

## Interim Report Q3 2023: Building momentum for a promising 2024

Wirtek's Board of Directors has today approved the interim report for Q3 2023. Below a summary - the detailed report is attached to this announcement.

### CEO Michael Aaen comments:

*"In Q3 2023, we have seen an inflow of new orders from both existing and new clients, especially in our Energy business unit, having full revenue effect from 2024. This makes us confident about an increasing activity level in 2024. That said, the market condition in Q3 2023 has been challenging for some of our clients, and an inflation-driven increase in costs have impacted our financial results.*

*Wirtek's focus on business development in energy-related sectors is paying off. With three new orders in just three months, the growth of our Energy business unit exceeds our wildest expectations, with a revenue growth of 55% in Q3 2023 compared to the previous quarter. The positive development continues into Q4 2023.*

*We expect double-digit organic revenue growth in both 2024 and 2025 based on our sales pipeline and our ongoing sales efforts. Additionally, Wirtek also has a growing pipeline of potential acquisition targets, and we anticipate completing at least one acquisition in the strategy period as part of accelerating the revenue growth and reaching our long-term Accelerate25XL strategy goals."*

### Financial highlights for the period 1 January - 30 September 2023

TDKK	Q3 2023	Q3 2022	Change	Q1-Q3 2023	Q1-Q3 2022	Change
Revenue	17,457	16,502	6%	52,893	48,290	10%
EBITDA	1,172	2,027	-42%	4,801	6,349	-24%
EBITDA-margin (%)	6.7%	12.3%	-45%	9.1%	13.1%	-31%
Pre-tax profits (EBT)	812	1,669	-51%	3,522	5,114	-31%
Equity	16,732	15,192	10%	16,732	15,192	10%
Cash holdings	4,165	3,264	28%	4,165	3,264	28%

### Organic growth of 6% – challenging market conditions for a few clients negatively impacts EBITDA

- **Revenue** grew organically by 6% to TDKK 17,457 during Q3 2023 compared to revenue of TDKK 16,502 during Q3 2022. Organic revenue growth during Q1-Q3 2023 was 10% compared to Q1-Q3 2022. The achieved growth stems from both increased engagements with existing clients as well as expansion of the client list.
- **EBITDA** was TDKK 1,172 in Q3 2023 compared to TDKK 2,027 for the same period last year, a decrease of 42%. During Q1-Q3 2023 EBITDA was TDKK 4,801, down by 24% compared to Q1-Q3 2022. Challenging market conditions for a few of Wirtek's clients, including a financial loss on a single client, has significantly impacted EBITDA during Q3 2023.
- The **EBITDA-margin** for Q3 2023 was 6.7% compared to 12.3% during same period in 2022. For Q1-Q3 2023 the EBITDA margin was 9.1% compared to 13.1% during Q1-Q3 2022.
- **Pre-tax profits (EBT)** were TDKK 812 in Q3 2023, a decrease by 51% compared to TDKK 1,669 during Q3 2022. EBT for Q1-Q3 2023 was 3,522 down by 31% compared to Q1-Q3 2022.
- **Equity** was TDKK 16,732 end of Q3 2023, up by 10% from Q3 2022. The equity ratio was 54% end of Q3 2023.
- **Cash holdings** were TDKK 4,165 end of Q3 2023, up by 28% from Q3 2022. Part of the cash-position is offset by a credit facility of TDKK 2,066. A negative cash flow of TDKK 1,001 was generated during Q3 2023, impacted negatively by change in trade receivables, investments in new office facilities, and purchase of shares to cover 2022 acquisition earn-out. Operating activities generated TDKK 424 in cash during Q3 2023, up by 159% compared to Q3 2022. For Q1-Q3 2023 the cash flow from operating activities was TDKK 3,416, resulting in a Cash Conversion Ratio (Operating cash flow / EBITDA) of 71%.

### Revised expectations for 2023

Based on preliminary financial results for Q1-Q3 2023 and an updated prognosis for the fiscal year 2023, the Board of Directors has revised the 2023 expectations as follows (see [Company announcement no. 26/2023](#)):

- **Revenue** for 2023 is expected in the range of DKK 70.0m – 72.0m (down from previously DKK 73.0 – DKK 78m).
- **EBITDA** for 2023 is expected in the range of DKK 6.0m – 7.0m (narrowed from previously DKK 6.0m – 9.0m).

### Further information

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### About Wirtek

Wirtek A/S is a Danish IT consultancy company that provides software development, testing, and consultancy services to help clients worldwide. With a team of more than 200 talented professionals, 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 and Romania and have been listed on Nasdaq First North Copenhagen since 2006.

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