ANNUAL REPORT

2024

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Annual report 2024

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1 TO OUR *Shareholders*

THERE ARE DEPARTMENT STORES, FASHION STORES, CONSUMER TEMPLES—AND THERE IS *LUDWIG BECK*. WE ARE *PASSIONATELY* COMMITTED TO BEING RECOGNIZED AS BEING JUST AS CREDIBLE, *UNIQUE,* AND DESIRABLE AS THE EXCLUSIVE BRANDS IN OUR OFFER.

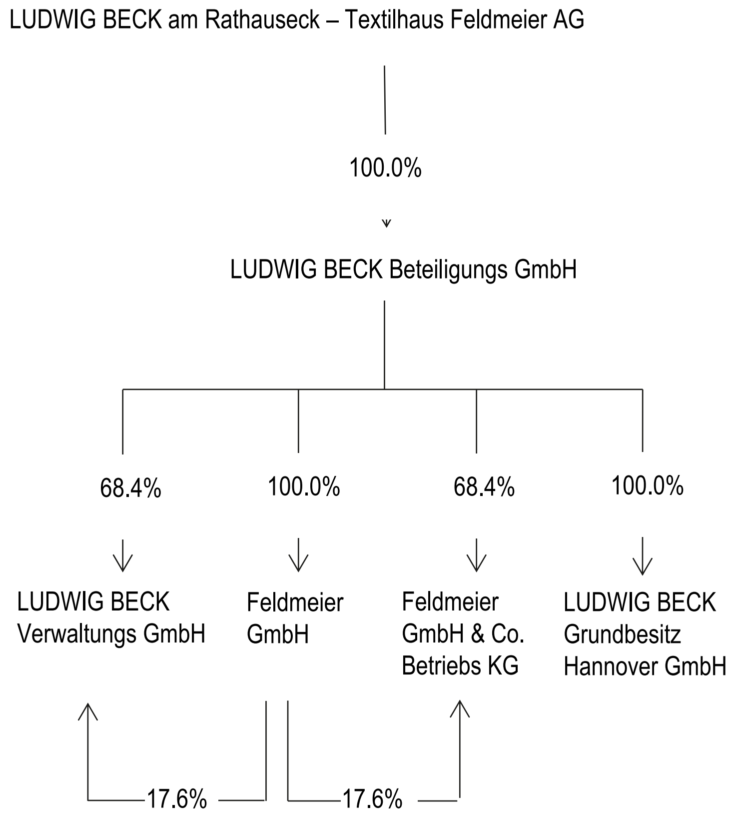
STYLE HAS A HOME.

LUDWIG BECK

Group key figures

		2024	2023	2022	2021	2020
		(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)
Result						
Sales (gross)	€m	87.2	86.5	83.3	66.0	60.4
Value added tax	€m	13.9	13.8	13.4	10.6	8.9
Sales (net)	€m	73.3	72.7	70.4	55.4	51.5
	%	100.0	100.0	100.0	100.0	100.0
Gross profit	€m	35.5	35.3	35.0	25.4	20.5
	%	48.5	48.5	49.8	45.8	39.8
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	€m	10.2	9.9	11.3	13.0	4.3
	%	13.9	13.7	16.0	23.5	8.4
Earnings before interest and taxes (EBIT)	€m	3.4	3.1	4.9	6.7	-1.9
	%	4.7	4.3	7.0	12.0	-3.6
Earnings before taxes (EBT)	€m	0.5	0.6	2.8	4.3	-4.3
	%	0.7	0.8	4.0	7.8	-8.3
Consolidated net profit	€m	-2.9	0.4	2.2	3.6	-1.7
	%	-3.9	0.6	3.2	6.6	-3.4
Balance sheet						
Equity	€m	61.8	65.5	65.3	63.0	59.6
Equity ratio	%	37.5	38.5	38.8	37.4	32.4
Return on equity before taxes	%	0.8	0.9	4.3	6.9	-7.1
Investments	€m	2.0	3.2	2.4	3.0	4.9
Balance sheet total	€m	164.7	169.8	168.6	168.2	183.8
Personnel						
Employees	People	412	409	389	373	397
Personnel expenses	€m	16.6	16.8	15.8	13.2	13.5
	%	22.6	23.1	22.5	23.8	26.3
Net sales per employee (weighted, average)	€k	255.4	256.0	264.6	217.3	194.3
Share						
Number of shares	m.	3.70	3.70	3.70	3.70	3.70
Earnings per share undiluted and diluted	€	-0.78	0.12	0.60	0.98	-0.47
Dividend	€	0.00	0.15	0.00	0.00	0.00
Other details (as of December 31)						
Sales area	sqm	12,400	12,400	12,400	12,400	12,400
Gross sales per square metre	€/sqm	7,028	6,971	6,753	5,312	4,862

Corporate structure



LUDWIG BECK Executive Board

CHRISTIAN GREINER

Chairman of the Executive Board, Executive Board member responsible for Human Resources, Purchasing, Sales, and Marketing
LUDWIG BECK AG

In 2004, Christian Greiner developed the Young Fashion concept U1 for Rudolf Wöhrl AG in Nuremberg, which he managed as director until the end of 2007. Since 2008, Christian Greiner has been managing director of INTRO Retail & Media GmbH, and is also co-owner and managing director of the Nuremberg-based creative agency nuts communication GmbH. In 2010, Christian Greiner moved from the Supervisory Board to the Executive Board of LUDWIG BECK AG, where he is responsible for Human Resources, Purchasing, Sales, and Marketing.

