper knowledge of our clients' business domains. It has also to a high degree countered the negative consequences imposed on Wirtek's traditional outsourcing business by the recent years' geopolitical uncertainty and high inflation rates.

The organisational transformation has proven to be a great success for our **Energy** business unit. After a very strong growth of 95% in Q2 2024 compares to Q2 2023, **Energy** has grown from being Wirtek's smallest business unit beginning of 2023 to our largest business unit in Q2 2024.

## Two new acquisitions further strengthen Wirtek's opportunities in Energy

Wirtek will augment its Energy offerings by expanding into markets that include products and platforms, a shift that we believe will significantly enhance both the growth and profitability of our business in the medium- and long-term. By developing and delivering high-value solutions, we aim to build stronger, more resilient revenue streams that position Wirtek as a leader not just in service delivery, but in innovation and product development as well.

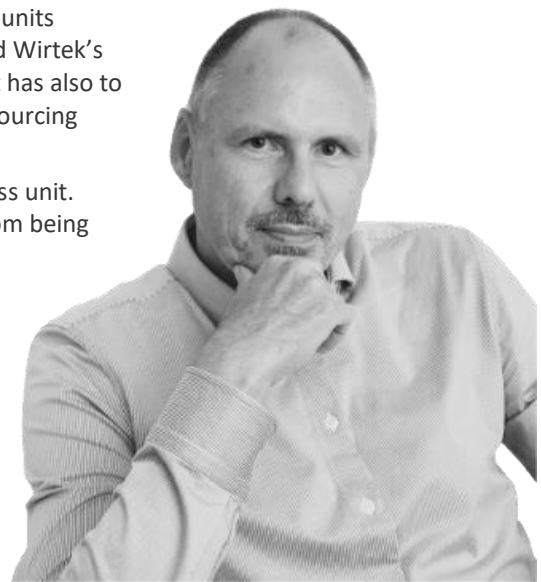
Through Q2 2024 Wirtek has advanced on its acquisition strategy and successfully completed the acquisitions of Pragmasoft and Seluxit beginning of Q3 2024, both companies with a strong focus on the Clean Energy sector. These acquisitions bring valuable assets, talent, and deep intellectual property to Wirtek, allowing us to accelerate the delivery of our product and platform offerings, which includes IoT hardware and SaaS products targeting the Clean Energy sector. The integration of Pragmasoft and Seluxit into our operations will enable us to leverage synergies and optimize our capabilities, thereby enhancing our ability to serve a broader range of client needs while driving higher margins and growth. To further amplify our business development efforts, Wirtek has added three senior Business Development Managers during the past few months.

Our commitment to delivering exceptional value to all our clients remains unwavering, and Wirtek will continue to deliver competitive IT outsourcing services. We are confident that expanding our offerings with products and platforms will not only benefit our clients and partners but also create significant value for our shareholders and our employees, setting the stage for Wirtek's continued success in the years to come.

## The future

Wirtek's strengthened focus on the Energy sector with new offerings in the form of products and platforms through the recent acquisitions of Pragmasoft and Seluxit is a natural extension of our existing business model and in line with our Accelerate25XL strategy.

**Michael Aaen**  
CEO Wirtek



# Q2 2024 Summary

## Financial highlights for the period 1 January – 30 June 2024

TDKK	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Revenue	16,812	17,299	-3%	34,797	35,436	-2%
EBITDA	678	1,819	-63%	2,516	3,629	-31%
EBITDA-margin (%)	4.0%	10.5%	-62%	7.2%	10.2%	-29%
Pre-tax profits (EBT)	48	1,660	-97%	1,299	3,096	-58%
Equity	17,053	16,448	4%	17,053	16,448	4%
Cash holdings	1,710	5,166	-67%	1,710	5,166	-67%

