Semi-Annual Report 2024

DELTICOM

Profile

With the brand ReifenDirekt, Delticom AG is the leading company in Europe for the online distribution of tyres and complete wheels.

The product portfolio for private and business customers comprises an unparalleled range of around 600 brands and over 80,000 tyre models for cars and motorcycles. Complete wheels and rims complete the product range. The company operates 339 online shops and online distribution platforms in 68 countries, serving more than 19 million customers. In the online shop Reifendirekt.de, sustainable and resource-saving tyres are labelled accordingly and awarded a sustainability seal.

As part of the service, the ordered products can be sent to one of Delticom's around 30,000 partner garages in Europe for mounting at the customer's request.

Based in Hanover, Germany, the company operates primarily in Europe and has extensive expertise in the development and operation of online shops, internet customer acquisition, internet marketing and the establishment of partner networks.

Since its foundation in 1999, Delticom has built up comprehensive expertise in designing efficient and fully integrated ordering and logistics processes. The company's own warehouses are among its most important assets.

In fiscal year 2023, Delticom AG generated revenues of around € 476 million. At the end of last year, the company employed 172 people.

The shares of Delticom AG have been listed in the Prime Standard of the German Stock Exchange since October 2006 (ISIN DE0005146807).

Key Figures

		01.01.2024 30.06.2024	01.01.2023 30.06.2023	-/+ (%, %p)
Gross merchandise volume	€ million	258.6	243.7	+6.1
Revenues	€ million	212.0	197.7	+7.2
Total income	€ million	222.4	215.1	+3.4
Gross margin[1]	%	26.4	22.9	+3.5
Gross profit[2]	€ million	66.4	62.7	+6.0
EBITDA	€ million	7.8	6.8	+15.2
EBITDA-Marge	%	3.7	3.4	+0.3
EBIT	€ million	2.8	3.2	-10.8
Net income	€ million	0.1	1.5	-96.0
Earnings per share	%	0.00	0.10	-96.0
Total assets	€ million	233.5	235.5	-0.9
Inventories	€ million	80.6	82.0	-1.7
Investments[3]	€ million	3.2	2.2	+44.3
Equity	€ million	48.0	41.3	+16.3
Equity ratio	%	20.6	17.5	+3.0
Return on equity	%	0.1	3.7	-3.6
Liquidity position[4]	€ million	3.7	2.5	+48.7

(1) Gross profit ex other operating income in % of revenues
(2) Gross profit including other operating income
(3) Investments in tangible and intangible assets (without aquisitions)
(4) Liquidity position = cash and cash equivalents + liquidity reserve

Highlights H1 2024

Gross merchandise volume amounted to

€ **259** million

H1 2023: € 244 million

Revenues

€ **212** million

H1 2023: € 198 million

EBITDA totalled

€ **7.8** million

H1 2023: € 6.8 million

Improvement of operative EBITDA to

€ **8.0** million

H1 2023: € 7.2 million

Net income amounted to

€ **61** thousand

H1 2023: € 1.5 million

Increase of equity ratio to

20.6 %

H1 2023: 17.5 %

Content

Interim Management Report
of Delticom AG, Hanover, for the period from 1 January 2024 to 30 June 2024

Content

Economic Environment

Macroeconomic developments

Global economy

After losing momentum towards the end of 2023, the global economy picked up again in the first few months of the current year. In the advanced economies, gross domestic product increased at a moderate pace in the first quarter 2024. The previously pronounced differences in economic momentum have diminished. While expansion in the United States slowed noticeably, the economy in Europe grew more strongly than experts had expected. In the emerging markets, the pace of expansion accelerated significantly, mainly due to the 1.6 % increase in production in China compared to the previous quarter. Production in India and the emerging markets of South East Asia also increased significantly in most cases. Experts expect a further, noticeable increase in global production in the second quarter of 2024.

Euro area

After a prolonged period of near-stagnation, the eurozone economy recorded moderate growth of 0.3 % in the first quarter of the current year. The increase is therefore higher than forecasted by experts. It is assumed that the favorable weather conditions boosted construction activity and gave the economy a temporary boost. In addition, net exports and rising household spending provided a positive impetus.

Germany

The German economy picked up slightly at the start of the year and recorded a 0.2 % increase in gross domestic product in the first quarter 2024 compared to the same quarter of the previous year. Due to weather conditions, growth was driven in particular by construction investment and foreign trade. However, weak private and public consumer spending and declining investment in equipment had a dampening effect. Experts expect gross domestic product to fall by 0.8 % in the second quarter compared to the previous quarter. The weak economic momentum was also reflected in the labor market. Although the unemployment rate in June remained unchanged from the previous month at 5.8 %, the number of unemployed rose by 4,000 individuals compared to May, or by 19,000 people on a seasonally adjusted basis. As in previous months, the spring recovery was therefore weak at the end of the first half of the year.

Sectoral developments

Tyre trade

The replacement tyre business in Germany continued its slight recovery from 2023 in the first half of the year. According to initial estimates by market experts, around 3 % more car tyres were sold by retailers to consumers in Germany in the first six months of the current year compared to the same period of the previous year. While no year-on-year growth was recorded in the summer tyre business, demand for all-season tyres increased by around 9 %. Sales in the winter tyre business were 3 % lower than in the first six months of 2023.

Online trade

According to the German E-Commerce and Distance Selling Trade Association (bevh), the initial positive signals from the beginning of the year were confirmed at the mid-year point. While the first three months of the current year saw a moderate decrease in e-commerce revenues of 2.6 % to € 18.9 billion compared to the same quarter of the previous year, the period from April to June saw a small increase in revenues of 0.2 % to € 19.215 billion, the first market growth in two years. Overall, e-commerce revenues in Germany in the first six months of the current year were 1.2 % down on the previous year.

Business performance and earnings situation

Revenues

Group

The Delticom group generates the majority of its revenues from the online sale of replacement tyres for cars and motorcycles. Complete wheels and rims round off the product range.