JENS SCHOTT

Chief Financial Officer, responsible for Finance, IT, and Logistics
LUDWIG BECK AG

Jens Schott specialised in taxes and accounting during his studies in business administration. From 1998 to 2002, he gained valuable experience in a well-known Munich-based auditing and tax consultancy company. Jens Schott has been responsible for group accounting and financial controlling at LUDWIG BECK AG. since 2002 and has led Group accounting since 2015. Since September 1, 2019, he has been responsible for Finance, IT, and Logistics.

From the left: Christian Greiner, Jens Schott

PERSONAL THANKS

The Executive Board of LUDWIG BECK would like to thank all employees, customers, and business partners of the Group for their commitment and trust they have placed the company in 2024.

In Dialogue

Thank you for taking the time for this interview. Can you start by telling us something about your company?

Executive Board: With pleasure! LUDWIG BECK is located in the heart of Munich, directly at Marienplatz. On seven floors, we offer international high-quality fashion, leather goods, accessories, and traditional costumes, exclusive cosmetics, haberdashery and, with more than 120,000 titles, Europe's largest stationary selection of classical music, jazz, world music, and audio books. Our focus is on personalised advice, exclusive collections, and a special shopping experience for our customers.

How has bricks-and-mortar retail changed in recent years?

Executive Board: Brick-and-mortar retail has undergone massive change in recent years, particularly as a result of increasing digitalisation and changing customer needs. In the past, classic shopping behaviour was characterised by personal visits to physical stores. Today, before making a purchase decision, many customers first find out about trends, prices, and availability online. At the same time, online retail has gained significant importance and is fuelling higher customer expectations.

How do you create a modern and inspiring shopping experience for your customers?

Executive Board: Customers are looking for a seamless shopping experience across different channels—be it online, mobile, or directly in-store. What's more, they have different expectations in terms of shopping experience.. Customers don't just want to buy clothes; they want to enjoy a special shopping moment.

How do you manage to stand out from the competition with special shop concepts and an optimised online offering?

Executive Board: This is why we are investing ever more in appealing store concepts with a cosy atmosphere, special events, and exclusive promotions. This is key to differentiating ourselves from pure online retailers and continuing our success story. We are also constantly expanding our gastronomic offering, for example, our new Käfer Champagne Bar on the ground floor, where customers can linger and enjoy an extra touch of flair. We are also continuously focusing on the optimisation and further development of our own online shops for fashion and beauty.

What role does sustainability play in your company?

Executive Board: We attach great importance to sustainability. We are increasingly focussing on brands that use environmentally friendly materials and guarantee fair production. We also pay attention to sustainable packaging and endeavour to reduce our ecological footprint in our operations. As an example, LUDWIG BECK offers products labelled "zum fairlieben" that are characterised by particular fairness towards the environment, people, and animals.

What challenges do you see for bricks-and-mortar retail in the years ahead?

Executive Board: The biggest challenge remains the growth of online retailing. The comfort of digital shopping has made customers more demanding. They expect fast availability, a large selection, and flexible shopping options in bricks-and-mortar shops, too. Any brick-and-mortar fashion store that fails to adapt runs the risk of losing customers to online platforms. Another issue is rising costs - whether due to higher rents, energy costs or rising wages. Operating profitably is increasingly difficult, especially for stores in city centres. In addition, economic uncertainties impact consumer behaviour. Customers are more hesitant and spend less on fashion in periods of economic uncertainty. Another challenge is the declining attractiveness of city centres, which are facing an increasing number of vacancies and a drop in customer footfall. At the same time, the expansion of pedestrian zones and the shortage of car parking spaces make it more difficult to reach the city centre by car, which deters potential customers. The shortage of skilled labour is also a considerable burden. Qualified staff are hard to find, which not only affects service quality but also jeopardises operational continuity.

How are you responding to the challenges of digitalisation and demographic change in order to make your offering and communication fit for the future?

Executive Board: Digitalisation is another challenge. On the one hand, it opens new opportunities, but on the other, it requires high investments to remain competitive. Those who don’t have a digital strategy will quickly lose out. Social media marketing, digital customer loyalty systems, and personalised advertising are becoming more and more important.

Executive Board: Another major issue is demographic change. Customers' age structure is changing, and younger generations have quite different expectations of the shopping experience. They are digitally savvy, value sustainable fashion, and prefer an interactive shopping experience. If we are to attract these target groups, we need to adapt our offering and our communication strategies accordingly.

