

HAWESKO

HOLDING SE

**NO. 1 FOR
PREMIUM
WINES**



QUARTERLY
COMMUNICATION AS
AT 31 MARCH

2024

COMPELLING FORMATS FOR DELIGHTED CUSTOMERS



Extensive range for wine connoisseurs



Jacques' ocations and online offerings



Austria's leading specialist wine dealer



Das Beste aus Spanien!

The best wines from Spain



German wines straight from the producer



Rare and top wines from all over the world



Traditional fine wine trader



Excellent wines for Sweden



Italian wines and lifestyle



International wine variety



Wine individuality in the premium segment



Top wines from Italy



Premium portfolio for highest quality demands



Omnichannel premium retailer in the Czech Republic



Exquisite spirits portfolio



Selected Bestseller



A WORD FROM THE BOARD

Dear Shareholders,

Dear friends of the *Hawesko Group*,

In the first three months of the new financial year, sales of the *Hawesko Group* were down on the same period of the previous year in a challenging economic environment, with customers continuing to hold back on consumption. At € 144 million, sales fell short of the 2023 figures by 6 per cent. The Group generated an operating result from operating activities (adj. EBIT) of € 3.7 million and an operating EBIT margin of 2.6 per cent. This – in comparison to the previous year - weaker start to the financial year is also due to the fact that the public holiday constellation had a negative impact on the number of working days.

Sales in the retail segment slightly exceeded the previous year's level at the end of March, contributing around 35 per cent of the *Hawesko Group's* total sales at € 50.8 million. After a rather subdued start in January due to the weather conditions, the trend in the shop business stabilised in the following weeks, exceeding that of the previous year. This development is also based on a slight increase in customer frequency and average sales. In contrast, the online shops of the retail companies *Jacques'* and *WEIN & CO* were less robust. In some cases, significant declines had to be accepted. This is highly comparable with the overall development of the *Hawesko Group's* e-commerce segment and reflects the consumer mood in e-commerce. Increased purchase prices were passed on to customers with a sense of proportion. We also succeeded in increasing the gross profit margin overall by optimising the product range and assortment policy, among other things. Fortunately, this approach did not have any recognisable inhibiting effect on purchasing in the generally difficult environment. Rising costs, particularly in wine purchasing and for service providers, were at least partially offset by this approach to gross profit. The Operating EBIT in the Retail segment totalled € 2.6 million in the first quarter, around half a million euros below the previous year's figure.

At € 43 million, sales in the B2B segment fell short of the 2023 reference value, although this was more pronounced than we had expected. The percentage shortfall was 10 per cent and was influenced, among other things, by a weak phase before Easter. This development resulted from a clear reluctance on the part of major customers in Germany and abroad, the hotel industry, as well as the specialised and food retail trade. It became apparent that our partners were focussing their business policy on the short term: The volume of wine stocks was reduced slightly and, overall, purchases were made more in line with demand - adapted to the customers' weak consumption. The pleasing increase in the gross profit margin could not compensate for the depression effects resulting from the sales trend. Overall rising costs, including those of external partners in the area of logistics, were partially offset. In the B2B segment, the operating result was therefore at a low level of € 0.7 million.

The E-Commerce segment also recorded a decline in sales. Sales reached the € 50.2 million mark, down 8 per cent on the previous year. The reasons for this include - in addition to the unfavourable constellation of working days mentioned above - backlogs in the delivery and invoicing of orders. These backlogs could only be reduced at the beginning of the second quarter. This was due to final relocation activities as part of the expansion of our logistics centre. At the same time, the new logistics set-up has laid the foundation for further optimisation of processes and costs.

Despite this, there is still no recognisable trend reversal towards growth in the E-Commerce segment, neither in the industry as a whole nor in the development of our formats. There are initial signs that the declines are weakening noticeably and that the trough could be reached in the first half of the year. For the year as a whole, and in the longer term, we expect this segment to move sideways, with slight growth under favourable conditions. The E-Commerce segment's operating result totalled € 2.1 million, falling short of the previous year's figure by € 0.7 million, despite an improvement in gross profit.

The significant increase in costs in the previous financial year continued at a slightly lower level across all companies, although this was countered with tightly controlled price increases. Gross profit was also increased gradually and sustainably. In order to permanently manage the rise in costs, all companies developed measures to implement very strict cost discipline, increase internal productivity and optimise working capital. As a result, inventories are significantly lower than in the previous year. In the opinion of the Executive Board, internal optimisation is the foundation for a more offensive product and supply policy implemented in line with economic rationality. This approach will have a positive impact on business development in the long term, particularly if the economic situation improves. In addition, our initiatives to increase the use of artificial intelligence and the expansion of our offerings in the low/no-alcohol sector have a promising effect on the Group's performance.