## Revenue development was flat with EBITDA significantly influenced by acquisition-related costs

- **Revenue** was TDKK 16,812 during Q2 2024, a decrease of 3% compared to Q2 2023. Revenue decreased by 2% in H1 2024 compared to H1 2023. Wirtek still sees pressure on business due to continued market uncertainties.
- **EBITDA** was TDKK 678 in Q2 2024 compared to TDKK 1,819 in Q2 2023, a decrease of 63%. This drop was negatively affected by periods of overcapacity due to reduction in purchases from existing clients. Wirtek's acquisitions of Pragmasoft and Seluxit entailed acquisition-related costs of TDKK 550 in Q2 2024. Wirtek also initiated significant investments in business development initiatives during the period. EBITDA was TDKK 2,516 in H1 2024, down by 31% compared to H1 2023. The **EBITDA-margin**, at 7.2% for H1 2024, was also significantly impacted.
- **Pre-tax profit (EBT)** in Q2 2024 was TDKK 48 compared to TDKK 1,660 in Q2 2023. For H1 2024 EBT was TDKK 1,299, down from TDKK 3,096 in H1 2023.
- **Equity** increased by 4% to TDKK 17,053 in H1 2024, compared to TDKK 16,448 in H1 2023. **Equity ratio** increased to 60% by the end of Q2 2024.
- **Cash holdings** decreased significantly by 67%, from TDKK 5,166 in H1 2023 to TDKK 1,710 in H1 2024. This reduction primarily reflects that the cash holdings beginning of 2024 was TDKK 1,747 below cash holdings beginning of 2023 following planned investments throughout 2023.

## Financial expectations for 2024

The Board of Directors still expects to see impact from market uncertainties during H2 2024. The Pragmasoft and Seluxit acquisitions will both start impacting Wirtek's business from August 2024. The announced 2024 expectations are maintained while Wirtek assesses the full impact from the acquisitions and the ongoing investments in business development.

- **Revenue** for 2024 is expected in the range of DKK 74.0m – 78.0m, a growth of 5% - 11% compared to 2023.
- **EBITDA** for 2024 is expected in the range of DKK 6.5m – 7.5m, a growth of 0% - 15% compared to 2023.

### Wirtek in brief

Wirtek A/S is a Danish IT consultancy company that provides software development, testing, and consultancy services to help clients worldwide. Wirtek specializes in Digitalization, Energy, Workforce & Facility Management, Wireless Communication & Automation, and Trade & E-commerce.

At Wirtek, we prioritize building long-term client relationships, with some lasting over a decade. We believe that quality partnerships are just as important as software quality in achieving our client's goals. Established in 2001, we have offices in Denmark, Romania and Portugal and have been listed on Nasdaq First North Copenhagen since 2006.

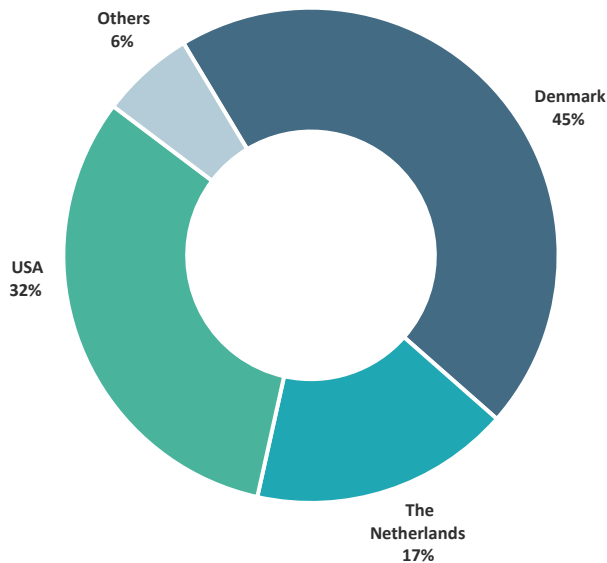
Ticker code: [WIRTEK \(DK0060040913\)](#)

# Management's Review

## Revenue development

Wirtek posted revenue of TDKK 16,812 in Q2 2024, down by 3% compared to Q2 2023. For H1 2024 revenue was also slightly down by 2% compared to H1 2023.

Geographical Revenue Distribution – Q2 2024



\* Other geographical areas include Austria, Norway, Romania, and United Kingdom

Denmark remains Wirtek's core market, accounting for TDKK 7,570 of total revenue in Q2 2024. The revenue share of 45% in Q2 2024 was the same as Q2 2023 and shows continued strong client relations and market presence in Denmark.

USA has seen a substantial growth, contributing TDKK 5,350 in revenue in Q2 2024. Clients from USA accounted for 32% of the total revenue in Q2 2024, up from 23% in Q2 2023.

The Netherlands contributed TDKK 2,860, accounting for 17% of the total revenue in Q2 2024. This market has maintained a stable contribution to the overall revenue mix.

Revenue from other countries including Austria, the United Kingdom, and Romania totalled 6% of total revenue for Q2 2024.