What strategies do you pursue for long term customer loyalty?

Executive Board: Long-term customer loyalty is one of the most important success factors for a bricks-and-mortar fashion store. Key to this is a special shopping experience, personalised service, and an emotional attachment to the brand. Personalised advice is one of our most important services. Our customers highly value being served individually, receiving fashion recommendations that perfectly suit them, and benefiting from our expertise. This is why we are strengthening our investments in our employees with training and education, offering attractive training opportunities for school graduates, and increasingly focusing on in-house management development programmes. Our team personally knows many of our loyal customers and is able to provide targeted suggestions for new collections or individual looks. We also focus on exclusive events and experiences. We invite our best customers to VIP shopping evenings and fashion shows. Those events forge a special bond with the brand and turn shopping into an experience that you can't get online. Another important aspect is the digitalisation of customer loyalty. With our customer card, the LUDWIG BECK CARD, our loyal customers benefit from exclusive discounts, special advantages, and loyalty points. Personalised newsletters and social media keep them up to date on current trends, new collections, and special promotions.

Thank you for the interview

Report of the Supervisory Board

The Supervisory Board of LUDWIG BECK AG is composed as follows:

Dr Bruno Sälzer (Chairman)
Sandra Pabst (Deputy Chairwoman)
Clarissa Käfer
Sebastian Hejnal as shareholder representatives

Dr Moritz Frhr. von Hutten zum Stolzenberg, who also attends all Supervisory Board meetings as a substitute member

Michael Eckhoff
Martin Paustian
as employee representatives

In the 2024 reporting year, the Supervisory Board again dealt intensively and thoroughly with the current development and strategic objectives of the Group. It exercised its advisory, controlling, and monitoring function vis-à-vis the Executive Board carefully and conscientiously. In four physical meetings, the Supervisory Board discussed and advised the Executive Board on issues relating to corporate management and planning, the risk situation and risk management.

At each of these meetings, the Executive Board reported in detail on the current financial year, looking at both the Group and the individual companies.

The Executive Board's oral and written reports in accordance with Section 90 of the German Stock Corporation Act (AktG) formed a key basis for the Supervisory Board's activities.

The Supervisory Board was regularly informed by the Executive Board, both verbally and in writing, about all developments in the company and the Group, both within and outside the meetings of the Supervisory Board and its committees. This ensured direct and complete reporting on all developments and issues relevant to the company and the Group. The Executive Board therefore always fully complied with its information obligations. No additional or supplementary reports were required.

The reporting primarily related to business policy and fundamental issues of corporate planning, the profitability of the company, the current business development, the internal control systems, compliance, investment and divestment decisions, and transactions of primary importance for the profitability and liquidity of LUDWIG BECK AG and the Group.

The Supervisory Board was involved in all important strategic corporate decisions. These were discussed in detail, carefully examined and, if necessary, approved. In exercising its supervisory function, the Supervisory Board was able to satisfy itself of the legality and regularity of the Executive Board's management of the company.

The Supervisory Board and the Executive Board were also in constant dialogue about the assessment of the company's opportunities and risks. In particular, the Executive Board informed the Supervisory Board about potential or actual risk scenarios, and solutions were developed in joint consultations. In addition, opportunities that serve the company's objectives and support successful business development were considered and discussed.

The Executive Board and the Supervisory Board also discussed the aspects that had a demonstrable impact on consumer sentiment and behaviour, such as the national and international political situation, high inflation, and climate change, to name just a few.

In addition to the members of the Supervisory Board, the chairman of the Supervisory Board, in particular, was in constant dialogue with the Executive Board. He was informed by the Executive Board in a timely and comprehensive manner about the current business development of the bricks-and-mortar retail and online operations, as well as about other important matters. These communications took place both by telephone and regularly on site. The chairman of the Supervisory Board was thus able to gain an all-encompassing picture, including through tours of the premises and discussions with employees.

Both the Executive Board and the Supervisory Board consider investments to secure the company's location and competitiveness as forward-looking and necessary. Following the major renovations in the previous year, smaller-scale renovations and changes were carried out in 2024 to increase LUDWIG BECK's attractiveness to customers. The investments were approved beforehand by the Supervisory Board as part of the planning process.

Noteworthy in this context is the outsourcing project for logistics as a necessary strategic step "behind the scenes" towards a competitive future.

There were no changes to the Executive Board of LUDWIG BECK AG in the 2024 financial year.

There were no objections to the work of the Executive Board. Also, to the Supervisory Board's knowledge, no conflicts of interest arose among the members of the Executive Board.

The following is an overview of the Supervisory Board's meetings and their focal points:

FOUR MEETINGS IN 2024

Four ordinary meetings of the Supervisory Board were held in the 2024 reporting year. All incumbent Supervisory Board members and the members of the Executive Board attended all meetings. If necessary or appropriate, the Supervisory Board met without the Executive Board. The meetings of the Supervisory Board took place in person in the building am Marienplatz and in some cases with guests in attendance. Each meeting included an agenda item to report from the committees.