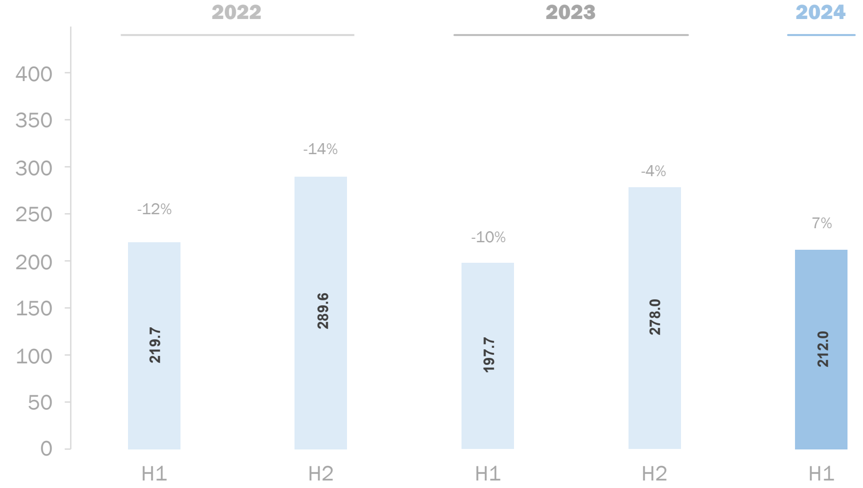
In the first six months of the current fiscal year, the Delticom group generated revenues of € 212 million, an increase of 7.2 % after € 198 million in H1 2023. In the previous financial year 2023, the previous shop business was supplemented by platform business. The company provides the technical infrastructure and its sales and process know-how to enable external third parties to sell goods online to Delticom's private and commercial end customers and realises commission contributions for the corresponding share of revenues. The gross merchandise volume in H1 2024 amounts to € 259 million (H1 2023: € 244 million, +6,1 %).

Seasonality

The chart *Revenues trend* summarises the development of the half-year revenues.

Revenues trend

half-year revenues in € million



Q1

Overall, the Delticom group generated revenues of € 97 million (Q1 2023: € 78 million, –24.0 %) in the first quarter of the current fiscal year. In the light of early summer temperatures in February and March good sales in the business with private and commercial end customers were realised. Gross merchandise volume for Q1 2024 amounted to € 119 million (Q1 2023: € 96.2 million, +23.8 %).

Q2

In the second quarter, the company generated revenues of € 115 million, a year-on-year decrease of 3.7 % (Q2 2023: € 120 million). Due to demand being brought forward to Q1 as a result of the weather, revenues in the second quarter were lower than in the previous year. In Q2 2023, the start of the changeover business was postponed to the second quarter. The gross merchandise volume totalled € 139 million (Q2 2023: € 148 million, -5.5 %).

Regional split

The Group offers its product range in 68 countries. In H1 2024 revenues in EU countries totalled € 177 million (H1 2023: € 164 million, +7.8 %). Across all non-EU countries the revenues contribution for H1 2024 was € 35 million (H1 2023: € 33 million, +4.2 %).

Revenues by region

in € thousand

	H1'24	%	+%	H1'23	%	+%	H1'22	%
Revenues	**211,970**	**100.0**	**7.2**	**197,687**	**100.0**	**-10.0**	**219,725**	**100.0**
Regions								
EU countries	177,107	83.6	7.8	164,219	83.1	-9.0	180,422	82.1
Non-EU countries	34,863	16.4	4.2	33,469	16.9	-14.8	39,303	17.9

Customer numbers

The following customer numbers are the customer numbers in our core business - the online trade with tyres in Europe. In the first six months of 2024 a total of 271 thousand **existing customers** (H1 2023: 253 thousand, +7.2 %) have once again purchased tyres in one of the Delticom Group's online shops. Existing customers are counted only once during the reporting period, regardless of the number of purchases made during that period.

A total of 306 thousand (H1 2023: 351 thousand, –12.9 %) new customers were acquired in Europe in H1 2024. Since the company was founded, more than 19 million customers have made purchases in our online shops. Over the half-year period, the number of **active buyers** (new customers and repeat customers) is 4.5 % lower than in the same period of the previous year.

Key expense positions

Cost of goods sold

The cost of goods sold (COGS) is the largest expense item; it considers the purchase price of sold products (mainly tyres). Group COGS increased by 2.3 % from € 152 million in H1 2023 to € 156 million in H1 2024. The cost of materials ratio (cost of materials as a percentage of revenues) was 73.6 % in H1 2024 (H1 2023: 77.1 %). The improvement in the cost of materials ratio is primarily the result of a change in the sales mix.

Personnel expenses

On average, the company employed 167 people in the first six months of the current financial year (H1 2023: 169). At the reporting date 30.06.2024, a total of 164 employees worked for the Group (30.06.2023: 168). Personnel expenses in the reporting period amounted to € 7.0 million (H1 2023: € 7.4 million, –5.8 %). The year-on-year decrease is mainly due to the reduction in headcount. In addition, an inflation compensation bonus was paid to employees in January 2023. The personnel expense ratio (ratio of personnel expense to revenues) was 3.3 % in H1 2024 (H1 2023: 3.7 %).

Depreciation

Depreciation and amortization in the reporting period was € 5.0 million after € 3.6 million in H1 2023 (+37.8 %). The increase is mainly the result of the increase in rights of use, which is due both to the rental of additional office space and to rent increases for warehouse space.

Transportation costs

The largest single item within other operating expenses is transportation costs. These amounted to € 20.4 million after € 16.5 million in the comparative period (+23.6 %). The increase is primarily due to both the higher business volume as well as the country mix in revenues. Transportation costs as a percentage of revenues amounted to 9.6 % (H1 2023: 8.3 %).

Warehousing

Inventory costs amounted to € 5.8 million in the reporting period, after € 4.6 million in H1 2023. The increase by 25.9 % is due to the revenues development in the first half of 2024 on the one hand and one-off costs in connection with the relocation of the warehouse location in Hanover on the other. Inventory costs in relation to revenues amounted to 2.8 % (H1 2023: 2.3 %).

Rents and operating costs

Rents and operating costs amounted to € 1.7 million in the reporting period after € 2.3 million in the previous year. In the previous year, index-linked rent increases led to higher expenses during the year. The right-of-use assets were adjusted accordingly in the second half of 2023 on the basis of the increased rental obligations. The higher expenses in H1 2023 are therefore due to a time lag during the year. In the current reporting year, rental expenses are reduced directly by the IFRS 16 effect via the rights of use.