Business Unit Revenue (TDKK)	Q2 2024	H1 2024
Digitalization	1,308	3,348
Energy	4,664	9,137
Wireless Communication & Automation	4,573	9,615
Workforce & Facility Management	2,443	4,896
Trade & E-commerce	3,824	7,801
<b>Total Revenue</b>	<b>16,812</b>	<b>34,797</b>

The **Energy** business unit continues to demonstrate robust growth with 95% revenue growth in Q2 2024 compared to Q2 2023. With a revenue share of 28% in Q2 2024, **Energy** is now Wirtek's largest business unit.

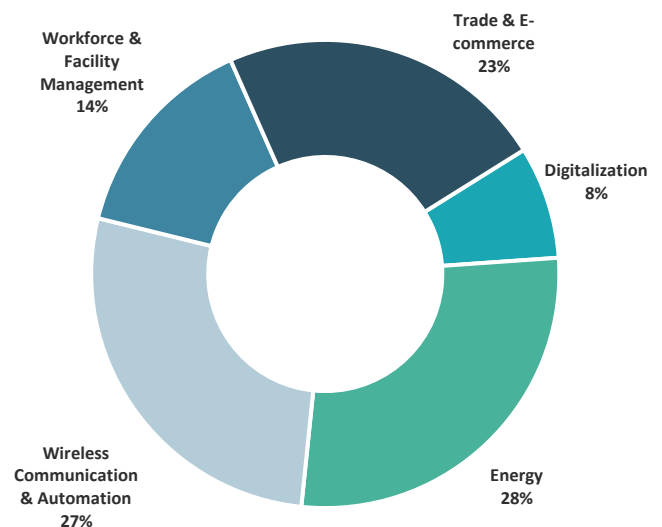
**Wireless Communication & Automation** saw a 4% decrease in revenue during Q2 2024 compared to Q2 2023. The revenue share was 27%.

**Digitalization** experienced significant challenges, with a decrease in revenue of 62% compared to Q2 2023. This is Wirtek's smallest business unit with a revenue share of 8%.

**Workforce & Facility Management** saw a decline of 20% in revenue during Q2 2024 compared to Q2 2023. The revenue share was 14%.

**Trade & E-commerce** grew by 3% during Q2 2024 compared to Q2 2023. The revenue share was 23%.

Business Unit revenue Distribution – Q2 2024

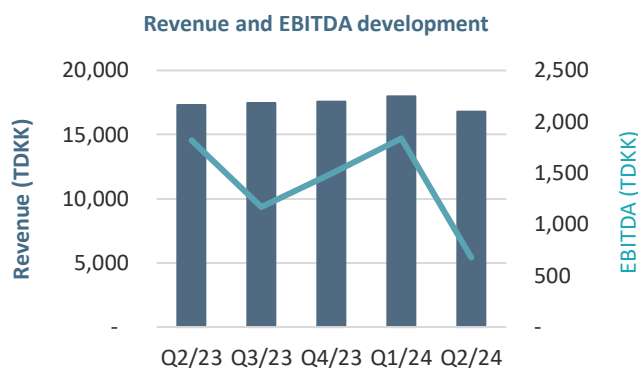


## EBITDA development

For Q2 2024, Wirtek is reporting EBITDA of TDKK 678, representing a significant decrease from TDKK 1,819 in Q2 2023. The EBITDA margin also reflected this downturn, registering at 4.0% compared to 10.5% in the corresponding quarter of the previous year.

Several factors have contributed to the decrease in EBITDA. The acquisitions of Pragmasoft and Seluxit, both completed in Q3 2024, has entailed acquisition-related costs of TDKK 550 in Q2 2024. Wirtek experienced periods of overcapacity due to reduction in purchases from existing clients. During Q2 2024 Wirtek also initiated significant investments in business development initiatives.

Wirtek remains proactive in monitoring market trends and adjusting operational strategies to minimize financial impacts and maintain profitability in a continued challenged outsourcing market. The company continues its efforts to optimize costs and streamline operations, aimed at sustaining an acceptable EBITDA level amid ongoing market volatility while at the same time acting on the positive market trends in the Clean Energy sector.



## Pre-tax profits

Wirtek achieved pre-tax profits (EBT) of TDKK 48 during Q2 2024 compared to TDKK 1,660 during Q2 2023. Depreciation and amortization during Q2 2024 were TDKK 532 compared to TDKK 159 in Q2 2023.

This increase in depreciation and amortization reflects the impact of asset re-evaluations and investments made during the period.

Financial expenses in Q2 2024 were TDKK 98, lower by 41% compared to TDKK 166 in Q2 2023.

## Continued positive operating cash flow

Wirtek achieved positive cash flows from operating activities of TDKK 591 during Q2 2024 and TDKK 1,993 for H1 2024. The Cash Conversion Ratio (Operating cash flow / EBITDA) was 79% in H1 2024.