Sales are expected to grow slightly for the financial year as a whole. Even if a noticeable upturn in the business environment cannot be assumed in the short term, it is expected that catch-up effects from the weak first quarter will become apparent over the rest of the year and that the measures planned for the end of the year will bring an overall improvement. In terms of earnings, we expect that at least the previous year's operating result will be achievable. The structural improvement in the gross profit margin and continued cost discipline, which will increase internal efficiency and productivity, will make a significant contribution to this.

Even though the challenges remain great, we believe we are still well equipped! Above all, the trust placed in us by our customers and shareholders strengthens us in our actions and in pursuing our chosen path in a level-headed and continuous manner.

Your Executive Board

Thorsten Hermelink Alexander Borwitzky Hendrik Schneider

INTERIM SITUATION REPORT

FRAMEWORK CONDITIONS

According to a recent forecast by the International Monetary Fund (IMF), the outlook for the global economy has improved slightly and global economic growth of 3.2 per cent is expected. The global economy is still considered to be resilient and growth stable. At the same time, inflation is expected to fall. However, the IMF has lowered its GDP forecast for Germany to 0.2 per cent. The IMF is therefore forecasting the weakest growth for Germany of all the leading western G7 industrialised nations. According to the IMF, as an export nation, Germany is suffering more than other countries from the overall weak global trade and is also struggling with high energy prices.

After consumer sentiment deteriorated sharply in January, this negative development at the beginning of the year did not prove to be the start of a further downward trend. Despite a slight increase in the propensity to buy, consumer optimism remains subdued and is still below the levels seen before the coronavirus crisis. Although consumers' propensity to buy is rising again slightly, their propensity to save is also increasing. This is reflected in the stable footfall in bricks-and-mortar retail, while footfall in online retail is declining slightly. The starting point for the increase in the propensity to buy is the expected increase in consumer income, as well as the expected further decline or stable inflation. At the same time, there is still a certain degree of uncertainty among consumers, whereby they are focussing on building up a financial cushion.

EXPLANATION OF THE BUSINESS PERFORMANCE

EARNINGS SITUATION

In the period from 1 January to 31 March 2024, the Group generated sales of € 144.1 million, down 5.9 per cent on the previous year. Sales in the e-commerce and B2B segment declined compared to the previous year, while sales in the retail segment remained at the previous year's level thanks to stable customer demand.

The retail units had to contend with lower customer frequency at the beginning of the year due to weather-related influences such as regional flooding in Germany and Austria, which was made up for over the course of the quarter.

The E-Commerce segment recorded a decline in sales of 8.1 per cent compared to the previous year. In addition to a high level of customer reticence, the discontinuation of business to Sweden had a negative impact on sales development (€ -0.8 million). Customer restraint was reflected not only in lower customer frequency, but also in lower sales per order. Delays in the commissioning of certain areas of the new logistics centre in Tornesch also meant that delivery performance was not at the desired level and orders could not be invoiced.

The B2B segment also felt the effects of weak customer demand and recorded 9.9 per cent lower sales than in the previous year. Sales in both Germany and the foreign units were below the previous year's level at the end of the quarter. In the foreign units, the disproportionately high decline in sales at *Global Wines & Spirits* had a particularly negative impact on the segment's performance. In addition to the loss of a brand, changes in regulatory requirements regarding alcohol tax led to the decline. In the German units, less promotional business was transacted with food retailers (LEH) compared to the previous year due to the focus on increasing margins. In addition, price negotiations with some major food retail customers could not be finalised, resulting in some delivery stops.

The average bottle price increased in all three segments in the first quarter compared to the previous year. Active cost management, particularly in the e-commerce and B2B segments, led to a positive cost trend in the first quarter and thus to a decline in total costs across all segments. However, it was not possible to fully offset the decline in sales due to the significant drop in sales volumes.

The operating result (adj. EBIT) totalled € 3.7 million in the first quarter, down € 2.0 million on the previous year. The decline in EBIT is due in particular to weak market conditions, consumer restraint and a high level of uncertainty among companies and households. Even though experts have predicted a slight recovery in economic output for 2024, a noticeable macroeconomic recovery is not expected until the second half of the year at the earliest. This is reflected in the sales trend in the e-commerce and B2B segments in particular and could not be compensated for by lower costs, including in the marketing area of the e-commerce segment and in the freight and logistics costs of the other two segments, to the detriment of profitability in the first quarter.

The Group's operating EBIT margin for the first quarter was 2.6 per cent (previous year: 3.7 per cent).

