Annual Report 2024

DELTICOM

Profile

With its 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 nearly 80,000 tyre models for cars and motorcycles. Complete wheels and rims complete the product range. The company operates 348 online shops and online distribution platforms in 70 countries, serving approximately 20 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 26,000 partner garages in Europe for assembly 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 2024, Delticom AG generated revenues of around € 482 million. At the end of the last fiscal year, 122 were employed by the company.

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 – 31.12.2024	01.01.2023 – 31.12.2023	-/+ (%, %p)
Revenues	€ million	481.6	475.7	+1.3
Total income	€ million	507.1	502.8	+0.8
Gross margin[1]	%	25.5	24.4	+1.1
Gross profit[2]	€ million	148.3	143.3	+3.5
EBITDA	€ million	20.3	20.6	-1.7
EBITDA margin	%	4.2	4.3	-0.1
EBIT	€ million	10.2	11.5	-11.4
Net income	€ million	4.0	8.0	-49.7
Earnings per share	€	0.27	0.54	-49.4
Total assets	€ million	236.7	191.6	+23.6
Inventories	€ million	66.1	41.2	+60.2
Investments[3]	€ million	5.9	5.6	+5.0
Equity	€ million	52.0	47.6	+9.2
Equity ratio	%	22.0	24.9	-2.9
Return on equity	%	7.8	16.8	-9.1
Liquidity position[4]	€ million	5.4	7.3	-25.7

(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 2024

Revenues

> € 481 million

2023: € 475.7 million

Increase in operating EBITDA to

€ 22.7 million

2023: € 21.8 million

Consolidated net income amounted to

€ 4.0 million

€ 0.27 per share

Planned dividend of

€ 0.12

per share
(previous year: € 0.00)

Content

Letter to Our Shareholders

Dear shareholders,

The 2024 financial year was characterized by a moderate economic recovery in the eurozone. Despite rising real wages and a positive employment trend, many consumers remained cautious in view of the high cost of living, geopolitical uncertainties and attractive interest rates. It is therefore all the more pleasing that our market - the European replacement tyre business - developed positively last year.

Our original revenues forecast of € 450 to 470 million did not take into account the weather-related extraordinary effects from which the market benefited at the end of 2023. Following a successful start to the year and strong demand in the winter tyre segment, we raised our revenues target to between € 480 million and € 500 million in November. With annual revenues of € 481.6 million, we were within the new range and even exceeded the previous year's result by 1.3 %.

At the same time, we have further improved our profitability: at € 22.7 million, operating EBITDA was above the target range of € 19 to 21 million. This is a very satisfactory result given the absence of one-off income from project business in the mid-single-digit million range, which still had a positive impact in the previous year. We have consistently exploited opportunities to improve earnings, further optimized our processes and sustainably strengthened our cost structure. With our clear focus on efficiency, cost control and process quality, we see further potential that we intend to exploit in the coming years.

A significant milestone last year was the relocation of our warehouse from Sehnde near Hanover to Oldenburg in Schleswig-Holstein. This move involved personnel adjustments and one-off costs, particularly in the second half of the year. This explains, among other things, the increase in warehouse costs from € 10.2 million to € 14.4 million. At the same time, the relocation of our warehouse in Bratislava enabled us to more than triple capacity there - an important step towards even better product availability and logistics efficiency.

Our company headquarters also moved at the end of the year - from Hanover to Sehnde-Ost in the Hanover region. This relocation will enable additional cost savings from 2025 onwards.

We have further optimized our customer communication through the targeted use of automation and artificial intelligence. A significant proportion of email and chat inquiries can now be processed efficiently - this relieves the burden on our operations centers and reduces costs in the long term.

Another strategic focus in 2024 was the expansion of our platform business. With our infrastructure and our expertise in sales and process management, we enable external partners to sell their products to end customers via our channels - a win-win situation in which we benefit from fair and sustainable commissions.

Thanks to improved sales management and an adjusted sales mix, we were able to increase our gross margin from 24.4 % to 25.5 %. Technological developments help us to manage campaign performance and shop key figures in real time and react quickly to changes.

EBITDA amounted to € 20.3 million in the reporting year (previous year: € 20.6 million). One-off effects were deducted from operating EBITDA, which reflects the profitability of the core business - including costs of € 0.4 million in connection with the successful extension of our syndicated loan agreement, € 1.7 million in connection with the warehouse relocation and an inflation adjustment bonus of € 0.3 million for our employees. Adjusted operating EBITDA therefore amounted to a pleasing € 22.7 million (previous year: € 21.8 million).

The € 1.0 million increase in depreciation and amortization is mainly due to higher rights of use from newly rented warehouse space. The € 1.2 million decrease in the financial result is due to a compounding effect in the previous year in connection with project developments. Consolidated earnings 2024 amounted to € 4.0 million and € 0.27 per share (previous year: € 8.0 million and € 0.54 per share).

Delticom AG's earnings relevant for the dividend distribution amount to € 2.7 million or € 0.18 per share (previous year: € 8.0 million or € 0.54). The Management and the Supervisory Board will propose a dividend of € 0.12 per dividend-bearing share to the Annual General Meeting on 09.07.2025. We are pleased to be able to allow our shareholders to participate in the company's success again this year.

The positive net income for the year strengthens our equity. The equity ratio fell from 24.9 % to 22.0 % due to an increase in the balance sheet as a result of the build-up of inventories and new leasing obligations. At the same time, we were able to extend our syndicated loan agreement thanks to stringent working capital management and the company's good development - while at the same time reducing the financing framework from € 40 million to € 39 million. The agreement runs until June 30, 2028 and secures our long-term financial stability.

For the current financial year 2025, we anticipate revenues of between € 470 million and € 490 million. Even if experts assume that the eurozone economy will continue to recover, uncertainties remain. Our planning is therefore deliberately conservative. We expect to be able to compensate for inflation-related cost increases through further efficiency measures. Depending on revenues, we are aiming for an operating EBITDA of between € 19 million and € 21 million.

We would like to thank our employees for their great commitment, our business partners for the trust they have placed in us - and you, our shareholders, for your continued support. Together, we look forward to the coming years with confidence and look forward to continuing Delticom's successful development.

from left: Andreas Prüfer, Nathalie Kronenberg, Philip von Grolman

Hanover, 26th March 2025

Andreas Prüfer   Nathalie Kronenberg   Philip von Grolman

Report of the Supervisory Board

Dear Shareholders,

The Supervisory Board continued to advise and monitor the company's Management Board in the past year. Like the previous year, the 2024 financial year continued to be characterized by a challenging environment, but also by the company's successes. The year 2024 was characterized by a reluctance to buy on the part of private end customers due to inflation. Despite a slight increase in real wages and moderate inflation, consumers were reluctant to spend. Despite all the uncertainties, Delticom succeeded in increasing profitability and generating positive operating EBITDA slightly above the forecasted corridor and the previous year.

For its analyses, the Supervisory Board was able to make full use of the company's internal control system and the reports of the respective functionaries. We dealt in detail and regularly with Delticom's financial position, net assets and results of operations. We had the Managing Board report to us on all key factors influencing the business and key transactions. The Managing Board provided us with written reports at the required intervals with the scope and content requested by us. In addition to the Supervisory Board meetings, there was a lively exchange of information and ideas on current events and developments between the Supervisory Board and the Management Board, in particular through telephone calls, video conferences and personal meetings.

Urgent decisions were made by telephone or email. All resolutions were passed unanimously in the reporting period. All members of the Supervisory Board attended all meetings of the Supervisory Board during the reporting period, although in individual cases the meetings held in person were connected by telephone or video. All members of the Audit Committee attended all meetings of the Audit Committee.

The Supervisory Board has established an Audit Committee within the meaning of Section 107 para. 4 sentence 2 AktG. The members of the Supervisory Board and Audit Committee in the reporting period were all familiar with the sector in which the company operates.

Meetings of the Supervisory Board and the Audit Committee and resolutions adopted outside meetings

The Supervisory Board held three meetings in person in 2024. In addition, three meetings were held in the form of a conference call and three meetings were held as video conferences. Resolutions were also passed by circular resolution (email). The Supervisory Board is also the Audit Committee in accordance with Section 107 para. 4 sentence 2 AktG and as such held two meetings by video conference and one in person. All members of the Supervisory Board were present at all meetings.

Right at the beginning of the year, on 22.01.2026, a meeting of the Supervisory Board took place in the form of a video conference, in which the Supervisory Board dealt with the appointment of the Management Board position and function of Chief Purchasing Officer and appointed Ms. Nathalie Kronenberg as a full member of the Management Board of Delticom AG in this function with effect from 01.02.2024 for a period of three years until 31.01.2027.

At the meeting held by telephone on 26.01.2024, the Supervisory Board approved the agreement of targets for the 2024 financial year with the Management Board members Mr. Philip v. Grolman and Mr. Andreas Prüfer.

On 19.03.2024 and 20.03.2024, video conferences were held between the Audit Committee and involved managers from the company's specialist departments and candidates for the purpose of selecting the company's future auditor.

At the balance sheet meeting on 26.03.2024, the auditor BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, reported to the Supervisory Board on the key findings of its audit of the annual financial statements as at 31.12.2023 and was available to answer questions from the Supervisory Board. The Supervisory Board dealt with the annual financial statement documents and approved the proposal for the 2024 Management Board remuneration system and the schedule of responsibilities for the company's Management Board. The Management Board also reported on developments in the respective departments. On 19 April 2024, the Supervisory Board then approved the annual financial statements and the consolidated financial statements for the 2023 financial year by way of circulation and adopted the remuneration report, the dependent company report, the report of the Supervisory Board, the declaration on corporate governance and the declaration of compliance with the German Corporate Governance Code.

At the meeting held in person following the Annual General Meeting on 6 June 2024, the members of the Management Board reported on developments in the various departments, among other things.

On 11 September 2024, a full-day meeting of the Supervisory Board and the Audit Committee was held in the form of a video conference for the purpose of information gathering, monitoring and control, in which the members of the Management Board and responsible colleagues from the specialist departments reported on operational business development and strategic planning, among other things.

At the face-to-face meeting on November 27, 2024, the Management Board reported on the financial performance in the third quarter and for the year as a whole as well as the outlook, the market situation and current developments in the areas of financing, taxes, warehouse and transport logistics and IT. The medium-term and investment planning was discussed and approved by the Supervisory Board.

In addition, a further sixteen resolutions were passed by circular resolution (e-mail). These concerned, among other things:

- the introduction of a new share option plan 2024 and the issue of share option rights to members of the Management Board,
- the amendment (extension) of Management Board service contracts, the target agreement with Management Board members regarding short-term variable remuneration and the determination of target achievement regarding variable remuneration for the past financial year,
- the approval of the implementation of a share buyback program and related measures,

- Approval of the proposal to the Annual General Meeting for the appointment of the auditor BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, for the coming financial years,
- the change in the allocation of responsibilities on the Management Board,
- the agenda and the proposed resolutions for the company's Annual General Meeting,
- the updated version of the Supervisory Board's rules of procedure,
- Approval of the conclusion of a project-based rental agreement,
- Approval of the risk report for the 2023 financial year,
- Approval of the risk report for the 2024 financial year,
- Preliminary approval of the signing of the 2nd extension agreement to the syndicated loan agreement together with the amended loan agreement.

Corporate governance, conflicts of interest

On 11.04.2024, together with the Management Board, we issued a declaration of conformity with the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) and made it permanently available on the Delticom AG website (https://www.delti.com/de/investor-relations/corporate-governance). The declaration of conformity is updated annually after the balance sheet meeting of the Supervisory Board, otherwise as required.

According to the Supervisory Board's rules of procedure, each member of the Supervisory Board is required to disclose any conflicts of interest to the Chairman of the Supervisory Board without delay. According to our understanding and in accordance with the applicable statutory provisions, a conflict of interest exists if there is reason to fear that the board member will not base their decision solely on the interests of the company, but will also take their own interests or those of third parties into account when making their decision. There were no such conflicts of interest in the 2024 financial year.

Audit of annual and consolidated financial statements

At the balance sheet meeting on March 26, 2025 in the presence of the auditor BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, the Supervisory Board dealt intensively with the annual financial statement documents and audit reports for the 2024 financial year and the remuneration report in accordance with Section 162 AktG, in particular the annual financial statements in accordance with German commercial law and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), each as at December 31, 2024, as well as the management report for the company and the Group and the dependent company report for the 2024 financial year.

Once again this year, representatives of the auditor reported on the key findings of the audits and were available to the Supervisory Board to provide additional information and answer questions. The auditor's reports, the annual and consolidated financial statements prepared by the Management

Board, the dependent company report and the report on the position of Delticom AG and the Group, each for the 2024 financial year, were submitted to us in good time so that we had sufficient opportunity to examine them. The auditor had previously audited the financial statements. There are no doubts about the auditor's independence.

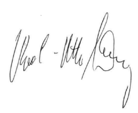
In the auditor's opinion, the annual financial statements and the consolidated financial statements for the 2024 financial year give a true and fair view of the net assets, financial position, results of operations and cash flows of the company and the Group in accordance with the accounting standards. The audit of the dependent company report for the 2024 financial year by the auditor did not give rise to any objections. The auditors issued their unqualified audit opinions in each case. The auditor's opinion on the dependent company report reads as follows: *"Based on our audit and assessment in accordance with professional standards, we confirm that the factual information in the report is correct and that the consideration paid by the company for the legal transactions listed in the report was not inappropriately high or any disadvantages were compensated."*

The auditor also formally audited the remuneration report prepared by the Management Board and Supervisory Board for the 2024 financial year in accordance with Section 162 (3) AktG with regard to the existence of the required disclosures. The auditor's report on the remuneration report reads as follows *"In our opinion, the accompanying remuneration report includes, in all material respects, the disclosures required by section 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report."*

In addition, as part of its assessment of the risk management system, the auditor determined that the Management Board has taken the measures required by Section 91 (2) AktG to identify risks that could jeopardize the company's continued existence at an early stage. Following our own audit of the annual financial statements, consolidated financial statements, management report, Group management report, dependent company report and remuneration report, each for the 2024 financial year, we fully concurred with the auditor's report. On 26.03.2025, the Supervisory Board approved the annual financial statements and the consolidated financial statements for the financial year 2024. The annual financial statements of Delticom AG are thus adopted.

The Supervisory Board would like to thank the Management Board and all employees for their outstanding work over the past year. They made a significant contribution to our company's ability to significantly increase profitability beyond expectations in a persistently difficult environment.

Hanover, 26.03.2025



Karl-Otto Lang

(Chairman of the Supervisory Board)

The Delticom share

The Delticom share (WKN 514680, ISIN DE0005146807, stock market symbol DEX) closed 2024 at € 2.14.

Development of the stock markets

2024 stock market

The effects of the Russia-Ukraine war and the war in the Middle East continued to be felt in the stock market year 2024. In addition, the slowdown in economic momentum in China and the threat of increasingly protectionist international economic policies caused uncertainty. The ongoing slowdown in inflation and stable commodity prices acted as a positive counterbalance to the multiple crises. To curb inflation, the European Central Bank (ECB) made a total of four interest rate cuts of 25 basis points each, bringing the key interest rate to 3.0 % 2024 at the end of the year. According to the Statistical Office of the European Union (Eurostat), inflation fell only slightly in the year 2024 and amounted to 2.4 % in December 2024 (December 2023: 2.9 %). Additional interest rate cuts, along with other recovery factors, could lead to further momentum on the European equity market in 2025. On the other hand, the stagnating German economy and concerns about a more protectionist US economic policy in the future could lead to negative investor sentiment and a strong outflow of capital from Europe.

The general upward trend of the DAX was still characterized by volatility in the first half of the year before stabilizing from September onwards. After a year-end rally, the DAX ended the year 2024 at 19,909 points and thus slightly below the 20,000 point mark, which was breached for the first time in December 2024. This corresponds to an increase of 18.8 % over the year. The other German indices can look back on a mixed year 2024. They closed the year at -5.7 % (MDAX), -0.8 % (SDAX) and +2.8 % (TecDAX).

Development of the Delticom share (DEX)

Benchmarks

We use the DAXsubsector All Retail Internet (DAXsARI) as a benchmark for DEX.

DAXsARI comprises all stocks in the DAX family that are active in the online or e-commerce business. As usual, we use the performance index for DAXsARI, which takes into account the dividends of the individual stocks. The chart *Share performance* shows the performance of DEX and DAXsARI since the beginning of 2024 over the course of the year.

DEX performance

After beginning the year at € 2.07, DEX reached an annual low on 17.01.2024 at € 1.93. The shares' annual high was recorded on 13.05.2024 at € 3.50. DEX closed the year on € 2.14. In the course of 2024 the market capitalisation of DEX decreased from € 32.7 million to € 31.5 million.

Share performance 2024

indexed, traded volume in shares (XETRA)

Index membership

Apart from DAX Composite Index (CDAX) DEX is included in the calculation of the following indices:

- Classic All Share
- DAXplus Family Index
- DAXsector All Retail
- DAXsector Retail
- DAXsubsector Retail Internet
- DAXsubsector All Retail Internet
- NISAX 20
- Prime All Share

Earnings per share and dividend recommendation

Undiluted earnings per share are € 0.27 (2023: € 0.54). Diluted earnings per share are € 0.27 (previous year: € 0.54).

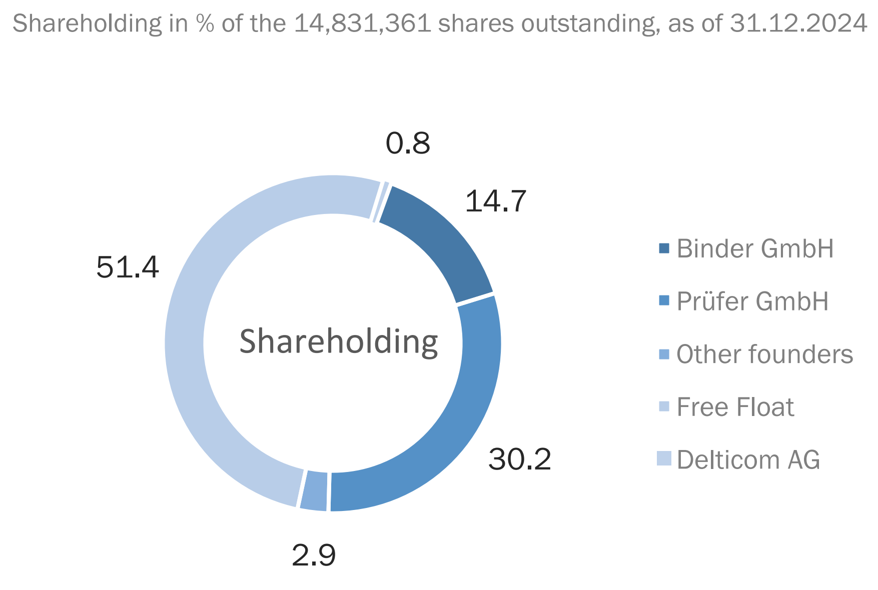
The calculation of the earnings per share was based on net income after taxes totalling € 4,035,579.23 (previous year: € 8,025,515.29) and the weighted average number of shares outstanding during the fiscal year totalling 14,782,377 shares (previous year: 14,821,468 shares).

The Management Board and Supervisory Board of Delticom AG will propose to the Annual General Meeting on 09.07.2025 to distribute € 0.12 per share from the balance sheet profit of € 2,650,562.83 for the shares outstanding at the time of distribution and to carry forward the remaining amount to new account.

Shareholder structure

There were no material changes in the shareholder structure of Delticom AG in 2024.

Shareholder structure



The shares in Prüfer GmbH and Binder GmbH are attributable to the two company founders Andreas Prüfer (Management Board) and Rainer Binder (Chairman of the Supervisory Board until February 29, 2020). In connection with the share buyback programs, a total of 108,534 shares were bought back by the reporting date 31.12.2024, which are now held by Delticom AG.

The Corporate Governance report lists the total holdings of the board members, split into the Supervisory Board and the Management Board.

Coverage

In total three analysts from renowned banks regularly offer their view on the course of Delticom AG's business and future prospects (with recommendation as of 12.03.2025):

- Daniel Kukalj, Quirin Privatbank (Buy)
- Felix Dennl, Bankhaus Metzler (Hold)
- Bastian Brach, Montega AG (Buy)

Investor relations activities

Since the IPO we have attached great importance to the ongoing dialogue with institutional and private investors as well as analysts. The aim of our investor relations activities is to pass on companyspecific information to interested parties quickly and comprehensively. This extends to the timely publication and the precise depiction of financial reports and company news, which are regularly supplemented with conference calls.

In 2024, the Management Board presented business developments and strategy of the company at the Hamburg Investor's Days, the Quirin SME Conference in Paris, the Munich Capital Market Conference as well as part of a virtual roadshow. Furthermore, we had many one-on-one talks with investors.

The internet is an important part of financial communications. On https://www.delti.com/en/investor-relations/ we offer annual reports, quarterly corporate news as well as investor and analyst presentations for download.

The investor relations department gladly answers any further questions:

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31319 Sehnde
Phone: +49 511 93634-8903

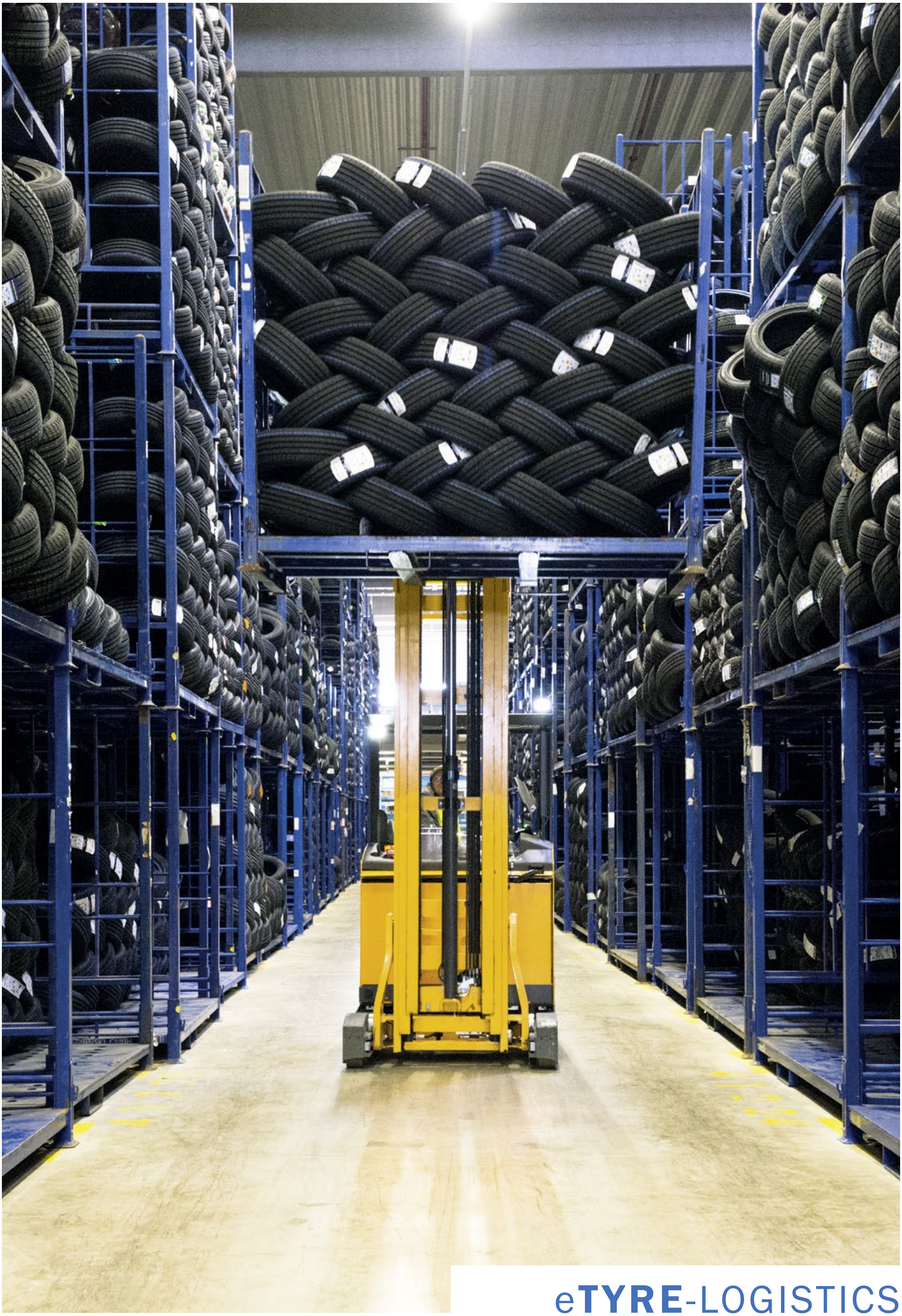
E-Mail: melanie.becker@delti.com

Stock key information

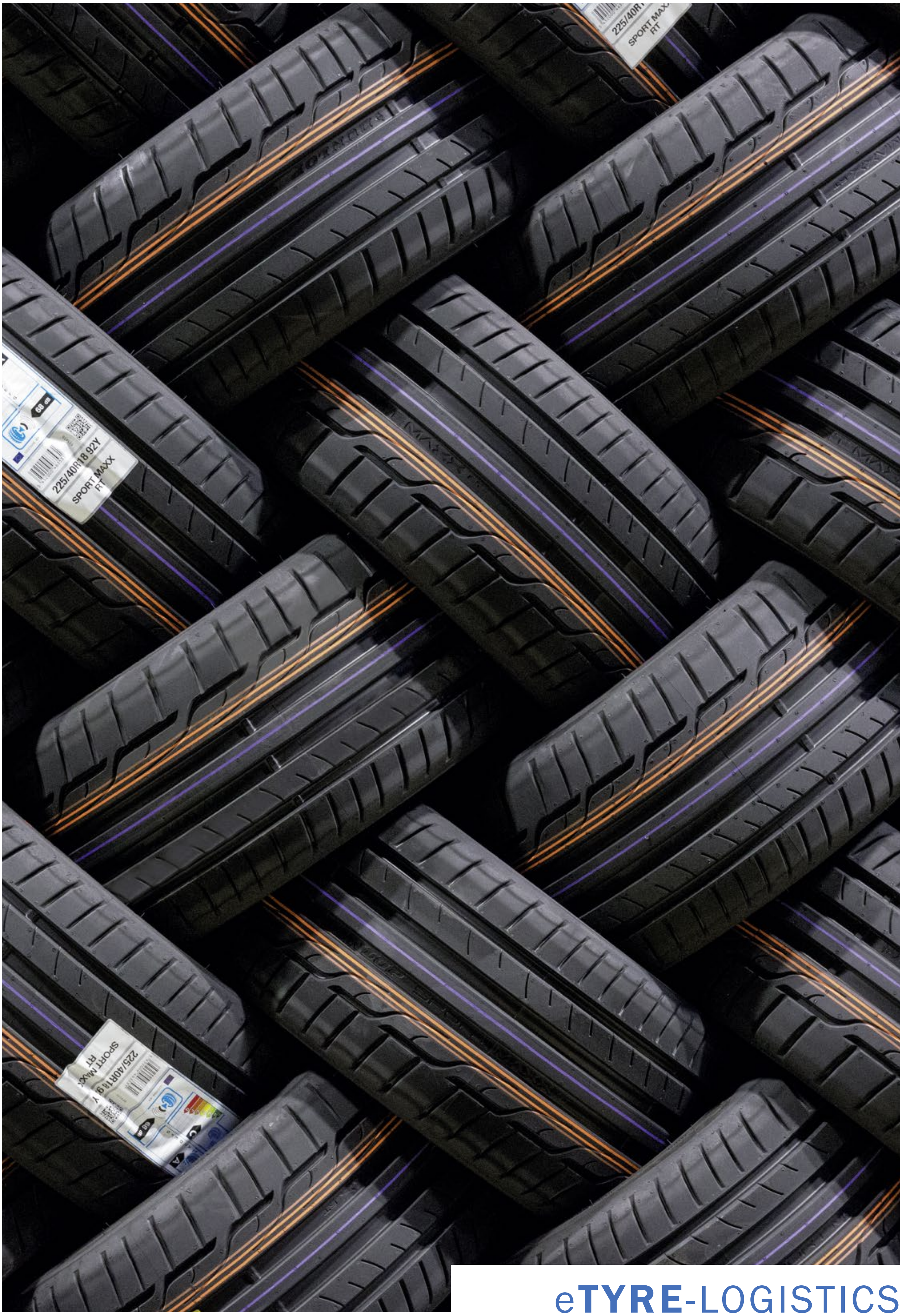
		01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Number of shares	shares	14,831,361	14,831,361
Share price on first trading day[1]	€	2.07	2.48
Share price on last trading day of the period[1]	€	2.14	2.21
Share performance[1]	%	+3,4	-10.9
Share price high/low[1]	€	3,5 / 1,93	2,59 / 1,64
Market capitalisation[2]	€ million	31.5	32.7
Average trading volume per day (XETRA)	shares	7,978	5,994
EPS (undiluted)	€	0.27	0.54
EPS (diluted)	€	0.27	0.54

(1) based on closing prices

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



eTYRE-LOGISTICS



eTYRE-LOGISTICS

eTYRE-LOGISTICS

Combined Management Report of Delticom AG

Content

Group fundamentals

Delticom AG was founded in Hanover in 1999 and today, it is the leading company in Europe for the online distribution of tyres and complete wheels. The company operates 348 online shops and online distribution platforms in 70 countries. In October 2006, it was the first German e-commerce company to go public. Since then, the shares have been listed in the Prime Standard of the German Stock Exchange.

Organisation

During the period under review on average 154 staff members were employed at Delticom. The highly automated business processes form a company-wide, scalable value chain. Possibly necessary manual routine work is passed to operation centres. Partnering with other companies allows us to fulfil the overall needs of our customers and, for example, provide customer-oriented logistics and transport services.

Legal Structure

In addition to Delticom AG, a total of 8 domestic and 5 foreign subsidiaries are included in the consolidated financial statements as of 31.12.2024 as part of the full consolidation. A list of all fully consolidated subsidiaries can be found in the notes to the consolidated financial statements in the section *Shareholdings*.

All you need GmbH, Hanover, Delticom Russland OOO, Moscow, and Delticom TOV, Lviv, were in liquidation at the time of preparing the annual and consolidated financial statements of Delticom AG.

Corporate Governance

As a German joint-stock corporation, Delticom operates a dual management system, with a Supervisory Board and a Management Board.

Supervisory Board

The Supervisory Board appoints, supervises and advises the Management Board, and is directly included in decisions of fundamental significance for the company. As part of its supervisory and advisory function, the Supervisory Board also works closely together with the Management Board outside the scope of its meetings.

Management Board

The Management Board coordinates the strategy with the Supervisory Board and ensures its implementation. It informs the Supervisory Board regularly, promptly and comprehensively about all relevant questions relating to planning, business development, risk position, risk management, and compliance with codes of conduct, laws and guidelines.

Management Board members bear joint responsibility for overall management. As the result of the business allocation plan, they also have defined and delineated task areas for which they are individually responsible. Along with regular Management Board meetings, there is a constant exchange of information between Management Board members.

External factors influencing the course of business

Vehicle stock, mileage, replacement cycle

In addition to the generally increasing importance of the Internet as a sales channel, the company is not completely independent of the underlying volume development of the tyre market.

Currently there are around 250 million cars on the roads of the European Union. According to the manufacturer association ACEA, the passenger vehicle stock in the EU has grown in 2023 by 1.4 % year-on-year, which represents total growth of approximately 4 million passenger vehicles.

The average age of vehicles in Europe is 12 years and in Germany (the largest share of passenger cars in Europe) slightly over 10 years. Due to a longer lifespan of the cars, an increasing number of vehicles can be expected in the coming years, even if the number of new car registrations decreases.

Based on an annual average mileage of a car of about 14,000 km and similar road conditions in Europe tyres are worn out after 60,000 km at the latest. Accordingly, the replacement cycle is about four years.

Price and mix

The revenues and the margin of an e-commerce company are influenced not only by quantity demand, but also in particular by prices in purchasing and sales.

Raw material price trends are a key pricing factor in the tyre trade, particularly those for natural rubber and oil. Price changes for raw materials are generally reflected in the calculations of European manufacturers four to six months later. In the case of Asian producers, any necessary adjustments are generally made earlier.

Tyre manufacturers have successfully made their production more flexible in recent years. In principle, they can now adjust their capacity variably to demand. Nevertheless, there may be over- or understocking in the supply chain, which affects prices between manufacturers, retailers and end customers. Overstocking usually puts pressure on margins.

Depending on the region and the economic situation of motorists, demand is divided between premium brands and lower-priced second and third brands. A shift in the mix can affect the average value of the shopping baskets sold and thus sales and margins.

Weather-dependend demand

In many countries, the passenger car replacement tyre business is significantly influenced by the seasons and the associated differences in weather and road conditions. In the northern part of Europe with the German-speaking countries, there are two peak periods per year: summer and winter tyres season. Due to changing conditions, all-season tyres have become increasingly important in recent years.

The second and fourth quarters are very strong in terms of revenues, as summer tyres are changed in spring and winter tyres in the fourth quarter.

The first and third quarters fall into transitional phases with lower revenues. In many European countries, the last quarter is then the strongest in terms of revenues.

Summer and winter tyre business extend over a longer period and follow a weather-dependent demand. Fluctuating growth rates due to different weather conditions thus explain deviations in comparison with the previous year.

The Delticom group operates throughout Europe and can thus often compensate for weather-related weak demand in individual countries with good growth in other regions.

Regulatory effects

Legislation also influences tyre demand. In Germany, for instance, there is a situational obligation to use winter tyres. In the event of "black ice, slippery snow, slush, ice or frost", motor vehicles must be fitted with winter tyres.

With the fifty-second regulation amending road traffic regulations the definition of winter tyres was specified and, as a result, mandatory minimum requirements for the performance of winter tyres on snow-covered roads are now being defined for the first time. In the event of inadequate tyres, not only the motorist but also the vehicle owner is held responsible if he allows or even orders his vehicle to be on the road without winter tyres in snowy or icy conditions.

In parts of Scandinavia and the Alpine regions, motorists are generally obliged to use winter tyres during specific time periods.

EU tyre labelling

By regulation (No. 1222/2009), the European Union has introduced the EU tyre label in a binding and identical manner for all European member states. It applies to passenger car, light truck and truck tyres. Tyres are classified in the EU tyre label on the basis of three performance characteristics: Fuel efficiency (letters

A to G), wet grip (letters A to G) and external noise generation (decibels). From 01.05.2021, fuel efficiency and wet grip will be classified in letters from A to E.

As a matter of duty, the Delticom group provides its customers with comprehensive information on the labels of the respective products and their properties in its online shops and in its customer communications.