Marketing

In the reporting period, € 6.0 million (H1 2023: € 6.6 million) was spend on Marketing. The decrease of 8.8 % is primarily due to the measures already introduced in 2023 to increase the efficiency of marketing activities. Marketing expenses in relation to revenues amounted to 2.8 % (H1 2023: 3.3 %).

Financial and Legal

Finance and legal expense in the reporting period amounted to € 2.8 million, compared with € 3.6 million in the prior year (–23.9 %). The syndicated loan agreement was extended as planned in March 2023. Legal consulting costs were correspondingly lower in H1 2024 than in the previous year.

Earnings position

Gross margin

The company achieved a gross margin (gross margin excluding other operating income) of 26.4 % in the reporting period, compared with 22.9 % in the corresponding prior-year period. The increase is mainly due to a change in the sales mix and the modified sales management mechanism compared to the previous year.

Other operating income

Other operating income decreased by 40.1 % to € 10.4 million in the reporting period (H1 2023: € 17.4 million). The decrease is largely due to the scheduled discontinuation of income from project business generated in the first half of 2023. Marketing subsidies, income from transportation losses and other income are regularly generated from the operating business. In addition, other operating income also includes gains from exchange rate differences amounting to € 2.3 million (H1 2023: € 2.7 million, –13.4 %). Delticom reports currency losses within other operating expenses. In H1 2024, they totalled € 2.4 million (H1 2023: € 2.5 million). Accordingly, there is a balance of currency gains and losses of € –33.4 thousand (H1 2023: € 162.4 thousand) for the reporting period.

Gross profit

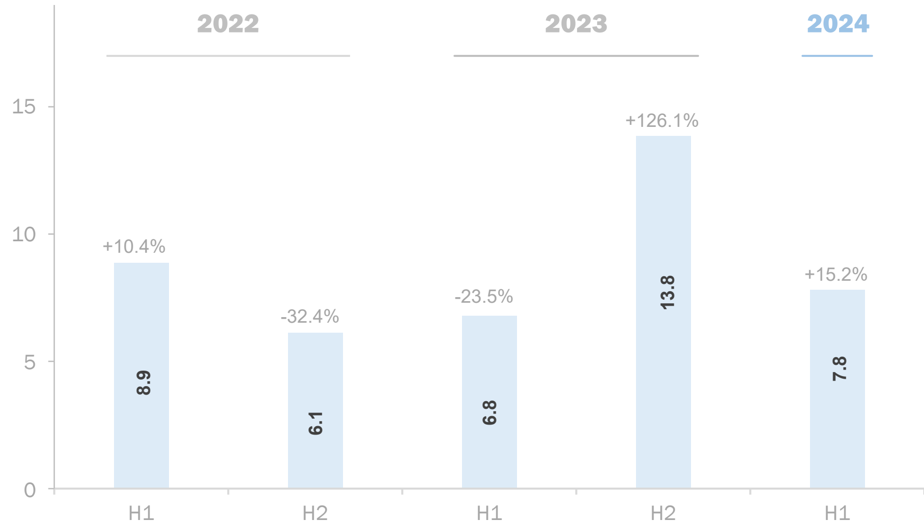
Gross profit for the reporting period amounted to € 66.4 million, compared with a prior-year figure of € 62.7 million (+6.0 %). In relation to total income of € 222 million (H1 2023: € 215 million), gross profit was 29.9 % (H1 2023: 29.1 %).

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the second quarter were significantly higher than in the previous quarter at € 7.2 million (Q2 2023: € 7.5 million, –4.8 %) (Q1 2024: € 0.6 million, Q1 2023: € –0.7 million). EBITDA totalled € 7.8 million in the reporting period (H1 2023: € 6.8 million, +15.2 %). This corresponds to an EBITDA margin of 3.7 % (H1 2023: 3.4 %). Operating EBITDA after elimination of costs in connection with the refinancing amounted to € 8.0 million in the period under review, compared with € 7.2 million in the prior-year period.

EBITDA

half-year, in € million



EBIT

EBIT in the reporting period is € 2.8 million after € 3.2 million in H1 2023 (–10.8 %). Return on revenues (EBIT as a percentage of revenues) is 1.3 % (H1 2023: 1.6 %). For the second quarter, earnings before interest and taxes amount to € 4.4 million (Q2 2023: € 6.1 million, –27.8 %) after € –1.6 million in Q1 2024 (Q1 2023: € –2.9 million).

Financial result

Financial income for the first six months amounted to € 117 thousand (H1 2023: € 521 thousand). Financial expense amounted to € 1.3 million (H1 2023: € 1.4 million). In the first half of 2023, a compounding effect from project receivables existing at the time was realized. At € –1.1 million, the financial result was slightly lower than in the previous year (H1 2023: € –0.8 million).

Income taxes

The tax result for the first six months amounted to € –1.6 million (H1 2023: € –0.8 million). H1 2024 includes tax expenses relating to other periods in the amount of around € 1.1 million.

Net income

Consolidated net income in the first half of the year totalled € 61.4 thousand after € 1.5 million in H1 2023 (–96.0 %). This corresponds to earnings per share (EPS) of € 0.00 (H1 2023: € 0.10).

The table *Abridged P+L statement* summarises key income and expense items from multiple years' profit and loss statements.

Abridged P+L statement
in € thousand

	H1'24	%	+%	H1'23	%	+%	H1'22	%
Revenues	**211,970**	100.0	7.2	**197,687**	100.0	-10.0	**219,725**	100.0
Other operating income	10,401	4.9	-40.1	17,374	8.8	-9.6	19,219	8.7
Total operating income	**222,370**	104.9	3.4	**215,061**	108.8	-10.0	**238,944**	108.7
Cost of goods sold	-155,944	-73.6	2.3	-152,384	-77.1	-11.9	-173,052	-78.8
Gross profit	**66,426**	31.3	6.0	**62,677**	31.7	-4.9	**65,892**	30.0
Personnel expenses	-6,971	-3.3	-5.8	-7,404	-3.7	4.4	-7,093	-3.2
Other operating expenses	-51,649	-24.4	6.5	-48,495	-24.5	-2.9	-49,934	-22.7
EBITDA	**7,806**	3.7	15.2	**6,778**	3.4	-23.5	**8,865**	4.0
Depreciation	-4,994	-2.4	37.8	-3,624	-1.8	-20.9	-4,580	-2.1
EBIT	**2,812**	1.3	-10.8	**3,153**	1.6	-26.4	**4,286**	2.0
Net financial result	-1,148	-0.5	38.4	-830	-0.4	1430.9	-54	-0.0
EBT	**1,663**	0.8	-28.4	**2,324**	1.2	-45.1	**4,231**	1.9
Income taxes	-1,602	-0.8	105.2	-781	-0.4	-43.9	-1,393	-0.6
Consolidated net income	**61**	0.0	-96.0	**1,543**	0.8	-45.7	**2,839**	1.3

Financial and assets position

Balance sheet

As of 30.06.2024 the balance sheet total amounted to € 233.5 million (31.12.2023: € 191.6 million, 30.06.2023: € 235.5 million).