In relative terms, the gross margin rose from 43.7 per cent in the previous year to 44.5 per cent. While the margin in the Retail and B2B segments remained almost constant, the gross profit margin in the E-Commerce segment rose by 1.5 percentage points.

REVENUE, INCOME AND EXPENSES € '000	01/01- 31/03/2024	01/01- 31/03/2023	Change	
			abs.	rel.
Sales revenue	144.140	153.118	-8.978	-5,9 %
Cost of materials	79.945	86.276	-6.331	-7,3 %
GROSS PROFIT	64.195	66.842	-2.647	-4,0 %
Other operating income	4.037	4.327	-290	-6,7 %
Personnel expenses	19.011	19.225	-214	-1,1 %
Depreciation and amortisation	6.172	5.802	370	6,4 %
Expenses for advertising	10.006	11.132	-1.126	-10,1 %
Expenses for commissions	10.028	10.189	-161	-1,6 %
Freight and logistics expenses	8.810	9.721	-911	-9,4 %
Miscellaneous other operating expenses	10.530	9.388	1.142	12,2 %
OPERATING RESULT (ADJUSTED EBIT)	3.675	5.712	-2.037	-35,7 %

Other operating income totalling € 4.0 million (previous year: € 4.3 million) mainly includes rental and lease income from *Jacques' Partner*. The decrease of 6.7 per cent is mainly due to a special effect in the previous year. At the beginning of 2023, one *Jacques'* shop changed its retail space at the landlord's request in exchange for a payment of around € 0.2 million before the official end of the lease.

Personnel expenses in the Group fell by 1.1 per cent to € 19.0 million, in particular due to declining developments in the e-commerce and B2B segment, and amounted to 13.2 per cent (previous year: 12.5 per cent) of revenue. The decline in personnel expenses in the e-commerce and B2B segment is attributable to a small number of employees as part of the personnel measures adopted in the previous year.

Advertising expenses at the end of the first quarter of 2024 were significantly lower than in the previous year. The main driver of advertising cost savings remains the e-commerce segment, where printing costs for advertising materials in particular were saved. At 6.9 per cent, the advertising cost ratio is therefore around 0.4 percentage points lower than in the previous year. Due to the high relevance of new customer acquisition with regard to the future business development of the e-commerce segment, advertising expenditure was flexibly adjusted to consumer sentiment in order to maximise advertising efficiency. No fundamental or across-the-board cuts were made to the budget.

Commission expenses fell slightly in the first quarter compared to the same period of the previous year. Commission from partners of *Jacques'* shops, which make up a large part of the item, remained at a constant level in line with the sales trend at *Jacques'*. By contrast, sales commissions in the B2B segment fell slightly.

Freight and logistics expenses fell as a result of lower e-commerce and B2B sales. However, in terms of the cost ratio, cost increases were already recognisable in the first quarter, particularly for logistics service providers in the e-commerce segment.

Miscellaneous other operating expenses mainly include IT costs (€ 2.5 million), occupancy costs (€ 1.8 million), vehicle and travel expenses (€ 1.1 million), other personnel expenses (€ 1.0 million), tasting costs (€ 0.7 million) and legal and consulting costs (€ 0.6 million). In the Group, these increased by 12.2 per cent in the first quarter compared to the previous year. This was driven in particular by other personnel expenses (€ +0.3 million), which rose year-on-year due to the increased number of external employees for the start-up phase of the new logistics centre in Tornesch. IT costs also increased compared to the previous year due to higher licence fees (€ +0.2 million).

€ '000	01/01- 31/03/2024	01/01- 31/03/2023
OPERATING RESULT FROM OPERATING ACTIVITIES (ADJUSTED EBIT)	3.675	5.712
Restructuring expenses	0	-52
Other adjustments	-10	-41
RESULT FROM OPERATING ACTIVITIES (REPORTED EBIT)	3.665	5.619

At € -1.6 million, the financial result in the reporting period was around € 0.4 million lower than in the previous year and mainly includes higher interest expenses for borrowed capital (€ 0.6 million) and lease financing (€ 1.2 million) than in the previous year.

The tax expense amounts to € 0.7 million (previous year: € 1.4 million), which corresponds to a tax rate of 31.7 per cent (previous year: 31.8 per cent).

The consolidated net income attributable to the shareholders of *Hawesko Holding* totalled € 1.4 million (previous year: € 3.1 million). The resulting earnings per share thus totalled € 0.16 (previous year: € 0.33). This was based on a number of shares of 8,983,403 in the reporting period (unchanged from the previous year).