Competitive position

Barriers to entry

Delticom competes with many smaller, regionally specialised online dealers. In connection with the ongoing consolidation process in the tyre trade, individual local online dealers have been partially or completely taken over by other market participants. The number of new entrants has also declined significantly against the backdrop of a persistently difficult market environment. Furthermore, various providers in Europe closed their online shops in recent years.

Thanks to its multi-shop approach, Delticom can meet the individual requirements of different buyer groups in the best possible way and adapt flexibly to different competitive requirements.

First Mover

As "first-mover", we have established good business relationships with manufacturers and wholesalers throughout Europe over recent years. This allows us to react rapidly to regional differences in supply and demand. Furthermore, the mix of stock-and-ship and drop-ship fulfilment helps to balance out tyre demand fluctuations.

Cross-border

Many e-commerce companies find the challenges of transnational business very daunting. Many activities play a decisive role in its success, such as adapting website design to local demands, describing products and providing customer service in the local language, processing payments in foreign currencies, offering the correct range of common and secure methods of payment as well as dealing with transnational shipping, customs regulations and local tax laws. Delticom group has many years of experience in transnational online trade and currently distributes its products in 70 countries.

Streamlined value chain

We focus on online trading and maintain a tightly-knit network of around 26,000 professional partner garages who stand ready to change our customers' tyres on request.

A streamlined and scalable value chain has been created by largely automated business processes. Our efficient positioning provides us with the necessary scope to offer our customers a broad product range at attractive prices. Thanks to effective working capital management we can make purchases off-season and thus ensure a continuous supply capability.

With increasing competitive pressure, we expect Delticom group to remain one of Europe’s leading e-commerce companies in its field, due to its economies of scale and competitive head start.

Market environment

Replacement tyre market

The world tyre market is divided into two parts: the first supplies tyres to newly manufactured vehicles (original equipment), the second part relates to replacement tyres. In established markets, sales of replacement tyres dominate. The replacement tyre market relevant to the Delticom group accounts for about three quarters of the world tyre market. More than 60 % of all tyres sold are car tyres, while around 20 % are truck tyres, the rest are motorcycle tyres, and industrial and special tyres.

Europe, where the bulk of Delticom's activity takes place, accounts for roughly one-third of global tyre replacement demand. More than a quarter is sold in North America, while Asian markets provide another 33 % of total world sales. Demand in Europe is concentrated in five main markets: Germany, France, Great Britain, Italy and Spain. Taking unit sales and weighting with average tyre prices, the European market volume relevant to Delticom amounts for more than € 10 billion.

Tyre distribution chain

The largest tyre manufacturers command a significant share of the world tyre market. Additionally, a number of medium-sized players have established themselves globally – increasingly also from the emerging markets.

Wholesalers traditionally carry out a warehousing and logistics function in the tyre distribution chain, usually for several brands. At the same time, wholesalers operate as "brokers" on the global markets, thereby balancing regional differences and timing mismatches of supply and demand.

In the fragmented European tyre trade, different sales channels compete directly with each other: independent tyre dealers, manufacturers' chains, independent garages as well as national and international fast-fit chains, and for several years online retailers.

Online tyre dealing

The continuing trend towards e-commerce and the further expansion of broadband connections, combined with an increasingly Internet-savvy customer base, will continue to drive tyre sales via e-commerce in the future.

The share of tyre sales made online is still relatively low. Experts estimate that online tyre sales have accounted for nearly 13 % of European sales to end customers in 2024.

In Europe, there are still great variations from country to country in the share of online tyre sales. As an example, market observers see the proportion of tyres sold online in Germany at around 13 % and has potential for growth.

Additionally, Delticom has a unique network of around 26,000 partner garages Europe-wide that take customer requirements in terms of tyre changes into full consideration.

With its strong internet presence and international profile, Delticom is well positioned to both drive and benefit from the consumer shift towards online tyre purchases.

Important business processes

Purchasing

In more than 20 years of business, we have established stable business relationships with manufacturers and wholesalers (supplier capital). The purchasing department regularly forecasts prospective volumes by tyre brands and models, procures the goods and allocates deliveries to warehouses, shops and countries. In addition, the purchasing department sets selling prices of available stocks in line with demand.

Customer acquisition

Since the company was founded, around 20 million customers have shopped in our online stores. Our solid and loyal customer base represents a key success factor. Regular newsletter campaigns contribute to customer loyalty. We attract a large proportion of our new customers to our stores with online marketing. This includes search engine marketing and optimization, affiliate marketing, online marketplaces and listings in price search engines. We also cooperate with multipliers such as the German Automobile Club (ADAC).

Customer Capital

Since the company's founding around 20 million customers have made purchases in our online shops (previous year: 19.0 million, double counting not excluded). Our customer base represents a valuable form of capital: firstly, satisfied customers gladly return, secondly we are recommended to friends and acquaintances.

Warehousing

Delticom carries own inventories stocked in rented warehouses. We have built up significant Process Capital with the investments into packaging machines, warehouse infrastructure, as well as into proprietary inventory management systems.

Transportation logistics

The products sold online are shipped to the customers by parcel service companies and forwarding agents. The service partners collect the goods directly from the warehouse locations. We track rolling in, delivery and return shipments of articles with software which uses automated interfaces to integrate with our partner companies' systems.

Ordering process and order processing

At Delticom, the individual steps of the business processes are largely handled by internally developed software. Some of the order processing and responding to customer enquiries has been outsourced to operation centres, that are securely linked to our systems.

Products

Replacement tyres

Delticom group generates the bulk of its revenues through sales of brand-new replacement tyres for cars. We offer a product range of unequalled breadth: Around 600 tyre brands and nearly 80,000 models, all of which can generally be shipped within short lead times, as well as rims and complete wheels. In addition, we sell tyres for a variety of vehicles such as motorcycles, trucks, industrial vehicles and also bicycles. Not only do we sell premium manufacturers' tyres, but also a large number of attractively priced quality tyres in the medium and budget price segments. Visitors of our websites have access to test reports and manufacturers' specs for all our products and obtain comprehensive information.

Seasonal product ranges

In Northern Europe, but also in the Alpine region and in Germany weather-dependent demand characterises the course of business in the tyre trade. We take this into account with our seasonal product range.

Business Model

Delticom Group sells tyres and complete wheels to private and commercial end customers via online shops and online distribution platforms. In the core business of online tyre trade, the tyre shop with the greatest revenues is www.reifendirekt.de. Tirendo is also a well-known brand in the German-speaking e-commerce space.

Delticom Group generates a large share of its revenues by selling from own inventories and ensures that it is able to deliver on a continuous basis. Using dropship fulfilment, the company also sells tyres from the warehouses of manufacturers and wholesalers which are transported directly from the supplier to the customer, or Delticom commissions parcel services to carry out the delivery.

The online tyre shops present the entire product range in a consistent look and feel. A high level of service quality is secured by the Europe-wide network of partner garages and hotlines catering for the different languages.

The group offers its product range in 70 countries, with a focus on the EU market and other European countries such as Switzerland and Norway.

Employees

154 employees

As of 31.12.2024, the Delticom group had a total of 122 employees (including trainees) (31.12.2023: 172). For the year as a whole, the average number of

154 employees worked for the company (previous year: 169). This calculation is based on the number of employees, taking into account the hours worked.

Education and training

Delticom offers its staff both personal and professional development opportunities with targeted education and further training programs. Salaries are supplemented by performance bonuses wherever appropriate. The company provides an employee pension scheme for its staff members.

We offer training to junior staff both in business and IT areas. A total of 3 young people completed their apprenticeships in our company in the 2024 financial year. A total of 3 trainees were employed as of the end of 2024 (previous year: 3).

Dependent company report (Section 312 Paragraph 3 AktG – German Stock Corporation Act)

According to Section 312 of the German Stock Corporation Act (AktG), Delticom has prepared a dependent company report and concluded this report with the following declaration by the Managing Board: "We declare that Delticom AG has received appropriate compensation for each of the transactions and measures listed in the report on relationships with affiliated companies according to the circumstances known to us on the date on which the transactions were executed or the measures were taken, and that it has not been disadvantaged by the fact that measures were taken. No measures were omitted in the reporting period."

Company Management and Strategy

Delticom Group is one of the leading e-commerce companies in Europe in its market. Our customers benefit from a broad range of products and services at optimum prices. The focus of our distribution operations is the online sale of tyres and complete wheels. The company solely sells online. We deliver goods from our own inventories and third party tyre warehouses. Revenues and operating EBITDA are key management indicators.

Management by Objectives

Financial objectives

The company as a whole is run using financial and non-financial objectives.

Key financial objectives:

- Revenues and revenue growth are reported for the Group as a whole. During the year, current sales and revenues are compared against the short term and medium term targets.
- Divisional managers and shop managers steer their business according to unit sales, revenues and costs directly attributable to sales, like transpor-

tation costs, stocking costs and marketing costs. Target agreements are also based on quarterly and yearly contribution margins.

For Delticom as a whole, the most important financial performance indicators are revenues and operating earnings before interest, taxes, depreciation and amortization (operating EBITDA) for the group as a whole. Operating EBITDA reflects the result of the Delticom Group's operating activities. Income from project business is included in the calculation of operating EBITDA. Significant income and expenses of a non-recurring nature that are not directly related to operating activities are eliminated. Expenses in connection with refinancing continue to be classified as non-operating and are also eliminated.

Along with these main management metrics, we also apply the following performance indicators:

Liquidity

Current and forward rolling budgeted liquidity measures additionally represent an important management metric in our day-to-day business. The main objective of liquidity management is to ensure that the company is solvent at all times.

Non-financial objectives

Apart from financial objectives, management and employees use non-financial objectives to manage the business. The development of new customer figures is the key non-financial performance indicator.

Customer numbers

The development of the customer numbers exert a significant impact on the company's revenues and earnings. Accordingly, the success and efficiency of marketing measures are closely controlled in our daily business. In 2024 the number of 686 thousand new customers was lower than in 2023 (737 thousand). The company has thus not reached its target formulated at the beginning of the year of convincing at least as many new customers of its products and value-for-money offerings in the 2024 fiscal year as in the previous year. In addition, customers who come back contribute to the success of the business. In the past year 426 thousand of those customers (2023: 411 thousand) made repeat purchases at Delticom. Repeat purchasers are counted only once in each case, regardless of the number of purchases made in a year. Since the company was founded around 20 million customers have shopped in one of our onlineshops.

Ability to deliver

Delticom Group generates a significant part of its revenues through the sale from its own warehouses. Holding own stocks is essential to be able to make deliveries also at seasonal peaks. Our strategy focuses on securing stocks well in advance, in dependence of the market situation. Due to the great importance of own stock for margin and delivery capability, additions and disposals from warehouses are strictly controlled using flow of goods and warehouse management metrics. Our drop-ship business, where our suppliers supply directly to our customers, completes our product range, and gives us the opportunity to respond quickly and flexibly to changes in market conditions.

Order processing

Order processing is largely automated. Most of the daily incoming orders are transferred within a few hours to warehousing or our suppliers in order to ensure rapid goods dispatch.

Efficient warehouse handling

Our aim is to transfer all orders that are ordered in one of the warehouses that we operate by the defined weekday cut-off time to the parcel services on the same day for dispatching to our customers. Warehousing processes are operationally controlled by respective departmental managers utilizing software-supported warehouse management systems. Full warehouse counterchecks are also regularly conducted (according to the "two sets of eyes" principle).

Financial and non-financial performance indicators are aggregated in different views, summarised in reports and distributed automatically. The reporting forms the basis for discussions among Management Board, the controlling function and the individual departments. Cross-departmental meetings ensure a constant exchange of information in the company.

Strategy

Delticom has many years of experience in international E-Commerce. The success of our company is largely underpinned by a well-established understanding of online marketing and our ultramodern IT infrastructure. Thanks to our multi-shop approach, we are not only able to fulfil the requirements of different customer groups in the best possible way, but also respond quickly and flexibly to changing market conditions and customer needs.

Sustainable and profitable growth

The market volume in the European replacement tyre trade amounts to more than € 10 billion annually, the online share is currently around 13 %. Delticom is the clear market leader with online revenues around half a billion € per year in its core european tyre business. The aim of the Delticom Group is to maintain and further expand its existing market leadership in the European tyre trade in order to once again increase its revenue and earnings potential in the medium and long term.

Thanks to our multi-shop concept, we are already reaching various target groups. However, Internet penetration in the individual European markets in which we operate still varies considerably with regard to online tyre trade. Accordingly, the Internet and Internet trading in Europe continue to offer growth potential for the future. It is therefore important to position the Group in this way today and to create the necessary structures to continue to be able to take advantage of future growth opportunities.

The continuous improvement of cost efficiency is a key target for sustainable and profitable growth. Accordingly, the company will continue to invest in the automation and optimization of its process landscape in the coming years in order to maintain and further expand not only its market leadership but also to regain cost leadership.

Focus

We focus on the online distribution of replacement tyres and complete wheels to private and commercial end customers in Europe.

Online only

Delticom sells exclusively online and does not operate any bricks-and-mortar outlets. Further automation and additional outsourcing are going to streamline the organisation. In the medium and long term, the Delticom group's sales activities will continue to focus on online trading with tyres and complete wheels.

Optimised sourcing

A large part of revenues is generated by the sale of goods from the company's own warehouses (stock-and-ship). Buying in bulk in low season guarantees good purchasing conditions and allows us to deliver tyres to the end customers in high season. In order to achieve its growth and profitability targets in the medium to long term, Delticom will continue to invest in its warehouse infrastructure. Using drop-ship fulfilment, the company also delivers from third party warehouses. Each method of delivery has its own advantages. Therefore we shall continue to use both.

Logistics

The core competencies of the company include our advanced automated and highly efficient product picking and distribution systems. Short delivery times and a low incorrect delivery rate are two of the major success factors when it comes to E-Commerce. Innovative product development and continual process optimisation are essential to ensure our future growth and extend our competitive advantage.

Liquidity management

The main objective of liquidity management is to ensure that the company is solvent at all times. The seasonality in the tyre trade results in broad fluctuations in our cash position over the course of the year. In order to be as independent as possible from external capital providers we have established a corporate treasury function, tasked with the day-to-day liquidity management. The treasury department uses a comprehensive set of instruments for liquidity management.

Reliable partners

Improving our already good relationships to our partners is important to us. Over the past years dependable business ties have been established with manufacturers and wholesalers both in Germany and abroad. Reliable, long-standing parcel services deliver the goods in a timely and cost effective manner. Delticom's customers can access a network of around 26,000 partner garages which stand ready to mount the tyres. Hotline services and parts of order processing have been outsourced to operation centres.

Research and Development

Proprietary software

Delticom primarily uses highly specific proprietary software solutions. This software largely automates the order and delivery process at low costs. Existing solutions are maintained and extended on an ongoing basis.

Suggestions and change requests are prioritised in an inter-departmental steering committee and implemented by the Software Development department.

Report on economic position

General conditions in 2024

The global economy was characterised by moderate momentum in 2024. Overall, global growth was only just below its long-term average. However, the decline in inflation in the major economies slowed over the course of the year. Supported by private consumer spending and investments, the US economy recorded robust growth. By contrast, the Chinese economy was unable to gain sustained momentum despite economic policy stimuli. Economic development in the other emerging markets was also mixed last year. While the strong expansion in India, which had previously lasted around two years, weakened noticeably, the economy in most Latin American countries accelerated appreciably.

Macroeconomic development

Europe

In 2024, the eurozone economy recorded a moderate recovery after a period of stagnation. After returning to growth in the first quarter 2024, the economy continued its upward trend in the second and third quarters at a stable but moderate pace. However, experts assume that the economic expansion weakened again towards the end of the year. Despite the rise in real wages and employment growth, private consumption was restrained as many households increased their savings. High living costs, growing uncertainty due to repeated crises and attractive interest rates encouraged this development and also had a negative impact on investment. However, the labor market in the eurozone proved resilient. The average unemployment rate in December 2024 was 6.3 % after 6.5 % in the same month of the previous year. Overall, the Kiel Institute expects a 0.8 % increase of gross domestic product in the eurozone last year.

Germany

The German economy was unable to break out of stagnation last year. According to the Kiel Institute, gross domestic product fell by 0.2% in 2024. This means that economic output in Germany has fluctuated between growth and decline from quarter to quarter for almost three years. Manufacturing, construction and business-related services in particular recorded losses, while public services and consumer-related sectors such as hospitality and retail posted slight increases. This development was primarily favoured by rising nominal and real wages. Overall, private consumption showed few signs of recovery. A sustained economic recovery failed to materialise in Germany, not least due to geopolitical and domestic political uncertainties. The ongoing economic weakness is increasingly leaving its mark on the labour market. The average unemployment rate in Germany in 2024 was 6.0 %, compared to 5.7 % in the previous year.

Sectoral developments

E-Commerce

According to the Global Digital Report 2025, around 68 % of the world's population is now online. This corresponds to an increase of 2.5 % compared to the previous year. However, internet usage and the number of online shoppers vary considerably - both globally and in Europe. In Northern Europe, internet penetration is 97 %, in Western Europe 95 %. In Northern Europe, 83 % of Internet users have made online purchases, compared to 82 % in Western Europe. Internet usage is also relatively high in Central and Southern Europe at 91 % in each case, although the proportion of e-shoppers in Central Europe is 70 % and in Southern Europe 59 %. In Eastern Europe, both internet penetration (83 %) and the proportion of online shoppers (53 %) are still the lowest in Europe. According to the trade associations Ecommerce Europe and Eurocommerce, the share of business-to-consumer sales reached a total of € 887 billion in 2023, which corresponds to growth of 3 % compared to the previous year. A growth rate of 8 % is predicted for 2024.

Despite the continued subdued consumer sentiment in Germany, sales in domestic e-commerce rose again last year for the first time since 2021, according to the German E-Commerce and Distance Selling Trade Association (bevh). With an increase to € 80.6 billion after € 79.7 billion in the previous year, moderate growth of 1.1 % was achieved. According to a recent e-commerce consumer study commissioned by bevh, customer satisfaction with online purchases remained almost constant at 96 % (2023: 96.3 %). In addition, the proportion of those who would like to spend more money on online purchases in the future rose by more than one percentage point to 7.5 % on an annual average (2023: 6.2 %). In the fourth quarter 2024, this proportion was as high as 11.3 %, which corresponds to double-digit growth.

Replacement tyre business

The German replacement tyre business continued its upward trend in 2024. According to the European Tyre & Rubber Manufacturers' Association (ETRMA) and the German Rubber Industry Association (WdK), retailers sold 7.0 % more car, SUV, 4x4 and off-road tyres to consumers last year than in the same period of the previous year.

Summer tyre sales

The positive sales trend in the German replacement car tyre business is accompanied by a renewed increase in demand for all-season tyres (+18.6 %). In the summer tyre business, on the other hand, 2.2 % fewer car, SUV, 4x4 and off-road summer tyres were sold by retailers to consumers in Germany last year, according to industry associations.

Winter tyre business

In contrast, a slight increase in sales was achieved in the winter tyre business. For the year as a whole, sales of passenger car, SUV, 4x4 and off-road winter tyres from dealers to consumers were up 1.2 % on the previous year.

Sales trend Europe

According to ETRMA market data, the European replacement tyre business also showed a recovery in 2024. In the largest sub-segment in terms of volume, consumer tyres (car, SUV and light truck tyres), 5 % more tyres were sold by the industry to retailers compared to the previous year. While a decrease of 2 % was recorded for summer tyres, winter tyre sales rose by 7 %. At European level, the all-season tyre business also recorded double-digit growth of 16%. Looking at the final quarter, the trend was positive across all product segments. Sales of car, SUV and light truck tyres were up 12 % on the previous year, which experts primarily attribute to the fact that the number of units sold in the fourth quarter of 2023 was relatively weak. Accordingly, an increase was recorded not only for all-season tyres (+18%), but also for winter tyres (+15%) and summer tyres (+1%).

Business performance and earnings situation

Revenues

Group

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

In the past fiscal year, the Delticom Group generated total revenues of € 481.6 million, an increase of 1.3 % compared to the previous year's figure of € 475.7 million. In the previous fiscal 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 for the year as a whole amounted to € 597.0 million (2023: € 586.4 million, +1.8 %).

Regional split

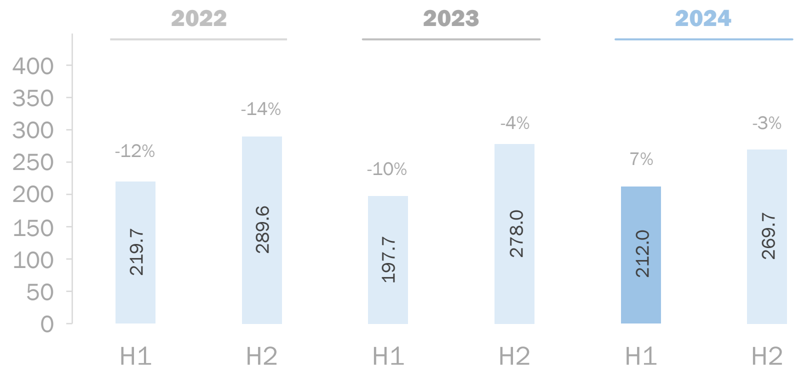
The Group operates in 70 countries worldwide, with a large proportion of revenues being generated in the countries of the EU. In total, € 401.8 million (2023: € 391.9 million, +2.5 %) was generated here in the reporting period. Outside the EU, the company operates in other European non-EU countries. Non-EU countries accounted for revenues of € 79.8 million in 2024 (2023: € 83.8 million, –4.7 %).

Seasonality

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

Revenues trend

per half year, in € million (% change yoy)



1st half year

In the first quarter of the past fiscal year, the Delticom group generated total revenues of € 96.7 million (Q1 2023: € 78.0 million, +24.0 %). Thanks to the warm temperatures in February and March, successful sales and pre-sales were realised in business with private and commercial end customers. The gross merchandise volume (GMV) amounted to € 119.2 million in Q1 2024 (Q1 2023: € 96.2 million, +23.8 %). At € 115.3 million, revenues in the second quarter were lower than in the previous year (Q2 2023: € 119.7 million, –3.7 %). In 2023, the start of the summer tyre season was postponed to the second quarter. Gross merchandise volume in the second quarter amounted to € 139.4 million (Q2 2023: € 147.5 million, -5.5 %). On a half-year basis, revenues amounted to € 212.0 million, an increase of 7.2 % compared to the same period of the previous year (H1 2023: € 197.7 million). At € 258.6 million, the gross merchandise volume at the end of the first six months of 2024 was 6.1 % higher than in the previous year (H1 2023: € 243.7 million).

2nd half year

Business in the third quarter was able to benefit from an early start to the winter tyre business compared to the previous year. Overall, the Delticom Group generated revenues of € 106.9 million in Q3 2024 (Q3 2023: € 97.7 million, +9.5 %). The gross merchandise volume for the third quarter was € 130.2 million (Q3 2023: € 117.4 million, +10.9 %). At € 162.7 million, revenues in the fourth quarter were 9.8 % lower than in the same period of the previous year (Q4 2023: € 180.3 million). This is mainly due to the strong business in the final quarter of the previous year. At € 208.3 million, the gross merchandise volume fell short the previous year's figure by 7.6 % (Q4 2023: € 225.4 million).Revenues in H2 2024 with € 269.7 million were down 3.0 % on the previous year (H2 2023: € 278.0 million).

Key expense positions

Cost of goods sold

The largest expense item is the cost of materials, which includes the cost prices of goods sold. Group COGS in the reporting period amounted to € 358.7 million

(2023: € 359.5 million, –0.2 %). Thanks to a change in sales management and an adjusted sales mix strategy, we were able to reduce the cost of materials ratio (ratio of cost of materials to sales revenue) from 75.6 % to 74.5 %.

Personnel expenses

On 31.12.2024, the group had a total of 122 employees (including trainees) (31.12.2023: 2023: 172). In the reporting period on average 154 staff members were employed at Delticom group (previous year: 169). Personnel expenses in the reporting period amounted to € 13.5 million (2023: € 14.0 million). The decrease of 3.5 % is mainly due to the reduction in the number of employees following the closure of the Sehnde warehouse and the relocation of the warehouse to Oldenburg (Schleswig-Holstein).

The personnel expenses ratio (staff expenditures as percentage of revenues) amounted to 2.8 % in the past financial year (2023: 2.9 %).

Other operating expenses

Transportation costs

Within other operating expenses, transportation costs are the largest single item. They amounted to € 46.4 million after € 40.1 million in the previous year. The increase of 15.7 % is due to the higher business volume on the one hand and the change in the distribution of revenues by country on the other.

Rents and overheads

Expenses for rent and operating costs decreased by 24.3 % in the reporting period from € 4.5 million in the previous year to € 3.4 million. The decrease is mainly due to lower subsequent charges for rent indexation for the previous year. Due to the ongoing rent indexations and the long-term rents for the new warehouses and office space, particularly for the new warehouse in Schleswig-Holstein, the IFRS 16 effect from the rights of use increased compared to the previous year.

Direct warehousing costs

Stocking costs amounted to € 14.4 million in the reporting period (2023: € 10.2 million). The increase of 40.9 % is mainly due to costs in connection with the relocation of the warehouse location in Hanover. In contrast to the Sehnde warehouse, almost no permanent staff are employed in the new warehouse. As a result, the costs previously included in personnel expenses are now being shifted proportionately to warehouse handling. Inventory costs as a percentage of revenues increased from 2.1 % in the previous year to 3.0 %.

Marketing costs

Marketing expenses in the reporting period amounted to € 13.5 million (2023: € 15.0 million, –10.0 %). The decrease is mainly due to the measures already introduced in 2023 to make marketing activities more efficient. The marketing expense ratio was 2.8 % of revenues (2023: 3.2 %).

Financial and Legal

Finance and legal expense in the reporting period amounted to € 5.3 million, compared with € 7.1 million in the previous year (–25.3 %). In December 2024, the syndicated loan agreement was extended by a further 3.5 years as planned. The costs incurred in this context are recognised pro rata over the term of the agreement. The share of costs attributable to the 2024 financial year is correspondingly low. In 2023, the costs incurred in connection with the extension in March of the year were lower overall, but at the same time the deferral effect was only limited due to the remaining term. In addition, ongoing consulting costs in the financial area were reduced compared to the previous year.

Bad debt losses

Bad debt losses in the reporting period amounted to € 3.3 million, up from € 2.2 million in 2023. The additions to specific and general loan loss provisions made during the year are offset by income from the reduction of these items within other operating income. On balance, this results in an effect recognised as an expense in the amount of € 0.2 million. In the previous year, there was net income of € 0.6 million. The year-on-year increase is due in particular to the increase in receivables in conjunction with the higher business volume.

Depreciation

Depreciation on property, plant and equipment went down in the year under review to € 1.8 million (2023: € 2.2 million, –21.0 %).

Amortization of intangible assets in the reporting period amounted to € 0.7 million (2023: € 0.8 million).

Depreciation of right-of-use assets in accordance with IFRS 16 comprises depreciation based on long-term rental agreements and, conversely, depreciation resulting from subletting. The increase in depreciation for right-of-use assets in accordance with IFRS 16 from € 6.1 million in the previous year to € 7.6 million is mainly due to rent indexation of existing warehouses and the rental of new warehouse locations, in particular a warehouse in Schleswig-Holstein.

Overall, depreciation and amortization in the reporting period amounted to € 10.1 million (2023: € 9.1 million, +10.6 %).

Earnings position

Gross margin

Gross margin (gross margin excluding other operating income) for the past fiscal year was 25.5 % compared with 24.4 % in the corresponding prior-year period. The increase is mainly due to the change in the sales mix and adjusted sales management compared to the previous year. The gross margin achieved in the final quarter of the year was lower than in the previous year at 24.0 % (Q4 2023: 27.5 %). This development is primarily due to the weather-related increase in demand for winter tyres in the final quarter of the previous year.

Other operating income

Other operating income decreased to € 25.4 million (2023: € 27.1 million) in the reporting period. The 6.3 % decline is largely due to the scheduled discontinuation of income from project business generated in the 2023 financial year. Marketing subsidies, income from transport losses and other income are regularly generated from operating activities. Other operating income also includes gains from exchange rate differences amounting to € 6.3 million (2023: € 3.9 million). We report currency losses within other operating expenses (2024: € 6.1 million, 2023: € 4.7 million). The balance of currency gains and losses in the reporting period was € 0.2 million (2023: € –0.8 million).

Gross profit

In the reporting period, gross profit increased by 3.5 % from € 143.3 million to € 148.3 million compared with the corresponding prior-year figure. In relation to total income of € 507.1 million (2023: € 502.8 million), gross profit was 29.3 % (2023: 28.5 %).

EBITDA

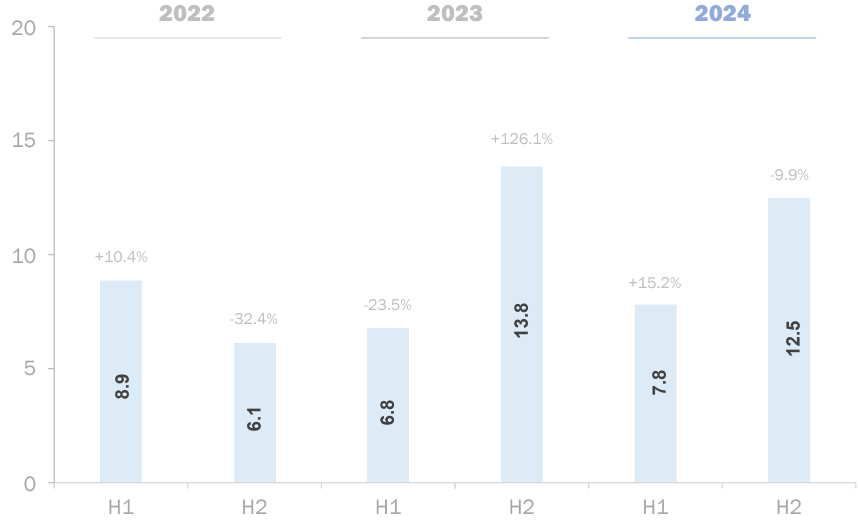
EBITDA went down in the reporting period from € 20.6 million to € 20.3 million, a decrease of 1.7 %. The EBITDA margin for the full year is 4.2 % (2023: 4.3 %). Operating EBITDA amounts to € 22.7 million (2023: € 21.8 million). Group EBITDA forms the starting point for the calculation of operating EBITDA. Significant income and expenses of a non-recurring nature that are not directly related to operating activities are eliminated. In 2024, this relates to expenses in connection with the syndicated loan agreement in the amount of € 0.4 million (2023: € 1.2 million). In addition, one-off expenses of € 1.7 million were incurred in connection with the warehouse relocation. In addition, the company paid an inflation compensation bonus of € 0.3 million to employees in the past financial year.

EBITDA generated in H1 2024 was € 7.8 million, higher than in the same period of the previous year (H1 2023: € 6.8 million). The EBITDA margin for H1 2024 totalled 3.7 % (H1 2023: 3.4 %).

Total EBITDA of € 12.5 million was achieved in H2 2024, after € 13.8 million in H2 2023 (–9.9 %). This decline is mainly against an exceptionally strong final quarter the year before. In addition, the extraordinary costs associated with the warehouse relocation in Sehnde were incurred in the second half of the past financial year.

EBITDA

Per half year, in € million (% change yoy)



EBIT

The EBIT achieved in 2024 amounted to € 10.2 million, after € 11.5 million in the previous year. The year-on-year decline is mainly due to higher amortisation of right-of-use assets as a result of renting additional warehouse locations. The EBIT margin is 2.1 % (2023: 2.4 %).

Financial income

Financial income of € 0.2 million was generated in the reporting period (2023: € 1.2 million). In the previous year, the income resulted primarily from a compounding effect as part of project development. Interest expense for the past fiscal year amounts to € 2.8 million (2023: € 2.6 million). The increase compared to the previous year is mainly due to higher interest expenses in connection with IFRS 16 Leases. The financial result was € –2.6 million (2023: € –1.4 million).

Income taxes

For the year under review, tax expense amounted to € 3.6 million. The majority of these are deferred taxes totalling € 3.1 million, of which € 0.9 million are unrelated to the accounting period.

Net income and dividend

Consolidated net income is lower year-on-year at € 4.0 million and € 0.27 per share (2023: € 8.0 million and € 0.54 per share). The earnings of Delticom AG that are relevant for the dividend payment amount to € 2.7 million and € 0.18 per share (2023: € 8.0 million and € 0.54 per share). The Management Board and Supervisory Board of Delticom AG will propose to the Annual General Meeting on 09.07.2025 to distribute € 0.12 per share from the balance sheet profit of € 2,650,562.83 for the shares outstanding at the time of distribution and to carry forward the remaining amount to new account.

The table *Abridged profit and loss statement* summarizes key income and expense items from past years' profit and loss statements.

Abridged profit and loss statement
in € thousand

	2024	%	+%	2023	%	+%	2022	%
Revenues	**481,641**	**100.0**	**1.3**	**475,693**	**100.0**	**-6.6**	**509,295**	**100.0**
Other operating income	25,410	5.3	-6.3	27,133	5.7	-19.2	33,561	6.6
Total operating income	**507,052**	**105.3**	**0.8**	**502,826**	**105.7**	**-7.4**	**542,856**	**106.6**
Cost of goods sold	-358,726	-74.5	-0.2	-359,544	-75.6	-9.9	-399,125	-78.4
Gross profit	**148,326**	**30.8**	**3.5**	**143,281**	**30.1**	**-0.3**	**143,731**	**28.2**
Personnel expenses	-13,463	-2.8	-3.5	-13,959	-2.9	-0.3	-14,007	-2.8
Other operating expenses	-114,573	-23.8	5.4	-108,685	-22.8	-5.3	-114,721	-22.5
EBITDA	**20,289**	**4.2**	**-1.7**	**20,637**	**4.3**	**37.6**	**15,003**	**2.9**
Depreciation	-10,084	-2.1	10.6	-9,120	-1.9	-15.4	-10,779	-2.1
EBIT	**10,205**	**2.1**	**-11.4**	**11,517**	**2.4**	**172.7**	**4,224**	**0.8**
Net financial result	-2,578	-0.5	87.5	-1,375	-0.3	32.1	-1,040	-0.2
EBT	**7,628**	**1.6**	**-24.8**	**10,143**	**2.1**	**218.6**	**3,183**	**0.6**
Income taxes	-3,592	-0.7	69.7	-2,117	-0.4	471.2	-371	-0.1
Consolidated net income	**4,036**	**0.8**	**-49.7**	**8,026**	**1.7**	**185.3**	**2,813**	**0.6**

Overall statement on the earnings position

Following a period of stagnation, the eurozone economy recorded a moderate recovery last year. This growth was strongly driven by exports against the backdrop of global economic growth. European consumers remained cautious despite higher real wages and employment growth. The high cost of living, growing uncertainty due to geopolitical crises and attractive interest rates had an impact on private consumption. The European replacement tyre business also benefited from a recovery last year. The trend towards all-season tyres continued with double-digit growth rates.