Fixed Assets

Fixed assets amounted to € 98.3 million (31.12.2023: € 94.1 million) as at the reporting date 30.06.2024. The increase of € 4.2 million since the beginning of the year is mainly due to the investments made into the warehouse infrastructure.

Inventories

The largest item in current assets is inventories. Since the beginning of the year, inventories have increased by € 39.4 million to € 80.6 million (31.12.2023: € 41.2 million) as part of seasonal stockpiling. Compared with the reporting date, inventories are lower by € 1.4 million (30.06.2023: € 82.0 million). The share of inventories in total assets amounted to 34.5 % as of 30.06.2024 (31.12.2023: 21.5 %, 30.06.2023: 34.8 %).

Receivables and other assets

Receivables usually follow the seasonal curve, although reporting date effects are unavoidable. Current receivables amounted to € 37.9 million (31.12.2023: € 34.2 million, 30.06.2023: € 32.5 million). € 21.9 million of this relates to trade receivables (31.12.2023: € 17.2 million, 30.06.2023: € 17.1 million). The increase in a closing date comparison is mainly due to business with commercial end customers and the payment terms granted.

Payables

Since the beginning of the year, trade accounts payable have increased by € 25.9 million from € 61.5 million to € 87.4 million. Compared to the reporting date, trade accounts payable are lower by € 2.1 million (30.06.2023: € 89.4 million). The share of trade payables in total assets was 37.4 % (31.12.2023: 32.1 %, 30.06.2023: 38.0 %).

Abridged balance sheet

in € thousand

	30.06.24	%	+%	31.12.23	%	30.06.23	%
Assets							
Non-current assets	111,273	47.7	2.2	108,910	56.9	118,547	50.3
Fixed assets	98,319	42.1	4.5	94,128	49.1	95,404	40.5
Other non-current assets	12,953	5.5	-12.4	14,782	7.7	23,143	9.8
Current assets	122,187	52.3	47.8	82,648	43.1	116,966	49.7
Inventories	80,596	34.5	95.5	41,224	21.5	81,981	34.8
Receivables	37,919	16.2	11.0	34,170	17.8	32,515	13.8
Liquidity	3,672	1.6	-49.4	7,253	3.8	2,470	1.0
Assets	**233,460**	**100.0**	**21.9**	**191,558**	**100.0**	**235,513**	**100.0**
Equity and Liabilities							
Long-term funds	96,268	41.2	2.7	93,769	49.0	93,396	39.7
Equity	48,028	20.6	0.8	47,635	24.9	41,296	17.5
Long-term debt	48,240	20.7	4.6	46,134	24.1	52,101	22.1
Provisions	33	0.0	58.0	21	0.0	21	0.0
Liabilities	48,207	20.6	4.5	46,113	24.1	51,080	21.7
OtherNonCurrentLiabilities	0	0.0	0.0	0	0.0	1,000	0.4
Short-term debt	137,191	58.8	40.3	97,788	51.0	142,117	60.3
Provisions	6,630	2.8	-4.5	6,941	3.6	3,199	1.4
Liabilities	130,562	55.9	43.7	90,848	47.4	138,918	59.0
Equity and Liabilities	**233,460**	**100.0**	**21.9**	**191,558**	**100.0**	**235,513**	**100.0**

Liquidity position

Liquidity as of 30.06.2024 totalled € 3.7 million (31.12.2023: € 7.3 million, 30.06.2023: € 2.5 million). On 30.06.2024, the company's net cash position (liquidity less liabilities from current accounts) amounted to € –24.8 million (31.12.2023: € –2.2 million, 30.06.2023: € –31.7 million). The improvement compared to the reporting date of the pevious year is mainly due to the reduced utilization of credit lines. In addition to the utilization of credit lines, short-term financial debt also includes the current portion of lease obligations from long-term rental agreements in the amount of € 7.6 million (31.12.2023: € 9.4 million, 30.06.2023: € 8.8 million).

Equity

Equity amounted to € 48.0 million on the balance sheet date (31.12.2023: € 47.6 million, 30.06.2023: € 41.3 million). The equity ratio of the company at the balance sheet date stood at 20.6 % (31.12.2023: 24.9 %, 30.06.2023: 17.5 %).

Cash flow

Operating cash flow

Cash flow from operating activities for H1 2024 amounted to € –21.5 million (H1 2023: € –0.9 million). The year-on-year change is primarily due to working capital. Trade payables have increased less since the beginning of the year than in the previous year. At the same time, winter stockpiling has been brought forward by a few weeks compared to the previous year. Existing credit lines were utilized to pre-finance the inventory build-up.

Investments

Capital expenditures for property, plant and equipment in H1 2024 amounted to € 2.9 million (H1 2023: € 1.6 million). These are mainly investments in equipment for our warehouses. In addition, Delticom invested € 0.2 million in intangible assets in the reporting period (H1 2023: € 0.5 million). Cash flow from investing activities consequently amounted to € –3.2 million (H1 2023: € –2.2 million).

Financing activities

Cash flow from financing activities amounted to € 21.1 million (H1 2023: € 2.6 million) in the reporting period. There were no current financial liabilities to banks at the end of 2023. Since the beginning of the year, the use of credit lines has increased to € 20.8 million in connection with the inventory build-up. In addition, a medium-term loan and lease liabilities totaling € 5.6 million (H1 2023: € 10.1 million) were repaid in the reporting period.