FINANCIAL POSITION

ASSETS € '000	31/03/2024	31/03/2023	Change	
			abs.	rel.
Bank balances and cash on hand	18.756	11.396	7.360	64,6 %
Trade receivables	34.058	38.428	-4.370	-11,4 %
Inventories and advance payments on inventories	135.168	146.227	-11.059	-7,6 %
Fixed assets	214.527	213.600	927	0,4 %
Other assets	30.351	25.628	4.723	18,4 %
TOTAL ASSETS	432.860	435.279	-2.419	-0,6 %

CHANGES COMPARED TO THE PREVIOUS YEAR'S REPORTING DATE OF 31 MARCH 2023

The balance sheet total as at 31.03.2024 totalled € 432,9 Mio. and is therefore € -2,4 Mio. or -0,6 Prozentper cent below the previous year.

Bank balances and cash in hand increased by € 7,4 million compared to the previous year. Trade receivables declined in line with sales revenue (€ -4,4 million).

The € 11,1 million decrease in inventories is primarily due to the continued rigorous inventory management in all units. In addition, more variable order management at suppliers also led to a reduction in inventories.

Fixed assets remained almost constant compared to the previous year. The activation of the logistics hall led to an increase in land and buildings of € 6,6 million compared to the first quarter of the previous year. At the same time, the impairment of the goodwill of *Wein & Co.* in the third quarter of 2023 in the amount of € 8,2 million led to a decrease in intangible assets, which was not yet included in the first quarter of 2023.

Other assets include the investment *Dunker Group OÜ*, Tallinn, which has been accounted for using the equity method since the fourth quarter of 2023 in the amount of € 7,4 million. This was offset by current other tax refund claims, which were lower than in the previous year, and lower receivables from loans granted.

CHANGES COMPARED TO THE REPORTING DATE OF 31 DECEMBER 2023

In comparison with the value as at 31.12.2023 (€ 444,6 Mio.), the balance sheet total decreased by € 11,8 million as at the reporting date. Trade receivables decreased by € 15,8 million. Inventories increased by € 1,3 million. Due to the strong seasonal fluctuations of the business model, inventories generally reach their lowest level in December and trade receivables their highest. Bank balances increased by € 1,6 million.

EQUITY AND LIABILITIES € '000	31/03/2024	31/03/2023	Change	
			abs.	rel.
Financial liabilities	66.845	31.457	35.388	112 %
Leasing liabilities	132.418	133.520	-1.102	-1 %
Trade payables	54.783	69.280	-14.497	-21 %
Other liabilities	52.019	62.062	-10.043	-16 %
Equity capital	126.795	138.960	-12.165	-9 %
TOTAL EQUITY AND LIABILITIES	432.860	435.279	-2.419	-1 %

CHANGES COMPARED TO THE PREVIOUS YEAR'S REPORTING DATE OF 31 MARCH 2023

Financial liabilities mainly comprise loans taken out and utilised short-term credit lines. There are two long-term loans of around € 25 million (previous year: around € 14 million) for the construction of the new logistics centre in Tornesch. There are also long-term and short-term loan liabilities totalling € 15 million (previous year: € 12 million) for past M&A activities. Accordingly, the loans for the expansion of the e-commerce logistics centre in particular were utilised in the past financial year and a new long-term loan was taken out in connection with the acquisition of 50% of the shares in *Dunker Group OÜ*, Tallinn, which is accounted for using the equity method. Lease liabilities remain at an almost constant level compared to the previous year.

Trade payables decreased compared to 31 March 2023. Trade payables decreased significantly by € 14.5 million. This development is due to the declining order volume as a result of the inventory measures.

Other liabilities include liabilities from income, sales and deferred taxes, contract liabilities, provisions and liabilities to minority shareholders. The decrease of € -10,0 Mio. is mainly due to lower income and sales tax liabilities.

CHANGES COMPARED TO THE REPORTING DATE OF 31 DECEMBER 2023

The balance sheet total of € 432,9 Mio. as at 31.03.2024 is € 11,8 million below the figure as at the reporting date 31.12.2023 of € 444,6 Mio. The € 13,4 million increase in financial liabilities due to the short-term financing of the Easter business was offset by the decrease in trade payables (€ -10,3 million) and the decrease in contract liabilities (€ -2,4 million). Liabilities typically reach their annual highs on 31 December of each year.