Discussions centred on the current business development, the corporate strategy, and measures for its implementation in the company and its subsidiaries. Topical issues were discussed in telephone calls with individual members of the Supervisory Board, in particular the chairman of the Supervisory Board, that were arranged at short notice.

The auditor participated in the balance sheet meeting in accordance with Section 171 (1) of the German Stock Corporation Act (AktG) on March 21, 2024. The annual financial statements prepared by the Executive Board and the consolidated financial statements were unanimously approved at this meeting. The annual financial statements of LUDWIG BECK AG are thus adopted.

Also at this meeting, the Executive Board presented the Supervisory Board with a medium-term corporate planning. It was approved by the Supervisory Board.

Furthermore, the proposed resolutions on the agenda items of the Annual General Meeting on May 15, 2024, were adopted. In particular, the items "Appropriation of net profit" and "Election of the auditor" were discussed in detail.

Another item on the agenda at this meeting was compliance.

The virtual Annual General Meeting, which was attended by the Supervisory Board on site, took place on May 15, 2024. This was followed by a Supervisory Board meeting at which the course of the Annual General Meeting was discussed. The Supervisory Board was also informed about the progress of the logistics project and a customer survey that had been conducted.

The third ordinary Supervisory Board meeting was held on September 10, 2024. In addition to business development, the situation at the companies following the death of shareholder Peter Feldmeier was discussed.

The declaration of compliance with the German Corporate Governance Code was adopted at this meeting.

The newly elected auditor attended this meeting for the first time.

On December 12, 2024, the Supervisory Board held its last meeting of the year . At this meeting, the business development in the fourth quarter was discussed. The corporate planning for the 2025 financial year presented by the Executive Board was also discussed and approved. The extension of the contract of the Executive Board member Jens Schott proposed by the Management and Personnel Committee was approved.

The Annual General Meeting 2025, which is scheduled for May 22, 2025, will be held as a virtual General Meeting.

Any potential conflicts of interest that may arise are disclosed by the Supervisory Board members to the chairman of the Supervisory Board. This usually results the affected Supervisory Board member not participating in the discussion and the vote on the agenda item that has given rise to the conflict of interest.

In the reporting year 2024, there were no conflicts of interest on the part of members of the Supervisory Board.

AUDIT COMMITTEE

The Supervisory Board has formed two committees, one of which is the Audit Committee. In the 2024 reporting year, the Audit Committee consisted of the members Clarissa Käfer (Committee Chairwoman), Dr Bruno Sälzer and Sebastian Hejnal. The Audit Committee met eight times during the financial year.

All members attended all Audit Committee meetings. The chairwoman of the committee held four additional meetings with the representatives of the auditor for the audit of the 2023 annual financial statements. In addition, the committee chairwoman held two further meetings with the auditors for the audit of the 2024 annual financial statements during the financial year.

The Audit Committee dealt in particular with the annual financial statements, the consolidated financial statements, the management report, and the Group management report, the audit of the accounting, the monitoring of the accounting process, the effectiveness of the internal control and risk management systems, as well as the compliance management system. The committee also dealt with tax and accounting issues relating to the annual financial statements.

The chairwoman of the Audit Committee consulted with the auditors on their risk assessment and audit strategy as well as on the audit on an ongoing basis and reported on this to the members of the Audit Committee. In addition, the focal points of the audit were determined with the auditor. The independence of the auditor was reviewed and monitored on an ongoing basis. No prohibited non-audit services were provided by the auditor.

The auditor attended the Supervisory Board's meeting to approve the annual financial statements for the 2023 financial year in March 2024. On November 27, 2023, the auditor issued a declaration stating that there are no business, financial, personal, or other relationships between the auditor and the company that could cast doubt on the auditor's independence.

Meetings were also held with the auditor without the Executive Board.

The Audit Committee dealt intensively with the tendering process for the selection of a new auditor and made a recommendation for the Supervisory Board's proposal to the Annual General Meeting for the election of the auditor for the financial year ending December 31, 2024. The committee issued the audit mandate to the auditor and defined the focal points of the audit for the reporting year. The members discussed the new accounting and reporting regulations, particularly also on the topic of sustainability.

MANAGEMENT AND PERSONNEL COMMITTEE¨

The second Supervisory Board committee, the Management and Personnel Committee consists of the members Dr Bruno Sälzer (Chairman), Sandra Pabst, and Clarissa Käfer, with the Chairman of the Supervisory Board automatically being the Chairman of this committee

In 2024, one meeting of the Management and Personnel Committee took place. The subject of this meeting was the extension of the contract of Jens Schott. All members of the committee attended the meeting.

In addition, there was a regular exchange between the members of the Management and Personnel Committee outside the meetings.

GERMAN CORPORATE GOVERNANCE CODE AND DECLARATION ON CORPORATE GOVERNANCE

The Supervisory Board is committed to the standards of good and responsible corporate governance set out in the German Corporate Governance Code.