Organisation

Legal structure

The following section lists the subsidiaries that are fully consolidated in the consolidated interim financial statements as of 30.06.2024:

Subsidiary	Status
All you need GmbH, Hanover (Germany)	in liquidation
Delticom OE S.R.L., Timisoara (Romania)	active
Delticom TOV, Lwiw (Ukraine)	in liquidation
Delticom Russland OOO, Moscow (Russia)	in liquidation
Delticom Ltd., Witney (United Kingdom)	active
DeltiLog GmbH, Hanover (Germany)	active
DS Road GmbH, Pratteln (Switzerland)	active
Extor GmbH, Hanover (Germany)	active
Giga GmbH, Hamburg (Germany)	active
Pnebo Gesellschaft für Reifengroßhandel und Logistik mbH, Hanover (Germany)	active
Ringway GmbH, Hanover (Germany)	active
Tirendo GmbH, Berlin (Germany)	active
TyresNET GmbH, Munich (Germany)	active

Significant events after the reporting date

There were no events of particular importance after the end of the period under review.

Risk and Opportunity Report

As a company that operates internationally, Delticom is exposed to varying types of risk. In order to be able to identify, evaluate and respond to such risks in a timely fashion, Delticom put in place a risk management system early on. The system is based on corporate guidelines for the early risk detection and risk management. An outline of the risk management process is presented in the combined Management Report for the financial year from January 1, 2023 to December 31, 2023, together with a list of key individual risks and opportunities.

The risk and opportunity position has not changed significantly compared to the presentation in the combined Group management report for the 2023 financial year.

Outlook

Macroeconomic developments

Global economy

The Kiel Institute for the World Economy (IfW) expects the moderate expansion of the global economy to continue in the current year. The prospects for private consumption have improved in view of real wages no longer falling or even rising against the backdrop of falling inflation and rising remuneration. The experts see risks in the continued restrictive monetary policy and the uncertainties in connection with the US presidential elections. An escalation of trade conflicts could have a dampening effect on global economic activity. Overall, the IfW expects global gross domestic product to increase by 3.2 % in the current year.

The forecast has therefore been raised by 0.4 percentage points compared to the March estimate.

Euro area

The economic weakness in the eurozone should gradually be overcome over the course of the year. Experts assume that private consumption will regain momentum, as real disposable income will increase noticeably in view of the good labor market situation, significantly higher wages and simultaneously lower inflation. In addition, financing conditions are expected to improve with the anticipated easing of monetary policy. Last but not least, the external economic environment should also provide more impetus for economic activity. The experts see risks in view of increased political uncertainty against the backdrop of the results of the European elections. All in all, the IfW experts estimate that gross domestic product in the eurozone will increase by 0.9 % over the year as a whole.

Germany

Over the course of the year, economic activity in Germany will remain on a moderate upward trend. According to IfW experts, dampening factors such as a restrictive monetary policy and the aftermath of the energy crisis will gradually subside. In addition, the slight upturn in sales markets should also see foreign business pick up further momentum. However, there is still no strong economic momentum. On the one hand, the business and consumer climate remains at a low level. Secondly, the scope for expansion is increasingly limited by structural obstacles - not at least the demographic change. The experts at the IfW expect German gross domestic product to increase by 0.2 % overall in 2024.

Sectoral developments

Tyre Trade

Although the recovery in demand for replacement tyres from 2023 has continued overall in the first six months of the current year in Germany, the largest single market in Europe, it remains to be seen whether this trend will continue which also depends on the general economic conditions.

E-Commerce

In their forecast at the beginning of the year, the German E-Commerce and Distance Selling Trade Association (bevh) and the EHI Retail Institute assumed that the downward trend would end over the course of the year and that revenues in e-commerce in Germany would grow by 2.0 % for the year as a whole. Although revenues in e-commerce were still 1.2 % below the previous year's figure in the first half of the year, a small year-on-year increase in revenues of 0.2 % was recorded in the second quarter. In view of current uncertainties regarding political destabilization and geopolitical conflicts, experts do not yet expect the consumer crisis to end. Against this backdrop, further developments remain to be seen.

Revenues

The company continues to forecast revenues of between € 450 million and € 470 million for the current financial year and is therefore sticking to the forecast from March 2024. At present, neither an upturn nor a deterioration in market conditions is expected. Although experts for 2024 continue to forecast that the economic weakness in Europe will gradually be overcome, economic and geopolitical risks remain after the first six months of the current financial year. We assume that the strong winter business in 2023 will not be repeated this year. As in previous years, business performance for the year as a whole will largely depend on the course of the fourth quarter.

EBITDA

For operating EBITDA for the year as a whole, the management is still aiming for a range of € 19 million to € 21 million, depending on revenues.

New customers

In the first half of the year, the number of new customers was down on the previous year. At this point in time, we still expect to be able to convince at least as many new customers of our product and service offerings for the year as a whole as in the 2023 financial year.

Repeat customers

For the first half of 2024, there was a 7.2 % increase in existing customers compared to the previous year. In view of the multi-year replacement cycle, we are confident of being able to greet some of the new customers we have acquired over the past few years as repeat customers in our shops in the coming months.

Liquidity

In line with our revenues and liquidity planning for the current year, we will build up or reduce inventories in the coming months. Close control of working capital management will continue to play a central role. For the current year, we continue to plan a positive free cash flow in the mid single-digit million range.

Consolidated Interim Financial Statements of Delticom AG, Hanover, for the period from 1 January 2024 to 30 June 2024

Content

Abridged Consolidated Income Statement

in € thousand	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Revenues	**211,970**	**197,687**
Other operating income	10,401	17,374
Total operating income	**222,370**	**215,061**
Cost of goods sold	-155,944	-152,384
Gross profit	**66,426**	**62,677**
Personnel expenses	-6,971	-7,404
Deprication of intangible assets, Rights of use and property, plant and equipment	-4,994	-3,624
Bad debt losses and one-off loan provisions	-1,436	-1,027
Other operating expenses	-50,213	-47,468
Earnings before interest and income taxes (EBIT)	**2,812**	**3,153**
Financial expenses	-1,265	-1,350
Financial income	117	521
Net financial result	**-1,148**	**-830**
Earnings before income taxes (EBT)	**1,663**	**2,324**
Income taxes	-1,602	-781
Consolidated net income	**61**	**1,543**
Thereof allocable to:		
Shareholders of Delticom AG	61	1,543
Earnings per share (basic)	0.00	0.10
Earnings per share (diluted)	0.00	0.10