DEVELOPMENT IN WORKING CAPITAL

WORKING CAPITAL € '000	31.03.2024	31.03.2023	Change	
			abs.	rel.
Inventories	121.980	131.012	-9.032	-6,9%
Trade receivables	34.058	38.428	-4.370	-11,4%
Other current receivables and advance payments	27.660	31.522	-3.862	-12,3%
Less trade and payables and contract liabilities	75.244	91.474	-16.230	-17,7%
Less other current liabilities	24.779	32.577	-7.798	-23,9%
OPERATING WORKING CAPITAL	83.675	76.910	6.765	8,8%
Cash in banking accounts and cash on hand	18.756	11.396	7.360	64,6%
Less current financial and leasing liabilities	46.443	33.384	13.059	39,1%
WORKING CAPITAL	55.989	54.923	1.066	1,9%

As at 31 March 2024, the operating working capital amounted to € 83,7 Mio. and has thus decreased by € 6,8 Mio. compared to the previous year's reporting date. The € 14,5 million decrease in trade payables compensated for the lower inventories (€ -9,0 million) and lower trade receivables (€ -4,4 million) compared to the previous year and therefore led to an increase in operating working capital. The decline in trade payables is partly the result of active inventory management and partly reflects our response to the subdued consumer sentiment. The decrease in other current liabilities is due to the lower income tax and sales tax liabilities compared to the previous year.

Compared to the previous year, working capital was mainly financed by higher bank balances and loan liabilities. The increase is mainly the result of taking out additional short-term loans totalling € 8,2 million in the third quarter of 2023. This results in an increase in working capital of € 1,1 Mio.

FINANCIAL POSITION

CONSOLIDATED CASH FLOW € '000	01.01.-	01.01.-	Change	
	31.03.2024	31.03.2023	abs.	rel.
Cash flow from operating activities	-3.814	-16.090	12.276	-76 %
Cash flow from investing activities	-2.589	-5.799	3.210	-55 %
Less balance of interest paid	-1.758	-1.209	-549	45 %
FREE CASH FLOW	-8.161	-23.098	14.937	-65 %

The cash flow from operating activities for the *Hawesko Group* in the first quarter of 2024 totalled € -3,8 Mio. (previous year: € -16,1 Mio.) and was therefore higher than the cash flow in the same period of the previous year. Despite the weaker result, this is due in particular to the significantly lower increase (change 31 March 2024 to 31 December 2023) in inventories and advance payments on inventories (€ -1.7 million) compared to the previous year and the significantly lower income tax payments (€ 2.8 million) (previous year: € 15.0 million). The decrease in liabilities as at the first quarter of 2024 (€ -23.5 million) was significantly higher than in the previous year (€ 2.6 million), but was unable to compensate for the effect of inventories together with the lower income tax payments.

The cash flow from investing activities as at 31.03.2024 amounted to € -2,6 Mio. and mainly comprises investments in the warehouse expansions at the e-commerce logistics centre in Tornesch and in the *Jacques'* retail shops.

In total, € 1,8 Mio. was spent on interest in the first three months. Of this amount, € 572 thousand (previous year: € 175 thousand) was attributable to the financing of working capital during the year. The remaining € 1.2 million (previous year: € 1.0 million) is attributable to the interest portion of rental/lease payments for offices and depots classified in accordance with IFRS 16. Applying IFRS 16, the majority of rental agreements are equivalent to purchase agreements with full credit financing for accounting purposes.

The free cash flow totalled € -8,2 Mio. after € -23,1 Mio. in the same period of the previous year. It is calculated from the net cash outflow from operating activities, deducting the funds used for investing activities, as well as the balance of interest received and paid and changes in the scope of consolidation. The free cash flow as at 31.03.2024 is therefore significantly influenced by the change in inventories, the lower investment in the e-commerce warehouse compared to the previous year and income tax payments in addition to the effect on operating earnings. Historically, a negative free cash flow in the first nine months of the year reflects the *Hawesko Group's* business model well, as inventories are built up into the autumn for the Christmas business and sales per quarter are seasonally lower than in the last quarter of the year.

INVESTMENT ANALYSIS

In the first three months of the year, cash flow from investing activities totalled € 2.6 Mio. (previous year: € 5.8 Mio.). Investments totalling over € 0.5 million (previous year: € 0.8 million) were made in intangible assets. These are mainly attributable to digitisation projects. In addition, around € 1.4 million (previous year: € 4.5 million) was invested in warehouse expansion in e-commerce and € 0.8 million (previous year: € 0.6 million) in the modernisation and expansion of depots and shops. This was offset by cash inflows on a small scale (previous year: € 0.1 million).