With sales of € 481.6 million in the past financial year, we exceeded the previous year's sales by 1.3 %. In the 2023 financial year, the business benefited from strong demand for winter tyres in the final quarter. In our forecast at the beginning of the year, we therefore did not assume a stimulus from positive weather conditions and formulated a target range of € 450-470 million for sales in the 2024 financial year. Following a positive business performance in the first nine months of the current financial year and a good start to the winter tyre business in October, we raised the range for full-year sales to € 480-500 million. At € 481.6 million, the sales achieved are within the adjusted range. This means that, contrary to our original expectations, we also managed to exceed the previous year's sales. We are therefore satisfied with the sales trend.

The increase in the gross margin from 24.4 % in the previous year to 25.5 % is due in part to a change in the sales mix. Internal developments also contributed to this improvement. The optimizations implemented over the course of the year have further improved the Group's profitability. EBITDA amounted to € 20.3 million, a decrease of –1.7 % compared to the previous year (2023: € 20.6 million). Expenses in connection with the syndicated loan agreement in the amount of € 0.4 million, non-recurring expenses in connection with the warehouse relocation in the amount of € 1.7 million and the payment of an inflation adjustment bonus to employees in the amount of € 0.3 million are classified as non-operational. Accordingly, operating EBITDA amounted to € 22.7 million (2023: € 21.8 million). In the 2024 financial year, the company benefited from income from project business in the mid-single-digit million range, which ceased as planned in 2024. Accordingly, the company further improved its profitability and cost structure in the past financial year and exceeded the upper end of the forecast range of € 19 to 21 million formulated at the beginning of 2024 with regard to operating EBITDA for the year as a whole. The company has thus succeeded in taking advantage of growth and earnings opportunities as they arise, driving forward process optimisation and further improving its cost structures for the future. We are satisfied with the development of earnings in the past financial year.

Financial and assets position

In December 2024, the company extended the syndicated loan agreement on schedule by a further 3.5 years. Due to Delticom's successful development, the financing facility was reduced slightly from € 40 million to € 39 million.

Investments

Property, plant and equipment

The investments in property, plant and equipment of € 5.5 million (2023: € 4.8 million) reported for 2024 are mainly replacement and equipment investments in our warehouses as well as plant and office equipment.

Intangible Assets

Delticom also invested € 360 thousand in intangible assets (2023: € 811 thousand).

The total of the investments made in 2024 in the amount of € 5.9 million is thus higher than the previous year's value of € 5.6 million.

Rights of use according to IFRS 16

The rights of use from leases to be recognized in accordance with IFRS 16 amounted to € 60.7 million at the balance sheet date (31.12.2023: € 46.1 million). The increase compared to previous year is mainly due to the long-term rental of new warehouse space during the year. Scheduled amortization of rights of use amounting to € 7.6 million was recognized in the reporting period.

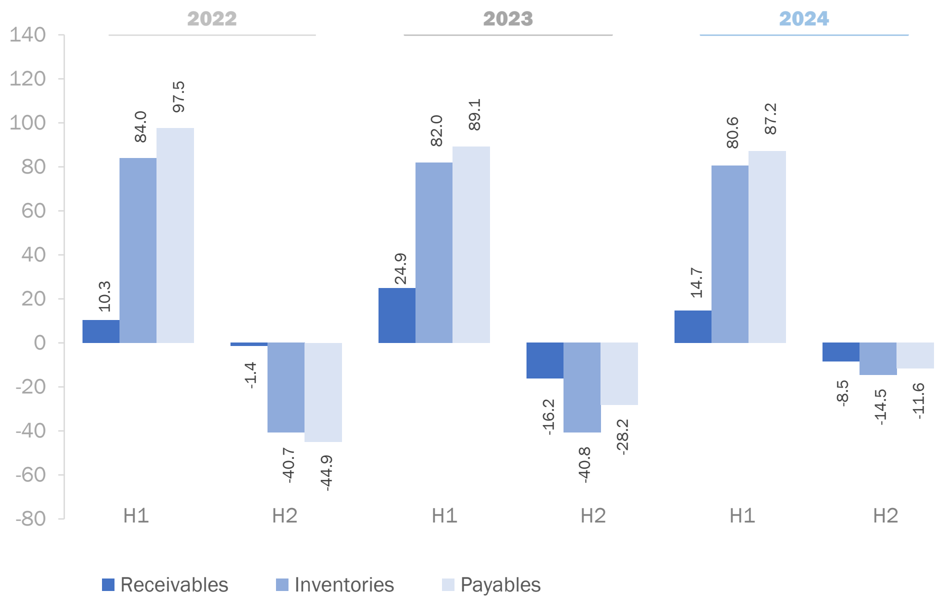
Working Capital

Working Capital

We define Net Working Capital as the balance of funds tied-up in inventories, receivables and payables from our main trading activities. Prepayment received from customers as well as the liability position of customer credits have been deducted from the receivables. € 7.6 million was tied up in working capital over the course of the year (31.12.2024: € –3.4 million, 31.12.2023: € –11.0 million).

The chart Working Capital illustrates the changes in the components of Net Working Capital half-year-to-half-year for the last three years.

Working Capital
in € million



Receivables

In total, working capital commitment in receivables - reduced by prepayments received from customers as well as customer credits - decreased from € 8.7 million as of 31.12.2023 to € 6.2 million as of 31.12.2024. Average Days Sales Outstanding (DSO, average receivables divided by average revenue per day) with 5.7 was lower compared to the previous year (2023: 6.8).

The accounts receivable stood at € 19.5 million on the reporting date (31.12.2023: € 17.2 million). Advance payments received from customers amounted to € 4.6 million (31.12.2023: € 4.0 million). Due to the seasonal nature of the business, postponement effects as at the reporting date are unavoidable. The liability position of customer credits on the reporting date stood at € 8.7 million (31.12.2023: € 4.5 million).

Inventories

The largest item in current assets is inventories. Company acted in line with the year-end inventory targets. At € 66.1 million, they are € 24.8 million higher compared with the reporting date (31.12.2023: € 41.2 million). Due to the strong winter business, stocks of winter and all-season tyres were significantly lower at the end of 2023. Furthermore, the company began stocking up for the summer much earlier in the past financial year than in the previous year in order to ensure a high level of supply availability and a wide range of products at the beginning of the year and at the start of the summer season.

In 2024, it was unclear until well into the second half of the year whether the provisions of the EU Deforestation Regulation would enter into force on 30 December 2024 as planned. As a result, there was a risk that tyre imports into the EU would have been significantly more difficult or only possible with a long delay from the start of the new year, as Member States, third countries, dealers and market participants might not have fully complied with the regulations by 31 December 2024. It was not until 3 December 2024 that the European Council and the European Parliament reached an agreement on a targeted amendment to the package, postponing the date of application of the regulation by 12 months.

The average range of coverage (average level of inventories divided by average cost of materials per day) has increased to 54.7 days (2023: 42.9 days).

Payables

Trade payables are traditionally a major source of financing in the tyre trade. For the purposes of the analysis, we reduce these liabilities by the credit balances with suppliers (included in other assets). This balance of trade payables reduced by credit balances with suppliers is higher in a reporting date comparison with € 75.6 million (31.12.2023: € 60.9 million). The increase goes hand in hand with strategic stockpiling.

Cash flow

Operating cash flow

Cash flow from operating activities for the reporting period was positive at € 4.9 million. The significant reduction compared to the previous year (2023: € 33.1 million) is primarily due to working capital in addition to the decline in EBIT. The company uses the indirect cash flow method for the calculation.

Investing activities

Cash outflows for investments in property, plant and equipment amounted to € 5.5 million (2023: € 4.8 million) in the past fiscal year. In addition, Delticom invested € 360 thousand in intangible assets in the reporting period (2023: € 811 thousand). As a result, cash flow from investing activities amounted to € –5.9 million (previous year: € –5.6 million).

Financing activities

In the reporting period, the Delticom Group recorded a cash flow from financing activities of € –0.9 million (2023: € –23.2 million). Credit line utilization was increased by € 10.4 million. In addition, leasing liabilities were repaid in the amount of € 11.0 million.

Liquidity according cash flow

The starting point is the liquidity at the reporting date 31.12.2023 of € 7.3 million. The net outflow in the reporting period amounted to € 1.9 million. Liquidity at the balance sheet date amounted accordingly to € 5.4 million. At the reporting date, the Group had net liquidity (liquidity less current financial debt) of € –14.7 million. The starting point is net liquidity less current financial debt at the beginning of the year of € –2.2 million plus the change in cash and cash equivalents by € –1.9 million and plus the change in current financial debt in the reporting date comparison by € –10.7 million. With regard to the reasons for this development, we refer to the comments in the section *Balance sheet structure - Current financial resources*.

Free cash flow

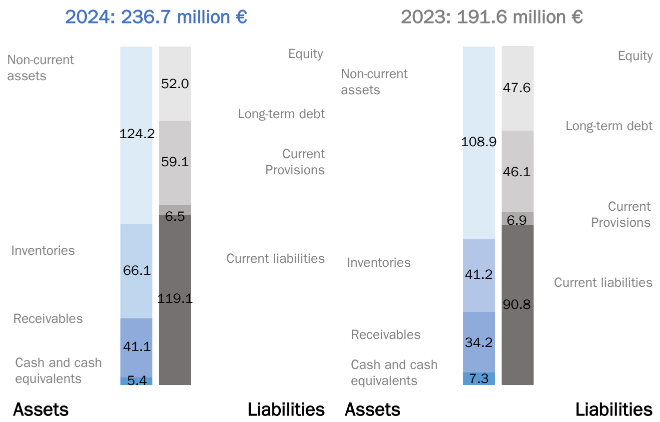
Free cash flow (operating cash flow less cash flow from investing activities) decreased year-on-year from € 27.5 million to € –1.0 million. This development is essentially in line with the development in working capital described previously.

Balance sheet structure

As of 31.12.2024 the balance sheet total amounted to € 236.7 million (31.12.2023: € 191.6 million, –23.6 %). The chart *Balance Sheet Structure* illustrates the capital intensity of the business model.

Balance Sheet Structure

in million €



Abridged Balance Sheet
in thousand €

	31.12.2024	%	+%	31.12.2023	%	30.06.2023	%
Assets							
Non-current assets	124,209	52.5	14.0	108,910	56.9	118,547	50.3
Fixed assets	112,743	47.6	19.8	94,128	49.1	95,404	40.5
Other non-current assets	11,466	4.8	-22.4	14,782	7.7	23,143	9.8
Current assets	112,521	47.5	36.1	82,648	43.1	116,966	49.7
Inventories	66,053	27.9	60.2	41,224	21.5	81,981	34.8
Receivables	41,082	17.4	20.2	34,170	17.8	32,515	13.8
Liquidity	5,387	2.3	-25.7	7,253	3.8	2,470	1.0
Assets	**236,730**	**100.0**	**23.6**	**191,558**	**100.0**	**235,513**	**100.0**
Equity and Liabilities							
Long-term funds	111,099	46.9	18.5	93,769	49.0	93,396	39.7
Equity	52,010	22.0	9.2	47,635	24.9	41,296	17.5
Long-term debt	59,088	25.0	28.1	46,134	24.1	52,101	22.1
Provisions	21	0.0	0.0	21	0.0	21	0.0
Liabilities	59,067	25.0	28.1	46,113	24.1	51,080	21.7
OtherNonCurrentLiabilities	0	0.0	0.0	0	0.0	1,000	0.4
Short-term debt	125,631	53.1	28.5	97,788	51.0	142,117	60.3
Provisions	6,498	2.7	-6.4	6,941	3.6	3,199	1.4
Liabilities	119,134	50.3	31.1	90,848	47.4	138,918	59.0
Equity and Liabilities	**236,730**	**100.0**	**23.6**	**191,558**	**100.0**	**235,513**	**100.0**

Non-current assets

On the assets side, non-current assets increased from € 108.9 million to € 124.2 million. Intangible assets and right-of-use assets totalled € 97.7 million as at the reporting date (31.12.2023: € 83.4 million). The increase is mainly due to rights of use added during the course of the year resulting from the conclusion or extension of long-term rental agreements. The increase in property, plant and equipment from € 10.8 million by € 4.3 million to € 15.1 million is due to the investments in the warehouse infrastructure.

Other non-current assets decreased to € 11.5 million (31.12.2023: € 14.8 million). Deferred tax assets from loss carryforwards decreased by € 3.3 million to € 7.4 million. At € 4.1 million, non-current receivables were almost unchanged compared to the previous year´s reporting date (31.12.2023: € 4.1 million).

Inventories

The largest item in current assets is inventories. They increased by € 24.8 million in the reporting period and amounted to € 66.1 million (previous year: € 41.2 million) at the balance sheet date 31.12.2024. The reasons for the increase of 60.2 % are presented in detail under *Financial Position - Working Capital*.

Receivables

Trade accounts receivable amounted to € 19.5 million at the end of the year (31.12.2023: € 17.2 million, +13.5 %). Within other current assets amounting to € 21.3 million (2023: € 16.9 million), tax refund claims increased from € 3.6 million to € 11.2 million. The increase is mainly due to higher reimbursement claims for services rendered and invoiced in our warehouses compared to the previous year. The decrease in other current receivables from € 11.8 million at 31.12.2023 to € 8.6 million is mainly due to lower receivables in connection with project development transactions compared to the previous year. The total receivables including income tax receivables increased to € 41.1 million (31.12.2023: € 34.2 million) at the reporting date.

Liquidity position

Cash and cash equivalents recorded a net outflow of € –1.9 million. As of 31.12.2024, cash and cash equivalents amounted to € 5.4 million (31.12.2023: € 7.3 million).

Current assets totalled € 112.5 million (31.12.2023: € 82.6 million) at the balance sheet date. The increase of € 29.9 million results primarily from the increase in inventories as at the balance sheet date 31.12.2024.

Current liabilities

On the liabilities side of the balance sheet, the short-term credit instruments increased by € 27.8 million or 28.5 % to € 125.6 million (31.12.2023: € 97.8 million).

As part of the € 119.1 million in short-term liabilities as of 31.12.2024, € 76.2 million (31.12.2023: € 61.5 million) were recorded as accounts payable, corresponding to a share of 32.2 % of balance sheet total.

Current financial debt amounted to € 20.1 million at the balance sheet date, an increase of € 10.7 million compared with the previous year (31.12.2023: € 9.4 million). They include the current portion of lease obligations under long-term leases amounting to € 9.7 million (31.12.2023: € 9.4 million). Current financial liabilities to banks totalled € 10.4 million at the end of the year.

In the other current liabilities of € 18.3 million (previous year: € 15.9 million) € 4.6 million are attributable to payments received on account of orders (previous year: € 4.0 million) and € 8.7 million to customer credits (previous year: € 4.5 million).

Long-term liabilities

Non-current liabilities of € 59.1 million (previous year: € 46.1 million) mainly include lease obligations under long-term leases in accordance with IFRS 16 amounting to € 59.1 million (31.12.2023: € 46.1 million). The € 13.0 million increase in non-current financial liabilities compared to the reporting date is primarily due to the long-term rental of new warehouse space. As at the reporting date of 31.12.2024, there were no other non-current liabilities, as in the previous year.

Total non-current and current financial liabilities amounted to € 79.2 million on the reporting date, an increase of € 22.6 million or 40.0 % compared to the reporting date (31.12.2023: € 56.5 million). These interest-bearing financial liabilities accounted for 33.4 % of total assets as at the reporting date (31.12.2023: 29.5 %).

Equity and equity ratio

On the liabilities side, equity increased by € 4.4 million or 9.2 % to € 52.0 million (previous year: € 47.6 million). The consolidated net income of € 4.0 million achieved in the past financial year contributed to a further strengthening of equity. The structure of equity and liabilities shows a decrease in the equity ratio from 24.9 % to 22.0 %. The total of property, plant and equipment, intangible assets, rights of use, financial assets and inventories amounting to € 178.8 million was covered by non-current financing funds at the reporting date 31.12.2024 to 62.1 % (previous year: 69.3 %).

Overall statement on the financial and assets position

Sustainable balance sheet

The positive net profit for the year has led to a further strengthening of equity. Although the equity ratio fell from 24.9 % to 22.0 % due to the balance sheet extension, the equity base remains adequate.

The rental of additional warehouse space has led to a significant increase in rights of use within non-current assets on a balance sheet date comparison. On the liabilities side, this is accompanied by a corresponding increase in non-current financial liabilities, which relate exclusively to lease obligations in accordance with IFRS 16. The increase in inventories due to early summer stockpiling and the associated increase in trade payables also contributed to the balance sheet extension.

In December of the past fiscal year, the syndicated financing of the Delticom Group was successfully extended by 3.5 years until 30.06.2028. Due to the company's positive development and stringent working capital management, the financing framework was once again reduced slightly from € 40 million to € 39 million. Liquidity is subject to significant fluctuations during the year due to seasonality. Accordingly, credit lines are required during the year for interim financing. The company also continues to receive payment terms from its suppliers in line with the market. The development of the financial position and net assets in the past financial year was below plan. This is largely due to the significant increase in inventories. Due to the uncertainty surrounding the EU deforestation regulation and the associated risk of limited supply availability for the company at the start of the summer season, we decided to order some of the summer goods produced outside of Europe early and stockpile them. This was done in parallel with the sale of winter goods and underlines our high tyre and logistics expertise. Thanks to its financing structure, Delticom is in a position to utilise existing market opportunities while weighing up the corresponding risks. Accordingly, we are satisfied with our net assets and financial position.

Financial Statements of Delticom AG

Results of operations of Delticom AG

Revenues

In the 2024 financial year, Delticom continued to purchase merchandise goods from third-party suppliers, selling them to Pnebo on the date on which they are shipped to the warehouse. The resultant revenues amounted to € 201.5 million (2023: € 209.5 million). In order to provide a more realistic presentation of the progression of business and of the results of operations, the following section utilizes sales revenues figures that have been reduced to reflect the amount of € 201.5 million. These figures are referred to as "adjusted revenues" below.

In the financial year elapsed, Delticom generated total revenues of € 667.1 million (2023: € 668.2 million). Adjusted revenues amounted to € 465.5 million (2023: € 458.7 million, +1.5 %). With the year-on-year revenue growth, Delticom AG is making a significant contribution to the Delticom Group's business growth.

Other operating income

Other operating income increased to € 20.6 million (2023: € 17.0 million) in the reporting period. The increase of 20.9 % is mainly due to higher income from the reduction of general value adjustments, the reversal of provisions and gains from exchange rate differences. The latter amount to € 4.9 million in the period under review (2023: € 3.3 million). Delticom reports currency losses under other operating expenses (2024: € 5.6 million, 2023: € 4.5 million). The balance of currency gains and losses in the reporting period amounted to € –0.7 million (2023: € –1.2 million).

Key expense positions

Revenues related to the sale of merchandise from Delticom to Pnebo in an amount of € 201.5 million (2023: € 209.5 million) incurred at no sales margin. Cost of materials adjusted for the cost of sales to Pnebo is subsequently referred to as "adjusted cost of materials", and is also utilized in all calculations based on the cost of materials, such as gross margin.

Cost of goods sold

The largest expense item is the cost of materials, which comprises input prices for the tyres that are sold. The adjusted cost of materials amounted to € 346.3 million in the period under review (2023: € 331.0 million). The increase of 4.6 % is mainly due to a changed sales mix. Compared to the previous year, the cost of materials ratio increased from 72.2 % to 74.4 %.

Personnel expenses

The company employed an average of 122 staff in the period under review (2023: 140). Personnel expenses decreased by 10.7 % from € 12.0 million to € 10.7 million compared to the previous year. The decrease is mainly due to the reduction in headcount in connection with the relocation of the warehouse location in

Hanover. Service providers are primarily used in the new warehouse. The corresponding costs are recognised in warehouse handling. The personnel expense ratio (ratio between personnel expenses and adjusted revenues) amounted to 2.3 % in the period under review (2023: 2.6 %).

Other operating expenses

Transportation costs

Within other operating expenses, transport costs are the largest single item. In the reporting period, they amounted to € 44.7 million (2023: € 39.0 million). The increase is due on the one hand to the higher business volume and on the other to the sales country mix. The share of transport costs in adjusted sales amounted to 9.6 % (2023: 8.5 %).

Warehousing costs

Expenses for warehousing increased by 38.0 % in the reporting period from € 8.0 million in the previous year to € 11.0 million. The increase is largely due to one-off costs in connection with the relocation of the warehouse site from Hanover to Oldenburg (Schleswig-Holstein). In contrast to the previous location in Sehnde, the new warehouse relies almost exclusively on external service providers, which means that the costs previously recognised in personnel expenses have been shifted proportionately to warehouse handling. As a percentage of adjusted sales, warehousing costs amounted to 2.4 % (2023: 1.7 %).

Marketing

Marketing costs amounted to € 11.6 million in the reporting period, after € 12.3 million in 2023 this correponds to a decrease of 5.6 %. This is primarily due to the measures already initiated in 2023 to optimize marketing activities. The ratio of marketing expenses in relation to adjusted revenues amounted to 2.5 % (2023: 2.7 %).

Depreciation

Depreciation and amortization of intangible assets and property, plant and equipment went down by 32.1 % in the period under review from € 3.2 million to € 2.2 million.

Assumption of losses & depreciation of financial assets

Expenses from the assumption of losses from subsidiaries amounting to € 1.2 million were recorded in the reporting period (2023: € 0.4 million). In contrast to the previous year, there were no write-downs of financial assets in the past financial year (2023: € 1.6 million).

Earnings position

Gross margin

The gross margin (gross margin excluding other operating income) for the past financial year was 25.6 % compared with 27.8 % in the corresponding prior-year period. The year-on-year decrease is primarily due to the change in the sales mix.

Gross profit

Gross profit decreased by 3.4 % in the period under review, from € 144.6 million in the comparable prior-year period to € 139.7 million. Gross profit in relation to adjusted total operating income of € 486.1 million (2023: € 475.7 million) amounted to 28.7 % (2023: 30.4 %).

EBITDA

At € 8.5 million, earnings before taxes, net interest income, net investment income, depreciation and amortization were significantly lower than in the previous year (2023: € 14.6 million, –41.6 %). In addition to the decline in gross profit, one-off effects in connection with the relocation of the warehouse location in Hanover and the extension of the syndicated loan agreement in the past financial year had a particularly negative impact on earnings.

EBIT

Earnings before interest, taxes and income from investments (EBIT) amounted to € 6.4 million (2023: € 11.4 million) in the reporting period.

Financial income

There was no income from participating interests in the reporting period (2023: € 0.5 million). The income from profit transfer agreements decreased by 52.3 % from € 0.8 million in 2023 to € 0.4 million in 2024. The income is offset by interest and similar expenses of € 1.4 million (2023: € 1.6 million).

Income taxes

With regard to income taxes, there was an expense of € 2.0 million for the reporting period (2023: € 2.5 million). The past financial year includes tax expenses relating to other periods totalling around € 1.1 million, of which only € 0.2 million will have a short-term cash effect.

Income and dividend

Earnings 2024 were € 2.7 million, compared with a prior-year figure of € 8.0 million. This corresponds to earnings per share for the fiscal year of € 0.18 (2023: € 0.54). With regard to the dividend, we refer to the explanations in the Group management report.

in € thousand	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Revenues	**667,058**	**668,210**
Other operating income	20,554	17,006
Cost of materials	-547,873	-540,579
Personnel expenses	-10,684	-11,966
Depreciation	-2,164	-3,187
Other operating expenses	-120,527	-118,072
Income from participating interests	0	450
Other interest received and similar income	479	1,425
Depreciations of financial assets	0	-1,600
Expenses from loss transfers	-1,185	-360
Paid interest and similar expenses	-1,436	-1,609
Income from profit transfer agreements	385	806
Expenses from loss transfers	-1,957	-2,478
Earnings after taxes	2,651	8,046
Loss carried forward	0	-36,817
Withdrawal from the legal reserve	0	200
Withdrawal from the capital reserve	0	28,571
Balance sheet result	**2,651**	**0**

General statement of the Management Board on the earnings situation

Last year, Delticom AG succeeded in slightly increasing its revenues compared to the previous year. The year-on-year decrease in the gross margin is primarily due to the change in the sales mix. One-off effects in connection with the relocation of the warehouse location in Hanover and the extension of the syndicated loan agreement had a negative impact on earnings in the past financial year. This was offset, for example, by the reduction in marketing expenditure and personnel expenses. Against this backdrop, the assessment of the earnings performance in the past financial year is positive overall. Our focus remains on measures to reduce costs, optimize processes and increase efficiency.

Financial and assets position Delticom AG

Delticom AG had a sound financial position and net assets as of the balance sheet date 31.12.2024.

Investments

In order to exploit as best as possible economies of scale and learning effects in warehousing logistics, we invest constantly in expanding information, conveying and packaging technology in the warehouses that we rent. The investments in property, plant and equipment amounted to € 4.9 million in 2024 (2023:

€ 4.1 million) and mainly relate to replacement and equipment investments in our warehouses. In addition, Delticom invested a total of € 249 thousand in intangible assets in the period under review. These investments relate mainly to expansions of software licenses.

Balance sheet structure

Total assets of € 155.5 million as of 31.12.2024 were 19.1 % above the previous year's € 130.5 million.

Non-current assets

On the assets side, non-current assets at € 45.3 million are at the previous year's level (31.12.2023: € 45.3 million). The capital reduction at one subsidiary was offset by higher investments in property, plant and equipment compared to the previous year.

Inventories

Inventories amounted to € 5.2 million (2023: € 4.5 million) in the reporting period. Summer stockpiling began earlier in order to ensure a high delivery capacity at the beginning of the current year. As a result, more goods were in transit over the balance sheet date.

Receivables

Receivables due from associated companies in the reporting period amounted to € 63.6 million (2023: € 38.2 million). The increase compared to the reporting date is largely due to strategic summer stockpiling. Delticom increased its stocks of tyres produced outside Europe at an early stage due to regulatory uncertainties in connection with the EU deforestation regulation and transferred them to the purchasing company within the Delticom group after delivery. Trade receivables of € 19.4 million are 9.8 % lower than the previous year (2023: € 21.5 million).

Other assets amounting to € 8.9 million (2023: € 4.9 million) mainly relate to receivables in connection with sales and import VAT.

Liquidity

Liquid assets recorded a net decrease of € 1.6 million. "Balance sheet liquidity" amounted to € 2.7 million as of 31.12.2024 (2023: € 4.3 million, –38.0 %).

The total current assets of € 99.7 million were above the corresponding figure for the previous year (2023: € 73.4 million).

Deferred tax assets

Delticom has made use of the capitalization option pursuant to Section 274 (1) sentence 2 HGB and has capitalized deferred tax assets in the amount of € 9.9 million (2023: € 11.2 million).

Provisions and liabilities

On the equity and liabilities side of the balance sheet, provisions and liabilities increased by 24.7 % or € 22.8 million, from € 92.3 million to € 115.1 million. While provisions decreased by € 0.7 million to € 8.3 million (previous year: € 9.1 million), liabilities increased to € 106.8 million (previous year: € 83.2 million).

Within the € 106.8 million of liabilities as of 31.12.2024 (2023: € 83.2 million), € 71.2 million, was attributable to trade payables. Compared with the previous year's € 55.1 million this amount increased by € 16.1 million or 29.2 %. This is due to strategic summer stockpiling. Liabilities to affiliated companies decreased from € 10.0 million million to € 8.2 million in a closing date comparison.

Liabilities due to banks

Liabilities to banks amounted to € 10.4 million at the end of the year against the backdrop of a weaker winter tyre business compared to the previous year. There were no liabilities to banks as at the balance sheet date 31.12.2023.

Equity

On the liabilities side, shareholders' equity increased by € 2.5 million or 6.7 % to € 38.9 million (2023: € 36.4 million). The structure of liabilities and equity shows a decrease in the equity ratio from 27.9 % to 25.0 % compared with the previous year. At € 21.5 million, the capital reserve is almost at the previous year's level (2023: € 21.6 million).

in € thousand	31.12.2024	31.12.2023
Fixed Assets	**45,275**	**45,284**
Intangible assets	711	1,034
Property, plant and equipment	12,450	9,217
Financial assets	32,114	35,033
Current Assets	**99,682**	**73,415**
Inventories	5,188	4,540
Accounts receivables	19,397	21,514
Receivables from affiliated companies	63,584	38,179
Other receivables and other assets	8,862	4,908
Cash and cash equivalents	2,651	4,273
Deffered item	**620**	**607**
Deffered taxes	**9,902**	**11,229**
Assets	**155,479**	**130,535**

in € thousand	31.12.2024	31.12.2023
Equity	**38,854**	**36,398**
Subscribed capital	14,723	14,805
Share premium	21,481	21,592
Retained earnings	0	0
Balance sheet profit/loss	2,651	0
Provisions	**8,321**	**9,061**
Provisions for taxes	2,377	1,282
Other provisions	5,944	7,780
Liabilities	**106,785**	**83,244**
Liabilities to banks	10,360	0
Payment received on account of orders	3,925	3,079
Accounts payable	71,217	55,113
Payables to affiliated companies	8,193	10,024
Other liabilities	13,090	15,028
Deferred item	**1,518**	**1,832**
Passiva Shareholders' Equity and Liabilities	**155,479**	**130,535**

Overall statement on the financial and assets position

Sustainable Balance Sheet

The increase in trade payables against the backdrop of strategically early summer stockpiling leads to an extension of the balance sheet. The transfer of inventories after delivery to the purchasing company contributes to a corresponding increase in receivables from affiliated companies. Despite the reduction in the equity ratio as a result of the balance sheet extension, Delticom AG's equity base remains at an adequate level. The utilisation of credit lines was higher compared to the reporting date. With the extension of the syndicated loan agreement in December 2024 until 30.06.2028, Delticom continues to be sufficiently financed to compensate for seasonal shifts and reporting date effects. Overall, we assess the development of the financial position and net assets in the past financial year as solid. The company is well positioned in terms of its balance sheet and has a stable basis for future growth.

Risk Report

The business development of Delticom AG is essentially subject to the same risks and opportunities as those of the Delticom Group. The overall statement made in the risk report for the Group on the opportunity and risk position explicitly includes Delticom AG due to its importance within the Delticom Group.

Forecast

Corporate planning is carried out at Delticom group level. Due to the intermeshing of Delticom AG with its Group companies, and its weight within the Group, please refer to our remarks in the Outlook section (Forecast report), which in particular reflects expectations for the parent company. As a result, it can be assumed that Delticom AG's business development in the current year will be in line with the Group's development.

Risk and Opportunity Report

As an internationally operating company, Delticom is exposed to a wide range of risks. In order to be able to identify and evaluate these risks in good time and to initiate appropriate countermeasures, we established a risk management system at an early stage and adopted a company-wide guideline for early risk identification and risk management. Delticom considers opportunities to be potential successes that go beyond the defined targets.

Opportunities report

The following is a description of the main opportunities that we consider to be possible within the aforementioned observation period for risk reporting.

COVID-19

The coronavirus pandemic has led to an increase in contactless online purchases. With increasing online penetration, the proportion of e-shoppers continues to rise. This trend has a positive effect for Delticom as an online retailer, as customers are increasingly using the opportunity to buy tyres online and the advantage of online shopping remains sustainable.

Market opportunities

Delticom can improve its market position. By creating strategic conditions, Delticom can expand its market position in existing markets and pave the way for entering new markets. These conditions can include location advantages, better prices, but also an improved product range.

Process optimisation

Optimised processes enable Delticom to further expand its competitiveness. Delticom is constantly working on process optimisation and automation in order to achieve cost benefits, for example. These cost advantages can be passed on to our customers and thus increase our attractiveness on the market.

Cost and project management

Delticom is constantly working on reducing costs and developing new projects. Within the scope of project implementation, additional synergies and further efficiency gains can arise, which ultimately lead to lower costs or a higher contribution to revenues or earnings in deviation from the project planning. New projects that arise during the year and were therefore not part of the planning at the beginning of the year can also have a positive impact on the company's success.

Risk report

Definitions

Risks

Delticom defines risks as events that make it difficult or even impossible for us to achieve our business objectives within a given timeframe. These events may be of an internal or external nature to the company. Key risk areas include market shares, revenue expectations, margins, liquidity, legal risks and IT risks.

Risk management

In our risk management function, we formulate and monitor measures that are meant to

- reduce potential damage (e.g. FX forwards and insurances),
- reduce the probability of occurrence (e.g. through opting for a low-risk course of action or launching of monitoring systems), or
- avoid risks.

As part of risk management, decisions can also be made to consciously enter into risks. We do this if opportunities outweigh related risks, and the potential damage or loss does not carry any going concern risks.

Early risk detection system

Our early risk identification system consists of all organisational processes that precede actual risk management. This system is tasked to

- identify material and critical going-concern risks at an early stage,
- analyse and assess these risks,
- determine responsibilities for risk monitoring and
- communicate risks to the right people in time.

As early risk identification and risk management go hand-in-hand, both concepts are summarised below under "risk management" in its broader sense.

Risk assessment

12-month observation horizon

The classification and measurement of risk is derived from comparisons of current operating activities with our business targets. We regularly create targets as part of our strategic planning (five-year timeframe) and budget planning (current and following year). We apply a standard 12-month observation horizon for risk management.

Risk Rating

The company's equity is used as the basis for calculating the risk rating. A distinction was made at 31.12.2024 between high (going concern risks, expected net losses in excess of € 20 million), medium (material, expected net losses between € 2 million and € 20 million) and low (expected net losses of less than € 2 million) risks.

Gross/net risk

In our analysis, we always initially regard risks as gross risks, in other words, excluding countermeasures. Countermeasures are assessed as to how effectively they avoid, reduce or devolve risk (event risk and loss amount) to third parties.

Net risks are then derived by subtracting expected effects of specific countermeasures from gross risk value. The loss expectations follow from the gross and net amounts of loss by weighting them with probabilities of occurrence. Overall, there are three groups of probabilities of occurrence: high (more than 66.7 %), medium (33.4 - 66.6 %) and low (less than 33.3 %).

Risk management organisation

Delticom's risk management is based on these four pillars: Risk Support Team, Risk Manager, Internal Risk Revision and Management Board.

Risk Support Team

The functional areas and departments are the smallest organisational units within Delticom's risk management function. As a Risk Support Team, functional area managers identify and assess the relevant risks. They propose and subsequently implement action plans.

Risk manager

The Risk Manager has authority to issue guidelines for methods and codes of conduct in the context of risk management. He also coordinates risk reporting at Delticom and is responsible for inventorying and processing risks for the Management Board.

Internal Risk Audit

An internal auditor is responsible for auditing the risk management system. The effectiveness of the methods and countermeasures used is reviewed annually on the basis of random samples.

Management Board

The Management Board ensures comprehensive risk reporting, collaborating with the Risk Manager. In line with the requirements of corporate law, the Management Board ensures appropriate risk management and controlling within the company, in close cooperation with the Supervisory Board. The Management Board approves suitable risk mitigation measures.