The declaration of compliance with the German Corporate Governance Code adopted on September 10, 2024, in accordance with Section 161 of the German Stock Corporation Act (AktG) was published on the company's website under Investor Relations in the Corporate Governance section.

On March 27, 2025, the Declaration on Corporate Governance was submitted, and an updated Declaration of Conformity with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) was issued by the Executive Board and the Supervisory Board, which was made publicly available on the company's website.

CONSOLIDATED FINANCIAL STATEMENTS AND ANNUAL FINANCIAL STATEMENTS

The annual financial statements and the consolidated financial statements as of December 31, 2024, as well as the management report and the Group management report, including the accounting, were audited by the appointed auditor Rödl & Partner GmbH, Munich, and received an unqualified audit opinion.

All financial statement documents and audit reports were made available to all members of the Supervisory Board in good time before the Supervisory Board's balance sheet meeting on March 27, 2025, and were carefully examined by them. The results of the audit were discussed in detail with the auditor by the Audit Committee and the entire Supervisory Board.

At this meeting, the auditor also reported on the scope and focus of the audit. He again confirmed his independence. Both the Executive Board and the auditors provided the Supervisory Board with comprehensive and satisfactory answers to all questions relating to the accounting documents.

The Supervisory Board approved the results of the audit by the auditor at the meeting on March 27, 2025. Based on the final results of its own review, there were no objections to the annual financial statements, the consolidated financial statements, the management report, and the Group management report.

The Supervisory Board unanimously approved the 2024 annual financial statements of LUDWIG BECK AG prepared by the Executive Board; the annual financial statements are thus adopted. It also approved the consolidated financial statements for 2024.

PERSONAL THANKS

The Supervisory Board would like to thank the Executive Board, the Works Council, and all employees of LUDWIG BECK AG for their great personal commitment, their unreserved motivation in a difficult environment, and the trust they have placed in the Supervisory Board.

The Supervisory Board would also like to thank LUDWIG BECK's customers for their loyalty and, last but not least, all business partners for their good and trusting co-operation with the company. Without this, the success of the company would not be possible.

Munich, March 2025

Dr Bruno Sälzer

Chairman of the Supervisory Board

Share

THE STOCK MARKET YEAR 2024

After suffering from high energy prices and supply chain disruptions in 2023, the German economy was still unable to recover in 2024 due to persistently high interest rates by the European Central Bank (ECB). Companies and consumers were struggling with high financing costs, which had a negative impact on investment and consumption. Inflation remained above the ECB's target value, particularly due to rising energy and food prices. Geopolitical tensions also contributed to economic uncertainty: Russia's ongoing war of aggression against Ukraine, coupled with further sanctions against Russia, sent energy markets into turmoil again. As a result, Germany, with its heavily energy-dependent economy, was confronted with further increases in energy prices. In addition, heightened tensions in the Middle East and an escalating trade dispute between the USA and China exacerbated global economic uncertainties. These developments led to a weakening of international demand, which hit export-oriented sectors in Germany, such as the automotive and mechanical engineering industries.

The German economy officially slid into recession in the third quarter of 2024. High energy costs, weakening foreign trade, and persistent structural challenges - such as the country’s sluggish digitalisation and a shortage of skilled labour - weighed not only on energy-intensive industries, but also increasingly on small and medium-sized businesses (SMEs). Short- and medium-term growth prospects for Germany were downgraded significantly in the course of the year. Following an expected 0.2 per cent decline in 2024 real GDP, expectations for the current year predict a slow recovery in exports - with a high risk of increasing protectionism - and little growth in consumer spending.

Despite the economic uncertainties, many investors returned to the markets with optimism in 2024. The prospect of some easing of the ECB’s interest rate policy, signs of more stable supply chains, and sinking energy costs provided positive impetus. In December 2024, Germany's leading DAX-40 index reached a new all-time high of 20,426 points. At the end of the year, the index was still up 18.3% on the previous year's closing price.

THE LUDWIG BECK SHARE

Share data	
ISIN	DE0005199905
WKN	519990
Ticker symbol	ECK
Industry	Retail trade
Segment	Prime Standard
Number of shares	3.695.000
Market capitalisation as at December 31, 2024	€ 53.2 m
Trading centres	Frankfurt/M., Stuttgart, Munich, Düsseldorf, Berlin/Bremen, Hamburg, XETRA
Price year-end (30/12/2024)	14.40 €
Price high (01/02/2024)	26.20 €
Price low (17/12/2024)	13.70 €
Designated Sponsor	DZ Bank

LUDWIG BECK share with negative development

The LUDWIG BECK AG share started the 2024 trading year at a XETRA price of € 19.30. The annual high was € 26.20 on February 1, 2024, while the annual low was € 13.70 on December 17, 2024. The XETRA closing price on December 30, 2024, was € 14.40, which corresponded to a market capitalisation of € 53.2m and, based on the reporting period, a share price performance of -25.4%.