BUSINESS PERFORMANCE BY SEGMENT

DEVELOPMENT BY SEGMENT € '000	1st quarter		Total	
	2024	2023	2024	2023
E-COMMERCE SEGMENT				
External sales	50.151	54.551	50.151	54.551
Adjusted EBIT	2.051	2.748	2.051	2.748
Adjusted EBIT margin	4,1%	5,0%	4,1 %	5,0 %
RETAIL SEGMENT				
External sales	50.784	50.615	50.784	50.615
Adjusted EBIT	2.627	3.147	2.627	3.147
Adjusted EBIT margin	5,2%	6,2%	5,2 %	6,2 %
B2B SEGMENT				
External sales	43.205	47.952	43.205	47.952
Adjusted EBIT	721	1.665	721	1.665
Adjusted EBIT margin	1,7%	3,5%	1,7 %	3,5 %

Sales in the Retail segment (*Jacques'* and *Wein & Co.*) totalled € 50.8 Mio., 0.2 million above the previous year (€ 50.6 Mio.). Both *Jacques'* and *Wein & Co.* were able to grow their over-the-counter business, while the e-commerce business of both units declined. The e-commerce share of total sales is significantly higher at *Wein & Co.* than at *Jacques'*, which is why *Wein & Co.* was unable to maintain the previous year's level overall. This effect was offset in particular by *Jacques'* with a relatively constant customer frequency in the shops, so that the segment achieved a positive sales trend overall.

Sales in the B2B segment were down 9.9 per cent from the previous year, with sales declining both abroad and in Germany. In addition to customer restraint, less promotional business was generated with food retailers in the first quarter as a result of the focus on increasing margins in the long term.

The difficult market conditions, uncertainty among private customers and the resulting reluctance to spend had an impact on sales in the E-Commerce segment in the first quarter, which were € 4.4 million lower than in the previous year. Thanks to significant cost savings in marketing, which are flexibly adjusted to consumer sentiment, the decline in the EBIT margin in the first quarter was limited and is 0.9 percentage points below the previous year's level.

OPPORTUNITY AND RISK REPORT

The risk situation of Hawesko Holding SE and its opportunities compared with the presentation in the annual report 2023 have not changed.

FORECAST REPORT

Compared to the presentation in the Annual Report 2023, the forecast of the *Hawesko* Board of Management for the year 2024 has not changed. The general economic conditions in Germany are considered to be better than in the first quarter, particularly for the second half of the year, in terms of the consumer demand that is important for the *Hawesko Group*. The persistently poor consumer sentiment has not yet improved in the first quarter. The *Hawesko* Board of Management notes that the business performance in the first quarter of 2024 does not meet its expectations. The planned slight increase in sales was not yet achieved in the first quarter, but is still expected over the course of the financial year.

After the 2023 financial year was characterised on the one hand by continued high inflation and on the other by difficult market conditions due to global conflicts and crises, and thus uncertainty among companies and households, the Board of Management of the *Hawesko Group* also expects a challenging 2024 financial year with little economic tailwind. The Board of Management anticipates that there will be a slight increase in sales, particularly in the Retail segment, as already seen in the first quarter of 2024. This is due to lower shopping baskets compared to the e-commerce and B2B segment as part of the daily consumer goods business. In the B2B segment, which is more dependent on economic developments than the Retail segment, the Executive Board expects sales to remain at the previous year's level and operating EBIT to increase slightly thanks to active cost management. The e-commerce segment is heavily dependent on consumer sentiment. Despite the decline in the first quarter, the Executive Board expects the segment's sales to be at least at the previous year's level by the end of the year, as a slight overall economic recovery is expected in the second half of 2024 and measures to strengthen growth are planned. The Executive Board therefore continues to anticipate a slight increase in sales of up to +2 per cent and an operating EBIT of € 34 to 38 million for 2024.

The Board of Management expects for 2024 free cash flow in the range of € 14 million to € 20 million. It also expects a ROCE of 14 to 16 per cent in 2024.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2024

€ '000	01.01.- 31.03.2024	01.01.- 31.03.2023
REVENUE FROM CUSTOMER CONTRACTS	144.140	153.118
Other own work capitalised	14	0
Other operating income	4.023	4.327
Expenses for purchased goods	-79.945	-86.276
Personnel expenses	-19.011	-19.277
Depreciation/amortisation and impairment	-6.172	-5.802
Other operating expenses and other taxes	-39.384	-40.471
Of which impairment losses from financial assets	-5	-11
RESULT FROM OPERATIONS (EBIT)	3.665	5.619
Financial result	-1.622	-1.214
Interest income/expenses	-1.696	-1.199
Other financial result	89	-15
Impairment of financial assets	0	0
Income from investments accounted for using the equity method	-15	0
Earnings before taxes	2.043	4.405
Taxes on income and deferred tax	-650	-1.430
CONSOLIDATED NET INCOME	1.393	2.975
of which attributable	0	0
- to the shareholders of Hawesko Holding SE	1.318	2.843
- to non-controlling interests	75	132
Earnings per share (in €, basic = diluted)	0,15	0,32
Average number of shares in circulation (number of shares in thousands, basic = diluted)	8.983	8.983

