

Delticom publishes Q1 business development // Exceedance of the threshold of 50 % of the voting rights by a trustee and companies and persons associated with him

Hanover, May 14, 2020 – Delticom AG (German Securities Code (WKN) 514680, ISIN DE 00005146807, stock market symbol DEX), Europe's leading online retailer for tyres and complete wheels, publishes the key points of its business trends in the first quarter 2020.

- **Profitability improved despite decline in sales in the first quarter**
- **Measures to reduce costs and increase efficiency taking effect**
- **Restructuring costs of € 2.2 million successfully compensated**
- **Refitting business started well in April, catch-up effect assumed**
- **Full-year forecast confirmed**

Market environment.

In initial estimates, market experts assume that in the first three months of the current year, a total of 15.4 % fewer car tyres were sold from dealers to consumers in Germany. A 13.6 % decrease in sales of summer tyres and a 30.5 % decrease in sales of winter tyres contrasts with an 8.3 % increase in sales of all-season tyres.

At the pan-European level, the shutdown decisions of various European countries to contain the corona pandemic also had an impact on the demand for replacement tyres. In the Southern European countries in particular, the lives of private consumers were considerably restricted in order to reduce the high infection rates and the speed at which the pandemic spreads.

Revenues. The company generated revenues of € 93.0 million in the first three months of the current year, compared with € 122.2 million in the first quarter of 2019. The 24 % decrease of consolidated group revenues is due on the one hand to the implementation of the closure of unprofitable subsidiaries already decided and initiated last year. The operating business of All you need GmbH, for example, was already discontinued at the end of 2019. The business of Gourmondo Food GmbH was completely discontinued as of March 13, 2020, the automotive spare

parts and oils business as of March 31, 2020. In the first few months of the current year, the remaining stock levels were fully sold off. Weather-related shift effects also had an impact on revenues in the core tyre business in the first quarter of 2020. A mild winter compared to the previous year and the resulting low demand for winter tyres at the beginning of the current fiscal year were followed this year by cold temperatures in the last decade of March, which delayed the start of the summer season in the classic changeover countries by a few weeks and thus into the second quarter. At the European level, pandemic lockdown measures also had an impact on demand and correspondingly on the development of revenues.

Gross profit. In view of a decrease in revenues, gross profit amounted to € 24.8 million. Following a previous year's figure of € 30.8 million, this corresponds to a decrease of 19.4 %. Gross profit in relation to total income amounted to 25.6 % (Q1 19: 24.1 %).

Personnel expenses. On the reporting date of March 31, 2020, the Group employed a total of 221 people (March 31, 2019: 308). Personnel expenses amounted to € 3.9 million, compared with € 4.6 million in the first quarter of 2019. The 15.8 % decrease is mainly due to the closure of non-profitable subsidiaries and the associated gradual reduction in personnel until the cease of the related operations.

EBITDA. EBITDA amounted to € -5.3 million after a previous year's figure of € -5.6 million. Operating earnings before interest, taxes, depreciation and amortisation are burdened by restructuring costs of € 2.2 million in the first quarter of 2020. The positive effects from the closure of loss-making subsidiaries and the measures taken to increase efficiency and to optimize costs in the core business fully compensated the negative impact on earnings from the restructuring despite the decrease in revenues, resulting in an EBITDA improvement of € 0.3 million.

Depreciation. Depreciation and amortisation amounted to € 2.4 million, compared with € 3.2 million in the previous year. The 26.4 % decrease is mainly due to the closure of unprofitable subsidiaries whose fixed assets had already been extraordinary written off in the 2019 financial year.

EBIT. In view of the increase in profitability and the lower depreciation and amortisation compared with the previous year, EBIT amounted to € -7.7 million – after € -8.8 million in the first quarter of 2019, an improvement of € 1.1 million.

Outlook.

With warmer temperatures in April, the refitting business in the classic changeover countries has gained considerable momentum. The workshops in Germany are open so that expert tyre changes can be carried out easily. While countries such as Austria and Germany entered a phase of gradual easing of restrictions as early as April, countries such as France, Italy and Spain have also been following suit since the beginning of May, gradually easing contact and curfew restrictions accompanied by a gradual re-opening of the retail sector. At this point in time, Delticom AG's management expects that the further easing of measures in Europe in the coming weeks will at least partially offset the decrease in revenues in the first quarter.