Expanded risk consolidation scope

No significant risks that could threaten the existence of Delticom AG could be identified with respect to any subsidiaries. The parent company is responsible for controlling risks. As the subsidiaries are mainly sales organisations, no separate risk consideration is undertaken for the subsidiaries. This decision is reassessed annually by the risk manager. The significant risks are essentially attributable to our core business due to the higher proportion of sales achieved by the online tyre business. The operational risks of other business areas do not differ in essence from the risks found in the tyre business. The subsidiaries are included under the risk management process via the directors.

Communication and reporting

In addition to regular risk reporting by the risk manager, ad hoc reporting is possible at any time if required. No distinction is made here between risk classifications, so that every risk is initially recorded. In principle, permanent risk communication is carried out as part of business management.

Software

Delticom employs special software in order to support its risk management function.

Risk inventory

The risk manager carries out an annual risk inventory. As part of such a risk inventory, it is determined in all functional units and subunits whether new risks have arisen compared to the short- and medium-term planning. At the same time, it is checked whether and how measures already adopted have successfully limited known risks or whether there is still a need for further action. The risk support team supports the risk manager in this process and incorporates unit-specific developments into the assessment.

Risk audit

After the annual risk inventory has been completed, the independent internal risk audit department selects several identified risks. The selected risks are typically new risks included to the inventory list, as well as risks with a particularly high or a particularly low gross risk, and risks with a particularly high or a particularly low probability of occurrence. The gross risk assessment and the effectiveness of the implemented countermeasures are then reviewed for these risks. New findings are reported to the risk manager and updated in the risk management system. The audit manager prepares a protocol for this purpose for documentation and reports to the Board of Management. Overall, the risk audit did not identify any significant changes in risks compared to the previous year.

Material and key individual risks

The 2024 risk inventory did not identify any going concern risks with a net expected loss of more than € 20 million or any significant individual risks with a net expected loss of between € 2 million and € 20 million.

Other key individual risks grouped by risk category

On the next pages, the individual risks with a low loss amount (less than € 2 million expected net loss) are listed in alphabetical order, grouped by risk category.

Procurement risks

Changes in input prices at the manufacturing level. Changes in commodity prices, in particular for oil and rubber, play a significant role in sell-in pricing (manufacturers to retailers). Fluctuation of raw material pricing only factor into tyre manufacturers' calculations four to six months down the line and are then passed on downstream to tyre retailers.

In the wake of difficult developments on the market, prices could come under pressure over a period of several quarters. We routinely monitor the input factors to this situation and adjust our purchasing policies to be able to respond to probable price changes. In addition, we can turn more towards drop-ship in order to lower the risk of price deflation in our stocks.

Permanent process optimisation and increasing automation of business procedures provide Delticom with an ongoing opportunity to reduce costs. In order to best utilize these opportunities, the company has established a separate process management section and acquired the supporting software system that allows current tasks to be prioritised across the various sectors.

Suppliers may run into commercial and financial difficulties. As a tyre dealer, a factor that contributes to the low risk is that we offer a broad brand portfolio. If any supplier is unable to fulfil their obligations in a particular tyre model, we can always procure the goods from other parties.

Sector-specific risks

The replacement tyre trade is subject to seasonal fluctuations. Because of this unpredictable factor, differences in performance between quarters and year-over-year are unavoidable. During times of lower revenues, Delticom will continue to hone its cost structure.

Delticom is continually developing its product portfolio. Our modular, easily scalable infrastructure allows us to implement additional online shops quickly that are tailored specifically to different customer groups.

Regional or global excess inventories along the supply chain might burden price levels. Weather-related demand fluctuations can result in overstocks along the supply chain. This may lead to price distortions on the market. Since replacement tyre purchases cannot be delayed indefinitely, the supply chain usually settles down in the following season. We take the overall Europe-wide supply situation into account in our purchasing function, and we regularly assess warehousing and pricing policy alternatives.

Unfavourable weather conditions can lead to the build-up of excess inventories at Delticom. Delticom purchases part of its forecast sales quantities before the season starts. We warehouse these tyres, in order to be able to deliver tyres to our customers even at seasonal high times. Delticom generates only two thirds of its revenues by selling from own inventories. If sales fail to materialise, the goods may remain in stock, with the risk of obsolescence.

To minimise the risk even further, stocks are routinely checked for obsolescence. We offer older tyres - marked accordingly - at a discount in the online shops or sell them to business customers.

Lower average mileage driven due to ongoing increases of vehicle costs. In the event that the costs for running a car increase substantially, motorists might limit the amount of use of their vehicles during periods of crisis. In this scenario tyre wear is reduced and the purchase of replacements is delayed. Some car owners will even delay buying replacement tyres in spite of being aware of dangerously low tread on their tyres. However, this is not recognisable at present.

Demand for wear-resistant tyres may increase. Thanks to innovations and novel forms of technology, an increasing number of tyres boast lower wear capabilities, granting tyres a longer lifespan and increasing the time between replacements. On the other hand, electric cars have slightly higher wear and tear due to their higher weight and sportier acceleration and deceleration. In our opinion, the total impact of both effects cancels each other out. On wet or snowy and icy roads, the right mixture of rubber is still the key to providing optimum road safety. As in the past we expect motorists to continue to be unwilling to skimp on safety.

The demand for electric cars is currently rising continuously. Although the number of registered electric cars worldwide remains comparatively low, it is highly likely that electric motors will be the dominant form of drive in newly registered vehicles in the future. However, even in the case of increasing numbers of new registrations of vehicles with alternative drive systems, combustion engine vehicles will remain in the majority in the medium term in Europe.

Nevertheless, the automotive aftermarket will change in the long term. Experts are not currently in agreement with regards to the issue of how the trend towards electric cars will influence replacement tyre demand in the long term. While some assume that electric cars will result in friction and therefore tyre wear increasing, others believe it is just as likely that control systems will be developed which optimise acceleration and braking to minimise wear.

Currency risk

As a company with international business operations, Delticom is exposed to foreign currency risk. Due to exchange rate fluctuations in various foreign currencies such as the US dollar, but also other non-euro currencies in Europe such as the Swiss franc or Norwegian krone, there can be unwanted negative effects.

The company has local bank accounts and receives the majority of customer payments in local currency in corresponding foreign currency accounts. Where possible, local payment obligations are serviced in local currency from the respective inflows. Incoming payments in foreign currencies are largely hedged by outgoing payments in the same currency. Delticom's Treasury department hedges payment obligations in foreign currency from delivery contracts in connection with stockpiling using forward exchange transactions.

Political Conflict

Political conflict in East Asia could lead to a shortfall in the supply of tyres from Asian manufacturers. As Delticom sources some of its goods from East Asia, it would be affected by this unrest. The company works with various partners in East Asia, and its production sites are distributed regionally accordingly. If necessary, the quantities from Asia can largely be covered by the European brands. However, as around a quarter of all replacement car tyres meanwhile come from Asia, major market distortions are to be expected in such cases and, according to economic theory, significantly higher prices if demand remains unchanged. In addition, possible tariffs imposed by the European Union on imports of replacement car tyres produced in Asia could have similar effects.

Macroeconomic risks

Maintaining a vehicle is often a major expense item for a private household. Private saving efforts could lead to a decrease in mileage driven, thus causing car owners to put off their next tyre purchase. In future, car owners may decide to use public transport or share their cars, at least in well-developed metropolitan areas. However, alternative transport systems are not yet sufficiently efficient, especially in non-urban regions. Increasing numbers of consumers use the internet to search for inexpensive alternatives. Thanks to the excellent position of Delticom shops in search engines and our competitive product range, we see an opportunity for Delticom to profit in future from the increasing trend toward E-Commerce.

Due to the international orientation of our business, the market risk is limited. Relevant economic indicators and industry reports are used and analysed to assess possible future developments. This enables us to identify market risks - and opportunities - at an early stage.

IT risks

Delticom's business operations depend on the functioning and stability of complex IT systems to a high degree. To ensure the security, integrity, and availability of our data, we have implemented a robust data management and backup infrastructure. This comprehensive approach minimizes the risk of data loss and enhances our operational resilience.

An emergency manual with an extensive catalogue of escalation measures helps us to react rapidly and in a structured manner in emergency cases.

The computing centre is secured against unauthorized access, and operate essential fire prevention measures. Firewalls and other technical measures safeguard internet access to our systems. We orientate ourselves on most up-to-date standards.

The failure of the IT landscape due to programming errors is counteracted by extensive testing at development level. Possible errors can be detected before live operation.

As the result of IT-supported business transactions, Delticom has access to sensitive information about customers, partners and suppliers. For customers, it is important that their personal information is kept private. In our online shops we provide our customers with detailed information about data protection and privacy. We treat personal data and other sensitive information with meticulous care, taking into account all statutory regulations. Stringent rules and comprehensive technical safeguards ensure that customer data does not fall into the wrong hands. Independent authorities routinely inspect Delticom's IT security.

A complex password protection secures all web-based applications. Our servers are only accessible via upstream load balancers/firewalls, access to the servers is limited to a few people and is monitored by security personnel. Internal systems can only be accessed from outside the company network with a valid VPN certificate.

Through a change management system and 4-eyes principle in programming, we limit the risk of manipulation of programs/data by employees. Possible manipulations can be traced at any time via change histories. In applications, users only have access to those sub-areas that are necessary for the daily accomplishment of tasks. Access to the applications used is managed by means of a comprehensive authorization concept.

With respect to our suppliers, purchasing and payment terms represent confidential information. In protecting our relations we do not simply rely on procedural instructions but also safeguard inventory management and pricing systems with technical access controls.

Liquidity risk

Customers can run into payment problems, which can lead to bad debt losses. The payment behavior of our customers is usually good, but may decline in difficult times. If the economic situation of consumers in Europe deteriorates, this could be reflected in a decline in willingness to pay in the end customer business. We have a stringent receivables management system and cooperate with specialist companies in the areas of risk assessment and debt collection. We limit default risks for major business customers as far as possible through credit insurance.

Payment methods at risk of default, where payment is only made after the goods have been delivered, require a comprehensive catalog of measures in order to limit the risk of bad debt losses and fraud. In the area of payment processing, we cooperate with well-known service providers and also use an internal scoring system to identify orders at risk of default at an early stage.

The company has access to a **financial financing** totalling € 39 million via a syndicated loan agreement. In addition to guarantee lines, this mainly relates to credit lines for working capital financing during the year. The syndicated loan agreement has a term until 30 June 2028 and includes an extension option for a further 12 months. Covenants have been agreed with regard to net debt and equity. Based on medium-term corporate planning, compliance with the corresponding financial ratios should be ensured over the term of the agreement. In the event of non-compliance, the financing partners generally have a right of cancellation. The key financial figures are reviewed as part of the annual planning process. During the year, short-term liquidity development is also closely monitored on the basis of 13-week rolling liquidity planning. Current findings from the company's development and management are incorporated into the planning process. As working capital is of central importance, the company has established an inventory controlling system within controlling to monitor inventories and their development. In addition, the company has a treasury department, which is responsible for account management and monitoring within the Delticom group.

Personnel risks

Departure of key staff might negatively impact our business success. All corporate areas of Delticom depend on key personnel to a significant degree. As a market leader, we have created important know-how. We run the risk that this know-how is diluted when personnel leaves us to join our competitors. This risk is taken into account when structuring employment contracts. We place an emphasis on performance-related compensation.

Thanks to the collaboration software currently in use, knowledge is centrally documented, versioned and historicized. Employees receive a defined framework for action by means of work and process instructions.

Short coordination and decision paths: The flat organisational hierarchy within the Delticom Group ensures short coordination and decision-making paths. Meetings are held regularly (both within and across departments) to ensure the exchange of information and to bundle and specifically utilize the know-how available within the company.

Through regular staff appraisals, employees and managers have the opportunity to exchange views beyond their day-to-day business, to talk together about co-operation and mutual expectations, and to provide feedback so that everyone involved can develop further.

Process risks

Untrained staff and insufficient monitoring of customer orders can lead to customers receiving erroneous information and increase the rate of errors in order processing. This could result in a drop of customer satisfaction and lead to lower sales. Specialist staff trains the employees who work in our customer management operation centre. Independent of our specialist departments, auditing processes have been set up to monitor and ensure compliance with agreed service levels.

Legal risks

We categorise legal risks as legal disputes (civil, official and administrative court proceedings), compliance risks and risks from trade and purchasing restrictions.

Legal disputes can impact the Delticom Group negatively. In order to obtain prior advice in respect to brand, copyright, contract or liability issues, Delticom employs lawyers in the internal legal department and works together with well-known domestic and non-domestic law firms. We are pursuing a reasonable provisioning policy to cover those risks.

With our compliance measures and structures, we counter risks from the areas of unfair competition, anti-money laundering, data protection and antitrust law, among others. Here too, Delticom's internal legal department works together with external specialist advisors and renowned law firms in Germany and abroad.

The international orientation of the Delticom group also means that risks can arise in connection with trade and purchasing restrictions, embargo measures and economic sanctions against certain countries, companies and individuals. We pay strict attention to complying with customs and export control regulations as well as other trade restrictions, including throughIT-supported processes in the areas of money laundering/"know-your-customer" checks and sanctions lists.

Delticom pursues an appropriate provisioning policy to counter the aforementioned legal risks. To the extent that it makes economic sense, some of the risks are also covered by insurance.

Strategic risks

Delticom's business activities are based on the sustained acceptance of the internet as channel for buying tyres. Specialty tyre retailers and the other distribution channels play a key role in the tyre trade. This will not change in future: Many motorists will continue to buy their tyres from bricks-and-mortar tyre retailers. However, as is also the case for other merchandise, online tyre sales have already reached a sizeable dimension. Delticom's own revenue growth, as well as that of the competitors, suggest that acceptance of the internet as a sales venue is neither declining nor stagnating, but rather continues to grow.

Ukraine War

At present, Delticom has no operations in Russia or Ukraine. Therefore, Delticom is not directly affected by the current developments in the Ukraine war.

Tyre manufacturers are no longer dependent for Russia. Thus, Delticom is in regular exchange with the affected tyre manufacturers. The effects were actively managed.

Competition risks

Delticom operates in a competitive market with low entry barriers. The price level and thus the margins achieved can drop considerably as a result of competitive pressure. However, there are considerable barriers to grow to a size comparable to Delticom. Good buying prices and a streamlined cost basis allow a high level of price flexibility. Delticom's international orientation spreads the risk, as prices usually do not come under pressure throughout Europe, but only in individual countries. Forward exchange transactions are the main financial instrument used to hedge and manage the risk of exchange rate differences.

Prices can fall during recessions. A permanently lower demand would put serious pressure on prices. Such a scenario does not carry a high probability but the damage to Delticom could be substantial. Delticom has an extensive safety net and sufficient cash at its disposal to be able to resist a sustained downturn in prices.

Overall statement on the risk and opportunity situation

Delticom has a comprehensive and fully integrated risk early warning and risk management system. The existing systems and processes in the area of risk management have proven their worth and are continuously being developed further.

At present, we cannot identify any individual risks that jeopardize the Group's continued existence. The total sum of risks does not pose a threat to Delticom's continued existence. For every identified risk, there are corresponding opportunities that offer the possibility of achieving positive results through targeted risk management and strategic decisions.

Accounting-related ICS and RMS

Description of key characteristics of the accounting-related internal controlling system (ICS) and risk management system (RMS) with respect to the (Group) accounting process (Section 289 Paragraph 4 and Section 315 Paragraph 4 HGB – German Commercial Code)

Amending the statements with regards to the risk management made above, key characteristics of the internal controlling and risk management system with respect to the (Group) accounting process can be described as follows:

Organisation

The accounting-related internal controlling system covers the controlling, legal, accounting and corporate treasury functions, whose areas of responsibility are clearly delineated within the controlling system. The controlling system comprises all requisite principles, procedures and measures to ensure that accounting is effective, economically efficient and duly complying with relevant statutory regulations.

Role of the Management and Supervisory Boards

The Management Board is responsible for implementation and compliance with statutory regulations. It reports regularly to the Supervisory Board on the overall financial position of Delticom. The Supervisory Board oversees the efficacy of the internal controlling system. In accordance with the agreement, the auditor immediately reports to the Chairman of the Supervisory Board on all key findings and occurences arising from the audit which are of significance to the work of the Supervisory Board.

Group accounting

Due to the great importance of Delticom AG in the Group the accounting process is organised centrally. Delticom AG's Group accounting function prepares the consolidated financial statements according to International Financial Reporting

Standards (IFRS). For this purpose, we have set up Group guidelines for the following topics:

- IT-supported work processes
- general accounting principles and methods
- regulations relating to balance sheet, income statement, statement of comprehensive income, notes to the financial statements, management report, cash flow statement and shareholders' equity
- requirements arising from prevailing European Union legislation
- specific formal requirements for consolidated financial statements
- groups of consolidated companies

The Group guidelines also contain specific instructions as to how Group intercompany transactions should be mapped, invoiced, and how corresponding balances should be cleared.

IT-supported work processes

The consolidated companies' financial statements are compiled using IT-supported working processes. These include an authorization concept, audit routines and version controls. Along with manual process controls applying the "four eyes" principle, we also use software to enforce parallel process controls. We utilize an integrated bookkeeping and consolidation system for the actual calculations.

Outlook

Following a period of stagnation in the previous year, the economy in the eurozone recorded a moderate recovery. The European replacement tyre business also benefited from the economic recovery last year. The trend towards all-season tyres in particular continued with double-digit growth rates. At € 481.6 million, sales were up on the previous year (2023:€ 475.7 million, +1.3 %).

Forecast report

Assessment of the full-year guidance 2024

Revenues

In the 2023 financial year, the business benefited from strong demand for winter tyres in the final quarter. In our forecast at the beginning of the year, we therefore did not expect any stimulus from positive weather conditions and formulated a revenues target range of € 450 million to € 470 million for the 2024 financial year. Following a positive business performance in the first nine months and a good start to the winter tyre business in October, we raised the range for full-year revenues to between € 480 million and € 500 million. With € 481.6 million, the revenues achieved are within the adjusted range. At the same time, the company succeeded in exceeding the previous year's revenues of € 475.7 million.

Operating EBITDA

The company further improved its profitability and cost structure in the past fiscal year and slightly exceeded its full-year operating EBITDA target of € 22.7 million, which was formulated at the start of the year, in a range of € 19 to 21 million. In the 2023 financial year, Delticom AG benefited from income from project business in the mid-single-digit million range, which ceased as planned in 2024. Accordingly, the company succeeded in exploiting growth and earnings opportunities that arose, further optimizing processes and further improving cost structures for the future.

Future macroeconomic environment

Global economy

The experts at IfW Kiel expect global economic growth of 3.1% for 2025, although economic momentum will be influenced by geopolitical uncertainties and trade tensions. In particular, the measures taken by the new US government, including additional import tariffs, could have a negative impact on international trade. The monetary policy of many central banks is likely to be loosened further, while inflation is only falling slowly. Stable high prices in the services sector and unchanged energy prices in particular are contributing to a delayed easing of the inflation rate. At the same time, global financing conditions are expected to improve, which could create investment incentives and support growth in some regions.

Europe

The IfW Cologne is forecasting moderate growth of 0.9 % for the eurozone economy for 2025. The economy remains dampened by structural weaknesses, geopolitical risks and trade conflicts. The ECB's monetary policy is likely to be loosened further, which will improve financing conditions. Inflation is approaching the target of 2%, which could stabilize purchasing power. At the same time, new tariffs and potential trade tensions are weighing on foreign trade, while many European countries are having to reduce their budget deficits. The labor market remains stable, with a slightly falling unemployment rate of 6.0%. In some sectors, the shortage of skilled workers is hampering growth. Overall, the economic recovery remains subdued, with limited scope for stronger momentum.

Germany

According to experts at the Kiel Institute, the German economy is set to stagnate in the current year and German gross domestic product is unlikely to increase. The unemployment rate will rise to 6.3 %, while employment will continue to fall. Private consumption will remain subdued as consumer confidence is low and rising incomes will only provide limited stimulus. Investment is also subdued, particularly in the construction and industrial sectors, due to high financing costs and economic uncertainty. At 2.2 %, inflation is expected to be above the target level, primarily due to continued price increases in the services sector. In addition, political uncertainties, for example due to the new elections and the provisional management of the federal budget, could further burden the economic situation and delay investments.

Future sector-specific development

E-Commerce

E-commerce will continue to play an increasingly important role as a sales channel in the future. The Global Digital Report 2025 assumes that more than 5.5 billion people, or around 68 % of the global population, already use the internet today. The German E-Commerce and Distance Selling Trade Association (bevh) and the EHI Retail Institute expect continued and increased growth for domestic e-commerce in the medium term. In a joint forecast, the experts anticipate a continuation of the market recovery and sales growth of 2.5 % in domestic e-commerce over the course of 2025. Risks are seen in new crises, uncertainties surrounding the German general election, for example, and further geopolitical tensions. On the other hand, faster growth could be possible if there is positive momentum, especially as many consumers have built up savings due to a high savings rate.

Replacement tyre market

Following a negative trend in 2023, the European replacement passenger car tyre business recorded an increase in volume in 2024, primarily thanks to the all-season segment. Despite this positive development, the market volume is still below the pre-pandemic level according to the ETRMA. Developments in the current financial year will depend not least on the economic conditions.

2025 forecast

Focus on the core business

In the past fiscal year, the company succeeded in exploiting growth and earnings opportunities that arose, further optimizing processes and further improving its cost structures for the future. In addition, Delticom is in a position to seize sales opportunities flexibly. By focusing on measures to reduce costs, optimize processes and increase efficiency, Delticom will be able to further exploit the existing market and growth potential in the coming years.

Positive customer acquisition trend

Even though the European replacement tyre business benefited from a recovery last year, consumers remained cautious despite higher real wages and employment growth. It therefore remains to be seen to what extent the current year will usher in a turnaround and will largely depend on the overall economic conditions. Our declared aim is to convince at least as many new customers of our products and value-for-money offers in the current financial year 2025 as in the previous year (2024: 686 thousand).

Repeat Customers

Nearly 20 million customers have bought products in one of our online shops since the company was established. For the current fiscal year, we expect to be able to welcome some of these customers, who have been acquired over the past few years, to one of our online shops again.

Revenues and EBITDA

Even though experts anticipate moderate growth for the eurozone economy in 2025, the economy remains dampened by structural weaknesses, geopolitical risks and trade conflicts. There is still considerable uncertainty regarding market developments in the current year. Our planning therefore reflects neither the opportunities for a market recovery nor the risk of a significant deterioration in economic and sector-specific conditions. Accordingly, we are planning sales in a range of € 470 - 490 million for the current financial year.

We expect to further reduce costs in the current year in order to offset inflation-related cost increases. For operating EBITDA for the year as a whole, we are planning a range of € 19 to 21 million, depending on sales.

Investments

For the current financial year, we are planning to invest a low single-digit million amount in the further expansion of logistics facilities to reduce costs.

Liquidity

In line with our revenues and liquidity planning for the current year, we will build up or reduce inventories in the coming quarters. Close control of working capital will continue to play a central role. Free cash flow for the year as a whole is expected to be in the low single-digit millions.

Financing

The syndicated loan agreement extended in March of the last financial year has a term until June 2028. The current financing framework is sufficient to finance future growth.

Medium term outlook

Increasing digitization worldwide, coupled with steadily rising online penetration, is a key factor for future growth. As the market leader in the European online tyre trade, Delticom will continue to benefit from the growing importance of e-commerce as a sales channel in the medium term.

Free Cashflow

By continuing to focus on optimized inventories and consistent working capital management, Delticom will also generate positive free cash flows in the medium term.

Statement on corporate governance

The Managing and Supervisory Boards report summarized for Delticom AG and the Group on corporate governance, the working methods of the Managing and Supervisory Boards, defined targets and their achievement, and the corporate governance practices of Delticom AG and the Group. The corporate governance declaration is available on the company's website https://www.delti.com/de/investor-relations/corporate-governance/erklaerung-zur-unternehmensfuehrung/.

Information required by takeover law

Report on disclosures pursuant to Section 289a (sentence 1) and Section 315a (sentence 1) of the German Commercial Code (HGB)

The Management Board of Delticom AG reported as set out below on information in the management report on Delticom AG and on the Group for fiscal 2024, taking account of the knowledge and events up until the time when this report was prepared in accordance with § 289a Sentence 1 and § 315a Sentence 1 of the German Commercial Code *(HGB)*, as follows below. Please refer to the notes to the consolidated financial statements for information on the composition of the subscribed capital and information on direct or indirect shareholdings exceeding 10 % of the voting rights.

No. 1: Composition of subscribed capital

The Company's subscribed capital amounted to € 14,831,361 as of the balance sheet date. It consists of no-par value registered shares with a notional interest in the capital stock of € 1.00 per share.

No. 2: : Restriction affecting voting rights or the transfer of shares

Delticom AG's shareholders are not restricted in their decision to acquire or sell shares by German law or by the company's articles of incorporation. Only the statutory prohibitions on voting rights apply.

With regard to agreements between shareholders regarding restrictions on voting rights or the transfer of shares, the following applies:

The shareholders Prüfer GmbH and Binder GmbH, as parties to a pooling agreement, are restricted in the exercise of their voting rights in such a way that they have to vote their voting behaviour with a view to uniform voting at the Annual General Meeting.

No. 3: Interests exceeding 10 % of voting rights

Only the shareholders GANÈ Aktiengesellschaft based in Aschaffenburg/Germany and Binder GmbH and Prüfer GmbH, both of which are based in Hanover/Germany, hold direct interests in the company that exceed 10 % of Delticom AG's voting rights. Indirect interests that exceed 10 % of Delticom AG's voting rights exist on the part of Mr Rainer Binder, Hanover, to whom Binder GmbH's direct interest is attributed pursuant to § 34 Abs. 1 Satz 1 Nr. 1 WpHG of the German Securities Trading Act (WpHG), and on the part of Dr. Andreas Prüfer, Hanover, to whom Prüfer GmbH's direct and indirect stake is attributed pursuant to § 34 Abs. 1 Satz 1 Nr. 1 WpHG of the German Securities Trading Act (WpHG). The pooling agreement, whose parties are Prüfer GmbH, Binder GmbH, Mr Rainer Binder and Dr. Andreas Prüfer, also results in a mutual attribution of voting rights in the meaning of § 34 Abs. 1 Satz 1 Nr. 1 WpHG of the German Securities Trading Act (WpHG).

No. 4: Holders of shares with special rights

There are no shares with special rights which grant the holders controlling powers.

No. 5: Voting right control in the case of employee participation

Employees do not participate in equity so that employees cannot directly exercise their controlling rights.

No. 6: Appointment and recall from office of Management Board members, amendments to articles of incorporation

Management Board members are generally nominated and recalled from office pursuant to §§ 84 et sec. AktG. In addition, Section 6 Paragraph 1 Clause 3 of Delticom AG's articles of incorporation stipulates that Management Board members must not have exceeded their 67th birthday when ending the period of office for which they were appointed. Pursuant to § 6 (2) sentence 2 of the articles of incorporation, the Supervisory Board determines the number of Management Board members in line with statutory regulations. Pursuant to § 17 (3) sentence 1 of Delticom AG's articles of incorporation, amendments to the articles of incorporation require a simple majority of votes submitted, and, by way of divergence from § 179 (2) sentence 1 AktG, only a simple majority of share capital represented to the extent that a larger capital majority is not mandatory according to the law.

No. 7: Management Board authorizations, especially to issue and repurchase shares

The regulations that authorize the Management Board to issue shares are set out in § 5 "Level and division of share capital" of the articles of incorporation of Delticom AG, and those concerning the repurchase of shares in §§ 71 et seq. AktG of the German Stock Corporation Act (AktG) and corresponding authorization resolutions passed by the Annual General Meeting.

a) Authorized Capital

The Annual General Meeting on May 11, 2021 authorized the Executive Board, with the approval of the Supervisory Board, to increase the Company's share capital by a total of up to €6,231,665 by May 10, 2026 by issuing a total of up to 6,231,665 new no-par value registered shares of the Company against cash contributions or contributions in kind on one or more occasions (Authorized Capital 2021).

The Executive Board is authorized, with the approval of the Supervisory Board, to exclude subscription rights in the case of capital increases against contributions in kind.

In the case of capital increases against cash contributions, shareholders shall generally be granted subscription rights to the new shares. The new shares shall then be underwritten by at least one bank or at least one company operating in accordance with Section 53 (1) Sentence 1 or Section 53b (1) Sentence 1 or (7) of the German Banking Act (KWG) with the obligation to offer them to the shareholders for subscription.

The Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the case of capital increases against cash contributions,

aa) to utilize any fractional shares,

bb) to the extent that this is necessary to protect against dilution, in order to grant holders of conversion or option rights, which were or are issued by Delticom AG or by companies in which Delticom AG directly or indirectly holds a majority interest, subscription rights to new shares to the extent to which they would be entitled after exercising the conversion or option rights or after fulfilling conversion obligations,

cc) if the issue price of the new shares is not significantly lower than the stock market price and the shares issued in accordance with or by analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) against cash contributions excluding subscription rights during the term of this authorization do not exceed a total of 10% of the capital stock, either at the time this authorization becomes effective or at the time it is exercised. In calculating this limit of 10% of the capital stock, account shall be taken of (1) those shares which are issued or are to be issued to service bonds with conversion or option rights if and to the extent that the bonds are issued during the term of this authorization in analogous application of Sec. 186 (3) Sentence 4 AktG to the exclusion of subscription rights and (2) treasury shares which are sold during the term of this authorization in analogous application of Sec. 186 (3) Sentence 4 AktG to the exclusion of shareholders' subscription rights.

Authorized Capital 2021 was entered in the commercial register for the Company on July 30, 2021.

There is no other authorized capital.

b) conditional capitals

The Annual General Meeting of 29 April 2014 authorised the Management Board, with the consent of the Supervisory Board (or the Supervisory Board in place of the Management Board if option rights are granted to members of the Management Board), to grant option rights for the subscription of a total of up to 540,000 new no-par value registered shares of the Company to members of the Management Board of the Company, to employees of the Company and to employees and members of the management of affiliated companies (stock option programme 2014) on one or more occasions up to 28 April 2019. In order to grant new shares to the holders of option rights issued by the Company in accordance with the aforementioned authorisation resolution, the share capital was conditionally increased by up to € 540,000 by issuing up to 540,000 new no-par value registered ordinary shares (no-par shares) (conditional capital I/2014). By resolution of the General Meeting of 12 August 2019, the Conditional Capital I/2014 was reduced, so that the share capital is conditionally increased by a total of up to € 142,332 by issuing a total of up to 142,332 new no-par value ordinary registered shares (no-par value shares). This corresponds to the maximum scope required to service the option rights issued on the basis of the aforementioned authorization. Since the authorization has expired, no further option rights can be issued on this basis. The conditional capital I/2014 was originally entered in the Commercial Register on June 11, 2014, and the reduction was entered on September 23, 2019 by resolution of the Annual General Meeting on August 12, 2019.

By resolution of the Annual General Meeting on August 12, 2019, the authorization to grant stock option rights (stock option program 2014) granted by resolution of the Annual General Meeting on April 29, 2014 was also cancelled to the extent that the authorization had not yet been exercised.

On the basis of this authorization, a stock option plan for employees of the Company was introduced by resolutions of the Management Board of the Company on December 25, 2016 and of the Supervisory Board of the Company on December 27, 2016, and a stock option plan for members of the Management Board of the Company was introduced by resolution of the Supervisory Board of the Company on December 28, 2016. Based on these plans, a total of 16,003 stock options were issued to employees of the Company on January 10, 2017 and a total of 32,000 stock options to members of the Company's Management Board on January 5, 2017. On January 5, 2018, a total of 18,337 stock options were issued to employees of the Company and a total of 32,000 stock options to members of the Company's Management Board. In addition, a total of 16,660 stock options were issued to employees of the Company on December 17, 2018 and a total of 24,000 stock options to members of the Company's Management Board on December 28, 2018. In addition, 3,332 stock options were issued to employees of the Company on April 17, 2019. The vesting period for all stock options is four years beginning on the respective issue date. Due to this, the vesting period for 142,332 of the above-mentioned issued stock options has already expired. However, 117,332 of these stock options have already been expired and 48,000 share options have been waived.

The Management Board and the Supervisory Board will report in detail on the option rights granted and the exercise of option rights for each financial year in accordance with the applicable regulations in the notes to the annual financial statements, in the notes to the consolidated financial statements or in the annual report. By resolution of the Annual General Meeting on August 12, 2019, the authorisation to grant share option rights (2014 share option programme) granted by resolution of the Annual General Meeting on April 29, 2014 was revoked insofar as the authorisation had not yet been exercised.

The Annual General Meeting on August 12, 2019 authorized the Executive Board, with the consent of the Supervisory Board (or the Supervisory Board instead of the Executive Board, insofar as option rights are granted to members of the Executive Board), to grant option rights for the subscription of a total of up to 540,000 new no-par value registered shares of the Company to members of the Executive Board of the Company, to employees of the Company and to employees and members of the management of companies affiliated with the Company on one or more occasions or - insofar as issued option rights expire or otherwise lapse - repeatedly until August 11, 2024 (Stock Option Program 2019). This authorization was adjusted by resolution of the Annual General Meeting on May 10, 2022.

The capital stock of the Company is conditionally increased by up to € 540,000 (in words: five hundred and forty thousand euros) by issuing up to 540,000 (in words: five hundred and forty thousand) new no-par value registered shares (no-par value shares) (Conditional Capital I/2019). The conditional capital I/2019 serves exclusively to grant new shares to the holders of option rights issued by the Company in accordance with the authorization resolution of the Annual General Meeting on August 12, 2019 (agenda item 6 b)) or issued by the Company on the basis of the authorization resolution of the Annual General Meeting on August 12, 2019 (agenda item 6 b)), taking into account the amendments resolved by the Annual General Meeting on May 10, 2022 under agenda item 7 a).

The conditional capital I/2019 was entered in the commercial register on September 23, 2019. On the basis of the 2019 stock option program, 124,175 option rights were issued to members of the Board of Management by December 31, 2022 on the basis of a Supervisory Board resolution dated January 6, 2022, each with a vesting period of four years from the issue date. Of these, 74,505 option rights were expired by December 31, 2023 due to the withdrawal of Execution Board members in previous years.

By resolution of the Supervisory Board on 19 May 2023, 211,266 option rights were also issued to members of the company's Management Board on the basis of this share option program. A vesting period of four years applies to all share options from the 2019 share option program, which has not yet expired.

The Management Board and the Supervisory Board will report on the option rights granted and their exercise for each financial year in accordance with the applicable regulations in the notes to the annual financial statements, in the notes to the consolidated financial statements or in the annual report. The issue of further share options from the 2019 share option programme is no longer possible due to the cancellation of the underlying authorization, insofar as it had not yet been exercised at that time, since the corresponding resolution of the Annual General Meeting on 21 June 2023.