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

€ '000	31.03.2024	31.12.2023	31.03.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	53.865	55.517	65.498
Property, plant and equipment (including lease assets)	160.662	159.713	148.102
Investments accounted for using the equity method	7.431	7.447	0
Inventories and advance payments for inventories	286	2.597	2.827
Receivables and other financial assets	3.391	3.368	4.635
Deferred taxes	5.057	4.867	4.686
	230.692	233.509	225.748
CURRENT ASSETS			
Inventories and advance payments for inventories	134.882	131.289	143.400
Trade receivables	34.058	49.919	38.428
Receivables and other financial assets	1.171	2.261	1.400
Other non-financial assets	7.173	4.168	8.321
Income tax receivables	6.128	6.357	6.586
Bank balances and cash in hand	18.756	17.139	11.396
	202.168	211.133	209.531
	432.860	444.642	435.279

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

€ '000	31.03.2024	31.12.2023	31.03.2023
EQUITY AND LIABILITIES			
EQUITY			
Subscribed capital of Hawesko Holding SE	13.709	13.709	13.709
Capital reserve	10.061	10.061	10.061
Retained earnings	98.409	97.103	108.888
Other reserves	652	1.292	1.990
EQUITY OF THE SHAREHOLDERS OF HAWESKO HOLDING SE	122.831	122.165	134.648
Non-controlling interests	3.964	3.952	4.312
	126.795	126.117	138.960
LONG-TERM PROVISIONS AND LIABILITIES			
Provisions for pensions	1.106	1.127	756
Other long-term provisions	1.744	1.795	1.456
Financial liabilities	34.100	35.848	11.428
Leasing liabilities	118.721	119.003	120.165
Contract liabilities	2.900	4.589	2.742
Other financial liabilities	1	1	1
Other non-financial liabilities	404	406	376
Deferred taxes	3.524	3.626	4.702
	162.500	166.395	141.626
CURRENT LIABILITIES			
Financial liabilities	32.745	17.602	20.029
Leasing liabilities	13.697	13.579	13.355
Trade payables	54.783	65.057	69.280
Contract liabilities	17.561	18.320	19.452
Income tax liabilities	422	2.592	3.925
Other short-term provisions	20	71	0
Other financial liabilities	10.201	13.138	11.020
Other non-financial liabilities	14.136	21.771	17.632
	143.565	152.130	154.693
	432.860	444.642	435.279

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY – 31 MARCH 2024

€ '000	01.01.- 31.03.2024	01.01.- 31.03.2023
Earnings before taxes	2.043	4.405
Depreciation, amortisation and impairment of fixed assets	6.172	5.802
Other non-cash expenses and income	396	314
Net interest income	1.696	1.199
Result from the disposal of fixed assets	-44	-76
Result from companies accounted for using the equity method	15	0
Dividend payouts received from companies reported using the equity method	0	0
Change in inventories	-1.681	-17.886
Change in receivables and other assets	13.680	7.879
Change in provisions	169	-211
Change in liabilities (excluding financial liabilities)	-23.460	-2.556
Interest received	34	40
Income taxes paid	-2.834	-15.000
NET CASH OUTFLOW/INFLOW FROM OPERATING ACTIVITIES	-3.814	-16.090
Outpayments for property, plant and equipment and for intangible assets	-2.635	-5.911
Inpayments from the disposal of property, plant and equipment and intangible assets	46	112
Outpayments for additions to group of consolidated companies	0	0
NET FUNDS EMPLOYED FOR INVESTING ACTIVITIES	-2.589	-5.799
Outpayments for dividend	0	0
Outpayments for distributions to non-controlling interests	0	0
Outpayments for the acquisition of non-controlling interests and settlement of the liability from a forward contract with non-controlling interests	0	0
Outpayments for the repayment of lease liabilities	-3.441	-3.455
Outpayments for the repayment of financial liabilities	-1.636	-2.936
Inpayments for the raising of financial liabilities	15.031	10.404
Interest paid	-1.758	-1.209
OUTFLOW OF NET FUNDS FROM FINANCING ACTIVITIES	8.196	2.804
Effects of exchange rate changes on cash and cash equivalents (up to 3 months to maturity)	-176	22
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	1.617	-19.063
Cash and cash equivalents at start of period	17.139	30.459
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18.756	11.396

SEGMENT INFORMATION BY REPORTABLE SEGMENT IN THE REPORTING PERIOD FROM 1 JANUARY TO 31 MARCH 2024

In accordance with the provisions of IFRS 8, individual data from the annual financial statements are broken down by operating segment. In accordance with the internal reporting of the *Hawesko Group*, the operating segments are organised by distribution form and customer groups.