## Number of colleagues

Wirtek had a total of 171 colleagues by the end of Q2 2024, down by 10% compared to end of Q2 2023, continuing the realignment of the organisation to the current market situation.

The percentage of billable colleagues was 89% by the end of Q2 2024 – the same level as end of Q2 2023.

## Additional remarks to the financial reporting

The Wirtek Group consists of Wirtek A/S and the fully owned Romanian subsidiary Wirtek SRL.

After the balance date, Wirtek has acquired Pragmasoft LDA in Portugal (see [company announcement no. 09/2024](#)) as well as the assets from Seluxit A/S in Denmark (see [company announcement no. 08/2024](#)).

The Q2 financial report has not been audited or reviewed by Wirtek's auditor.

## Financial Calendar 2024

13 November 2024	Interim Report Q3 2024
19 March 2025	Annual Report 2024
14 May 2025	Interim Report Q1 2025

## Further Information

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## Profit & loss statement for the period 1 January – 30 June 2024

TDKK	Q2 2024	Q2 2023	Change Q2	H1 2024	H1 2023	Change H1
<b>Revenue</b>	<b>16,812</b>	<b>17,299</b>	<b>-2.8%</b>	<b>34,797</b>	<b>35,436</b>	<b>-1.8%</b>
Other external costs	-6,957	-7,771	-10.5%	-15,197	-15,642	-2.8%
Other external costs %	41.4%	44.9%	-7.9%	43.7%	44.1%	-1.1%
<b>Gross Profit/Loss</b>	<b>9,855</b>	<b>9,527</b>	<b>3.4%</b>	<b>19,600</b>	<b>19,793</b>	<b>-1.0%</b>
Gross Profit/Loss%	58.6%	55.1%	6.4%	56.3%	55.9%	0.8%
Staff Costs	-9,177	-7,708	19.1%	-17,084	-16,164	5.7%
Staff Costs%	54.6%	44.6%	22.5%	49.1%	45.6%	7.6%
<b>EBITDA</b>	<b>678</b>	<b>1,819</b>	<b>-62.7%</b>	<b>2,516</b>	<b>3,629</b>	<b>-30.7%</b>
Depreciation, amortisation, and impairment	-532	-159	234.6%	-1,041	-534	94.9%
Depreciation, amortisation, and impairment %	3.2%	0.9%	244.3%	3.0%	1.5%	98.5%
<b>Operating Profit (EBIT)</b>	<b>146</b>	<b>1,660</b>	<b>-91.2%</b>	<b>1,475</b>	<b>3,095</b>	<b>-52.3%</b>
Net financial income and expenses	-98	-166	-41.0%	-176	-386	-54.4%
Net financial income and expenses %	0.6%	1.0%	-39.3%	0.5%	1.1%	-53.6%
<b>Profit before tax (EBT)</b>	<b>48</b>	<b>1,494</b>	<b>-96.8%</b>	<b>1,299</b>	<b>2,709</b>	<b>-52.1%</b>
Tax on profit/loss for the period	-135	-270	-50.0%	-289	-570	-49.3%
Tax on profit/loss for the period %	0.8%	1.6%	-48.6%	0.8%	1.6%	-48.4%
<b>Profit for the period</b>	<b>-87</b>	<b>1,224</b>	<b>-107.1%</b>	<b>1,010</b>	<b>2,139</b>	<b>-52.8%</b>
Profit for the period %	-0.5%	7.1%	-107.3%	2.9%	6.0%	-51.9%

## Cash flow statement for the period 1 January - 30 June 2024

TDKK	Q2 2024	Q2 2023	H1 2024	H1 2023
Profit/loss for the year	-87	1,224	1,011	2,158
Depreciation and amortisation, reversed	532	162	1,041	534
Tax on profit/loss, reversed	135	269	289	570
Other adjustments				
Corporation tax paid	156	-570	156	-570
Change in receivables (ex tax)	6,218	-5,502	4,402	-3,386
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-6,363	5,065	-4,906	3,686
<b>CASH FLOWS FROM OPERATING ACTIVITY</b>	<b>591</b>	<b>648</b>	<b>1,993</b>	<b>2,992</b>
Purchase of non-current assets	53	1,006	-796	-1,379
Purchase of property, plant and equipment	143	-127	357	-255
Other cash flows from investing activities		25	110	65
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>	<b>196</b>	<b>904</b>	<b>-329</b>	<b>-1,569</b>
Purchase of own shares				
Sale of own shares				
Instalments on loans				
Capital increase		1,293		1,293
Changes in overdraft facility				
Dividends paid in the financial year	-2,496	-2,668	-2,496	-2,668
Dividends from own shares				
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>	<b>-2,496</b>	<b>-1,375</b>	<b>-2,496</b>	<b>-1,375</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-1,709</b>	<b>177</b>	<b>-832</b>	<b>48</b>
Cash and cash equivalents at beginning of period	3,419	5,166	2,542	5,118
<b>CASH AND CASH EQUIVALENTS ON 30 JUNE</b>	<b>1,710</b>	<b>5,343</b>	<b>1,710</b>	<b>5,166</b>