The Annual General Meeting on 21 June 2023 authorized the Management Board, with the approval of the Supervisory Board (or the Supervisory Board instead of the Management Board if option rights are granted to Management Board members), to grant option rights to subscribe to a total of up to 800,000 new no-par value registered shares in the company to members of the company's Management Board, employees of the company and employees and members of the management of companies affiliated with the company on one or more occasions or - if issued option rights expire or otherwise lapse - repeatedly until 20 June 2028 (stock option program 2023).

The company's share capital is conditionally increased by up to € 800,000 (in words: eight hundred thousand euros) by issuing up to 800,000 (in words: eight hundred thousand) new no-par value ordinary registered shares (no-par value shares) (conditional capital I/2023). Conditional Capital I/2023 serves exclusively to grant new shares to the holders of option rights issued by the company in accordance with the authorization resolution of the Annual General Meeting on 21 June 2023 (agenda item 7 b)). The shares will be issued at the exercise price to be determined in accordance with the aforementioned resolution. The conditional capital increase will only be carried out if the holders of the option rights make use of them. The shares will participate in profits from the beginning of the previous financial year, provided they are created by the beginning of the company's Annual General Meeting, otherwise from the beginning of the financial year in which they are created. Conditional Capital I/2023 was entered in the commercial register on 11.07.2023.

On 5 December 2024, a total of 404,219 share options were issued to members of the company's Management Board.

The Annual General Meeting on June 6, 2024 authorised the Management Board, with the approval of the Supervisory Board (or the Supervisory Board in place of the Management Board if option rights are granted to members of the Management Board), to grant option rights to subscribe to a total of up to 1,400,000 new no-par value registered shares in the company to members of the company's Management Board, to employees of the company and to employees and members of the management of companies affiliated with the company on one or more occasions until June 5, 2029 or - if issued option rights expire or otherwise lapse - repeatedly.

The company's share capital is conditionally increased by up to € 1,400,000 by issuing up to 1,400,000 new no-par value ordinary registered shares (no-par value shares) (conditional capital I/2024). Conditional Capital I/2024 serves exclusively to grant new shares to the holders of option rights issued by the company in accordance with the authorisation resolution of the Annual General Meeting on June 6, 2024. The shares will be issued at the exercise price to be determined in accordance with the aforementioned resolution. The conditional capital increase will only be implemented if the holders of the option rights exercise them.

No share options were issued under this share option plan in 2024.

The Management Board and the Supervisory Board will report in detail on the option rights granted and the exercise of option rights for each financial year in accordance with the applicable regulations in the notes to the annual financial statements, in the notes to the consolidated financial statements or in the annual report.

The Annual General Meeting on July 7, 2020 authorized the Executive Board, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds or bonds with warrants (collectively "W/C bonds") with a total nominal amount of up to € 70,000,000.00 with or without a limited term on one or more occasions until July 6, 2025 and to grant the holders of W/C bonds conversion or option rights to subscribe to a total of up to 5,500,000 (in words: five million five hundred thousand) new no-par value registered ordinary shares (no-par value shares) in the Company with a pro rata amount of the share capital of up to € 5,500,000.00 (in words: five million five hundred thousand euros) in total ("New Shares") in accordance with the more detailed provisions of the convertible bond or option conditions.

The share capital of the Company is conditionally increased by up to € 5,500,000.00 (in words: five million five hundred thousand euros) by issuing up to 5,500,000 (in words: five million five hundred thousand) new no-par value ordinary registered shares (no-par value shares) (Conditional Capital I/2020). The conditional capital I/2020 serves exclusively to grant new shares to the holders of conversion or option rights that are issued by Delticom AG or by companies in which Delticom AG directly or indirectly holds a majority interest in accordance with the authorization resolution of the Annual General Meeting on July 7, 2020 under agenda item 7 a).

The shares are issued at the conversion or option price to be determined in accordance with the aforementioned resolution. The conditional capital increase shall only be carried out to the extent that the holders of conversion or option rights exercise their conversion or option rights or fulfill conversion obligations under such bonds. The shares - insofar as they come into existence by the beginning of the Annual General Meeting of the Company - participate in profits from the beginning of the preceding fiscal year, otherwise from the beginning of the fiscal year in which they come into existence.

Conditional Capital I/2020 was entered in the Commercial Register on July 30, 2020. No W/O bonds have yet been issued on the basis of the above authorization; the full amount of Conditional Capital I/2020 still exists.

c) Management Board authorizations to repurchase and re-utilize treasury shares

By resolution of the Annual General Meeting on July 7, 2020, the Company was authorised to acquire treasury shares in a volume of up to 10% of its share capital existing at the time of the resolution or - if this value is lower - of its share capital existing at the time the authorisation is exercised. The authorization is valid until July 6, 2025. The authorization may be exercised in whole or in part, once or several times, for one or more purposes by the Company, by its Group companies or by third parties for its or their account. At the discretion of the Management Board, the shares may be acquired either via the stock exchange or by means of a public purchase offer addressed to all shareholders.

The consideration per share paid for the acquisition of the shares on the stock exchange (excluding incidental acquisition costs) may not be more than 10% higher or lower than the average closing price on the three stock exchange trading days preceding the obligation to purchase (**"reference days"**).

The **"closing price"** is, with regard to each individual trading day, the closing price determined in the closing auction or, if such a closing price is not determined on the trading day in question, the last price of the Company's shares determined in continuous trading. The basis for all three reference days is the closing price in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange or in floor trading on a German stock exchange, or the last price in continuous trading which was based on the highest turnover in the ten trading days prior to the first of the three reference days. If the acquisition is made by means of a public purchase offer, the purchase price offered (excluding incidental acquisition costs) per share may not be more than 10 % higher or lower than the average of the closing prices (as defined above) on the three stock exchange trading days prior to the reference date.

The **"cut-off date"** is the date of publication of the Company's decision to make a public offer or, in the case of an amendment to the offer regarding the purchase price, the date of the final decision of the Management Board regarding the amendment to the offer.

The purchase offer may provide for conditions. If more shares are tendered to the Company for repurchase than the Company has offered to repurchase in total, the Company will acquire shares in proportion to the number of shares tendered.

Preferential acceptance of small numbers of up to 100 shares tendered per shareholder may be given.

The Management Board is authorized to use the acquired treasury shares for all legally permitted purposes; in particular, it may - with the approval of the Supervisory Board - redeem the shares, transfer them in return for non-cash contributions, transfer them to fulfill conversion or option rights arising from convertible bonds or bonds with warrants or in the course of fulfilling conversion obligations arising from convertible bonds, or, under certain conditions, sell them in ways other than via the stock exchange. Shareholders' subscription rights to own shares may be excluded under certain conditions.

On the basis of this authorization, the company announced on 3rd July 2023 introducing a share buyback programme beginning 4 July 2023 with a maximum term until 31st December 2023 and a maximum volume of 100,000 treasury shares and a maximum total purchase price of € 200,000 for the purpose of acquiring shares as an acquisition currency for the acquisition of companies. The buyback program was terminated prematurely on 11th December 2023. As part of this program, a total of 26,235 shares with a pro rata amount of the share capital of € 26,235 (corresponding to 0.18% of the share capital) were acquired between 4th July 2023 and 8th November 2023. The shares were acquired via the stock exchange by a bank commissioned by the company in electronic trading on the Frankfurt Stock Exchange (Xetra). There was no sale or other issue or withdrawal of treasury shares in the 2023 financial year.

On the basis of the same authorisation, the company then announced on April 28, 2024 that it would introduce a share buyback programme from April 29, 2024 with a term until December 31, 2024 and a maximum volume of 100,000 treasury shares and a maximum total purchase price of € 300,000.00 for the purpose of acquiring shares as an acquisition currency for the acquisition of companies. In 2024, shares with a pro rata amount of the share capital of € 82,299.00 (corresponding to 0.55 % of the share capital) were acquired The acquisition was carried out via the stock exchange by a bank commissioned by the company in electronic trading on the Frankfurt Stock Exchange (Xetra). There was no sale or other issue or cancellation of treasury shares in the 2024 financial year.

Due to the share buybacks, treasury shares with a total nominal value of € 108,534.00 had to be recognised in equity as at the balance sheet date. The amount paid in excess of this reduced the capital reserve by a total of € 137,067.92.

The Management Board and the Supervisory Board will report in detail on the share buyback in the notes to the annual financial statements, the notes to the consolidated financial statements or the annual report in accordance with the applicable regulations.

No. 8: Significant agreements by the company that are subject to a change of control following a takeover offer:

By resolutions of the Company's Management Board on December 25, 2016 and of the Company's Supervisory Board on December 27, 2016, a stock option plan for employees of the Company was introduced and by resolution of the Company's Supervisory Board on December 28, 2016, a stock option plan for members of the Company's Management Board was introduced.

Both stock option plans provide that in the event of a change of control of the Company (defined in the option terms and conditions as the direct or indirect acquisition of at least 50% of the voting rights in the Company by a natural person or legal entity or a plurality of natural or legal persons acting in concert), the stock options issued on the basis of these option plans become immediately exercisable, provided that the waiting period for these stock options has already expired and the performance target has been achieved. Option rights for which the waiting period has not yet expired expire without replacement.

On the basis of these plans, a total of 16,003 stock options were issued to employees of the Company on January 10, 2017 and a total of 32,000 stock options to members of the Management Board of the Company on January 5, 2017. On January 5, 2018, a total of 18,337 stock options were issued to employees of the Company and on January 5, 2018, a total of 32,000 stock options were issued to members of the Management Board of the Company. In addition, a total of 16,660 stock options were issued to employees of the Company on December 17, 2018 and a total of 24,000 stock options to members of the Company's Management Board on December 28, 2018. In addition, 3,332 stock options were issued to employees of the Company on April 17, 2019. The vesting period for all stock options is four years beginning on the respective issue date. Due to this, the vesting period for 142,332 of the above-mentioned issued stock options has already expired. However, 127,332 of these stock options have already been forfeited, so that 25,000 stock options are exercisable subject to the fulfillment of the other exercise conditions.

Delticom AG and another group company are also party to a follow-up financing (syndicated loan agreement) with lending banks. Each of these lending banks is entitled to terminate the syndicated loan agreement activelly upon the occurrence of a change of control – as defined in the agreement – and to demand repayment of the amounts owed, whereby the remaining lending banks may opt to continue the agreement without the terminating bank. The definition of a change of control in the syndicated loan agreement is not congruent with a change of control within the meaning of section 29(2) of the WpÜG; however, a change of control within the meaning of section 29(2) of the WpÜG may also constitute a change of control within the meaning of the syndicated loan agreement. Termination of the syndicated loan agreement would have an impact on the financing situation of Delticom AG and its group companies and could lead to their insolvency.

No. 9: Compensation agreements with Management Board members or employees for the instance of a takeover offer

The Company has not entered into any compensation agreements with members of the Executive Board or employees in the event of a takeover bid.

Consolidated Financial Statements of Delticom AG

Content

Consolidated Income Statement

in € thousand		01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Revenues from contracts with customers	(1)	**481,641**	**475,693**
Other operating income	(2)	25,410	27,133
Total operating income		507,052	502,826
Cost of goods sold	(3)	-358,726	-359,544
Gross profit		148,326	143,281
Personnel expenses	(4)	-13,463	-13,959
Amortization and depreciation of intangible assets, rights of use and property, plant and equipment	(5)	-10,084	-9,120
Bad dept losses and specific allowance	(6)	-3,287	-2,171
Other operating expenses	(6)	-111,286	-106,514
Earnings before interest and taxes (EBIT)		10,205	11,517
Financial expenses		-2,774	-2,571
Financial income		196	1,196
Net financial result	(7)	**-2,578**	**-1,375**
Earnings before taxes (EBT)		7,628	10,143
Income taxes	(8)	-3,592	-2,117
Consolidated net income		**4,036**	**8,026**
Thereof allocable to:			
Shareholders of Delticom AG		4,036	8,026
Earnings per share (basic)	(9)	0.27	0.54
Earnings per share (diluted)	(9)	0.27	0.54

Statement of Recognized Income and Expenses

in € thousand	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Consolidated Net Income	**4,036**	**8,026**
Changes in the financial year recorded directly in equity		
Other comprehensive income for the period	**423**	**111**
Recycling profit and loss		
Changes in value due to currency translation	67	111
Changes in the revaluation reserve	529	0
Total comprehensive income for the period	**4,459**	**8,137**
Attributable to shareholders of the parent	4,459	8,137

Consolidated Balance Sheet

Assets

in € thousand	Notes	31.12.2024	31.12.2023
Non-current assets		**124,209**	**108,910**
Intangible assets	(10)	36,941	37,255
Rights of use	(11)	60,732	46,103
Property, plant and equipment	(12)	15,068	10,769
Financial assets		2	2
Deferred taxes	(13)	7,385	10,665
Other non-current receivables	(14)	4,081	4,117
Current assets		**112,521**	**82,648**
Inventories	(15)	66,053	41,224
Accounts receivable	(16)	19,536	17,214
Other current assets	(17)	21,294	16,901
Income tax receivables	(18)	252	55
Cash and cash equivalents	(19)	5,387	7,253
Assets		**236,730**	**191,558**

Shareholders' Equity and Liabilities

in € thousand	Notes	31.12.2024	31.12.2023
Equity		**52,010**	**47,635**
Equity attributable to Delticom AG shareholders		**52,010**	**47,635**
Subscribed capital	(20)	14,723	14,805
Share premium	(21)	18,958	19,070
Stock option plan	(20)	262	151
Other components of equity	(22)	128	-295
Retained earnings	(23)	0	0
Net retained profits / losses	(24)	17,939	13,903
Liabilities		**184,720**	**143,923**
Non-current liabilities		**59,088**	**46,134**
Non current financial liabilities	(25)	59,067	46,113
Non-current provisions	(26)	21	21
Other Non Current Liabilities		0	0
Current liabilities		**125,631**	**97,788**
Income tax liabilities	(27)	3,157	2,076
Other current provisions	(26)	3,340	4,865
Contractual liabilities	(1)	4,616	4,028
Accounts payable	(28)	76,151	61,478
Current financial liabilities	(25)	20,105	9,429
Other current liabilities	(30)	18,262	15,913
Shareholders' equity and liabilities		**236,730**	**191,558**

Consolidated Cash Flow Statement

in € thousand	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Earnings before interest and taxes (EBIT)	**10,205**	**11,517**
Depreciation of intangible assets and property, plant and equipment	10,084	9,120
Changes in other provisions	-1,525	933
Gain (–) / loss (+) from the disposal of non-current assets	27	506
Other non-cash expenses and income	3,323	1,979
Changes in inventories	-24,829	2,116
Changes in receivables and other assets not attributable to investment or financing activities	-32,231	38
Changes in payables and other liabilities not attributable to investment or financing activities	42,434	9,154
Interest received	196	328
Interest paid	-2,774	-2,571
Income tax paid	-47	-63
Cash flow from operating activities	**4,863**	**33,057**
Payments for investments in property, plant and equipment	-5,517	-4,787
Payments for investments in intangible assets	-360	-811
Cash flow from investing activities	**-5,877**	**-5,598**
Payments for the acquisition of own shares	-194	-51
Cash inflow of financial liabilities	10,360	0
Cash outflow of financial liabilities	-11,021	-23,139
Cash flow from financing activities	**-855**	**-23,190**
Changes in cash and cash equivalents due to currency translation	1	0
Cash and cash equivalents at the start of the period	7,253	2,984
Changes in cash and cash equivalents	-1,867	4,269
Cash and cash equivalents - end of period	**5,387**	**7,253**

Statement of Changes in Shareholders' Equity

in € thousand	Subscribed capital	Share premium	Reserve from currency translation	Stock option plan	Revalu-ation reserve	Retained earnings	Net retained loss/ earnings	Total	Non-controlling interests	Total equity
as of 1 January 2023	**14,831**	**47,667**	**-406**	**272**	**0**	**200**	**-22,893**	**39,670**	**0**	**39,670**
Buyback of own shares	-26	-26						-52		-52
Withdrawal from the capital reserve		-28,571						28,571		
Withdrawal from retained earnings						-200	200			
Stock option plan				-121				-121	0	-121
Consolidated net income							8,026	8,026	0	8,026
Other comprehensive income			111				0	111	0	111
Total comprehensive income			**111**				**8,026**	**8,137**	**0**	**8,137**
as of 31 December 2023	**14,805**	**19,070**	**-295**	**151**		**0**	**13,903**	**47,635**	**0**	**47,635**
as of 1 January 2024	**14,805**	**19,070**	**-295**	**151**		**0**	**13,903**	**47,635**	**0**	**47,635**
Buyback of own shares	-82	-112						-194		-194
Stock option plan				111				111	0	111
Consolidated net income							4,036	4,036	0	4,036
Other comprehensive income			67		356		0	423	0	423
Total comprehensive income			**67**		**356**		**4,036**	**4,459**	**0**	**4,459**
as of 31 December 2024	**14,723**	**18,958**	**-228**	**262**	**356**	**0**	**17,939**	**52,010**	**0**	**52,010**

Notes to the Consolidated Financial Statements, Hanover, for the period from 1 January 2024 to 31 December 2024 of Delticom AG

Content

General notes

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 Hanover local court with register number HRB58026. Delticom's address is Hedwig-Kohn-Straße 1, 31319 Sehnde, Germany.

Delticom is Europe's leading e-commerce company for tires and complete wheels. The product range for private and business customers comprises around 600 brands and approx. 80,000 models of tires for cars and motorcycles. Complete wheels and rims round off the product range. Customers can also have the ordered products sent to one of Delticom AG's 26,000 workshop partners throughout Europe for fitting.

The group offers its product range in 70 countries, with a focus on the EU and other European countries such as Switzerland and Norway.

Delticom generates a large share of its revenues by selling from own inventories. This stock-and-ship business strengthens the relationships with manufacturers and enhances the supply capability, while generating good margins. Using drop-ship fulfilment, the company also sells goods from the warehouses of manufacturers and wholesalers. The goods are either transported directly from the supplier to the customer, or Delticom lets parcel services carry out the delivery.

In the online stores, the entire product range available through both sales channels is presented to customers in a uniform manner. Hotlines in the respective national language and the Europe-wide network of workshop partners ensure high service quality.

These consolidated financial statements were approved by the Executive Board on 26 March 2025. The consolidated financial statements are disclosed and submitted to the operator of the electronic Federal Gazette for publication in order to have them published in the German company register.

Rounding differences may occur for computational reasons.

Key accounting and valuation policies

General principles

Delticom AG prepares exempting consolidated financial statements according to IFRS pursuant to Section 315e HGB.

Delticom's consolidated financial statements for the 2024 financial year were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB), which are mandatory on the balance sheet date due to EU Regulation No. 1606/2002, on the basis of the principle of historical cost (with the exception of certain financial instruments that are recognized at fair value). The requirements of the applied standards and interpretations (SIC/IFRIC) were met without exception and result in the presentation of a true and fair view of Delticom's net assets, financial position and results of operations.

The consolidated financial statements are prepared in euros (€). The euro is Delticom's functional and reporting currency. Unless otherwise stated, the amounts in the notes are generally disclosed in thousands of euros (€ thousand).

Standards that were applied for the first time in the actual fiscal year under review (mandatory disclosure pursuant to IAS 8.28):

Delticom AG has implemented all accounting standards adopted by the EU that are mandatory from the 2024 financial year. The following standards were mandatory for the first time in the reporting year

- Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current and non-current liabilities with credit terms;
- Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback agreement;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Arrangements for Supplier Financing Agreements.

The above-mentioned regulations have no impact on Delticom's net assets, financial position and results of operations.

Standards and interpretations published but not yet required to be applied

The Delticom Group will apply the following standards in the future:

Standard / Interpretation		Published by the IASB	Mandatory application[1]	Adoption by EU	Anticipated effects
IAS 21	Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	8/15/2023	1/1/2025	yes	No impact
IFRS 7, IFRS 9	Changes to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	5/30/2024	1/1/2026	no	No impact
IFRS 19	Subsidiaries without public accountability: Information	5/9/2024	outstanding	no	No impact
IFRS 18	Presentation and disclosures in the financial statements	5/9/2024	1/1/2027	no	No impact

1 Mandatory first-time application from the perspective of Delticom AG.

The Group does not consider the effects of these new regulations on the current or future reporting periods or on foreseeable future transactions to be material.

Scope of consolidation

In addition to Delticom AG as the parent company, the group of consolidated companies comprises 8 (previous year: 8) domestic and 5 (previous year: 5) foreign group companies, which were fully consolidated in the consolidated financial statements.

Delticom holds an indirect interest in Delticom TOV, Lviv (Ukraine), and a direct interest in Delticom Russia, Moscow. Significant assets of both companies do not exist or have already been impaired. During 2021 and independently of the conflict in Ukraine, Delticom AG had already decided to close Delticom TOV and to discontinue the operations of Delticom Russia. The dissolution of Delticom TOV took place in February 2025.

Consolidation methods

Subsidiaries are all investments in companies in which the AG has control over the financial and business policy, regularly accompanied by a share of voting rights of more than 50 %. Inclusion begins at that point in time at which the possibility of control exists; it ends when this possibility no longer exists.

Acquired subsidiaries are accounted for using the purchase method. The consideration transferred for the acquisition corresponds to the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the transaction date. Assets, liabilities and contingent liabilities identifiable in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the consideration transferred from the acquisition over the Group's interest in the net assets measured at fair value is recognised as goodwill. If the consideration transferred is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the income statement after a further review.

The consolidated financial statements are based on the annual financial statements of the companies included in the consolidated financial statements prepared using uniform accounting policies. In the case of the companies included in the consolidated financial statements, the reporting date of the individual financial statements corresponds to the reporting date of the consolidated financial statements.

All intra-group receivables and liabilities or provisions were eliminated during the consolidation of debts netting. Revenues from deliveries and services as well as interest payments and other income between the consolidated companies are offset against the expenses due in this regard (consolidation of income and expenses). Intercompany profits arising from deliveries and services within the Group were adjusted for deferred taxes and recognized in income. Minority interests in equity and the earnings of subsidiaries that are not controlled by the parent company are shown separately.

Business combinations in accordance with IFRS 3

Identifiable assets, liabilities and contingent liabilities of an acquired company are generally measured at fair value at the time of the transaction. Any remaining differences between the cost of acquisition and the net assets acquired are recognized as goodwill. Any gain from a business combination is recognised immediately in profit or loss after reassessment.

The transferred consideration does not include any amounts relating to existing relationships. Such amounts are recorded in the profit and loss.

Segment reporting

Delticom is a single-segment company: The group's business activities consist of the online sale of tires and complete wheels. In e-commerce, goods are sold to dealers, workshops and end consumers via 348 online stores and sales platforms in 70 countries. The key performance indicators are revenue and operating EBITDA at Group level. With regard to domestic revenue, please refer to *(1) Revenue from Contracts with Customers*. In geographical terms, non-current assets (goodwill, rights of use, intangible assets, property, plant and equipment, and non-current sublease receivables) account for € 104,828 thousand in Germany and € 7,315 thousand in Romania and Switzerland. There are no other business areas besides e-commerce that could constitute separately reportable segments.

The economic indicators which are assessed by the Management Board are aggregated in the group accounts due to the similar economic characteristics of the online trade.

Currency translation

Transactions denominated in foreign currency are converted in the individual statements of Delticom AG and its subsidiaries at the exchange rates prevailing on the date of the transaction. Monetary items in the balance sheet denominated in foreign currency are carried using the exchange rate on the balance sheet date, with any gains or losses recognized in income.

The items included in the financial statements of each company of the Group are measured based on the currency which is the currency of the primary economic environment in which the company operates (functional currency). As a rule, foreign companies belonging to Delticom are independent sub-units, whose financial statements are translated using the functional currency concept.

All assets and liabilities are translated using the exchange rate on the balance sheet date. Equity is carried at historical exchange rates. The items on the income statement are translated to Euros using the weighted average annual rate of exchange. The resulting currency translation differences are taken directly to equity and carried under the reserve for currency translation differences, where they remain until the corresponding subsidiary exits the consolidated Group.

	Average rate on the balance sheet date	Weighted annual average exchange rate
country	1 € =	1 € =
UK	GBP 0,8267	GBP 0,8463
USA	USD 1,0351	USD 1,0823
Romania	RON 4,9744	RON 4,9688
Schwitzerland	CHF 0,9379	CHF 0,9521

Estimates and assumptions

In preparing the consolidated financial statements, assumptions and estimates were made that affected the amount and disclosure of the assets and liabilities, income and expenses and contingent liabilities recognized. The assumptions and estimates mainly relate to the uniform Group-wide determination of useful economic lives for fixed assets, the duration of leases and the associated incremental borrowing rate, the measurement of inventories including the assessment of their marketability, the recognition and measurement of provisions and the measurement of fixed assets including goodwill and the realizability of future tax relief. The assumptions underlying the respective estimates are explained in the individual items of the income statement and balance sheet. The actual values may deviate from the assumptions and estimates made in individual cases. Such deviations are recognized in profit or loss at the time they become known.

Due to the international nature of its business activities, Delticom AG and its subsidiaries are subject to a large number of national laws and regulations. These have an impact on the amount of tax assets and liabilities, deferred taxes and other taxes. This uncertainty is measured at the most probable value. Delticom decides whether groups of risks are summarized or presented individually depending on the individual case. Discretionary decisions resulted, among other things, from an estimate of the amount of potential tax back payments for income taxes as well as other taxes. In addition, discretionary decisions resulted from the assessment of the usability of tax loss carryforwards.

The company has no sales activities in either Ukraine or Russia. Accordingly, the war in Ukraine and the sanctions imposed by the West against Russia in this context are not expected to have any direct impact.

Accounting and valuation principles

Accounting treatment of acquisitions

Goodwill is recognized in the Group's balance sheet as a possible consequence of acquisitions. When an acquisition is consolidated for the first time, all identifiable assets, liabilities and contingent liabilities are recognized at their respective fair values on the acquisition date. One of the key estimates relates to the determination of the fair value of these assets and liabilities on the acquisition date. Land, buildings and office equipment are generally valued on the basis of independent appraisals, while marketable securities are recognized at market price. If intangible assets are identified, depending on the type of intangible asset and the complexity of determining the fair value, the independent opinion of an external valuation expert is used. These valuations are closely linked to the assumptions made by management regarding the future development of the value of the respective assets and the discount rate to be applied.

Goodwill

The Group reviews annually, and additionally if a triggering event occurs, whether any impairment of the goodwill recognized in the balance sheet has occurred. In this case, the recoverable amount of the cash-generating unit is determined. This corresponds to the higher of the fair value less costs to sell and the value in use. The determination of the recoverable amount includes adjustments and estimates relating to the forecast and discounting of future cash flows.

Delticom uses the fair value less costs to sell (FVLCOD) to determine the recoverable amount in fiscal year 2024. The basis for the measurement of the FVLCOD is the planning prepared by management for Delticom's business at overall Group level. This planning is based on the assumption that e-commerce will continue to gain importance in the tire trade in the coming years. The complete personnel and organizational integration of the Tirendo business into Delticom was the reason why the goodwill arising from the acquisition of Tirendo in 2013 is not monitored at the level of Tirendo, but at the level of the Group as a whole as a cash-generating unit.

Management assumes that the assumptions used to calculate the recoverable amount, particularly in connection with economic influences, margins and sales growth, are appropriate. The input factors used are based on market data. Changes in these assumptions could lead to an impairment loss that would adversely affect the net assets, financial position and results of operations.

For the impairment assessment of the acquired goodwill in the amount of € 35.3 million at the Group level, a discount rate after taxes of 9.66 % (previous year: 10.56 %), an average EBITDA margin of 4.5 % (previous year: 4.7 %), an average sales growth in the detailed planning period of 4.1 % (previous year: 0.4 %) and a growth discount for the perpetual annuity of 1.0 % (previous year: 1.0 %) were applied at overall Group level.

The discount rate is determined on the basis of the risk-free interest rate, the market risk premium and the borrowing rate. In addition, specific peer group information is taken into account for the beta factor and the leverage ratio.

The planning is also based on the assumptions that Delticom will continue to maintain its position as Europe's leading online tire retailer and that the cost structure will remain lean through additional automation and outsourcing. The planning period covers a period of five years plus a perpetual annuity. This involves making plausible assumptions about future developments. The planning assumptions are adjusted in line with the current state of knowledge.

The budgeted EBITDA is based on expectations of future results, taking past experience into account. Sales growth was forecast taking into account the average growth of the last five years and the estimated sales and price growth for the next five years.

In addition to the recoverable amount, however, Delticom AG's market capitalization must also be taken into account when measuring goodwill, with the result that Delticom uses the value in use concept. As of the balance sheet date, Delticom's market capitalization totaled € 31.7 million and was therefore lower than the carrying amount of the cash-generating unit (triggering event). Based on our corporate planning, however, we assume a value in use that is significantly higher than the market capitalization, so that the total recoverable amount is € 26 million (previous year: € 51 million) higher than the carrying amount of the cash-generating unit.

An increase in the WACC of 1.0 % and a reduction in the EBITDA margin in perpetuity of 0.5 % would not lead to any impairment.

Other intangible assets

Purchased intangible assets are capitalized at cost plus the costs of bringing them to a usable condition and, if they have a determinable useful life, are amortized pro rata temporis on a straight-line basis over their expected useful life.

The scheduled linear depreciation is mostly based on the following useful lives:

	Useful life in years
Internet domains	3–20
Software	3–10

Leasing agreements

For leases, the lessee recognizes a liability for future lease obligations. Correspondingly, a right of use to the leased asset is capitalized, which generally corresponds to the present value of the future lease payments plus directly attributable costs and is depreciated over the useful life.

Accounting as lessor

Delticom subleases leased assets (warehouse space) to third parties and is therefore also a lessor. The subleasing is classified as a finance lease. Accordingly, a receivable is recognized in the proportionate amount of the subletting. Conversely, the value of the right-of-use asset is reduced. Receivables and liabilities or expenses and income are not netted.

Delticom has not entered into any contracts as lessor that would have to be recognized as operating leases.

This note provides information on leases in which the Group is the lessee and also the lessor.

The following items are shown in the balance sheet in connection with leases:

in € thousand	12/31/2024	12/31/2023
Rights of use		
Buildings	60,647	45,894
Technical equipment and machinery	85	209
Operating and office equipment	0	0
	60,732	**46,103**
Leasing receivables		
short-term	2,260	3,377
long-term	3,000	3,572
	5,260	**6,949**
Leasing liabilities		
short-term	9,744	9,430
long-term	59,068	46,113
	68,812	**55,543**

Further details can be found in section 11 from the statement of changes in fixed assets.

The maturities of the liabilities are as follows:

in € thousand	2024	2023
up to 1 year	9,744	9,430
1–5 years	38,197	27,542
over five years	20,871	18,571
Total	**68,812**	**55,543**

Additions to right-of-use assets during the 2024 financial year amounted to € 22,140 thousand (previous year: € 5,452 thousand).

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

in € thousand	2024	2023
Depreciation on rights of use		
Buildings	7,512	5,949
Technical equipment and machinery	124	147
Income from sale and lease back transactions	0	10
Interest expenses	1,358	1,135
Expenses in connection with short-term leases (included in other operating expenses)	225	1,149
Expenses in connection with leases of low-value assets not included in current leases (included in other operating expenses)	17	251

Total payments for leases amounted to € 12,371 thousand (previous year: € 11,539 thousand). The amount of payments from leases recognized as expenses in accordance with IFRS 16.6 amounted to € 1,242 thousand in the financial year (previous year: € 1,400 thousand).

There are no longer any rental agreements in the other financial obligations.

In addition, there are rental extension options for various warehouses and office premises for periods of between 4 and 5 years, which could lead to cash outflows of € 98,047 thousand (previous year: € 73,778 thousand) if utilized to the maximum.

Delticom has mainly concluded rental agreements for office buildings, warehouses, IT equipment and warehouse equipment. The contracts have a term of up to 12 years and may include extension options.

There are exemptions for short-term leases and leases of low-value assets with regard to recognition within the meaning of IFRS 16. Payments for leases based on low-value assets and for short-term leases are recognized in profit or loss. Short-term leases are leases with a term of up to 12 months and without a purchase option. Low-value assets mainly include IT equipment and office furniture.

Right-of-use assets and lease liabilities are initially recognized at cost or present value. Lease liabilities include the present value of fixed and variable, index-based lease payments.

Lease terms are negotiated individually and include a variety of different conditions. Delticom's leases also include extension and termination options. Such contract conditions are used to give the group maximum operational flexibility with regard to the assets used by the group. The extension and termination options can only be exercised by the group and not by the respective lessor.

The measurement of the lease liability also includes lease payments due to the reasonably certain utilization of extension options.

Lease payments are discounted using the implicit interest rate underlying the lease if this can be readily determined. Otherwise - and this is generally the case in the Group - discounting is carried out using the lessee's incremental borrowing rate, i.e., the interest rate that Delticom would have to pay if it had to borrow funds to acquire an asset of comparable value for a comparable term with comparable security under comparable conditions in a comparable economic environment.

Lease payments are divided into repayment and interest components. The interest portion is recognized in profit or loss over the term of the lease.

Right-of-use assets are amortized on a straight-line basis over the shorter of the useful life of the underlying asset and the term of the underlying lease. Please refer to the comments on property, plant and equipment for information on the impairment testing of right-of-use assets.

Sale and lease back

Delticom sold individual assets in 2019 and then leased them back from the new owner. The corresponding contracts expired in the previous year.

The right of use associated with the leaseback was recognized at the portion of the previous carrying amount that relates to the retained right of use. Gains or losses were only recognized to the extent that they relate to the transferred rights.

Tangible assets

Property, plant and equipment is measured at historical cost less accumulated depreciation and impairment losses. Acquisition or production cost comprises the purchase price including directly attributable incidental acquisition costs incurred to bring the asset to working condition.

In the 2024 financial year, a change was made in fixed assets from measurement at amortized cost to the revaluation of assets for the land and buildings balance sheet item. This was determined on the basis of an expert valuation.

Discounts, bonuses and rebates are deducted from the purchase price.

Assets are depreciated using the straight-line method on a pro rata basis.

Subsequent costs are only recorded as part of the costs of the asset if it is probable that the future economic benefits will flow to the Group and the costs of the asset can be reliably identified.

All other repairs and maintenance are recognized in the income statement in the fiscal year in which they are incurred.

The remaining book values and economic useful lives are reviewed on each balance sheet date and adjusted accordingly. If the book value of an asset exceeds its estimated recoverable amount, it is written down to the latter immediately. If the reasons for non-scheduled depreciation performed in previous years no longer apply, the asset is written up accordingly.

Gains and losses on the disposal of assets are determined as the difference between the proceeds from the sale and the carrying amount and are recognised in the income statement.

Scheduled linear depreciation is essentially based on the following economic useful lives:

	Useful life in years
Warehouse equipment	12-17
Machinery	4-14
Equipment	3-13
Office fittings	3-23

Financial Instruments

i. Recognition and initial measurement

Trade receivables are recognized from the date on which they arise.