01.01.-31.03.2024 €'000	RETAIL	B2B	E-COM- MERCE	OTHER	TOTAL	RECONCILA- TION/ CONSOLIDA- TION	GROUP, CONSOLI- DATED
SALES REVENUES	50.826	44.623	50.218	769	146.436	-2.296	144.140
External sales	50.784	43.205	50.151	0	144.140	0	144.140
Internal sales	42	1.418	67	769	2.296	-2.296	0
EBITDA	6.431	1.452	3.382	-1.417	9.848	-11	9.837
DEPRECIATION AND AMORTISA- TION	-3.804	-731	-1.340	-297	-6.172	0	-6.172
EBIT	2.627	721	2.042	-1.714	3.676	-11	3.665
FINANCIAL RESULT							-1.622
INCOME TAXES							-650
CONSOLIDATED EARNINGS							1.393
SEGMENT ASSETS	167.646	136.831	122.904	253.874	681.255	-248.395	432.860
SEGMENT DEBT	166.836	97.849	91.571	55.416	411.672	-105.607	306.065
INVESTMENTS	1.077	30	1.478	51	2.636	0	2.636

01.01.-31.03.2023 €'000	RETAIL	B2B	E-COM- MERCE	OTHER	TOTAL	RECONCILA- TION/ CONSOLIDA- TION	GROUP, CONSOLI- DATED
SALES REVENUES	50.666	49.071	54.724	623	155.084	-1.966	153.118
External sales	50.615	47.952	54.551	0	153.118	-	153.118
Internal sales	51	1.119	173	623	1.966	-1.966	0
EBITDA	6.781	2.367	3.860	-1.582	11.426	-5	11.421
DEPRECIATION AND AMORTISA- TION	-3.635	-702	-1.205	-260	-5.802	0	-5.802
EBIT	3.146	1.665	2.655	-1.842	5.624	-5	5.619
FINANCIAL RESULT							-1.214
INCOME TAXES							-1.430
CONSOLIDATED EARNINGS							2.975
SEGMENT ASSETS	176.071	140.572	119.964	225.861	662.468	-227.189	435.279
SEGMENT DEBTS	163.310	98.961	82.117	35.981	380.369	-84.050	296.319
INVESTMENT	730	125	5.051	5	5.911	0	5.911

LIST OF ABBREVIATIONS

To improve readability, company names are abbreviated as follows in this report:

ABBREVIATION	NAME OF COMPANY	SEAT	SEGMENT
Abayan	Weinland Ariane Abayan GmbH	Hamburg	B2B
CWD	Grand Cru Select Distributionsgesellschaft mbH	Bonn	B2B
GEWH	Global Eastern Wine Holding GmbH	Bonn	B2B
GWS	Global Wines & Spirits s.r.o.	Prague (Czech Republic)	B2B
Dunker	Dunker Group OÜ	Tallin (Estonia)	B2B
Globalwine	Globalwine AG	Zurich (Switzerland)	B2B
HAWESKO	Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH	Hamburg	E-commerce
Hawesko Holding	Hawesko Holding SE	Hamburg	Other
Hawesko Group	Hawesko Holding SE Group	Hamburg	
IWL	IWL Internationale Wein Logistik GmbH	Tornesch	E-commerce
Jacques'	Jacques' Wein-Depot Wein-Einzelhandel GmbH	Düsseldorf	Retail
Tesdorpf	Tesdorpf GmbH	Lübeck	E-commerce
The Wine Company	The Wine Company Hawesko GmbH	Hamburg	E-commerce
Vinos	Wein & Vinos GmbH	Berlin	E-commerce
Wein Wolf	Wein Wolf GmbH	Bonn	B2B
Wein & Co.	Wein & Co. Handelsges.m.b.H.	Vösendorf (Austria)	Retail
Wein Wolf Austria	Wein Wolf Import GmbH & Co. Vertriebs KG	Salzburg (Austria)	B2B
WeinArt	Weinart Handelsgesellschaft mbH	Gelsenheim	E-commerce
WineCom	WineCom International Holding GmbH	Hamburg	E-commerce
WineTech	WineTech Commerce GmbH	Hamburg	Other
WirWinzer	WirWinzer GmbH	Munich	E-commerce
WSB	Wein Service Bonn GmbH	Bonn	B2B

CALENDAR

12 June 2024:

Annual General Meeting

09 August 2024:

Half-year report as at 30 June 2024

IMPRINT

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