Abridged Statement of Recognised Income and Expenses

in € thousand	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Consolidated Net Income	**61**	**1,543**
Changes in the financial year recorded directly in equity		
Other comprehensive income for the period	**338**	**94**
Income and expense that will be reclassified to the statement of income at a later date		
Changes in currency translation	2	94
Changes in the revaluation reserve	336	0
Total comprehensive income for the period	**399**	**1,637**
Attributable to shareholders of the parent	399	1,637

Abridged Consolidated Balance Sheet

Assets

in € thousand	30.06.2024	31.12.2023
Non-current assets	**111,273**	**108,910**
Intangible assets	37,098	37,255
Rights of use	47,833	46,103
Property, plant and equipment	13,387	10,769
Financial assets	2	2
Deferred taxes	9,081	10,665
Long-term acoounts receivable	3,872	4,117
Current assets	**122,187**	**82,648**
Inventories	80,596	41,224
Short-term accounts receivable	21,858	17,214
Other current assets	16,006	16,901
Income tax receivables	55	55
Cash and cash equivalents	3,672	7,253
Assets	**233,460**	**191,558**

Shareholders' Equity and Liabilities

in € thousand	30.06.2024	31.12.2023
Equity	**48,028**	**47,635**
Equity attributable to Delticom AG shareholders	**48,028**	**47,635**
Subscribed capital	14,793	14,805
Share premium	19,051	19,070
Stock option plan	177	151
Expenses and income recognised directly in equity	43	-295
Retained earnings	0	0
Net retained profits	13,965	13,903
Liabilities	**185,431**	**143,923**
Non-current liabilities	**48,240**	**46,134**
Long-term borrowings	48,207	46,113
Non-current provisions	33	21
Current liabilities	**137,191**	**97,788**
Provisions for taxes	2,213	2,076
Other current provisions	4,417	4,865
Contractual liabilities	3,976	4,028
Accounts payable	87,350	61,478
Short-term borrowings	28,459	9,429
Other current liabilities	10,777	15,913
Shareholders' equity and liabilities	**233,460**	**191,558**

Abridged Consolidated Cash Flow Statement

in € thousand	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Earnings before interest and income taxes (EBIT)	**2,812**	**3,153**
Depreciation of intangible assets and property, plant and equipment	4,994	3,624
Changes in other provisions	-448	-1,304
Other non-cash expenses and income	1,087	4,155
Gain (–) / loss (+) from the disposal of non-current assets	-67	0
Changes in inventories	-39,372	-38,641
Changes in receivables and other assets not allocated to investing or financing activity	-10,394	1,349
Changes in payables and other liabilities not allocated to investing or financing activity	21,047	28,019
Interest received	117	127
Interest paid	-1,265	-1,350
Income tax paid	-29	-22
Cash flow from operating activities	**-21,519**	**-890**
Payments for investments in property, plant and equipment	-2,948	-1,647
Payments for investments in intangible assets	-206	-539
Cash flow from investing activities	**-3,154**	**-2,186**
Payments for the acquisition of treasury shares	-32	0
Cash inflow of financial liabilities	26,728	12,636
Cash outflow of financial liabilities	-5,605	-10,073
Cash flow from financing activities	**21,091**	**2,563**
Changes in cash and cash equivalents due to currency translation	-1	-1
Cash and cash equivalents at the start of the period	7,253	2,984
Changes in cash and cash equivalents	-3,582	-513
Cash and cash equivalents - end of period	**3,672**	**2,470**

Abridged Statement of Changes in Shareholders' Equity

in € thousand	Sub-scribed capital	Share premium	Reserve from currency translation	Stock op-tion plan	Revaluation reserve	Retained earnings	Net retained profits/los-ses	Total	Non control-ling interests	Total equity
as of 1 January 2023	**14,831**	**47,667**	**-406**	**272**	**0**	**200**	**-22,893**	**39,670**	**0**	**39,670**
Stock option plan				-11				-11	0	-11
Net Income							1,543	1,543	0	1,543
Other comprehensive income			94				0	94	0	94
Total comprehensive income			**94**				**1,543**	**1,637**	**0**	**1,637**
as of 30 June 2023	**14,831**	**47,667**	**-312**	**261**	**0**	**200**	**-21,350**	**41,296**	**0**	**41,296**
as of 1 January 2024	**14,805**	**19,070**	**-295**	**151**	**0**	**0**	**13,903**	**47,635**	**0**	**47,635**
Buyback of own shares	-12	-20						-32	0	-32
Stock option plan	0			26				26	0	26
Net income							61	61	0	61
Other comprehensive income			2		336		0	338	0	338
Total comprehensive income			**2**		**336**		**61**	**399**	**0**	**399**
as of 30 June 2024	**14,793**	**19,051**	**-293**	**177**	**336**	**0**	**13,965**	**48,028**	**0**	**48,028**

Selected explanatory notes to the Consolidated Interim Financial Statements of Delticom AG

Reporting companies

Delticom AG (hereinafter referred to as the "company") is the parent company of the Delticom Group (hereinafter referred to as the "Delticom"). Delticom AG is entered in the commercial register of local court of Hanover with register number HRB58026. Delticom's address is Brühlstrasse 11, 30169 Hanover, Germany.

Delticom is Europe’s leading online retailer of tyres and complete wheels. The product range for private and commercial customers includes around 600 brands and over 80,000 tyre models for cars and motorbikes as well as complete wheels. Customers are also able to have the ordered products sent for assembly to one of Delticom AG's around 30,000 partner garages across Europe.

Detailed information on the reporting company is presented in the combined (Group) management report of the annual report 2023 in the section Business activities and in the section Organization.

For technical reasons, rounding differences may occur in the tables.

Employees

From 01.01.2024 to 30.06.2024 Delticom had an average of 167 employees.

Seasonal effects

In Germany, but also in the Alpine region and in Northern Europe, the seasonal weather changes shape the course of business in the tyre trade. As most motorists buy their winter tyres with the first snowfall and thus in the last months of the year, the first quarter is usually somewhat weaker. The second quarter of the year, on the other hand, is traditionally strong in terms of revenues: temperatures in April and May are often already comparatively high and the sometimes pleasantly warm weather leads many car drivers to buy new summer tyres.

Finally, the third quarter typically levels off again somewhat: In the transition from the summer to the winter tyre business, revenues are somewhat weaker. In most European countries, the last quarter is usually the strongest in terms of revenues. In the darker months of the year, road conditions become more difficult, braking distances increase - and many drivers become directly aware of the need for new tyres. Weather-related shifting effects between the quarters and base effects compared to the previous year are unavoidable.