All other financial assets and liabilities are initially recognized on the trade date when the company becomes a party to the contract under the terms of the instrument.

A financial asset (other than a trade receivable without a significant financing component) or financial liability is initially measured at fair value. For an item that is not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue are also included.

Trade receivables without a significant financing component are initially measured at transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified and measured as follows:

- at amortized cost
- FVOCI debt instruments (investments in debt instruments measured at fair value with changes in other comprehensive income)
- FVOCI equity investments (equity investments measured at fair value with changes in other comprehensive income)
- FVTPL (at fair value with changes in profit or loss)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if both of the following conditions are met and it has not been designated as FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows; and
- the contractual terms of the financial asset result in cash flows at specified dates that represent only principal and interest payments on the outstanding principal.

A debt instrument is designated at FVOCI if both of the following conditions are met and it has not been designated as FVTPL:

- It is held within the framework of a business model whose objective is both to hold financial assets in order to collect the contractual cash flows and in the sale of financial assets and liabilities; and
- its contractual terms give rise, at specified times, to cash flows representing only principal and interest payments on the outstanding principal.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to show consequential changes in the fair value of the investment in other comprehensive income. This choice is made on a case-by-case basis for each investment.

All financial assets that are not measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Group may irrevocably decide to designate financial assets that otherwise meet the conditions for measurement at amortized cost or at FVOCI to FVTPL if this leads to the elimination or significant reduction of accounting mismatches that would otherwise occur.

Financial assets - Business model assessment

The Group makes an assessment of the objectives of the business model in which the financial asset is held at a portfolio level as this best reflects the way the business is managed and information is provided to management. The information to be considered includes:

- the risks affecting the results of the business model (and the financial assets held under that business model) and how those risks are managed;
- frequency, extent and timing of sales of financial assets in prior periods and expectations about future sales activities.

Transfers of financial assets to third parties through transfers that do not result in derecognition are consistent with the Group continuing to account for the assets, not sales for this purpose.

Financial assets which are held or managed for trading purposes and whose performance is assessed on the basis of fair value are valued at FVTPL.

Financial assets – assessment of whether the contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, the "principal amount" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the consideration for the time value of money and for the risk of default associated with the principal outstanding over a specified period, as well as for other basic credit risks, costs (such as liquidity risk and administrative costs) and a profit margin.

In assessing whether the contractual cash flows are solely interest and principal payments on the principal amount, the Group considers the contractual terms of the instrument. This includes an assessment of whether the financial asset contains a contractual agreement that could change the timing or amount of the contractual cash flows so that they no longer meet these conditions. In making this assessment, the Group takes into account the following factors:

- certain events that would change the amount or timing of cash flows;
- conditions that would adjust the interest rate, including variable interest rates;
- early repayment and extension options; and
- conditions that restrict the Group's right to receive cash flows from a specific asset.

An early repayment option is consistent with the criterion of exclusive interest and principal repayments where the amount of the early repayment consists essentially of unpaid interest and principal repayments on the outstanding principal, which may include reasonable additional consideration for the early termination of the contract.

In addition, a condition on a financial asset acquired at a premium or discount to its contractual principal amount that permits or requires it to be redeemed early for an amount that is substantially the same as its contractual principal amount plus accrued (but unpaid) contractual interest (which may include an appropriate consideration for early termination) is treated as complying with the criterion if the fair value of the early redemption option at inception is not significant.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, exchange rate gains and losses and impairments are recognised in profit or loss.

A gain or loss on derecognition is recognized in profit or loss.

FVOCI debt instruments – These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

Other net gains or losses are recognised in other comprehensive income. On derecognition, accumulated other comprehensive income is reclassified to profit or loss.

Equity investments in FVOCI – These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend is clearly covering part of the cost of the investment. Other net gains or losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or at fair value through profit or loss (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, is a derivative or is designated as such upon initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains or losses, including interest expenses, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign currency translation differences are recognized in profit or loss. Gains or losses from derecognition are also recognized in profit or loss.

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the rights to receive the cash flows in a transaction in which all significant risks and rewards of ownership of the financial asset are transferred.

Derecognition also takes place if the Group neither transfers nor retains all material risks and rewards of ownership and does not retain control of the transferred asset.

Financial liabilities

The Group derecognizes a financial liability when the contractual obligations are fulfilled, cancelled or expired. The Group also derecognizes a financial liability when its contractual terms are modified and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognized at fair value based on the revised terms.

When a financial liability is derecognised, the difference between the carrying amount of the liability extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and liabilities are offset and presented as net amounts in the balance sheet when the Group has a present enforceable legal right to set off the recognised amounts and it intends either to settle on a net basis or to settle the liability simultaneously with the realisation of the asset.

v. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge currency risks. Under certain circumstances, embedded derivatives are separated from the host contract and accounted for separately.

Derivatives are initially measured at fair value. Derivatives are subsequently measured at fair value. Any resulting changes are generally recognized in profit or loss.

At the inception of the designated hedging relationship, the Group documents the risk management objectives and strategies it pursues with respect to the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument and whether changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other.

Cash flow hedges

If a derivative is designated as a cash flow hedge, the effective portion of the change in fair value is recognised in other comprehensive income and transferred cumulatively to the hedge reserve. The effective portion of the changes in fair value recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedged item (calculated on a cash basis) since hedge inception. An ineffective portion of the changes in the fair value of the derivative is recognized directly in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventories, the cumulative amount of the hedge reserve and the hedging cost reserve is included directly in the cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the cumulative amount transferred to the hedge reserve and the hedging cost reserve is reclassified to profit or loss in the period or periods in which the hedged forecast future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount transferred to the hedging reserve remains in equity until - for a hedging transaction that results in the recognition of a non-financial item - this amount is included in the cost of the non-financial item on initial recognition or - for other cash flow hedges - this amount is reclassified to profit or loss in the period or periods during which the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, the amounts allocated to the reserve for hedging relationships and the reserve for hedging costs are reclassified directly to profit or loss.

As they do not meet the criteria for hedge accounting, our hedging transactions are not recognized as a valuation unit.

Inventories are generally measured at the lower of cost and net realizable value, taking into account any allowance for obsolescence.

Costs are calculated based on the average cost method. The market price is the selling price during the course of normal business less selling costs. Borrowing costs are not capitalised as costs

Trade receivables and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method and less impairments. In accordance with IFRS 9, an impairment of trade receivables is recognized in accordance with the expected loss model if there is objective evidence that the receivable amounts due are not or not fully recoverable.

The amount of the impairment is the difference between the book value of the receivable and the discounted value of the estimated future cash flows from this receivable, discounted using the effective interest rate. The carrying amount of the receivables is determined using special impairment account. Impairment is recognized as expense.

Items denominated in foreign currency are measured at the mean rate of exchange on the balance sheet date.

Cash and cash equivalents are carried at their nominal amounts. This item is used to disclose bank balances that are exclusively current in nature, as well as cash in hand and cheques. Cash and cash equivalents denominated in foreign currency are translated using the exchange rate on the balance sheet date.

Deferred taxes are calculated in accordance with IAS 12. Deferred tax assets are generally recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet, but only if it is probable that future taxable profit will be available against which the temporary difference can be utilized. In addition, deferred taxes are capitalized for loss carryforwards that are estimated to be realizable in the future. Deferred tax liabilities are generally recognized for all taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet.

Deferred taxes are recognized directly in equity if the tax relates to items that are credited or charged directly to equity in the same or a different period. An annual impairment test is carried out.

Deferred taxes are measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax items of domestic companies are valued at a tax rate of 32.63 % (previous year: 32.63 %). With regard to the valuation of deferred taxes from foreign companies, the respective applicable individual tax rate of the company was applied.

Deferred tax assets are offset against deferred tax liabilities if the tax creditors are identical and the maturities match.

Deferred tax receivables and deferred tax liabilities are carried under non-current assets or non-current liabilities according to IAS 1.70. Deferred tax assets and liabilities cannot be discounted according to IAS 12.53.

Income tax obligations are netted with corresponding refund claims if these are in the same tax jurisdiction and are of the same type and term. The best possible estimate is applied when measuring potential tax risks and uncertain tax claims.

Provisions are only carried if the company has a current (legal or de facto) obligation to third parties as a result of a past event and it is probable that fulfilment of the obligation will lead to an outflow of resources, and the amount of the obligation can be reliably estimated. Provisions are formed taking into account all recognisable risks at the expected fulfilment amount and are not offset against any recourse claims.

Provisions are reviewed at each balance sheet date and adjusted to the current best estimate. If a material interest effect results from the date on which the obligation is fulfilled, the provision is recognised at its present value. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The compounding of the provision is recognized as interest expense.

Where no reliable estimate can be made in individual cases, no provision is recognised but a contingent liability is disclosed.

With the exception of leasing liabilities, **trade accounts payable, other liabilities and financial liabilities** are initially carried at their fair values including transaction costs and measured in subsequent periods at amortised cost. The difference between the disbursement rate and the repayment amount is carried in the income statement over the term of the respective agreement using the effective interest rate method.

Items denominated in foreign currency are measured at the mean rate of exchange on the balance sheet date.

Revenue (including commissions) and other operating income are recognized at the time the service is rendered, provided that the amount of the income can be reliably determined and it is probable that the economic benefit will flow to the company. Income from services, the scope of which is immaterial, is generally recognized pro rata temporis over the period in which the service is rendered.

Sales are reduced by sales deductions.

In the case of the sale of merchandise to customers, performance is generally deemed to have been rendered at the time at which control of the merchandise is transferred to the customer. The transfer of control is not linked to the transfer of legal ownership.

Expenses are recognized if it is probable that the economic benefits associated with the corresponding transaction will flow out of the enterprise and the amount of the expenses can be reliably measured.

Borrowing costs are carried exclusively in the income statement. These are not capitalized as a cost component.

Interest is carried in line with the effective interest on assets and liabilities.

Depreciation and amortisation of non-financial assets

Amortization is charged on intangible assets, property, plant and equipment and rights of use over their expected useful lives.

Reductions in the value of assets (impairment test) below amortized cost are recognized through unscheduled write-downs. On each balance sheet date, Delticom reviews the carrying amounts of its intangible assets, its rights of use and its property, plant and equipment to determine whether there are any indications of impairment. If such indications are identifiable, the recoverable amount is estimated in order to determine the extent of the impairment loss.

If the recoverable amount for an individual asset cannot be estimated, the estimate is performed at the level of the cash-generating unit to which the asset belongs. Extraordinary amortization/depreciation is performed if the benefits accruing from the asset are lower than its carrying amount. The benefit accruing from an asset is the higher of the net selling price less costs of sale. The present value is given by the cash value of the cash flows to be allocated to the asset in future. If the reason for previous impairment no longer applies, the asset is written-up.

Impairment losses on financial assets

Delticom recognizes valuation allowances for expected credit losses (ECL) for:

- financial assets measured at amortised cost;
- debt investments valued at FVOCI; and
- contract assets.

Allowances for trade receivables and contract assets are always measured at the amount of the expected credit loss over the term of the contract.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Group considers appropriate and reliable information that is relevant and available without undue expense of time and money. This includes both quantitative and qualitative information and analyses based on the Group's past experience and well-founded judgements, including forward-looking information.

Financial assets impaired in terms of creditworthiness

At each reporting date, Delticom assesses whether financial assets measured at amortized cost and debt instruments held under the FVOCI have impaired their creditworthiness and are therefore at risk of default. A financial asset is considered impaired if one or more events have occurred that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is impaired includes the following observable data:

- significant financial difficulties of the borrower or issuer;
- a default;
- the restructuring of a loan by the Group on terms that the Group would not otherwise take into account;
- it is likely that the borrower will go bankrupt or that a reorganization will take place;
- or the disappearance of an active market for a security due to financial difficulties.

The Group considers a financial asset to be defaulted if:

- it is unlikely that the debtor will be able to pay its credit obligation in full to the Group without the Group having to resort to measures such as the realisation of collateral (if any), or
- the financial asset is more than 90 days overdue.

Depending on the development of the credit risk inherent in a financial asset, expected credit losses (ECLs) must be calculated as either 12-month or lifetime ECLs. Lifetime ECLs are the ECLs that arise from all possible default events over the expected life of a financial instrument and should be recognised if the credit risk of a financial asset has increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that occur within the next 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months). In deviation from the general procedure, value adjustments for trade receivables and order backlogs are generally measured in the amount of lifetime ECLs (simplified procedure).

The maximum period to be considered in estimating expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

Measurement of ECLs

Expected credit losses are the probability-weighted estimates of credit losses. Credit losses are measured as the present value of the credit losses (i.e. the difference between the payments due to an enterprise under the contract and the payments expected to be received by the enterprise). Expected credit losses are discounted using the effective interest rate of the financial asset.

For trade receivables and order backlogs, ECLs are calculated on a portfolio basis. Assets are grouped by past due and ECLs are estimated on the basis of historical default rates and forecasts of the economic environment in which the counterparties operate (e.g. country risk).

Presentation of allowance for ECLs in the statement of financial position

Impairment losses on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

At the current balance sheet date, the expected credit losses (ECL) on financial assets are immaterial to the Group.

Capital risk management

Delticom's business is not very capital-intensive. The seasonal nature of the business and early stockpiling require stringent working capital management. Budget and guidelines and their continuous monitoring represent a relevant component of capital management. As part of syndicated loan financing, net debt and equity are agreed as covenants. Accordingly, these two key financial figures are of central importance in the context of capital management. In addition, short-term liquidity development is continuously and closely monitored on the basis of a 13-week rolling liquidity plan. Current findings from corporate development and management are incorporated into the planning. The internal financing of the Group companies is mapped using the intercompany netting procedure established within the company. The associated objectives include recognizing the development of the individual companies at an early stage and avoiding high bank charges for bilateral transfers. In addition to the objective of increasing earnings, it is ensured that all Group companies can operate on a going concern basis.

In order to maintain or optimize the capital structure, it is incumbent on the parent company's Executive Board to adjust the level of dividend payments, carry out capital increases or issue new shares.

Notes to the income statement

(1) Revenue from Contracts with Customers

Revenues consist exclusively of revenues from customer contracts and relate almost exclusively to the "sale of goods" category. Other revenues from services and commissions are of minor significance.

Sales in Germany amounted to € 227,781 thousand (previous year: € 241,441 Tsd thousand), in non-EU countries € 79,825 thousand (previous year: € 83,634 thousand) and in the EU € 174,036 thousand (previous year: € 150,618 thousand).

The following table provides information about receivables and contract liabilities from contracts with customers:

in € thousand	2024	2023
Trade receivables	19,536	17,214
of which receivables from related parties (category: persons in key positions)	0	0
Prepayments received from customers (contract liabilities)	-4,616	-4,028

Revenue from contracts with customers and commissions are recognized when the customer exercises control over the goods and takes possession of them. This usually occurs when the customer receives the goods. Reported sales are adjusted for expected returns, which are estimated based on historical data. The expected returns are not significant.

Customers use three payment methods: prepayment, payment on receipt of goods and, for certain customers and in accordance with the credit risk policy, payment on maturity. The first two methods are mainly used, the third method is rarely used.

Further information on trade receivables is provided in note (16).

Advance payments received from customers are recognized as revenue when control of the goods is transferred to the customer, which is usually upon delivery of the goods.

(2) Other operating income

Exchange rate gains of € 6.3 million (previous year: € 3.9 million) include gains from exchange rate changes between the time of origination and the time of payment, as well as valuation at the closing rate. Exchange rate losses from these transactions are reported under other operating expenses.

Furthermore, miscellaneous other operating income includes rental income, marketing subsidies, income from transport losses and other income.

(3) Cost of sales

The cost of sales amounted to € 358.7 million (previous year: € 359.5 million) resulting exclusively from the sale of trading goods.

(4) Personnel expenses

in € thousand	2024	2023
Wages and salaries	11,750	12,323
Social security contributions	1,444	1,594
Share-based compensation with equity instruments	163	-49
Expenses for pensions and other benefits	105	90
Total	**13,463**	**13,958**

The statutory pension insurance in Germany is a defined contribution plan. Delticom makes contribution payments to the statutory pension insurance scheme on the basis of its obligation imposed on it by the legislator.

Delticom has no further payment obligations beyond the payment of contributions. The contributions amounting to € 707 thousand (previous year: € 760 thousand) were recognized in personnel expenses when due.

The disclosures on the stock option program are included under the *equity* section.

In the 2024 financial year, the Delticom Group had an average of 154 employees (previous year: 169 employees).

(5) Amortization and impairments of intangible assets, rights of use and depreciation of property, plant and equipment

in € thousand	2024	2023
Intangible assets	676	779
Rights of use	7,636	6,096
Property, plant and equipment	1,773	2,245
Total	**10,085**	**9,120**

In the reporting year, as in the previous year, only scheduled depreciation and amortization of fixed assets was carried out.

(6) Other operating expenses

in € thousand	2024	2023
Transportation costs	46,419	40,136
Warehousing costs	14,389	10,215
Credit card fees	3,879	3,646
Marketing costs	13,516	15,017
Operations centre costs	11,140	11,224
Rents and overheads	3,411	4,509
Financial and legal costs	5,316	7,115
IT and telecommunications	1,990	2,404
Expenses from exchange rate differences	6,101	4,726
Other	5,124	7,523
Total other operating expenses	**111,286**	**106,514**

The reported rents and operating costs include short-term leases as well as leases for assets of low value and, in particular, ancillary costs. Please refer to the section on *leases*.

Losses on receivables and individual value adjustments (€ 3,287 thousand; previous year: € 2,171 thousand) are shown as a separate item in the income statement.

(7) Financial result

in € thousand	2024	2023
Financial expenses	-2,774	-2,571
Financial income	196	1,196
Total	**-2,578**	**-1,375**

The net financial result only contains interest for those financial instruments that were not measured at their fair value on the balance sheet.

Financial expenses mainly relate to interest expenses for bank loans, leasing and overdrafts.

In the 2024 financial year, financial income includes € 35 thousand (previous year: € 945 thousand) from the compounding of interest on logistics projects.

(8) Income taxes

The income taxes result from:

in € thousand	2024 Germany	2024 Abroad	2024 Total	2023 Germany	2023 Abroad	2023 Total
Current income taxes	480	57	537	1,404	431	1,835
Deferred income taxes	3,150	-95	3,055	292	-10	282
Total	**3,630**	**-38**	**3,592**	**1,696**	**421**	**2,117**

Deferred tax assets and liabilities are formed in connection with the following items and issues:

in € thousand	2024 Deferred tax assets	2024 Deferred tax liabilities	2023 Deferred tax assets	2023 Deferred tax liabilities
Losses carried forward	9,329	0	10,207	0
Intangible assets	208	0	270	0
Rights of use	0	19,434	0	16,665
Property, plant and equipment	0	202	1	33
Inventories	0	369	0	441
Financial assets	0	0	0	0
Receivables	0	2,159	571	59
Long-term assets	0	0	0	0
Long-term provisions	0	0	0	0
Short-term provisions	0	253	309	442
Liabilities	22,181	1,973	17,483	536
Other equity and liabilities	57	0	0	0
Total	**31,775**	**24,390**	**28,841**	**18,176**
Balancing	24,390	24,390	18,176	18,176
Value on the balance sheet	**7,385**	**0**	**10,665**	**0**

The following overview shows the reconciliation of the anticipated tax result with the actual income tax result:

in € thousand	2024	2023
Profit before income taxes	7,628	10,143
Delticom AG income tax rate	32.63%	32.63%
Expected tax expense	**2,489**	**3,310**
Differences from anticipated income tax expense		
Adjustment to different tax rate	0	-159
Non-deductible operating expenses	36	374
Tax-exempt income	-44	-1,397
Non-period income taxes	196	0
Effect from utilization of loss carried forward for which no deferred tax assets were recognized in the previous year	0	0
Value adjustment of deferred tax assets on loss carryforwards formed in the previous year	907	0
Other tax effects	8	-11
Total adjustments	**1,103**	**-1,193**
Actual tax expense	**3,592**	**2,117**

There are control and profit and loss transfer agreements with All you need GmbH, DeltiLog GmbH, Pnebo Gesellschaft für Reifengroßhandel und Logistik mbH, Giga GmbH and TyresNet GmbH. There is a profit and loss transfer agreement (PTA) with Tirendo GmbH (formerly Tirendo Holding GmbH).

Deferred tax assets on loss carryforwards totaling € 9.3 million (previous year: € 10.2 million) relate in full to losses incurred by Delticom AG in previous years. The utilization of the non-forfeitable loss carryforwards is likely in future years due to expected positive tax results.

No deferred tax assets were formed for loss carryforwards of Delticom Russia and Ringway GmbH that are not expected to expire totaling € 1.8 million (previous year: € 1.8 million) due to a lack of recoverability. They were capitalized on the basis of substantiated corporate planning.

(9) Earnings per share

Basic earnings per share amounted to € 0.27 (previous year: € 0.54). Diluted earnings per share amounted to € 0.27 (previous year: € 0.54).

In accordance with IAS 33, basic earnings per share are calculated by dividing the net profit for the period after taxes of € 4,035,579.23 (previous year: € 8,025,515.29) by the weighted average number of ordinary shares in circulation during the financial year of 14,782,377 (previous year: 14,821,468).

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 earnings per share if the share options have a dilutive effect. This is the case if the average market price of the ordinary shares in circulation during the period under review is at least 130 % of the issue price of the new shares. There is no dilutive effect in 2024.

Notes to the balance sheet

Non-current assets

(10) Intangible assets

in € thousand	Goodwill	Customer Relationships	Trademarks	Rights of sale
Acquisition costs				
As of 1 January 2024	**35,338**	**1,762**	**2,369**	**0**
Additions	0	0	0	0
Disposals	0	0	0	0
Reclassification	0	0	0	0
Currency translation	0	0	0	0
As of 31 December 2024	**35,338**	**1,762**	**2,369**	**0**
Accumulated depreciation				
As of 1 January 2024	**0**	**1,762**	**2,369**	**0**
Additions	0	0	0	0
Disposals	0	0	0	0
Reclassification	0	0	0	0
Currency translation	0	0	0	0
As of 31 December 2024	0	1,762	2,369	0
Residual carrying amounts as of 31 December 2024	**35,338**	**0**	**0**	**0**

in € thousand	Domains	Software	Total
Acquisition costs			
As of 1 January 2024	**4,640**	**20,746**	**64,855**
Additions	113	247	360
Disposals	0	0	0
Reclassification	0	2	2
Currency translation	0	0	0
As of 31 December 2024	**4,753**	**20,995**	**65,217**
Accumulated depreciation			
As of 1 January 2024	**3,629**	**19,841**	**27,601**
Additions	128	548	676
Disposals	0	0	0
Reclassification	0	0	0
Currency translation	-1	0	-1
As of 31 December 2024	3,756	20,389	28,276
Residual carrying amounts as of 31 December 2024	**997**	**606**	**36,941**

The additions in 2024 mainly result from the capitalization of IT software for the warehouse systems.

in € thousand	Goodwill	Customer Relationships	Trademarks	Rights of sale
Acquisition costs				
As of 1 January 2023	**35,338**	**2,377**	**10,591**	**3,450**
Additions	0	0	0	0
Disposals	0	-615	-8,222	-3,450
Reclassification	0	0	0	0
Currency translation	0	0	0	0
As of 31 December 2023	**35,338**	**1,762**	**2,369**	**0**
Accumulated depreciation				
As of 1 January 2023	**0**	**2,377**	**10,591**	**3,450**
Additions	0	0	0	0
Disposals	0	-615	-8,222	-3,450
Reclassification	0	0	0	0
Currency translation	0	0	0	0
As of 31 December 2023	**0**	**1,762**	**2,369**	**0**
Residual carrying amounts as of 31 December 2023	**35,338**	**0**	**0**	**0**

in € thousand	Domains	Software	Total
Acquisition costs			
As of 1 January 2023	**4,637**	**23,764**	**80,157**
Additions	0	811	**811**
Disposals	0	-3,829	**-16,116**
Reclassification	0	0	**0**
Currency translation	3	0	**3**
As of 31 December 2023	**4,640**	**20,746**	**64,855**
Accumulated depreciation			
As of 1 January 2023	**3,511**	**23,013**	**42,942**
Additions	122	657	**779**
Disposals	-5	-3,829	**-16,121**
Reclassification	0	0	**0**
Currency translation	0	0	**0**
As of 31 December 2023	**3,628**	**19,841**	**27,600**
Residual carrying amounts as of 31 December 2023	**1,012**	**905**	**37,255**

(11) Rights of use

in € thousand	Buildings	Technical machinery and equipments	Other equipment, factory and office equipment	Total
Acquisition costs				
As of 1 January 2024	71,756	712	0	72,468
Additions	22,140	0	0	22,140
Disposals	-125	0	0	-125
Currency translation	0	0	0	0
As of 31 December 2024	94,020	712	0	94,732
Accumulated depreciation				
As of 1 January 2024	25,862	504	0	26,365
Additions	7,512	124	0	7,636
Disposals	0	0	0	0
Currency translation	0	0	0	0
As of 31 December 2024	33,374	628	0	34,001
Net book values as of 31 December 2024	**60,646**	**84**	**0**	**60,731**

in € thousand	Buildings	Technical machinery and equipments	Other equipment, factory and office equipment	Total
Acquisition costs				
As of 1 January 2023	69,784	712	0	70,496
Additions	5,452	0	0	5,452
Disposals	-3,480	0	0	-3,480
Currency translation	0	0	0	0
As of 31 December 2023	71,756	712	0	72,468
Accumulated depreciation				
As of 1 January 2023	21,034	357	0	21,390
Additions	5,949	147	0	6,096
Disposals	-1,121	0	0	-1,121
Currency translation	0	0	0	0
As of 31 December 2023	25,862	504	0	26,365
Net book values as of 31 December 2023	**45,894**	**208**	**0**	**46,103**

For information on accounting for right-of-use assets in accordance with IFRS 16, please refer to the section on *significant accounting policies*. The additions in 2024 result from two newly rented warehouses, a new office building and the increase in rents for existing tenancies. The disposals relate to two smaller tenancies.

(12) Property, plant and equipment

in € thousand	Land, similar rights and buildings incl. buildings on third party land	Technical machinery and equipments	Other equipment, factory and office equipment	Total
Acquisition costs				
As of 1 January 2024	846	26,227	16,254	43,327
Additions	0	3,016	2,501	5,517
Disposals	0	0	654	654
Revaluation Reserve	529	0	0	529
Reclassifications	0	463	-465	-2
Currency translation	0	0	1	1
As of 31 December 2024	1,375	29,706	17,637	48,718
Accumulated depreciation				
As of 1 January 2024	127	18,019	14,412	32,558
Additions	-24	1,084	658	1,718
Disposals	0	0	627	627
Reclassifications	0	-32	32	0
Currency translation	0	0	1	1
As of 31 December 2024	103	19,071	14,476	33,650
Amortised cost as of 31 December 2024	**1,272**	**10,636**	**3,161**	**15,069**

in € thousand	Land, similar rights and buildings incl. buildings on third party land	Technical machinery and equipments	Other equipment, factory and office equipment	Total
Acquisition costs				
As of 1 January 2023	846	22,440	20,586	43,872
Additions	0	216	4,571	4,787
Disposals	0	629	4,707	5,336
Reclassification	0	4,200	-4,200	0
Currency translation	0	0	4	4
as of 31 December 2023	846	26,227	16,254	43,327
Accumulated depreciation				
As of 1 January 2023	100	16,720	18,311	35,131
Additions	21	1,373	851	2,245
Disposals	0	76	4,756	4,832
Reclassification	0	0	0	0
Currency translation	6	2	6	14
As of 31 December 2023	127	18,019	14,412	32,558
Amortised cost as of 31 December 2023	**719**	**8,208**	**1,842**	**10,769**

Property, plant and equipment mainly includes office equipment for the rented office space as well as tire packaging machines and warehouse equipment. In summer 2024, the sorter moved from Sehnde to the new warehouse in Oldenburg (Schleswig-Holstein). The reconstruction including modernization as well as the equipping of the warehouses and the further expansion of the warehouse system in Ensisheim are essentially reflected in the value. The warehouse relocation resulted in a reclassification from "Other assets under construction" to "Technical equipment and machinery".

In property, plant and equipment, a change was made in 2024 from measurement at amortized cost to the revaluation of assets for the land and buildings balance sheet item. Additions in the current financial year include € 529 thousand from this revaluation. The adjustment to the valuation is presented in the revaluation reserve in equity, taking into account deferred taxes of € 173 thousand.

(13) Deferred taxes

There are deferred tax assets of € 7,385 thousand (previous year: € 10,665 thousand), which are mainly based on deferred tax assets from loss carryforwards.

(14) Other non-current receivables

Receivables consist primarily of receivables from subleases (€ 3,034 thousand; previous year: € 3,607 thousand) as well as receivables from logistics projects (€ 540 thousand; previous year: € 0 thousand) and deposits paid to the Bern Directorate General of Customs and the Bern Federal Tax Administration. Currency translation was carried out at the exchange rate on the reporting date. To take account of the general default risk, other non-current receivables were impaired by € 35 thousand.

Leasing agreements

The subletting of leased assets is classified as a finance lease. Accordingly, receivables are recognized in the proportionate amount of the sublease. The receivables in the amount of the minimum lease payments (nominal value) from these leases are as follows:

	2024		2023	
in € thousand	nominal	discounted	nominal	discounted
up to 1 year	2,318	2,260	3,475	3,377
1–2 years	914	885	1,663	1,627
2–3 years	884	864	590	571
3–4 years	884	874	572	559
4–5 years	442	441	572	565
over five years	0	0	286	285
Total	**5,442**	**5,324**	**7,158**	**6,984**

Subletting resulted in other operating income of € 1,035 thousand (previous year: € 1,765 thousand) and interest income of € 127 thousand (previous year: € 169 thousand).

Current assets

(15) Inventories

in € thousand	2024	2023
Tyres and Accessories	60,589	36,908
Goods in Transit	5,311	4,164
Other	152	152
Total	**66,052**	**41,224**

Sales transactions have already been concluded in some cases for the goods in transit as of the reporting date. The goods in storage are intended for sale in e-commerce. Inventories are recognized taking into account the agreed delivery terms upon transfer of control.

Goods in transit relate on the one hand to goods in the amount of € 3,137 thousand (previous year: € 2,655 thousand) for which no goods had been received as at the reporting date but for which the risk had already been transferred in accordance with the Incoterm, and on the other hand to goods in the amount of € 2,174 thousand (previous year: € 1,509 thousand) for which goods had already been shipped but for which the risk had not yet been transferred to the recipient of the goods.

In the reporting year, € 202,901 thousand (previous year: € 218,934 thousand) of inventories were recognized as an expense. The loss-free valuation resulted in value adjustments of € 596 thousand (previous year: € 418 thousand).

(16) Accounts receivable

in € thousand	2024	2023
Accounts receivable	19,536	17,214

Information on the Group's credit and market risk and on valuation allowances on trade receivables is included in *Other Disclosures*.

(17) Other current receivables

in € thousand	2024	2023
Refund claims from taxes	11,240	3,641
Credits with suppliers	511	561
Deferrals	985	1,026
Receivables from warehouse project	0	0
Other current receivables	8,558	11,673
Total	**21,294**	**16,901**

Other current receivables include € 595 thousand in receivables from logistics projects (previous year: € 4,909 thousand).

(18) Income tax receivables

Income tax receivables mainly relate to expected tax refunds for years not yet finally assessed.

(19) Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances, all of which are due in the short term.

Cash and cash equivalents are broken down as follows :

in € thousand	2024	2023
Cash	4	2
Bank balances	5,383	7,251
Total	**5,387**	**7,253**

Equity

(20) Subscribed capital

Following the IPO on 26 October 2006, the subscribed capital consisted of 3,946,480 registered ordinary shares with no par value (no-par value shares), with a notional pro rata amount of the share capital of € 1.00 per share. As a result of the capital increase from company funds resolved by the Annual General Meeting on 19 May 2009 and the associated issue of new shares, the subscribed capital tripled to € 11,839,440. Delticom's subscribed capital increased to € 12,463,331 as a result of the exercise of stock option rights in 2011 and 2013 and the partial utilization of Authorized Capital I/2011 in 2016.

On 1 June 2021, a capital increase without subscription rights was carried out by issuing 1,246,333 new no-par value registered shares at a placement price of € 7.12 per share. In addition, a capital increase with subscription rights was carried out on 24 June 2021 through the issue of 1,121,697 new no-par value registered shares at a placement price of € 7.12 per share. As a result, Delticom AG's subscribed capital increased to € 14,831,361.00 (as of 31 December 2022).

In the 2023 and 2024 financial years, share buy-backs were carried out with a total nominal amount of € 108,534.00 **(treasury shares)**, meaning that a total of € 14,722,827.00 of the subscribed capital is in circulation.

Shareholdings exceeding 10 % of the voting rights

The shareholders Binder GmbH and Prüfer GmbH, both based in Hanover, hold direct equity interests exceeding 10 % of Delticom AG's voting rights. Indirect capital interests exceeding 10 % of Delticom AG's voting rights are held by Mr. Rainer Binder, Hanover, to whom the direct interest of Binder GmbH is attributed pursuant to Section 34 (1) Sentence 1 No. 1 of the WpHG, and by Dr. Andreas Prüfer, Hanover, to whom the indirect interest of Prüfer GmbH is attributed pursuant to Section 34 (1) Sentence 1 No. 1 of the WpHG. The pooling agreement, to which Prüfer GmbH, Binder GmbH, Mr. Rainer Binder and Dr. Andreas Prüfer are parties, also leads to a mutual attribution of voting rights within the meaning of Section 34 (2) sentence 1 WpHG. In addition, GANÉ Aktiengesellschaft, Aschaffenburg, held a 13.51 % interest in Delticom AG as of the balance sheet date. There are no shares with special rights that give the holders controlling powers. There are no employee shareholdings that would prevent employees from directly exercising their control rights.

Appointment and dismissal of members of the Executive Board, amendments to the Articles of Association

The appointment and dismissal of members of the Management Board is generally governed by Sections 84 et seq. AktG. § Section 6 (1) sentence 3 of Delticom AG's articles of incorporation also stipulates that members of the Managing Board should not have reached the age of 67 at the end of the term of office for which they are appointed. According to Section 6 (2) Clause 2 of the articles of incorporation, the number of members of the Managing Board is determined by the Supervisory

Board in accordance with the legal requirements. According to Section 17 (3) Clause 1 of Delticom AG's articles of incorporation, amendments to the articles of incorporation require a simple majority of the votes cast and, in deviation from Section 179 (2) Clause 1 of the AktG, only a simple majority of the share capital represented, unless a larger capital majority is required by law.

Powers of the Managing Board, in particular to issue and buy back shares

The powers of the Managing Board to issue shares are set out in Section 5 "Amount and division of the share capital" of Delticom AG's articles of incorporation and, with regard to the buyback of shares, in Sections 71 et seq. AktG and the corresponding authorizing resolutions of the General Meeting.