This share price performance reflects the challenging conditions in the German textile retail sector, ranging from increased energy and raw material costs, a significant increase in insolvencies, even among long-established competitors, to consumers’ inflation-related purchasing restraint, particularly with regard to non-essential goods such as clothing.

Earnings per share

The LUDWIG BECK share closed the year 2024 with negative earnings per share of € -0.78 (previous year: € 0.12).

Dividend

For the financial year 2024, net profits of €212k are reported. At the Annual General Meeting in May 2025, the Executive Board and Supervisory Board will propose that the net profit be allocated to other retained earnings.

Shareholder structure

According to the latest reports, the shareholder structure of LUDWIG BECK AG is as follows:

- Christian Greiner	26.1 %
- Hans Rudolf Wöhrl	25.2 %
- Alfons Doblinger	25.0 %
- OST-WEST Beteiligungs- und Grundstücksverwaltungs-AG	5.0 %
- Rheintex Verwaltungs AG	3.0 %

As voting rights are only reported when certain thresholds are reached, the company's free float can only as an be given as an estimate. This is therefore 15.7%.

Investor Relations

As a Prime Standard listed company, LUDWIG BECK is committed to the principles of “Fair Disclosure” in its information policy. These are timeliness, continuity, and equal treatment. Regular dialogue with investors, analysts, and the press is a matter of course for the company. Interested parties are kept informed about the company's activities and planning.

LUDWIG BECK's reporting is bilingual and linked to fixed dates, such as the publication of the annual financial statements and the analysts' conference in March, where LUDWIG BECK’s management presents the annual report for the past fiscal year. Furthermore, LUDWIG BECK AG publishes quarterly reports for the first and the third quarters of the year and, together with a corporate news, a group interim report for the second quarter and the first six months.

The publications on the aforementioned events can be viewed online in the Investor Relations section at **http://kaufhaus.ludwigbeck.de.** In addition, this menu item offers comprehensive information on the Group's corporate strategy, continuous reports, corporate news, analyst recommendations, and archived annual reports from the year 2000 onwards. The company’s current events and statements are communicated in the shareholder newsletter. In addition, the Investor Relations team of LUDWIG BECK can be contacted directly at any time.

The company's financial calendar for the year 2025 can be found on page 70 of this annual report and on the internet in the Investor Relations / Corporate Events / Financial Calendar section.

2 Consolidated Financial Statements

& Consolidated Notes

Consolidated Balance Sheet

Consolidated balance sheet of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, as of December 31, 2024, in accordance with IASB provisions.

Assets			12/31/2024	12/31/2023
		Notes	€k	€k
A.	Long term assets			
I.	Intangible assets	(1)	4,898	4,547
II.	Property, plant, and equipment	(1)	139,419	142,251
III.	Investment property	(2)	3,002	3,049
IV.	Other assets	(3)	143	155
V.	Deferred taxes	(11)	917	3,784
	Total long term assets		**148,379**	**153,786**
B.	**Short term assets**			
I.	Inventories	(4)	12,757	12,390
II.	Receivables and other assets	(5)	3,011	3,195
III.	Cash and cash equivalents	(6)	596	429
	Total short term assets		**16,364**	**16,013**
			164,743	**169,800**

Liabilities			12/31/2024	12/31/2023
		Notes	€k	€k
A.	**Equity capital**			
I.	Subscribed capital	(7)	9,446	9,446
II.	Capital reserves	(7)	3,459	3,459
III.	Accumulated profit	(7)	49,485	53,181
IV.	Other equity components	(7)	-617	-633
	Total equity		**61,773**	**65,453**
B.	**Long-term liabilities**			
I.	Financial liabilities	(10)	74,167	68,399
II.	Provisions	(9)	2,520	2,465
III.	Deferred taxes	(11)	327	328
	Total long term liabilities		**77,014**	**71,192**
C.	**Short term liabilities**			
I.	Financial liabilities	(10)	19,883	27,652
II.	Trade liabilities	(10)	1,609	1,086
III	Tax liabilities	(10)	16	9
IV.	Other liabilities	(10)	4,448	4,407
	Total short term liabilities		**25,956**	**33,155**
	Total debt (B. – C.)		**102,970**	**104,347**
			164,743	**169,800**

Consolidated Statement of Comprehensive Income

Consolidated statement of comprehensive income of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG,
Munich, for the period from January 1, 2024, to December 31, 2024, in accordance with IASB provisions.