## Balance sheet as of 30 June 2024

TDKK	30.06.2024	30.06.2023	31.12.2023
<b>ASSETS</b>			
<b>Intangible assets</b>	<b>10,728</b>	<b>9,462</b>	<b>9,973</b>
Goodwill	6,727	8,028	7,227
Software	4,001	1,434	2,746
<b>Property, plants and equipment</b>			
Fixtures and fittings, tools and equipment	1,077	1,117	1,392
<b>Investments</b>			
Securities and deposits	74	67	74
<b>Total fixed assets</b>	<b>11,879</b>	<b>10,646</b>	<b>11,439</b>
<b>Receivables</b>			
Trade receivables	11,447	13,250	12,138
Work in progress			
Other receivables	199	435	686
Advances for inventories	287	278	
Deferred tax	2,800	2,800	3,051
Prepayments and accrued income	-	1,878	315
<b>Cash and Cash equivalent</b>	<b>1,710</b>	<b>5,166</b>	<b>2,542</b>
<b>Total current assets</b>	<b>16,443</b>	<b>23,807</b>	<b>18,732</b>
<b>TOTAL ASSETS</b>	<b>28,322</b>	<b>34,453</b>	<b>30,171</b>
<b>LIABILITIES</b>			
Share capital	1,159	1,159	1,159
Own shares			
Share premium account	2,153	3,134	
Currency exchange provision			
Proposed dividend			2,937
Retained earnings	13,741	12,155	14,443
<b>Total equity</b>	<b>17,053</b>	<b>16,448</b>	<b>18,539</b>
<b>Long term liabilities</b>			
Acquisition, Earn-out		1,392	
Other long-term payables			65
<b>Short term liabilities</b>			
Short-term debt	4,314	2,819	2,060
Trade payables	3,016	6,945	3,262
Corporation tax	-274		
Other liabilities	4,213	6,848	6,245
<b>Total liabilities other than provisions</b>	<b>11,269</b>	<b>18,005</b>	<b>11,632</b>
<b>TOTAL LIABILITIES</b>	<b>28,322</b>	<b>34,453</b>	<b>30,171</b>

## Equity explanation for the period 1 January - 30 June 2024

TDKK	30.06.2024	30.06.2023
Equity, beginning of year	18,539	15,644
Dividend distribution	-2,496	- 2,688
Exchange rate adjustments etc		60
Sale/purchase of own shares		
Share premium account		1,293
Profit/Loss for H1	1,010	2,139
<b>EQUITY</b>	<b>17,053</b>	<b>16,448</b>

## Key figures and ratios for the period 1 January - 30 June 2024

	H1 2024	H1 2023
EBITDA-margin	7.2%	10.5%
Operating profit margin (EBIT)	4.2%	8.6%
Liquidity ratio	146%	132%
Equity ratio	60%	48%
Cash Conversion Rate (net profit)	197%	140%
Cash Conversion Rate (EBITDA)	79%	82%
Number of shares	7,728,579	7,728,579
Earnings per share, EPS (DKK)	0.13	0.28
Operational cash flow per share (DKK)	0.26	0.39

## Management and Board shareholdings in Wirtek A/S

- Michael Aaen, CEO: 2,200,117 shares
- Kent Moustén Sørensen, Chair of the Board: 976,225 shares
- Martin Dommerby Kristiansen, Board Member: 47,178 shares
- Janie Charlotte Nielsen, Board Member: 5,000 shares

## Auditor

- BDO Statsautoriseret revisionsaktieselskab, Visionsvej 51, 9200 Aalborg, Denmark

## Disclaimer

This report contains forward-looking statements which are based on the current expectations of the management of Wirtek. All statements regarding the future are subject to inherent risks and uncertainties that could cause the company's actual results to differ substantially for what has been expressed or implied in such statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results





# Company information

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