Restrictions relating to voting rights or the transfer of shares

Delticom AG's shareholders are not restricted in their decision to acquire or sell shares either by German law or by the company's articles of incorporation. Only the statutory prohibitions on voting rights apply. However, the shareholders Prüfer GmbH and Binder GmbH, as parties to a pooling agreement, are restricted in exercising their voting rights in such a way that they have to coordinate their voting behavior with regard to a uniform vote at the General Meeting. This pool agreement and the resulting allocation of voting rights remain unchanged.

Authorized Capital

By resolution of the Annual General Meeting on 11 May 2021, the authorized capital 2017 was cancelled. As a result, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital by a total of up to € 6,231,665.00 by issuing up to 6,231,665 new no-par value registered shares against cash or non-cash contributions on one or more occasions until 10 May 2026 (authorized capital 2021).

Contingent capital

Stock option plan I/2014

The Annual General Meeting on 29 April 2014 authorized the Executive Board, with the approval of the Supervisory Board (or the Supervisory Board in place of the Executive Board if option rights are granted to Executive Board members), to grant option rights to subscribe to a total of up to 540,000 new no-par value registered shares of the Company to members of the Executive Board of the Company, to employees of the Company, and to employees and members of the management of companies affiliated with the Company on one or more occasions until 28 April 2019.

The capital stock of the Company is conditionally increased by a total of up to € 142,332 by issuing a total of up to 142,332 new no-par value registered shares (no-par value shares) (Conditional Capital I/2014). The conditional capital 1/2014 serves exclusively to grant new shares to the holders of option rights issued by the Company in accordance with the authorization resolution of the Annual General Meeting on 29 April 2014. Conditional Capital I/2014 was entered in the Commercial Register on 11 June 2014.

By resolutions of the Executive Board of the Company on 25 December 2016 and of the Supervisory Board of the Company on 27 December 2016, a stock option plan for employees of the Company was introduced, and by resolution of the Supervisory Board of the Company on 28 December 2016, a stock option plan for members of the Executive Board of the Company was introduced, taking into account the specifications on key features contained in the resolution of the Annual General Meeting of the Company on 29 April 2014.

Based on this plan, a total of 16,003 share options were issued to employees of the company on 10 January 2017 and a total of 32,000 share options were issued to members of the company's Management Board on 5 January 2017. On 5 January 2018, a total of 18,337 share options were issued to employees of the company and on 10 January 2018, a total of 32,000 share options were issued to members of the company's Management Board. In addition, a total of 16,660 share options were issued to employees of the company on 17 December 2018 and a total of 24,000 share options were issued to members of the company's Management Board on 28 December 2018. On 17 April 2019, 3,332 share options were issued to employees of the company. A total of 117,332 share options from these tranches had expired by the balance sheet date.

Based on this, the Black-Scholes model results in fair values of € 3.75 (05 and 10 January 2017), € 2.88 (05 and 10 January 2018), € 1.91 (28 December 2018) and € 1.42 (17 April 2019) per share option. The exercise prices were € 17.61 (05 and 10 January 2017), € 11.39 (05 and 10 January 2018) and € 6.09 (28 December 2018).

By resolution of the Annual General Meeting on 12 August 2019, the authorization to grant share option rights (2014 share option programme) granted by resolution of the Annual General Meeting on 29 April 2014 was revoked insofar as the authorization had not yet been exercised.

Stock option programme I/2019

The Annual General Meeting on 12 August 2019 authorized the Executive Board, with the consent of the Supervisory Board (or the Supervisory Board in place of the Executive Board, insofar as option rights are granted to members of the Executive Board), to grant option rights to subscribe to a total of up to 540,000 new no-par value registered shares of the Company to members of the Executive Board of the Company, to employees of the Company, and to employees and members of the management of companies affiliated with the Company on one or more occasions or - insofar as issued option rights expire or otherwise lapse - on repeated occasions until 11 August 2024.

The company's share capital is conditionally increased by up to € 540,000 (in words: five hundred and forty thousand euros) by issuing up to 540,000 (in words: five hundred and forty thousand) new no-par value ordinary registered shares (no-par value shares) (conditional capital I/2019). Conditional Capital 1/2019 serves exclusively to grant new shares to the holders of option rights issued by the company in accordance with the authorization resolution of the Annual General Meeting on 12 August 2019 (agenda item 6 b)).

Share options were issued under this program for the first time in the 2022 financial year. On 6 January 2022, a total of 124,175 share options were issued to members of the company's Executive Board, whereby 74,505 share options expired due to the departure of Executive Board members in 2022 and 2023.

The following assumptions were made to determine the fair value of the share options issued on January 6, 2022 based on the Black-Scholes model:

- Dividend yield: 1.25 %
- Volatility of the shares, based on historical data: 50 %
- Risk-free interest rate: -0.27 %

Based on this, the fair value is € 3.02 per stock option. The exercise price is € 6.59 (6 January 2022).

On 19 May 2023, a total of 211,266 share options were issued to members of the company's Management Board as part of the share option program I/2019.

The following assumptions were made to determine the fair value of the share options issued on 19 May 2023 based on the Black-Scholes model:

- Dividend: € 0.10 from 2025
- Volatility of the shares, based on historical data: 50 %
- Risk-free interest rate: 2.442 %

Based on this, the fair value is € 0.71 per stock option. The exercise price is € 1.87 (19 May 2023).

By resolution of the Annual General Meeting on 21 June 2023, the 2019 stock option program was canceled to the extent that the authorization had not yet been used.

Stock option plan I/2023

The Annual General Meeting on 21 June 2023 authorized the Management Board, with the approval of the Supervisory Board (or the Supervisory Board in place of the Management Board if option rights are granted to Management Board members), to grant option rights to subscribe to a total of up to 800,000 new no-par value registered shares in the company to members of the company's Management Board, to employees of the company and to employees and members of the management of companies affiliated with the company on one or more occasions until 20 June 2028 or - if issued option rights expire or otherwise lapse - repeatedly.

The company's share capital is conditionally increased by up to € 800,000 by issuing up to 800,000 new no-par value ordinary registered shares ("SOP 2024"; Conditional Capital I/2023). Conditional Capital I/2023 serves exclusively to grant new shares to the holders of option rights issued by the company in accordance with the authorizing resolution of the Annual General Meeting on 21 June 2023.

On 5 December 2024, a total of 404,219 share options were issued to members of the company's Management Board.

The following assumptions were made to determine the fair value of the share options issued on 5 December 2024 on the basis of the Black-Scholes model:

- Dividend yield: 0.00 %
- Volatility of the shares, based on historical data: 50 %
- Risk-free interest rate: 1.951 %

Based on this, the fair value per share option is € 1.16. The exercise price is € 2.23.

Stock option plan I/2024

The Annual General Meeting on 6 June 2024 authorized the Management Board, with the approval of the Supervisory Board (or the Supervisory Board in place of the Management Board if option rights are granted to Management Board members), to grant option rights to subscribe to a total of up to 1,400,000 new no-par value registered shares in the company to members of the company's Management Board, to employees of the company and to employees and members of the management of companies affiliated with the company on one or more occasions until 5 June 2029 or - if issued option rights expire or otherwise lapse - repeatedly.

The company's share capital is conditionally increased by up to € 1,400,000 by issuing up to 1,400,000 new no-par value ordinary registered shares (no-par value shares) (conditional capital I/2024). Conditional Capital I/2024 serves exclusively to grant new shares to the holders of option rights issued by the company in accordance with the authorization resolution of the Annual General Meeting on 6 June 2024. The shares will be issued at the exercise price to be determined in accordance with the aforementioned resolution. The conditional capital increase will only be carried out if the holders of the option rights make use of them. The waiting period for all share options is four years starting on the respective issue date. The prerequisite for exercising an option right is that the unweighted average of the closing prices of the company's shares on the five stock exchange trading days prior to the first day of the respective exercise period in which the option is exercised is at least 130 % of the exercise price. The other option conditions correspond to those of the 2014 share option program. The shares participate in profits from the beginning of the previous financial year, provided they are created by the beginning of the company's Annual General Meeting, otherwise from the beginning of the financial year in which they are created.

No share options were issued under this share option plan in 2024.

The share option plans stipulate that in the event of a change of control at the company (defined in the option conditions as the direct or indirect acquisition of at least 50 % of the voting rights in the company by a natural or legal person or a number of natural or legal persons acting in concert), the share options issued on the basis of these option plans can be exercised immediately, provided that the waiting period for these share options has already expired and the performance target has been reached. Option rights for which the waiting period has not yet expired lapse without replacement.

Issue of convertible bonds or bonds with warrants (Conditional Capital I/2020)

By resolution of the Annual General Meeting on 7 July 2020, the Executive Board was authorized, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds or bonds with warrants (collectively referred to as "W/O bonds") with a total nominal value of up to € 70,000,000 on one or more occasions until 6 July 2025 with or without a limited term and to grant the holders of convertible or warrant bonds conversion or option rights to subscribe to a total of up to 5,500,000 new no-par value registered ordinary shares (no-par value shares) in the company with a pro rata amount of the share capital totaling up to € 5,500,000.00 ("New Shares") in accordance with the terms and conditions of the convertible bonds or warrant bonds (Conditional Capital I/2020). The authorization can be used in partial amounts.

In accordance with the aforementioned resolution, no share options were issued in 2024.

The shares will be issued at the conversion or option price to be determined in each case. The conditional capital increase will only be carried out if the holders of the conversion or option rights exercise their conversion or option rights or fulfill conversion obligations from such bonds. The shares participate in profits from the beginning of the previous financial year, provided they are created by the beginning of the Annual General Meeting of the company, otherwise from the beginning of the financial year in which they are created.

Powers of the Executive Board to buy back shares and use treasury shares

Based on the resolution of the Annual General Meeting of 7 July 2020 on agenda item 6, the company is authorized until 6 July 2025 in accordance with Section 71 para. 1 no. 8 AktG to acquire treasury shares with a pro rata amount of the share capital of up to a total of 10 % of the share capital existing at the time of the resolution or - if this value is lower - at the time the authorization is exercised, at the discretion of the Management Board via the stock exchange or by means of a purchase offer addressed to all shareholders. The authorization may be exercised in full or in partial amounts, once or several times, in pursuit of one or more purposes by the company, by its Group companies or by third parties for its or their account.

On the basis of this authorization, the company announced on 3 July 2023 that it would introduce a share buyback program from 4 July 2023 with a term until 31 December 2023 and a maximum volume of 100,000 treasury shares and a maximum total purchase price of € 200,000.00 for the purpose of acquiring shares as an acquisition currency for the acquisition of companies. Within this framework, shares with a pro rata amount of the share capital of € 26,235.00, corresponding to 0.18 % of the share capital, were acquired in 2023 at an average purchase price of € 1.96 per share and a total gross purchase price of € 51,456.46. The buy-back program was terminated prematurely on 11 December 2023. On the basis of this authorization, the company announced on 29 April 2024 that it would introduce a share buyback programme from 29 April 2024 with a term until 31 December 2024 and a maximum volume of 100,000 treasury shares and a maximum total purchase price of € 300,000.00 for the purpose of acquiring shares as an acquisition currency for the acquisition of companies. In 2024, shares with a proportionate amount of the share capital of € 82,299.00, corresponding to 0.55 % of the share capital, were acquired at an average purchase price of € 2.45 per share and a total gross purchase price of € 201,275.32. The acquisition was carried out via the stock exchange by a bank commissioned by the company in electronic trading on the Frankfurt Stock Exchange (Xetra).

Due to the share buy-backs, treasury shares with a total nominal value of € 108,534.00 had to be recognized in equity. The amount paid in excess of this reduced the capital reserve by a total of € 137,067.92.

Information on treasury shares for the 2024 financial year:

	Financial Year 2024
Stock at the beginning of the financial year	26,235 Shares
Stock at the end of the financial year	108,534 Shares
Portion of share capital amount related to stock	EUR 108,534
Ratio of stock amount in relation to total share capital	0.73%
Type of shares	individial registered common shares without nominal amount

The 108,534 treasury shares at the end of the 2024 financial year are held exclusively by Delticom AG itself.

There was no sale or other issue or withdrawal of treasury shares in the 2024 financial year.

(21) Share premium

The capital reserve contains the amounts generated in excess of the nominal amount on the issue of no-par value registered shares and reserves from the stock option program.

On 1 June 2021, a capital increase without subscription rights was carried out by issuing 1,246,333 new no-par value registered shares at a placement price of € 7.12. In addition, a capital increase with subscription rights was carried out on 24 June 2021 by issuing 1,121,697 new no-par value registered shares at a placement price of € 7.12. As a result, Delticom AG's subscribed capital now increased to € 14,831 thousand. Taking into account issuing costs and deferred taxes thereon (totaling € 565 thousand), Delticom AG's capital reserves increased by € 13,928 thousand to € 47,667 thousand.

In accordance with the Executive Board resolution, a total of € 28,571 thousand was withdrawn from the capital reserve in 2023 to offset the existing accumulated loss and the share buyback (€ 25 thousand). The decrease in the current financial year results exclusively from the share buyback in 2024 (€ 112 thousand).

(22) Gains and losses recognized directly in equity

The currency differences arising in the balance sheet translation differences of the foreign subsidiaries and subsidiaries were recognized in the currency translation adjustment item.

In the 2024 financial year, the IAS 16 revaluation method was applied to property, plant and equipment for the first time. The adjustment to the valuation of land and buildings in the amount of € 529 thousand was recognized directly in equity in the revaluation reserve, taking into account deferred taxes of € 173 thousand.

(23) Retained earnings

The revenue reserves consisted exclusively of the legal reserve in accordance with Section 150 AktG. In accordance with the Executive Board resolution, the entire legal reserve was withdrawn in 2023 to partially offset the existing accumulated balance sheet losses. After the release of retained earnings and the partial release of the capital reserve, there are still capital reserves amounting to at least 10 % of the share capital, meaning that there is no obligation to form a legal reserve.

(24) Consolidated net earnings

The development is shown in the statement of changes in equity.

Summarized financial information for subsidiaries is not presented for reasons of immateriality.

Liabilities

(25) Finanical liabilities

Financial liabilities break down as follows on the balance sheet date:

in € thousand	12/31/2024	12/31/2023
Long term Financial Loans	59,067	46,113
Short term financial liabilities	20,105	9,429
Total	**79,172**	**55,543**

Financial liabilities relate to non-current and current lease liabilities totaling € 68,812 thousand (previous year: € 55,543 thousand) and the use of credit lines.

The following collateral exists with the lending banks for all liabilities to banks as at the balance sheet date:

- Pledging of IP rights,
- assignment of warehouses as security and pledging of inventories in Germany and abroad as well as assignment of a storage system as security,
- Assignment of all claims from commercial credit insurance,

- Assignment of all claims from intercompany loans, customer receivables and insurance claims as part of blanket assignments under German and foreign law,
- Collateral for all other key assets of the Delticom group.

(26) Provisions

Provisions had the following breakdown:

in € thousand	12/31/2024	12/31/2023
Long-term provisions	21	21
Other short-term provisions	3,340	4,865
Total	**3,361**	**4,886**

The provisions have developed as follows:

in € thousand	1/1/2024	Consumption	Resolution	Feed	12/31/2024
Other provisions long-term	21	0	0	0	21
Other provisions short-term	4,865	2,767	1,806	3,048	3,340
Total	**4,886**	**2,767**	**1,806**	**3,048**	**3,361**

Other current provisions mainly include provisions for legal risks and customer bonuses to be reimbursed as well as disposal fees still to be paid. The other provisions have a term of less than one year. Non-current provisions are due in more than one year. The interest effect from the compounding of non-current provisions is of minor significance.

Non-current provisions include the costs of fulfilling obligations to retain business records.

(27) Other non-current liabilities

As of 31 December 2024, non-current liabilities amounted to € 0 thousand (previous year: € 0 thousand).

(28) Trade accounts payable

in € thousand	12/31/2024	12/31/2023
Accounts payable	76,151	61,478
thereof liabilities with associated companies and related parties (category: persons in key positions)	1	1

All trade accounts payable have a remaining term of up to one year.

(29) Additional notes concerning financial instruments

Net profits and losses from financial instruments are as follows:

in € thousand	2024	2023
Financial assets at amortized cost	196	1,196
Financial assets and liabilities (FVTPL)	57	151
Financial liabilities at amortized cost	-2,712	-2,592
thereof net interest income	-2,516	-1,396

The development of the carrying amounts of financial instruments in the balance sheet is shown in the following table:

in € thousand	Measurement category according to IFRS 9	Book Value 31.12.24	Balance sheet valuation according to IFRS 9			Fair value 31.12.24
			Amortized cost (AC)	Fair value not affecting income (FVOCI)	Fair value affecting income (FVTPL)	
Assets						
Cash and cash equivalents	AC	**5,383**	5,383	0	0	**5,383**
Accounts receivable	AC	**19,536**	19,536	0	0	**19,536**
Other receivables - current	AC	**6,190**	6,190	0	0	**6,190**
Receivable from sublease	n/a	**5,295**	0	0	0	**5,295**
Other receivables - non current	AC	**1,081**	1,081	0	0	**1,081**
Derivative financial assets	FVTPL	**1,003**	0	0	1003	**1,003**
		38,488	**32,190**	**0**	**1,003**	**38,488**
Liabilities						
Other non-current liabilities	FLAC	**0**	0	0	0	**0**
Accounts payable	FLAC	**76,151**	76,151	0	0	**76,151**
Other current liabilities	FLAC	**5,160**	5,160	0	0	**5,160**
Other original financial liabilities	FLAC	**10,361**	10,361	0	0	**10,361**
Derivative financial liabilities	FVTPL	**0**	0	0	0	**0**
Leasing liabilities	FLAC	**68,812**	68,812	0	0	**68,812**
		160,484	**160,484**	**0**	**0**	**160,484**

in € thousand	Measurement category according to IFRS 9	**Book Value 31.12.23**	Balance sheet valuation according to IFRS 9			**Fair value 31.12.23**
			Amortized cost (AC)	Fair value not affecting income (FVOCI)	Fair value affecting income (FVTPL)	
Assets						
Cash and cash equivalents	AC	**7,253**	7,253	0	0	**7,253**
Accounts receivable	AC	**17,214**	17,214	0	0	**17,214**
Other receivables - current	AC	**3,964**	3,964	0	0	**3,964**
Receivable from sublease	n/a	**6,901**	0	0	0	**6,901**
Other receivables - non current	AC	**545**	545	0	0	**545**
Derivative financial assets	FVTPL	**0**	0	0	0	**0**
		35,877	**28,976**	**0**	**0**	**35,877**
Liabilities						
Other non-current liabilities	FLAC	**0**	0	0	0	**0**
Accounts payable	FLAC	**62,940**	62,940	0	0	**62,940**
Other current liabilities	FLAC	**5,471**	5,471	0	0	**5,471**
Other original financial liabilities	FLAC	**0**	0	0	0	**0**
Derivative financial liabilities	FVTPL	**946**	0	0	946	**946**
Leasing liabilities	n/a	**55,543**	0	0	0	**55,543**
		124,900	**68,411**	**0**	**946**	**124,900**

Assets and liabilities that are not attributable to financial instruments are not listed.

The fair value of other non-derivative financial liabilities relates to short-term bank loans. Due to the short term and the partial adjustment of interest rates during the year, the carrying amount of the short-term bank loans corresponds to the fair value.

The fair value of the fixed-interest other non-current liabilities was calculated as the present value of the future cash flows for interest and principal repayments based on an interest rate in line with the market in previous year. This is therefore a Level 2 fair value.

The fair value of cash and cash equivalents, current receivables, trade payables and other current financial assets and liabilities approximates their carrying amount due to their short remaining term.

The carrying amount of derivative financial instruments corresponds to their fair value.

The fair value of in last year existing non-interest-bearing non-current receivables is calculated as the present value of future cash flows based on an interest rate in line with the market. This is therefore a Level 2 fair value.

The maximum default risk can be seen from the carrying amount of each financial asset, including derivative financial instruments, recognized in the balance sheet, less any impairment losses on these assets recognized at the balance sheet date. As the counterparties to derivatives are reputable financial institutions, the Group assumes that they will meet their obligations.

The financial instruments in the "Financial assets held for trading" category amounting to € 1,003 thousand (previous year: € 0 thousand) and the "Financial liabilities held for trading" category amounting to € 0 thousand (previous year: € 946 thousand) have been classified in level 2 of the fair value hierarchy.

Level 2 is subject to the condition that a stock exchange or market price is available for a similar financial instrument or that the calculation parameters are based on data from observable markets. The fair value is determined by discounting the future cash flows using the market interest rate with an equivalent maturity.

As the interest rate terms approximate the market level, the carrying amount of the financial debt approximates fair value (level 2 of the fair value hierarchy).

There are no financial instruments for which valuation methods are used for which the significant input parameters do not result from data from observable markets (level 3 of the fair value hierarchy).

Delticom recognizes transfers between the levels of the fair value hierarchy at the end of the reporting period in which the change occurred. No such transfers took place during the financial years 2023 and 2024.

Net gains and losses on financial assets measured at amortized cost include changes in impairment losses, gains and losses on disposal, cash inflows, reversals of impairment losses on loans and receivables originally impaired, and currency translation adjustments.

Net gains and losses on financial assets and liabilities whose fair value is recognized in profit or loss include changes in the fair value of derivative financial instruments for which hedge accounting is not applied, as well as gains and losses on maturity during the year.

Net gains and losses on financial liabilities measured at amortized cost comprise gains or losses on disposal and currency translation.

(30) Other current liabilities

These mainly relate to credit balances from customers, sales tax, social security contributions and wage and church tax. In addition, liabilities were accrued using the best estimate method.

All current liabilities are due within one year.

in € thousand	12/31/2024	12/31/2023
Sales tax (VAT)	6,791	5,939
Customer credits	8,689	4,471
Social security contributions	105	68
Income and church tax	12	156
Other current liabilities	2,665	5,279
Total	**18,262**	**15,913**

Advance payments received in the amount of € 4,616 thousand (previous year: € 4,028 thousand) are presented in a separate line in the balance sheet as contract liabilities. Further information on contract liabilities from advance payments received is presented in section *(1) Revenue from contracts with customers*.

Other notes

Contingent liabilities and other financial commitments

There were no contingent liabilities from the issuance or transfer of checks and bills of exchange or from the provision of guarantees, warranties or other collateral for third parties.

Significant financial obligations exist from:

in € thousand	12/31/2024	12/31/2023
Order commitments for goods	47,160	44,184
Other financial commitments	1,800	18,257
Total	**48,960**	**62,441**

The other financial obligations in the previous year include those from leases that are not to be recognized in the balance sheet until 2024 due to the start of the lease term. The total for this amounts to € 16,350 thousand and relates to new leases for warehouses in northern Germany.

Accounting for derivative financial instruments

Derivative financial instruments are only used at Delticom for hedging purposes.

The derivatives do not meet the requirements for hedge accounting in accordance with IAS 39.71 et seq. or IFRS 9.

All derivatives are carried in the balance sheet at fair value. Valuation is based on current ECB reference rates and forward premiums or discounts.

The remaining terms of the forward exchange transactions were all less than 6 months as of the balance sheet date (previous year: 6 months).

Risk Management

For the principles of risk management we refer to section *Risk Report* in the Management Report.

Currency risk

Delticom has international operations, which means that the company is exposed to market risks as a result of changes in foreign exchange rates. Currency risks result primarily from holdings of cash and cash equivalents and trade payables and receivables.

To reduce these risks Delticom uses derivative financial instruments. The company hedges purchase agreements in foreign exchange (mostly USD). These contracts are either used to stock up the company's own warehouses or to match a corresponding sale transaction in EUR.

If needed, the Wholesale division hedges sales contracts in foreign currencies. Purchase contracts denominated in foreign exchange which match sales contracts in the same currency are not hedged. Sales contracts in foreign currencies from operations in the e-commerce division are not hedged. Where possible, Delticom make use of the natural currency hedge: inflows in foreign currencies are used to cover the outflows in foreign currencies.

In order to illustrate market risks, IFRS 7 calls for sensitivity analyses which show the impact of hypothetical changes in relevant risk factors on the results and the equity position. Currency risks within the meaning of IFRS 7 arise from holding assets and liabilities denominated in foreign exchange.

The following table shows the positive and negative effects if receivables or payables in the currencies shown had increased or decreased in value by 10 % against the euro. The figures are earnings before income taxes.

Currency	1 Euro = unit FX (as of 12/31/2024)	Result +10% in €	Result -10% in €	Net exposure
CHF	0.9379	-376,180	376,180	-3,761,796
DKK	7.4572	-17,123	17,123	-171,232
GBP	0.8267	-5,400	5,400	-54,003
NOK	11.755	-17,799	17,799	-177,992
PLN	4.2771	-32,194	32,194	-321,937
RON	4.9744	0	0	0
RUB	117.7426	0	0	0
SEK	11.4482	-92,373	92,373	-923,732
USD	1.0351	-585,851	585,851	-5,858,511
Others	n/a	24,092	-24,092	240,916

Currency	1 Euro = unit FX (as of 12/31/2023)	Result +10 % in €	Result -10 % in €	Net exposure in €
CHF	0.9305	-180,594	180,594	-1,805,940
DKK	7.4536	3,545	-3,545	35,452
GBP	0.8677	-6,300	6,300	-62,999
NOK	11.2114	-3,306	3,306	-33,063
PLN	4.3429	-89,272	89,272	-892,720
RON	4.9743	0	-0	0
RUB	98.9635	-12,969	12,969	-129,691
SEK	11.1013	-44,519	44,519	-445,191
USD	1.1052	-1,546,587	1,546,587	-15,465,869
Others	n/a	95,756	-95,756	957,558

Interest rate risk

For financial instruments with variable interest rates, there is a cash flow risk from interest. Due to the low level of interest rates, sensitivities were determined using a hypothetical change of 10 basis points. An increase in interest rates by 10 basis points results in a loss of € 39 thousand (previous year: € 27 thousand), a decrease in interest rates by 10 basis points results in a gain of € 39 thousand (previous year: € 27 thousand). The sensitivity analysis included both bank balances and variable-interest financial liabilities.

Liquidity risk

In December of the past fiscal year, the syndicated loan agreement was successfully extended until 30 June 2028. Due to the positive development of Delticom AG, the financing framework was once again slightly reduced from € 40 million to € 39 million. As of 31 December 2024, the covenants agreed as part of the extension with regard to net leverage and equity were complied with.

Exposure to liquidity risk

The following table shows the contractual residual terms of the financial liabilities at the balance sheet date, including estimated interest payments. These are non-discounted gross amounts including contractual interest payments, but excluding the effect of offsetting:

in € thousand		Contractual cash flows					
2024	Book value	**Total**	2 months or less	2–12 months	1–2 years	2–5 years	More than 5 years
Overdrafts	20,105	**20,105**	20,105	0	0	0	0
Leasing liabilities	68,812	**74,676**	1,885	10,980	12,569	35,582	13,660
Accounts payable trade	76,151	**76,151**	76,151	0	0	0	0
Derivative financial liabilities	0	**0**	0	0	0	0	0

in € thousand		Contractual cash flows					
2023	Book value	**Total**	2 months or less	2–12 months	1–2 years	2–5 years	More than 5 years
Overdrafts	0	**0**	0	0	0	0	0
Bank loans	1,000	**1,001**	1,001	0	0	0	0
Leasing liabilities	55,543	**59,507**	1,734	8,668	7,834	22,190	19,081
Accounts payable trade	62,940	**62,940**	62,940	0	0	0	0
Derivative financial liabilities	0	**0**	0	0	0	0	0

Credit risk

Delticom supplies goods to trading companies with varying credit ratings. With regard to some customers, there may be temporary concentrations of risk which could represent a burden on the group's earnings and liquidity position. Delticom has therefore concluded credit insurance policies and commission transactions with some customers, which limit the financial impact on the company to such an extent that a threat to its continued existence can be ruled out. The total of credit-insured gross receivables amounts to € 14,780 thousand (previous year: € 5,219 thousand). The deductible for credit-insured receivables is 10 %.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises mainly from receivables from customers.

The carrying amounts of financial assets and contract assets correspond to the maximum credit risk.

The impairment losses recognized in profit or loss for financial assets and contract assets are as follows:

in € thousand	2024	2023
Expenses for the complete derecognition of receivables	-1	-64
Income from receipts on receivables written off	63	75

Trade receivables and contract assets

Delticom's credit risk is mainly influenced by the individual characteristics of each customer. Orders for which customers do not pay in advance are automatically checked using complex rules and blocked. For blocked orders, the credit risk team performs a manual check.

The Group limits its credit risk for trade receivables by establishing a credit limit policy. In principle, a payment period of up to 30 days has been set for private and corporate customers.

The Group does not require collateral for trade and other receivables. The respective allowance ratios are calculated taking into account the due dates of the receivables:

In € thousand Receivables from deliveries and services	Book value	Not overdue	less than 30 days	30 to 60 days	60 to 90 days	over 90 days	value adjusted
as of 12/31/2024	19,536	13,692	4,028	1,160	479	2,747	2,574
Value adjustment rate in %		0.1	1.0	5.0	15.0	87.0	
as of 12/31/2023	17,214	10,760	4,285	1,325	746	2,536	2,438
Value adjustment rate in %		0.1	1.0	5.0	15.0	87.0	

To account for the general credit risk for other non-overdue, non-current receivables (€ 4,081 thousand), impairments totaling € 35 thousand were also taken into account in the previous year.

Receivables older than 90 days are impaired and given to a collection agency. Impaired receivables are not derecognized until they are no longer expected to be collectible via a collection agency. Valuation allowances are calculated using the expected loss over the term (simplified approach for expected credit losses).

The allowances for trade and other non-current receivables developed as follows:

in € thousand	2024	2023
Write-downs – balance on January 1	**2,438**	**3,324**
Additions (expenses for write-downs)	3,289	2,214
Reversals	-112	-75
Use of write-downs	-3,042	-3,025
Write-downs – balance on December 31	**2,574**	**2,438**

Valuation allowances for trade receivables are calculated using the lifetime expected loss model.

Related party disclosures

With regard to the persons in key positions (Executive Board and Supervisory Board), we refer to the comments on "Governing bodies of the Company".

A list of all the subsidiaries included in the consolidated financial statements can be found in the sections on the Shareholdings. Transactions between the company and its full consolidation subsidiaries were eliminated during consolidation and are not discussed in these notes.

The following are shareholders with a significant influence on the Group within the meaning of IAS 24:

- Binder GmbH (number of shares 2,176,061, 14.67 % of the shares)
- Prüfer GmbH (number of shares 4,478,595, 30.20 % of the shares)

The interests in Delticom AG are attributable to Rainer Binder, Hanover, via Binder GmbH, and Andreas Prüfer, Hanover, via Prüfer GmbH and Seguti GmbH, in accordance with Section 34 I sentence 1 no. 1 of the WpHG. In addition, there is an agreement between Binder GmbH and Prüfer GmbH within the meaning of Section 34 II sentence 1 WpHG (voting rights agreement).

In January 2022, Mr. Rainer Binder granted Delticom AG a bullet loan of € 1.0 million via Binder GmbH with a term of 24 months, an interest rate of 7.25 % and a signing fee of 4.00 % of the loan amount. The loan was repaid on schedule at the beginning of January 2024.

Sale of goods:

in € thousand	2024	2023
to associated companies and related parties (category: persons in key positions)	3	2

Purchase of goods and services:

in € thousand	2024	2023
to associated companies and related parties (category: persons in key positions)	0	0

All transactions with related parties are conducted on an arm's length basis.

Executive bodies

The company's executive bodies are the Annual General Meeting, the Supervisory Board and the Management Board. In the 2024 financial year, the Management Board consisted of the following members

- Philip von Grolman, Hemmingen: Distribution Logistics, Human Resources, Category Non Tyres Products
- Nathalie Kronenberg, Hanover (from 01 February 2024): Purchasing, Global Sales B2B & Key Account, Business Unit Moto
- Andreas Prüfer, Hanover: Sales & Marketing B2C, Finance, Warehouse

During fiscal year 2024, the Supervisory Board was composed as follows:

- Karl-Otto Lang, Chairman of the Supervisory Board, Wiesbaden: Interim Management (self-employed), Wiesbaden
- Michael Thöne-Flöge, Deputy Chairman of the Supervisory Board, Hanover: Managing Director of becker + flöge GmbH, Hanover. Mr. Thöne-Flöge is a member of a supervisory body comparable to a supervisory board, namely the administrative board of Opticland GmbH, Nuremberg.
- Andrea Hartmann-Piraudeau, Member of the Supervisory Board, Saint Germain-en-Leye/France: Managing Director of Consensus GmbH, Stuttgart.

Compensation of the executive bodies

The Supervisory Board was granted remuneration of € 219 thousand for the 2024 financial year (previous year: € 218 thousand). This exclusively comprises fixed short-term remuneration without performance-related components. In the 2024 financial year, the remuneration paid to Supervisory Board members Michael Thöne-Flöge amounted to € 67 thousand (previous year: € 67 thousand), Karl-Otto Lang to € 95 thousand (previous year: € 95 thousand) and Andrea Hartmann-Piraudeau to € 50 thousand (previous year: € 50 thousand).

The remuneration of Delticom AG's Management Board members is based on the remuneration systems resolved at the Annual General Meetings on 10 May 2022 and 6 June 2024. The remuneration of the Management Board generally comprises fixed remuneration and variable remuneration.

The fixed remuneration is a non-performance-related basic remuneration including fringe benefits. In 2024, the ancillary costs include social security costs in particular.

In addition to the fixed salary and the performance bonus, the members of the Management Board may receive a discretionary bonus as a further component of variable remuneration in cash or in the form of option rights to no-par value shares in the company based on the applicable share option plan in the event of exceptional performance.

According to the currently applicable remuneration systems from 2022 and 2024, members of the Management Board can receive long-term variable share-based remuneration in addition to a fixed salary and short-term variable remuneration based on the achievement of performance targets.

The total remuneration of the Executive Board for the 2024 financial year amounts to € 1,880 thousand (including share options). The total remuneration of the Executive Board includes basic remuneration including fringe benefits and other salary components totaling € 1,113 thousand and performance bonuses totaling € 298 thousand.

Furthermore, share options totaling € 469 thousand were granted to members of the Executive Board. The remuneration of the Executive Board is broken down as follows:

Board member	Fixed remuneration				Variable remuneration			Total remuneration
	Basic remuneration	Fringe benefits	Other	Total fixed remuneration	Performance bonus	Discretionary bonus		
In thousand €						cash	Granting of stock	
Philip von Grolman	297	6	0	303	75	0	126	504
Andreas Prüfer	605	6	0	611	153	0	255	1,019
Nathalie Kronenberg	194	5	0	199	70	0	88	357
	1,096	**17**	**0**	**1,113**	**297**	**0**	**469**	**1,880**

The basic remuneration, fringe benefits (with the exception of employer contributions to pension insurance), other salary components and the discretionary cash bonus are short-term benefits. The remuneration of the members of the Management Board is distributed across the following categories as follows:

in € thousand	
Services due in the short term	1,411
share-based payments	469
Total	**1,880**

Accruals for Executive Board compensation amount to € 299 thousand (current).