Delticom will report on the further course of the summer tyre business in its half-year report on August 13, 2020. The full-year forecast from March is confirmed. Depending on the catch-up effect, revenues and EBITDA will be within the forecasted ranges.

Exceedance of the threshold of 50 % of the voting rights by a trustee and companies and persons associated with him

Delticom AG has today published a voting rights announcement pursuant to Section 40 (1) Sentence 1 of the German Securities Trading Act (WpHG), which it received from Andreas Ziegenhagen. This voting rights announcement relates to the exceedance of the 50 % threshold of voting rights in Delticom AG (reportedly 52.64 %) on May 11, 2020 by Mr. Andreas Ziegenhagen, Brilliant 3256 Asset Management GmbH, Dentons GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Dentons Europe Beteiligungsgesellschaft bürgerlichen Rechts and Mr. Andreas Ziegenhagen. The reasons given are the granting of a power of attorney and a vote on conduct. This announcement is related to Delticom AG's restructuring program which has been initiated last year.

In the agreements reached with the lending banks at the end of 2019 with regard to the continuation of Delticom group's financing until the end of 2021, the shareholders Prüfer GmbH and Seguti GmbH undertook various measures vis-à-vis a stock trustee, which represents the lending banks' security interests as the Delticom group's financier, to search for and promote the entry of an investor in Delticom AG with the aim of strengthening Delticom AG's capital base. The shareholder Binder GmbH had voluntarily assumed a similar obligation towards the shareholder Prüfer GmbH. Prüfer GmbH has assigned its corresponding claim to the share trustee. These obligations were subject to various conditions precedent, which have in the meantime been fulfilled.

On the basis of these agreements, voting proxies of Prüfer GmbH and Seguti GmbH have now been issued to the trustee. As a result of the agreements reached, the parties granting the power of attorney and the authorized trustee have come to an understanding regarding the exercise of voting rights at Delticom AG. As a result of a co-voting obligation voluntarily assumed vis-à-vis Prüfer GmbH and the assignment of the corresponding claim by Prüfer GmbH to the share trustee, the shareholder Binder GmbH is subject to a voting commitment vis-à-vis the share trustee in certain cases.

This legally leads to the attribution of the voting rights of Prüfer GmbH, Binder GmbH and Seguti GmbH at Delticom AG to the share trustee and companies and persons associated with him. However, Prüfer GmbH, Binder GmbH and Seguti GmbH continue to hold their existing Delticom shares. The pooling agreement between Prüfer GmbH and Binder GmbH and the resulting voting rights additions also continue to exist unchanged.

As a result, the stock trustee and its associated companies and persons have formally acquired control of Delticom AG. However, as this control was not acquired with the aim of influencing Delticom AG's management and without any significant economic objectives of its own, the German Federal Financial Supervisory Authority (BaFin) has, upon application, exempted the stock trustee and its associated companies and persons within the meaning of § Section 37 (1) Variant 2 Securities Acquisition and Takeover Act (WpÜG) from the obligations to publish the acquisition of control within the meaning of Section 35 (1) Sentence 1 WpÜG and, within the

meaning of Section 35 (2) Sentence 1 WpÜG, to submit an offer document to the BaFin and to publish a mandatory offer to all of Delticom AG's shareholders.

<End of disclosure>

About Delticom:

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

The product portfolio for private and business customers comprises an unparalleled range of more than 600 brands and around 18,000 tyre models for cars, motorcycles, bicycles, trucks, commercial vehicles and buses. Complete wheels and rims complete the product range. The company operates 440 online shops and sales platforms in 75 countries, serving around 15 million customers.

As part of the service, the ordered products can be sent to one of Delticom's approximately 39,000 service partners worldwide for mounting at the customer's request.

Based in Hanover, Germany, the company operates primarily in Europe and the USA 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 2019, Delticom AG generated revenues of around 626 million euros. At the end of last year, the company employed 242 people.

Delticom AG shares have been listed in the Prime Standard of Deutsche Börse since October 2006 (ISIN DE0005146807).

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