Principles of accounting and consolidation, balance sheet reporting and valuation methods

These interim consolidated financial statements for the period 01.01.2024 - 30.06.2024 (hereinafter also referred to as "interim financial statements") have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). All IFRS standards and IFRIC, in particular IAS 34 (Interim Financial Reporting), effective and mandatory at the reporting date have been taken into account.

IAS 34 requires at least the following disclosures in an interim financial report:

- an abbreviated statement of financial position (balance sheet)
- either (a), an abbreviated statement of comprehensive income or (b), an abbreviated statement of comprehensive income and an abbreviated income statement
- an abbreviated statement of changes in equity
- an abbreviated statement of cash flows
- selected explanatory notes

The interim consolidated financial statements in accordance with IAS 34 do not contain all the notes and disclosures required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as of 31.12.2023. The annual report 2023, which contains the consolidated financial statements as of 31.12.2023, is available to download from the Investor Relations section of the company website or from the following link: https://www.delti.com/en/investor-relations/reports-presentations/.

The fair value of the existing financial instruments approximates the carrying amount for all balance sheet items. The financial instruments in the category "Financial assets held for trading" amounting to € 165 thousand (31.12.2023: € 0 thousand) and in the category "Financial liabilities held for trading" amounting to € 419 thousand (31.12.2023: € 946 thousand) are classified in level 2 of the fair value hierarchy. As in previous years, there are no fair values in hierarchy level 3. Changes in fair values were recognized in the statement of comprehensive income. Valuation is based on current ECB reference rates and forward premiums or discounts.

Due to the short-term maturities of payments, the carrying amount of trade receivables corresponds to the fair value. Income taxes in the income statement are calculated in the interim consolidated financial statements in accordance with IAS 34.30c using a tax rate and essentially include tax expenses from the recognition of deferred tax assets.

Group of consolidated companies and basics

In addition to Delticom AG as the parent company, the group of consolidated companies includes eight domestic and five foreign subsidiaries, all of which have been fully consolidated in the interim consolidated financial statements.

The following companies were fully consolidated in the current fiscal year:

Subsidiary	Status
All you need GmbH, Hanover (Germany)	in liquidation
Delticom OE S.R.L., Timisoara (Rumänien)	active
Delticom TOV, Lwiw (Ukraine)	in liquidation
Delticom Russland OOO, Moscow (Russia)	in liquidation
Delticom Ltd., Witney (United Kingdom)	active
DeltiLog GmbH, Hanover (Germany)	active
DS Road GmbH, Pratteln (Switzerland)	active
Extor GmbH, (Germany)	active
Giga GmbH, Hamburg (Germany)	active
Pnebo Gesellschaft für Reifengroßhandel und Logistik mbH, Hanover (Germany)	active
Ringway GmbH, Hanover (Germany)	active
Tirendo GmbH, Berlin (Germany)	active
TyresNET GmbH, München (Germany)	active

There have been no changes in the scope of consolidation compared with the consolidated financial statements as of 31.12.2023.

Changes in significant accounting policies

The accounting policies and consolidation principles applied in these interim consolidated financial statements correspond to those applied in the company's consolidated financial statements as of 31.12.2023. Further details can be found in the notes to the consolidated financial statements for the 2023 financial year.

The regulations to be applied for the first time as of 01.01.2024 had no influence on the accounting and valuation within the Delticom Group. For 30.06.2024 the IFRS issued and adopted into EU law are only mandatory until reporting periods later than the calendar-same half-year, unless an option of early application has been exercised.

The valuation of land and buildings was an exception. Here, a change was made in 2024 from measurement at amortized cost to revaluation of the assets. This revaluation resulted in an increase of € 499 thousand in the carrying amounts of the land and buildings. The adjustment to the valuation is presented in the revaluation reserve in equity, taking into account deferred taxes of € 163 thousand.

Profit and loss statement, balance sheet and statement of cash flow

Detailed explanations of business development and the profit and loss statement can be found in the chapter Business Performance and Earnings Situation of the interim management report. The chapter Financial and Assets Position contains further information on the balance sheet and the cash flow statement.

The majority of sales contracts (and the resulting revenues) exist between Delticom and private end customers. Delticom is a one-segment company with a focus on e-commerce. Revenues are categorized by geographical region into EU and non-EU countries. Due to the short payment terms and comprehensive monitoring, it is not necessary to categorise the payment default risk. The e-commerce products sold lead to clearly identifiable contractual performance obligations.

Notes to the income statement

The notes to the income statement, including explanations of significant events and business transactions, are provided in the presentation of results of operations in the interim Group management report.

Revenues

Revenues relate almost exclusively to revenues from the delivery of goods to customers for the period from 01.01.2024 to 30.06.2024, of which € 98,550 thousand (H1 2023: € 97,316 thousand) were revenues in Germany. In the previous year, the previous shop business was supplemented by platform business. This resulted in a shift of shop revenues to the platform. Accordingly, commission income is realized for the shifted share of revenues. The transfer of parts of shop revenues has no negative impact on the company's profitability.

Other operating expenses

The following table shows the development of the other operating expenses.

in € thousand	H1'24	H1'23
Transportation costs	20,367	16,477
Warehousing costs	5,831	4,633
Credit card fees	1,598	1,386
Marketing costs	5,977	6,553
Operations centre costs	5,662	5,774
Rents and overheads	1,692	2,267
Financial and legal costs	2,759	3,625
IT and telecommunications	1,159	1,153
Expenses from exchange rate differences	2,363	2,529
Other	2,804	3,071
Summe	50,213	47,468

Income Taxes

Taxes on income include non-period original and deferred tax expenses of € 152 thousand and € 907 thousand respectively.

Earnings per share

Basic and diluted earnings per share are € 0.00 (H1 2023: € 0.10).

Calculation of earnings per share

In accordance with IAS 33, basic earnings per share are calculated as the quotient of the profit for the period after tax of € 61,355.02 (H1 2023: € 1,542,678.66) and the weighted average number of ordinary shares outstanding during the financial year of 14,813,735 (H1 2023: 14,831,361).