		Notes	01/01/2024 – 12/31/2024 €k	€k	01/01/2023 – 12/31/2023 €k	€k
1.	Sales revenue	(12)				
	- Gross sales		87,248		86,549	
	- Less value added tax		13,935		13,849	
	- Net sales			73,312		72,699
2.	Other own work capitalised	(13)		467		122
3.	Other operating income	(14)		4,470		4,670
				78,249		**77,492**
4.	Cost of materials	(15)	37,781		37,410	
5.	Personnel expenses	(16)	16,600		16,822	
6.	Depreciation and amortisation	(17)	6,766		6,834	
7.	Other operating expenses	(18)	13,656	74,803	13,321	74,387
8.	**Earnings before interest and taxes (EBIT)**			**3,446**		**3,105**
9.	**Financial result**	(19)		**-2,938**		**-2,538**
	- thereof financing expenses: € 3,004k (previous year: € 2,599k)					
10.	**Earnings before taxes (EBT)**			**508**		**567**
11.	Income taxes	(20)		3,379		137
12.	**Earnings after taxes (EAT)**			**-2,871**		**431**
13.	**Income and expenses recognised directly in equity**	(21)				
13a.	Components that cannot be reclassified to the income statement					
	Actuarial gains/losses from pension commitments (+/-)			24		-58
13b.	Deferred taxes on expenses (+) and income (-) recognised directly in equity			-8		19
	Total income and expenses recognised directly in equity			**16**		**-39**
14.	**Total comprehensive income**			**-2,855**		**392**
Diluted and undiluted earnings per share in €		(22)		-0.78		0,12
Average number of shares outstanding in thousands				3,695		3,695

Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2024, to December 31, 2024.

	Subscribed capital	Capital reserve	Accumulated profit	Other equity components)	Total
Notes	(7)	(7)	(7)	(7)	
	€k	€k	€k	€k	€k
As per 01/01/2024	**9,446**	**3,459**	**53,181**	**-633**	**65,453**
Consolidated net income	0	0	-2,871	0	-2,871
Dividend payment	0	0	-554	0	-554
Payments to other shareholders	0	0	-271	0	-271
Change in income and expenses recognised directly in consolidated shareholders' equity	0	0	0	16	16
As per 12/31/2024	**9,446**	**3,459**	**49,485**	**-617**	**61,773**

Consolidated statement of changes in equity of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2023, to December 31, 2023.

	Subscribed capital	Capital reserve	Accumulated profit	Other equity components	Total
Appendix	(7)	(7)	(7)	(7)	
	€k	€k	€k	€k	€k
As per 01/01/2023	**9,446**	**3,459**	**53,010**	**-594**	**65,321**
Consolidated net income	0	0	431	0	431
Payments to other shareholders	0	0	-260	0	-260
Change in income and expenses recognised directly in consolidated shareholders' equity	0	0	0	-39	-39
As per 12/31/2023	**9,446**	**3,459**	**53,181**	**-633**	**65,453**

*) The other equity components result from actuarial gains and losses and therefore relate to components that will not be reclassified to the income statement in future.

Consolidated Cash Flow Statement

Consolidated cash flow statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2024, to December 31, 2024, in accordance with IASB provisions.

	01/01/2024 – 12/31/2024	01/01/2023 – 12/31/2023
Appendix	**(Section E)**	**(Section E)**
	€k	**€k**
Earnings before income taxes	**508**	**567**
Adjustments for: - Other non-cash expenses/income (+/-)	0	1,174
- Depreciation and amortisation	6,766	6,834
- Interest income	-66	-61
- Interest expenses	3,004	2,599
- Gains/losses from the disposal of fixed assets (-/+)	-40	364
Operating result before changes in net working capital	**10,172**	**11,478**
Increase/decrease (-/+) in assets:		
Inventories	-367	-551
Trade receivables	184	-323
Other assets	-165	-826
Increase/decrease (+/-) in liabilities:		
Trade liabilities	523	-35
Other liabilities	41	-501
Increase/decrease (+/-) in accruals:		
Accruals	71	16
Cash flow from operating activities (before interest and tax payments)	**10,460**	**9,259**
Interest paid	-2,918	-2,525
Interest received	3	0
Payments to other shareholders	-271	-260
Income taxes paid	-409	-717
A. Cash flow from operating activities	**6,865**	**5,757**
Proceeds from the disposal of fixed assets	43	0
Payments for investments in intangible assets and property, plant, and equipment	-2,003	-3,202
B. Cash flow from investing activities	**-1,960**	**-3,202**
Dividend payments	-554	0
Increase of financial liabilities	12,407	12,927
Repayment of financial liabilities	-13,407	-3,407
Repayment of other loans	-20	-30
Repayment of lease liabilities	-3,164	-12,108
C. Cash flow from financing activities	**-4,738**	**-2,618**
Cash-effective change in cash and cash equivalents (A. + B. + C.)	167	-63
Cash and cash equivalents at the beginning of the period	429	492
Cash and cash equivalents at the end of the period	**596**	**429**

Notes to the Consolidated Financial Statements

Notes to the IFRS consolidated financial statements for the financial year 2024 of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich.

A. GENERAL INFORMATION

LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich (hereinafter also referred to as LUDWIG BECK AG), the parent company of the LUDWIG BECK Group, was founded on August 13, 1992, through a change of legal form of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier GmbH, Munich. The registered office of LUDWIG BECK AG is at Marienplatz 11, 80331 Munich.

LUDWIG BECK AG is registered in the Commercial Register of the Local Court of Munich, Germany, under HRB No. 100213.