The stock options granted to members of the Board of Management developed as follows:

	AOP 2019		AOP 2024	
	1st tranche 1/6/2022	2nd tranche 5/19/2023	1st tranche 12/5/2024	Total 12/31/2024
Philip von Grolman	24,835	105,633	108,693	239,161
Andreas Prüfer	24,835	105,633	219,664	350,132
Nathalie Kronenberg	0	0	75,862	75,862

In 2023 and 2024, Mr. von Grolman and Mr. Prüfer waived their right to exercise the share options from the 1st and 2nd tranches and the 3rd tranche of the 2014 share option programme. The share options of former members of the company's Management Board who left the company expired in full in previous years.

The fair values at the grant date of the share options granted to the members of the Executive Board are as follows:

	AOP 2019		AOP 2024
	Fair value 1st tranche 1/6/2022	Fair value 2nd tranche 5/19/2023	Fair value 1st tranche 12/5/2024
Philip von Grolman	75,002	74,999	12,280
Andreas Prüfer	75,002	74,999	15,280
Nathalie Kronenberg	0	0	88,000

The fair values per share at the respective grant dates were € 3.02 (6 January 2022), € 0.71 (19 May 2023) and € 1.16 (5 December 2024). The exercise prices are € 6.59 (6 January 2022), € 1.87 (19 May 2023) and € 2.23 (5 December 2024). A total of 191,837 share options lapsed due to the departure of former members of the Management Board and employees and the waiver of the exercise of share options by members of the Management Board.

There were no changes in value due to changes in the exercise conditions.

Dividends

As the retained earnings as at December 31, 2023 amounted to € 0.00, no dividend was distributed in 2024 for the previous financial year.

Proposal for the use of profits of the parent company

The Managing Board proposes to distribute € 0.12 per share from Delticom AG's net retained profits of € 2,650,562.83 for the shares outstanding at the time of distribution and to carry forward the remaining amount to new account.

Exempting Consolidated Financial Statements

Pnebo Gesellschaft für Reifengroßhandel und Logistik mbH, Tirendo GmbH, Giga GmbH, TyresNet GmbH, DeltiLog GmbH and All you need GmbH i. L. have fulfilled the conditions of Section 264 (3) HGB by being included in the consolidated financial statements and make use of the exemption provision as far as possible.

Shareholdings

Consolidated subsidiaries

	Fixed capital interest %	
Name, registered office	2024	2023
Direct		
All you need GmbH, Berlin	100	100
Delticom O.E. S.R.L., Timisoara (Romania)	100	100
Delticom Russland OOO, Moscow (Russia)	100	100
Delticom Ltd., Witney (Great Britain) (formerly DeltiLog Ltd.)	100	100
DeltiLog GmbH, Hanover	100	100
DS Road GmbH, Pratteln (Switzerland)	100	100
Giga GmbH, Hamburg	100	100
Extor GmbH, Hanover	100	100
Pnebo Gesellschaft für Reifengroßhandel und Logistik mbH, Hanover	100	100
Tirendo GmbH, Berlin	100	100
TyresNet GmbH, Munich	100	100
Ringway GmbH, Hanover	100	100
Indirect		
Delticom TOV, Lwiw (Ukraine) (via Delticom O.E. SRL)	99	99

All you need GmbH, Hanover, Delticom Russland OOO, Moscow and Delticom TOV, Lviv were in liquidation at the time of preparing the annual and consolidated financial statements of Delticom AG.

Auditor's fees

In 2024, the following fees were recorded for the auditor BDO AG, Bremen:

in € thousand	2024
Audits of the financial statements	468
Other confirmation and valuation services	30
Tax consultancy services	0
Other services	0
Total	**498**

The auditing services primarily include the fees for the audit of the consolidated financial statements, the audit of the dependent company report and the statutory audit of Delticom AG's annual financial statements.

The fees reported under other assurance services mainly relate to services in connection with the confirmation of key figures.

Notes to the cash flow statement

The consolidated cash flow statement was prepared in accordance with IAS 7. It is used to assess the extent to which the Group generates cash and cash equivalents. The cash flows are broken down into cash flows from operating activities, investing activities and financing activities. Cash flows from operating activities are presented using the indirect method, in which the net profit for the year is modified by non-cash transactions. Cash and cash equivalents consist of cash and bank balances.

in € thousand	12/31/2023	Cash changes	Non-cash changes		12/31/2024
			Reclassifications Maturities	Acquisitions/ disposals recognized directly in equity	
Loans	1,000	-1,000	0	0	0
Short term bank loans	0	10,361	0	0	10,361
Leasing liabilities	55,543	-11,021	0	24,290	68,812
Total	**56,543**	**-1,660**	**0**	**24,290**	**79,173**

in € thousand	12/31/2022	Cash changes	Non-cash changes		12/31/2023
			Reclassifications Maturities	Additions to leasing liabilities	
Long term bank loans	6,000	-5,000	0	0	1,000
Short term bank loans	12,736	-12,736	0	0	0
Leasing liabilities	60,840	-10,403	0	5,106	55,543
Total	**79,576**	**-28,139**	**0**	**5,106**	**56,543**

The cash changes in lease liabilities include cash interest in the amount of € 1,358 thousand (previous year: € 1,135 thousand).

Supplementary report

There were no events of particular significance after the end of the financial year.

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, 26 March 2025

(The Management Board)

Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To Delticom AG, Hanover

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of Delticom AG, Hanover, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated statement of recognised income and expenses, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1, 2024 to December 31, 2024 and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report (report on the position of the company and of the group) of Delticom AG for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements we have not audited the content of those parts of the combined management report listed in the section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. (paragraph) 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2024 and of its financial performance for the financial year from January 1, 2024 to December 31, 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3), sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial

Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2024 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters to be disclosed in our auditor's report:

- REVENUE RECOGNITION
- IMPAIRMENT OF GOODWILL

REVENUE RECOGNITION

Matter

As at December 31, 2024, the consolidated financial statements reported revenues of EUR 481.6 million (previous year: EUR 475.7 million).

Delticom AG sells tyres and complete wheels to private and commercial customers via the Internet, whereby the majority of revenues are generated from private individuals. The revenues generated by Delticom AG represent bulk transactions. Revenues are recognised when the customer obtains control, accounting for any rights of cancellation of the customer. The processing and monitoring of these transactions is IT-supported.

Due to the mass transactions, there are increased requirements for the IT systems and processes to ensure that revenue is recognised in the correct period. Against this background, revenue recognition was of particular significance in the context of our audit.

The company's disclosures on revenue recognition are contained in the section "Notes to the income statement", "(1) Revenue from contracts with customers" in the notes to the consolidated financial statements.

Auditor's response and findings

As part of our audit, we assessed, among other things, the appropriateness and effectiveness of the internal control system established for the processing and realisation of revenue, including the IT systems used. We involved internal specialists in the audit procedures.

Based on this, we traced the sales of goods by means of random sampling. Furthermore, we performed analytical audit procedures with regard to the distribution of sales of goods to customer groups and the distribution over time during the year and around the reporting date.

We also assessed whether revenue is recognised when control is transferred to the customer or in the correct period and, in this regard, assessed the consistency of the IT-based procedures used to determine revenue recognition. The same applies to the recognition of goods for which customers have exercised their right of cancellation and to the determination of reliable return rates.

In our opinion, the procedures and methods applied by the legal representatives and the internal control system, including the IT systems, are suitable overall for the realisation and allocation of revenues to correct periods.

Information on revenues is provided in the section "Notes to the income statement – Revenues" in the notes to the consolidated financial statements.

IMPAIRMENT OF GOODWILL

Matter

The intangible assets reported in the consolidated financial statements include goodwill in the amount of EUR 35.3 million (previous year: EUR 35.3 million). This corresponds to 14.8 % of the balance sheet total.

Goodwill is subjected to an impairment test by the company at least once a year and additionally on an ad hoc basis. Goodwill is tested for impairment at group level and thus at the level of a cash-generating unit. This test is based on the present value of the future cash flows of the cash-generating unit. As part of the impairment test, this present value is compared with the carrying amount of the cash-generating unit as the recoverable amount. In the first step, the present value is generally determined on the basis of the fair value less costs to sell.

The present value is determined using discounted cash flow models, whereby the plan prepared by management for the group represents the starting point and is extrapolated with assumptions about, for example, long-term growth rates in order to reflect a sustainable state (so-called "perpetual annuity"). Discounting is carried out using the weighted average cost of capital of the cash-generating unit.

The result of this valuation is highly dependent on the estimate of future cash inflows and outflows by the legal representatives of the company as well as on the discount rate and growth rate used and is therefore subject to considerable uncertainty. Against this background and due to the underlying complexity of the valuation, this matter was of particular significance in the context of our audit.

The company's disclosures on the recoverability of goodwill are contained in the section "Accounting and valuation policies", "Goodwill" in the notes to the consolidated financial statements.

Audit reaction and findings

As part of our audit, with the support of our valuation specialists, we analysed the methodology used to perform the impairment test. We compared the future cash inflows used in the calculation of the recoverable amount with the planning for the group prepared by management. We assessed the appropriateness of the assumptions underlying the calculation of future cash inflows, in particular by reconciling them with general and industry-specific market expectations. In addition, we performed audit procedures to assess the accuracy of the planning. In addition, with the assistance of internal specialists, we satisfied ourselves that the allocation of goodwill at the level of the group as a cash-generating unit is appropriate.

With the knowledge that even relatively small changes in the discount rate used can be material, we assessed the parameters used to determine the discount rate applied and the calculation method. In order to take account of the existing forecast uncertainties, we assessed the sensitivity analyses prepared by the company and performed our own sensitivity analyses.

The valuation parameters and assumptions applied by the legal representatives are generally in line with our expectations and are also within what we consider to be reasonable ranges.

OTHER INFORMATION

The legal representatives or the supervisory board are responsible for the other information.

The other information comprises:

- the separately published declaration on corporate governance pursuant to sections 289f and 315d HGB, to which reference is made in section "Statement on corporate governance" of the summarised management report
- the other parts of the annual report except for the audited consolidated financial statements and combined management report as well as our auditor’s report

Our audit opinions on the consolidated financial statements and combined management report do not cover the other information and, accordingly, we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, evaluate whether the other information

- is materially inconsistent with the consolidated financial statements, the combined management report or with our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there has been a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the group’s position and is, in all material respects, consistent with the consolidated financial statements in all material respects, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for the overseeing the group’s financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT IN ACCORDANCE WITH § 317 (3A) HGB

Assurance opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Delticom_KAuLB_2024-12-31_de.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2024 to 31 December 2024 contained in the "REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor’s Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB’s International Standards on Quality Management.

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB.

In addition, the legal representatives of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appro-priate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on June 6, 2024. We were engaged by the Management Board on November 11, 2024. We have been the group auditor of Delticom AG without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER - USE OF THE AUDIT OPINION

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Claas-Tido Zypress.

Hamburg, 26 March 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

sgd. Jörg Sabath	sgd. Claas-Tido Zypress
German Public Auditor	German Public Auditor

Compensation report of Delticom AG

1. General information

This compensation report pursuant to § 162 of the German Stock Corporation Act (AktG) presents and explains the compensation of the current and former members of the Management and Supervisory Board of Delticom AG in fiscal year 2024 in accordance with the requirements of the AktG. In order to facilitate the classification of the information and to promote understanding, the general features of the compensation systems for the Management Board and the Supervisory Board applicable in fiscal year 2024 are also presented. The preparation of the compensation report in accordance with § 162 AktG is the responsibility of the Management Board and the Supervisory Board.

The compensation report was audited by the auditors in accordance with § 162 (3) AktG. It is available on our website at https://www.delti.com/de/investor-relations/hauptversammlung/ together with the auditor's report.

2. General features of the compensation system for the members of the Management Board

2.1. Overview

In the financial year 2024, the compensation of the members of the Management Board is based on the compensation systems approved by the Annual General Meeting in the years 2022 and 2024. These are explained in more detail in the following sections.

The compensation taken into account in 2024 was paid in accordance with the compensation systems described below for 2022 and 2024.

Until July 2024, the compensation of the members of the Management Board Philip von Grolman and Andreas Prüfer was based on the compensation system adopted in the financial year 2022. In August 2024, new service contracts based on the 2024 compensation system were concluded for both members of the Management Board. Nathalie Kronenberg, who has been a member of the Management Board of Delticom AG since February 1, 2024, is compensated according to the 2022 compensation system.

2.2. Compensation system 2022

In fiscal year 2022, the compensation system revised and approved in 2021 was further developed. Delticom AG's new compensation system was approved in fiscal year 2022 by resolution of the Annual General Meeting on May 10, 2022. Since this date, the new compensation system has been decisive for all new Management Board contracts to be concluded or extended.

The Supervisory Board determines the amount of the target total compensation for each Management Board member separately for the next financial year based on the compensation system. This is the sum of fixed compensation (basic compensation and fringe benefits) and variable compensation. The target total compensation should be commensurate with the tasks and performance of the Management Board member and at the same time take into account the economic situation and the success of the company. In addition, appropriateness and market conformity are verified on the basis of a horizontal and vertical comparison. The function and area of responsibility of the Management Board member is taken into account when determining the amount of the respective target total compensation.

The compensation of the Management Board includes the following three main components for new or renewed contracts, whose share of the total compensation is made up as follows:

- Fixed compensation (basic compensation and fringe benefits) – 40 % to 60 %
- Short-term variable compensation (bonus) – 15 % to 25 %
- Long-term variable share-based compensation – 25 % to 35 %

The share of long-term variable share-based compensation in the target total compensation must always be greater than the share of short-term variable compensation in the target total compensation.

There is also the option of granting Management Board members a discretionary bonus in individual cases of exceptional performance at the dutiful discretion of the Supervisory Board. In order to take account of the fact that members of the Management Board sometimes provide extraordinary services that have a lasting benefit for the company but are not adequately rewarded by any other compensation component, a discretionary bonus of up to 20 % of the respective annual basic compensation can be granted in cash or in share options for new shares in the company for such services. Each member of the Management Board may receive a discretionary bonus no more than once per calendar year. As it can only be granted for extraordinary performance in individual cases at the dutiful discretion of the Supervisory Board, the discretionary bonus is not part of the target total compensation for the members of the Management Board.

The total compensation to be granted for a financial year, i.e. the sum of all compensation contributions paid by the company for the financial year in question, including basic compensation, variable compensation and fringe benefits as well as any discretionary bonus, is capped in the sense of a maximum compensation. This amounts to € 1,000,000.00 (2022 compensation system) and € 1,300,000.00 (2024 compensation system) for each member of the Management Board.

It is agreed in the employment contracts of the members of the Management Board that the basic compensation is increased at the beginning of a financial year, taking into account the maximum total compensation specified in the compensation system and the ranges specified in the compensation system for the individual compensation components, by an inflation adjustment, which is measured according to the rate of change in the consumer price index for Germany in the past financial year compared to the respective previous year, as published by the Federal Statistical Office.

Each member of the Management Board receives basic compensation in the form of a fixed salary for exercising their Management Board mandate. This is paid in twelve monthly installments. It can vary for the individual members of the Management Board, whereby the role on the Management

Board, experience, area of responsibility and market conditions in particular can be taken into account. Members of the Management Board receive fringe benefits in line with standard market practice. Such fringe benefits include, for example, allowances for insurance, the assumption of car costs and additional expenses for double housekeeping due to a change in the main place of work, including any taxes incurred in connection with this as well as shares in social security expenses for long-term care and health insurance within the legally prescribed framework. Before the start of a financial year, the Supervisory Board determines the maximum monetary value of fringe benefits of the basic compensation for each member of the Management Board.

The **short-term variable compensation** of Management Board members is linked to Delticom's annual performance (bonus). It depends on the achievement of both financial targets and non-financial targets. These targets are derived from the corporate strategy, so that this compensation component is intended to contribute to the company's sustainable success by incentivizing it accordingly. With regard to the financial performance criterion, the focus is on strengthening growth in the core business while operating profitably and efficiently.

The short-term variable compensation is based on the following performance parameters and is weighted as follows:

- Group revenues growth at 20 %,
- Group EBT at 50 % and
- individual (non-financial) targets at 30 %.

At the end of each financial year, the Supervisory Board will determine the target achievement with regard to both the growth in Group revenues and the Group EBT on the basis of the approved consolidated financial statements and the individual performance criteria and combine them into a weighted average. The payout amount for the respective Management Board member is calculated by multiplying the respective individual target compensation of the Management Board member for the short-term variable compensation by the weighted average of the target achievement.

To this end, the Supervisory Board sets values for each individual performance criterion before the start of the financial year that correspond to target achievement of 0 %, 100 % and 150 %. The value for the respective performance criterion, which is set at 0 % by the Supervisory Board, is the minimum threshold that must be exceeded for the performance criterion in question to be included in the calculation of short-term variable compensation. If this value is not met, the performance criterion in question does not contribute to the short-term variable compensation by multiplying it by a factor of 0 %. The target value for the respective performance criterion corresponds to 100 %. The Supervisory Board also sets a maximum value for each performance criterion at 150 %, above which no further compensation is to be paid. There is a linear distribution between 0 % and 150 %.

The **long-term variable share-based compensation** is based on share options granted to the members of the Management Board on the basis of a share option plan of the company. The basis for such a share option plan was initially the authorization of the Annual General Meeting on August 12, 2019.

The members of the Management Board are allocated share options annually as early as possible within a financial year, taking into account the relevant issue periods. The Supervisory Board determines the number of share options at its own discretion, taking into account the target total remuneration and the intended ratio of the individual compensation components.

With their four-year vesting period, the share options represent long-term variable share-based compensation with a multi-year assessment basis. As with the previous compensation systems, they thus contribute to the long-term development of the company and link the compensation of the Management Board to the interests of shareholders. Due to the four-year waiting period and the requirement to achieve the performance target, the long-term positive performance of Delticom's share price is rewarded.

The option rights can only be exercised if the unweighted average of the closing prices of the company's shares on the five trading days prior to the first day of the respective exercise period in which the option right is exercised is at least 130 % of the exercise price (performance target). If this requirement is met for a specific exercise period, the option can be exercised during this exercise period regardless of the further performance of the company's share price.

The total compensation to be granted for a financial year, i.e. the sum of all compensation amounts paid by the company for the financial year in question, including fixed salary, variable compensation and fringe benefits, is limited in the sense of a maximum compensation. This amounts to € 1,000,000.00 (compensation system 2022) or € 1,300,000.00 (compensation system 2024). The calculation is based on the company's expenses for a financial year, irrespective of when the respective amounts are actually paid out.

In the event of premature, mutually agreed termination of a Management Board member's contract without good cause, Management Board members receive the basic compensation plus the bonuses actually received in the last financial year prior to termination and any long-term share-based remuneration granted as compensation. In this context, departing members of the Management Board, including fringe benefits, receive the value of a maximum of two years' compensation (severance payment cap) and no more than the remaining term of the employment contract would result in. The compensation payment is reduced by 10 % if the remaining term of the appointment is more than six months.

2.3. Compensation system 2024

Delticom AG's new compensation system was approved by resolution of the General Meeting on June 6, 2024 in fiscal year 2024. Since this date, the new compensation system has been decisive for all new Management Board contracts to be concluded or extended.

The 2024 compensation system differs from that of 2022 only in that the total target compensation was adjusted from € 1,000,000.00 to € 1,300,000.00 and the inflation adjustment is no longer paid.

In the 2024 financial year, a new version of the Management Board contract was agreed with both Philip von Grolman and Andreas Prüfer on the basis of a Supervisory Board resolution dated August 5, 2024, using the new Management Board compensation system 2024.

For Nathalie Kronenberg, the total target compensation applicable to 2024 is determined in accordance with the 2022 compensation model (maximum compensation of € 1,000,000.00) and for the two Management Board members Andreas Prüfer and Philip von Grolman in accordance with the 2024 compensation system (maximum compensation of € 1,300,000.00).

Based on a target achievement level of 100 %, the total target compensation for 2024 for the individual members of the Management Board is as follows:

Member of the Management Board	Target compensation			
	Fixed compensation	Short-term variable compensation	Share-based payment	Total
Andreas Prüfer	611,544.36	152,886.09	254,810.15	1,019,240.60
Philip von Grolman	302,601.96	75,650.49	126,084.15	504,336.60
Nathalie Kronenberg	211,800.00	70,000.00	88,000.00	369,800.00

The value of the long-term share-based payment is measured on the basis of the actual allocation in 2024.

2.4 Option rights

Stock option plan 2014

The following stock options were granted to the following members of the Management Board in 2017 and 2018:

	1st tranche 05.01.2017	2nd tranche 10.01.2018	3rd tranche 28.12.2018	Option rights granted	Expired	Stock of option rights 31.12.2024
Susann Dörsel-Müller	8,000	8,000	8,000	24,000	-24,000	0
Philip von Grolman	8,000	8,000	8,000	24,000	-24,000	0
Andreas Prüfer	8,000	8,000	8,000	24,000	-24,000	0
Thierry Delesalle	8,000	8,000	0	16,000	-16,000	0

Due to the departure of Susann Dörsel-Müller in 2020, all of her share options expired in 2020 (10,000 share options with a value (in each case fair value at the grant date) of € 25,255.00), 2021 (6,500 share options with a value of € 24,375.00), 2022 (4,500 share options with a value of € 12,960.00) and 2023 (4,000 share options with a value of € 11,520.00) in accordance with the share option plan. Due to the departure of Thierry Delesalle in 2019, all of his share options (16,000 in total) expired in 2019 (11,000 share options with a value of € 35,595.00), 2021 (3,500 share options with a value of € 13,125.00) and 2022 (1,500 share options with a value of € 4,320.00) in accordance with the share option plan.

In a declaration dated 12.12.2023, Philip von Grolman and Andreas Prüfer waived the exercise of their share options from the first and second tranches with a value (fair value at the grant date) of € 30,000.00 (first tranche) and € 23,040.00 (second tranche) respectively. In a declaration dated 20.12.2024, Philip von Grolman and Andreas Prüfer waived the exercise of their share options from the third tranche with a value (fair value at the grant date) of € 15,280.00 each.

As at December 31, 2024, there are therefore no more share options for members of the Management Board from this share option plan.

Stock option plan 2019

The Annual General Meeting on August 12, 2019 authorized the Supervisory Board to grant option rights for the subscription of a total of up to 150,000 new no-par value registered shares of the company to members of the Management Board of Delticom AG on one or more occasions or - to the extent that issued option rights expire or otherwise lapse - repeatedly until August 11, 2024 (stock option plan I/2019). This stock option plan also applies to the 2021 and 2022 compensation systems. The terms and conditions largely correspond to those of the 2014 stock option plan. In fiscal year 2021, as in the two previous years, no stock options were issued to members of the Management Board at the discretion of the Supervisory Board - due to the compensation system 2012.

By resolution dated 10.12.2021, the Supervisory Board of Delticom AG introduced a stock option plan for members of the company's Management Board (Stock Option Plan 2022). On this basis, the Supervisory Board of Delticom AG subsequently resolved on 06.01.2022 to issue 24,835 option rights each to the members of the then Management Board Alexander Eichler, Philip von Grolman, Thomas Loock, Torsten Pötzsch and Andreas Prüfer in accordance with the option conditions of the 2022 stock option plan (1st tranche). Furthermore, on 19 May 2023, the Supervisory Board resolved to issue 105,633 option rights each to the members of the then Management Board Andreas Prüfer and Philip von Grolman in accordance with the option conditions of the 2022 share option plan (2nd tranche).

After the option rights granted to Thomas Loock, Torsten Pötzsch and Alexander Eichler at the beginning of 2022 expired in full when they left the company (24,835 share options each worth € 75,001.70), option rights for Management Board members from this share option plan still exist as follows:

	1st tranche 06.01.2022	2nd tranche 19.05.2023	Option rights granted	Expired	Stock of option rights 31.12.2024
Philip von Grolman	24,835	105,633	130,468	0	130,468
Andreas Prüfer	24,835	105,633	130,468	0	130,468

The exercise price of the 1st tranche is € 6.59 and € 1.87 for the 2nd tranche. The fair value per share option at the grant date is € 3.02 for the 1st tranche and € 0.71 for the 2nd tranche.

Stock Option Plan 2023

The Annual General Meeting on June 21, 2023 authorized the Management Board, with the approval of the Supervisory Board (or the Supervisory Board in place of the Management Board if option rights are granted to members of the Management Board), to grant option rights to subscribe to a total of up to 650,000 new no-par value registered shares to members of the company's Management Board (SOP 2024) on one or more occasions until June 20, 2028 or - if issued option rights expire or otherwise lapse - repeatedly. This share option plan applies to the 2022 compensation system. The conditions largely correspond to those of the 2014 and 2019 share option plans.

The following Management Board members were granted the following share options from this share option program in 2024:

	1st tranche 05.12.2024	Expired	Stock of option rights 31.12.2024
Philip von Grolman	108,693	0	108,693
Andreas Prüfer	219,664	0	219,664
Nathalie Kronenberg	75,862	0	75,862

The exercise price of the first tranche is € 2.23. The fair value per share option at the grant date is € 1.16.

Stock option plan 2024

The Annual General Meeting on June 6, 2024 authorized the Management Board, with the approval of the Supervisory Board (or the Supervisory Board in place of the Management Board if option rights are granted to members of the Management Board), to grant option rights to subscribe to a total of up to 1,250,000 new no-par value registered shares to members of the company's Management Board once, several times or - if issued option rights expire or otherwise lapse - repeatedly until June 5, 2029. The conditions largely correspond to those of the previous share option plans.

No share options were issued to members of the Management Board from this share option plan in the 2024 financial year.

At the end of the financial year 2024, share options from the share option plans therefore existed for the following members of the Management Board:

	SOP 2019		SOP 2024	
	1st tranche 06.01.2022	2nd tranche 19.05.2023	1st tranche 05.12.2024	Total stock 31.12.2024
Philip von Grolman	24,835	105,633	108,693	239,161
Andreas Prüfer	24,835	105,633	219,664	350,162
Nathalie Kronenberg	0	0	75,862	75,862

The entire Management Board has not yet exercised any share options from the various share option programs.

3. Compensation of the Management Board in 2024

The compensation of the Management Board consists of a non-performance-related fixed compensation and a variable compensation.

The compensation granted to the members of Delticom AG's Management Board in fiscal year 2024 is presented below. In this context, the term "granted" refers to compensation that actually accrued to the members of the Managing Board in fiscal year 2024.

The payments made to Delticom AG's Management Board members in 2024 were made for the Management Board members Philip von Grolman and Andreas Prüfer according to the 2022 and 2024 compensation models, and for Nathalie Kronenberg according to the 2022 compensation system.

The compensation granted to the Management Board breaks down as follows within the meaning of § 162 AktG (in €):

Management Board member	Fixed compensation 2024				Variable compensation paid in 2024				Total compensation	Ratio of fixed to variable compensation
						Discretionary bonus				
	Basic compensation	Fringe benefits	Others	Total fixed compensation	Performance bonus	Bonus/Discretionary bonus	Granting of stock options	Total variable compensation		
Philip von Grolman	297,091.80	5,510.16	0.00	302,601.96	90,381.00	0.00	126,084.15	216,465.15	519,067.11	58:42
Andreas Prüfer	605,492.64	6,051.72	0.00	611,544.36	174,000.00	0.00	254,810.15	428,810.15	1,040,354.51	59:41
Nathalie Kronenberg (Entry: 01.02.2024)	194,150.00	4,468.53	0.00	198,618.53	0.00	0.00	88,000.00	88,000.00	286,618.53	69:31
	1,096,734.44	16,030.41	0.00	1,112,764.85	264,381.00	0.00	468,894.30	733,275.30	1,846,040.15	60:40

3.1. Fixed compensation

The **fixed compensation** relates to both payments and expenses in the 2024 financial year, whereby the contractually agreed adjustment of the basic compensation by the inflation adjustment, which is based on the rate of change in the consumer price index for Germany in the past financial year compared to the respective previous year as published by the Federal Statistical Office, was taken into account for Philip von Grolman and Andreas Prüfer. The ancillary costs include social security costs paid in 2024.

3.2. Variable compensation

In the year 2024, Andreas Prüfer received a bonus payment of € 174,000.00 for the financial year 2023on the basis of the compensation model 2022.

In 2024, Philip von Grolman received a bonus payment for the financial year 2023 totaling € 90,381.00 on the basis of the bonus agreements based on the applicable compensation model.

Delticom AG did not reclaim any variable compensation from the members of the Management Board.

A **cap** on total remuneration applies to limit the impact of extraordinary positive developments. Compliance with the maximum compensation for 2024 under the remuneration system resolved in 2022 and 2024 of € 1,000,000.00 and € 1,300,000.00 respectively (total of all compensation components paid by the company for a financial year) cannot yet be verified, as the variable compensation will not be paid out until 2025. The maximum compensation was complied with in each of the previous years.

3.3. Comparative presentation

The compensation of the members of the Management Board of Delticom AG has developed as follows over the past years in relation to the performance criteria presented for the performance bonus or to the employees of the Delticom Group (in %):

Annual change	2021 zu 2022	2021 zu 2022	2020 zu 2021	2019 zu 2020	2018 zu 2019
Management Board member					
Philip von Grolman	-9.3	51.4	-2.7	-2.6	-1.9
Andreas Prüfer	38.2	-9.6	-19.6	16.3	-2.3
Thomas Loock	-91.8	-40.7	26.7	219.6	100.0
Alexander Eichler	6.6	100.4	39.0	100.0	-
Torsten Pötzsch	-100.0	221.5	100	-	-
Johannes Schmidt-Schultes	134.0	100	-	-	-
Harald Blania	-	-100.0	44.9	100.0	-
Member of the Supervisory Board					
Alexander Gebler	-91.4	68.0	100.0	0.0	-
Michael Thöne-Flöge	51.1	-100.0	225.0	0.0	0.0
Karl-Otto Lang	171.4	740.0	100.0	0.0	-
Andrea Hartmann-Piraudeau	100.0	-	-	-	0.0
Development of the company					
Net income of Delticom AG	4.1	-474.6	-20.2	106.4	-1356.8
Revenues	-18.7	-13.0	8.2	-13.5	-3.1
Group EBT	105.8	-35.7	91.0	106.3	-9737.1
Average salary of employees on a full-time basis					
Employees	3.3	9.4	2.1	3.3	-1.0

Thomas Loock was appointed to the Management Board of Delticom AG in 2019 and left the company in 2022. Harald Blania and Alexander Eichler were appointed to the Management Board in 2020, Torsten Pötzsch in 2021. Harald Blania and Torsten Pötzsch left Delticom AG in 2021 and 2022 respectively. Alexander Gebler and Karl-Otto Lang were elected to the Supervisory Board of Delticom AG in the 2020 financial year. Alexander Gebler resigned from the Supervisory Board in 2023. Nathalie Kronenberg was appointed to the Management Board in 2024.

All employees of Delticom AG, converted to full-time equivalents, are included as employees.

No compensation was promised or granted by a third party to any Management Board member with regard to his Management Board activities.

4. General features of the compensation system for members of the Supervisory Board

The members of the Supervisory Board receive fixed compensation without performance-related components.

In addition, the members of the Supervisory Board are entitled to reimbursement of the necessary expenses incurred in the performance of their mandate plus any VAT payable on their expenses.

At the Annual General Meeting on June 21, 2023, amended provisions of Delticom AG's articles of incorporation were adopted for the Supervisory Board and, as part of this, a new remuneration was resolved, according to which the members continue to receive a purely fixed remuneration, payable after the end of the financial year. The Chairman of the Supervisory Board receives € 95,000.00 annually, each of his deputies € 67,500.00 annually and all other members of the Supervisory Board € 50,000.00 annually. In the event of changes to the Supervisory Board during the year, remuneration is paid pro rata temporis, rounded up to full months. This regulation has applied since the 2023 financial year.

5. Compensation of the Supervisory Board in 2024

The following amounts were granted to the members of the Supervisory Board in the financial year 2024 :

- Karl-Otto Lang (Chairman) – € 95,000.00 for 2023
- Michael Thöne-Flöge (Deputy Chairman) – € 67,500.00 for 2023
- Andrea Hartmann-Piraudeau – € 50,000.00 for 2023

Supervisory Board compensation for 2024 totaling € 212,500.00 was paid out at the beginning of 2025.

- Karl-Otto Lang (Chairman) - € 95,000.00 for 2024
- Michael Thöne-Flöge (Deputy Chairman) - € 67,500.00 for 2024
- Andrea Hartmann-Piraudeau - € 50,000.00 for 2024

Mr. Lang also received reimbursements for travel expenses and insurance totalling € 5,092.04. Mrs. Hartmann-Piraudeau received reimbursement of travel expenses of € 1,354.14 in 2024.

6. Resolution by the Annual General Meeting

The current compensation system for the members of the Management Board and the Supervisory Board was approved at the Annual General Meetings on June 6, 2024 and June 21, 2023.

At the Annual General Meeting of Delticom AG on June 6, 2024, the compensation report for the financial year 2023 prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG) was approved by 93.5 %. For this reason, the structure of the compensation report was essentially retained in its previous form.

The Annual General Meeting 2025 of Delticom AG will resolve on the approval of this remuneration report for the financial year 2024 , which has been prepared and audited in accordance with Section 162 AktG.

Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Group revenues (€ million)	481.64	475.69	509.29	585.37	541.26	625.75	645.72	667.70	606.60	559.79	501.70
Group EBITDA (€ million)	20.29	20.64	15.00	17.09	15.04	-6.64	9.00	9.30	15.10	14.28	15.29
EPS (€/share)	0.27	0.54	0.19	0.49	0.55	-3.27	-0.13	0.09	0.36	0.28	0.24
Number of shares outstanding (million)	14.83	14.83	14.83	14.83	12.46	12.46	12.46	12.46	12.46	11.95	11.95
Dividend per share (€/share)**	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.50	0.50	0.25
Number of employees	154	169	183	174	196	261	235	185	156	129	247
Number of partner garages (thousand)*	26.00	30.00	30.00	34.00	38.00	39.00	40.00	43.00	43.90	41.90	39.30
Number of shops*	348	355	351	359	410	519	469	453	387	245	163
Number of customers (customer base, thousand)*	19,707	19,021	18,284	17,432	15,945	14,940	13,601	12,230	10,879	9,583	8,319

* Number at the closing date 31.12.

** Dividend per share paid for fiscal year

Financial Calendar

14.05.2025	3-monthly notification
09.07.2025	Annual General Meeting
14.08.2025	6-monthly report
13.11.2025	9-monthly notification
24.-26.11.2025	German Equity Forum Frankfurt (investor and analyst event)

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