No share options were exercised in the reporting period. The vesting period for all share options granted is four years starting on the respective issue date. In principle, all shares issued must be taken into account for the calculation of diluted EPS if the share options have a dilutive effect. This is the case if the issue price of the new shares is below the average market price of the ordinary shares in circulation during the period under review. There is a dilutive effect in H1 2024 in the amount of 395,067 ordinary shares, which, however, does not lead to a change in earnings per share of € 0.00.

Dividends

No dividend was paid for the past fiscal year 2023 (previous year: € 0).

Related parties disclosure

Related parties within the meaning of IAS 24 are the Managing and Supervisory Boards of Delticom AG (category persons in key positions) as well as Binder GmbH and Prüfer GmbH (category significant influence on the reporting company). All transactions with related parties have been contractually agreed and executed under the same conditions as are usual with unrelated third parties.

Contingent liabilities and other financial commitments

There were no significant changes in other financial obligations compared to 31.12.2023.

As of the reporting date, there were no contingent liabilities or claims.

Declaration according to section 115 Abs. 5 WpHG (Securities Act)

These interim consolidated financial statements and the interim Group management report have been reviewed by the auditor.

German Corporate Governance Codex

The website https://www.delti.com/de/investor-relations/corporate-governance/entsprechungserklaerung/ contains the current declarations pursuant to Section 161 AktG on the German Corporate Governance Code by the Managing and Supervisory Boards of Delticom AG.

Responsibility Statement

To the best of our knowledge, we declare that, according to the principles of proper interim consolidated reporting applied, the interim consolidated financial statements provide a true and fair view of the company‘s net assets, financial position and results of operations, that the interim consolidated management report presents the company‘s business including the results and the company‘s position such as to provide a true and fair view and that the major opportunities and risks of the company‘s anticipated growth for the remaining financial year are described.

Hanover, 14.08.2024

(The Management Board)

Review Report

To Delticom AG

We have reviewed the Condensed Consolidated Interim Financial Statements – comprising the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in shareholder's equity and selected explanatory notes – and the Interim Group Management Report of Delticom AG, Hanover, for the period from 1 January 2024 to 30 June 2024, which are part of the Half-Year Financial Report pursuant to Article 115 of the German Securities Trading Act WpHG (Wertpapierhandelsgesetz, WpHG). The preparation of the Condensed Consolidated Interim Financial Statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the Interim Group Management Report in accordance with the requirements of the German Securities Trading Act (WpHG) applicable to interim group management reports is the responsibility of the Company's Management Board. Our responsibility is to issue a review report on the Condensed Consolidated Interim Financial Statements and on the Interim Group Management Report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed in the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). These standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the abridged consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is essentially limited to the questioning of Company personnel and analytical assessments and therefore does not provide the assurance as is attainable in a financial statement audit. Since, in accordance with our mandate, we have not performed an audit of the financial statement, we cannot issue an audit opinion.

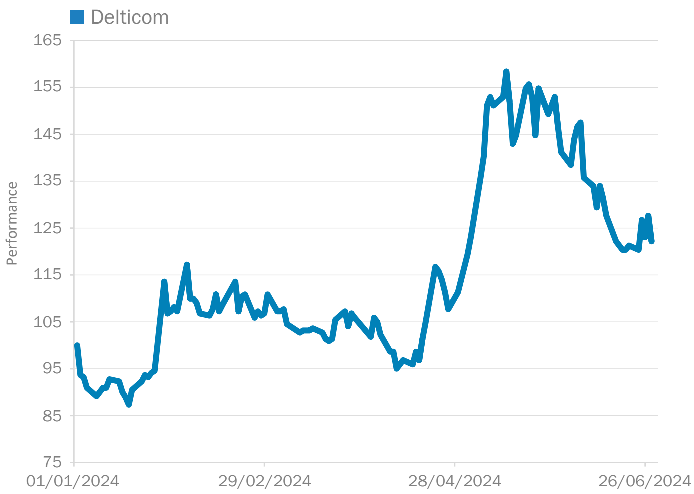
Based on our review, no matters have come to our attention that cause us to presume that the Condensed Consolidated Interim Financial Statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act (WpHG) applicable to interim group management reports.

Bremen, 14 August 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

sgd. Sabath (German Public Auditor) sgd. Zypress (German Public Auditor)

The Delticom Share



WKN	514680
ISIN	DE0005146807
Reuters / Bloomberg	DEXGn.DE / DEX GR
Index membership	CDAX, CLXP, D1BM, 4N58 CXPR, 4N9U, I1RC, PXAP, NX20
Type of shares	No-par value, registered
Transparency level	Prime Standard
21. - 22.08.2024	Hamburger Investorentage (HIT)
15. - 16.10.2024	Quirin SME Conference Paris
12.11.2024	Q3-Notification
13. - 14.11.2024	Münchner Kapitalmarktkonferenz

		01.01.2024 - 30.06.2024	01.01.2023 - 31.12.2023
Number of shares	shares	14,831,361	14,831,361
Share price on the first trading day[1]	€	2.07	2.48
Share price on the last trading day of the period[1]	€	2.68	2.21
Share performance[1]	%	+29,5	-10,9
Share price high/low[1]	€	3.50 / 1.93	2.59 / 1.64
Market capitalisation[2]	€ million	39.7	32.7
Average trading volume per day (XETRA)	shares	9,073	5,994
EPS (undiluted)	€	0.00	0.54
EPS (diluted)	€	0.00	0.54

(1) based on closing prices
(2) based on official closing price at end of quarter

				Estimates for 2024					Estimates for 2025				
Broker	Analyst	Recom-mendation	Target price	Sales (€m)	EBITDA (€m)	EBIT (€m)	EBIT (%)	EPS (€)	Sales (€m)	EBITDA (€m)	EBIT (€m)	EBIT (%)	EPS (€)
Metzler	Felix Dennl	Hold	3.70	460.0	19.0	12.0	2.6	0.48	476.0	21.0	12.0	2.5	0.51
Quirin	Daniel Kukalj	Buy	4.80	456.0	19.0	10.0	2.2	0.42	463.0	21.0	12.0	2.6	0.51
Montega	Bastian Brach	Buy	5.50	469.2	18.2	8.6	1.8	0.29	489.6	21.7	11.2	2.3	0.40
		Average	4.67	461.7	18.7	10.2	2.2	0.40	476.2	21.2	11.7	2.5	0.47

as of June 3, 2024

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