The object of the LUDWIG BECK Group's business activities is the sale of goods of all kinds, in particular the wholesale and retail of textiles, clothing, hardware, and other merchandise, also by mail order and online, as well as the acquisition, holding, and management of interests in partnerships and corporations, in particular those that own real estate or are themselves involved in such companies.

The consolidated financial statements of LUDWIG BECK AG as of December 31, 2024, have been prepared in accordance with the International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS), as applicable in the EU, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) / Standing Interpretations Committee (SIC). All the aforementioned standards and interpretations that are mandatory for the 2024 financial year were complied with. The consolidated financial statements are supplemented by certain disclosures and the consolidated management report in conjunction with Section 315e HGB.

The consolidated balance sheet of LUDWIG BECK AG was prepared as of December 31, 2024, and December 31, 2023. The relevant consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes to the consolidated financial statements cover the periods from January 1, 2024, to December 31, 2024, and from January 1, 2023, to December 31, 2023. The balance sheet dates of the consolidated companies are identical.

The amounts in the consolidated financial statements are stated in thousand euros (€k). The consolidated financial statements were initially prepared on the basis of the exact (non-rounded) figures and then rounded to € thousand. This may result in rounding differences in the totals.

These consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations in accordance with the relevant IFRS/IAS standards.

The structure of the items in the consolidated balance sheet, the consolidated statement of comprehensive income (total cost method), the consolidated statement of changes in equity, and the consolidated cash flow statement were prepared in accordance with IAS 1. The consolidated financial statements were prepared on a going concern basis.

The preparation of the consolidated financial statements requires estimates and assumptions that can influence the amounts stated for assets, liabilities, and financial obligations on the consolidated balance sheet date and the income and expenses for the financial year. Actual future amounts may differ from these estimates. The most important future-related assumptions and other key sources of estimate uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in the respective notes. In the LUDWIG BECK Group (see accounting and valuation methods), estimates and assumptions have been made in particular for the valuation of intangible assets, property, plant, and equipment (notes 3 and 4), inventories (note 6), provisions (note 9), and deferred taxes (note 11).

The consolidated financial statements will be submitted to the Supervisory Board for approval at its meeting on March 27, 2025. The Executive Board will afterward release the consolidated financial statements for publication. The Annual General Meeting cannot change the consolidated financial statements approved by the Supervisory Board.

B. ACCOUNTING AND CONSOLIDATION PRINCIPLES

I. Consolidated Group

In addition to the parent company, the following subsidiaries, all domiciled in Germany, are included in the consolidated financial statements as of December 31, 2024:

Name	Shareholding quota (also voting rights quota)
LUDWIG BECK Beteiligungs GmbH	100.0 %
LUDWIG BECK Verwaltungs GmbH	86.0 %
Feldmeier GmbH & Co. Betriebs KG	85.9 %
Feldmeier GmbH	100.0 %
LUDWIG BECK Grundbesitz Hannover GmbH	100.0 %

The aforementioned companies are each fully consolidated due to the existing control by the majority of voting rights.

II Consolidation methods

1. Capital consolidation

Capital consolidation of fully consolidated companies is carried out using the purchase method. The acquisition costs of the investment are offset against the pro rata equity of the fully consolidated company at the time of acquisition. In the course of consolidation, the hidden reserves and liabilities were allocated to the assets and liabilities of the acquired company. The assets and liabilities were completely revalued for consolidation purposes.

The capital consolidation of Feldmeier GmbH & Co. Betriebs KG was carried out at the time of acquisition and for the remaining subsidiaries and second-tier subsidiaries at the time of foundation or acquisition of the companies.

Within the scope of subsequent consolidation, uncovered hidden reserves and liabilities are carried forward in accordance with the treatment of the corresponding assets and liabilities.

In the consolidated financial statements, the capital of other shareholders (limited partners) of Feldmeier GmbH & Co. Betriebs KG is recognised in accordance with IAS 32 and IAS 1.

No differences arose from the capital consolidations.

2. Consolidation of receivables and liabilities

Receivables and liabilities between consolidated companies were eliminated as part of the consolidation of receivables and liabilities.

3. Consolidation of income and expenses

Intragroup sales, other operating income, cost of materials, and other operating expenses were offset against each other. Interest income and interest expenses within the Group were also offset against each other.

4. Elimination of intercompany profits

No elimination of intercompany profits resulted from intercompany sales and services.

III. Principles of currency translation

No currency translations were required for the consolidation of the subsidiaries, as all subsidiaries are German. There are no hedging transactions for foreign currencies.

Foreign currency receivables and liabilities are generally recognised at the exchange rate on the date of the transaction in accordance with IAS 21.

Receivables and liabilities in foreign currencies are measured at the closing rates on the Group’s balance sheet date.

The reporting currency is thousand euros (€k).

IV. Accounting and valuation methods

1. General

The consolidated balance sheet and consolidated statement of comprehensive income of the companies included in the consolidated financial statements were essentially prepared in accordance with the accounting and valuation methods of the parent company as described below.

2. Changes in accounting policies and disclosures

In recent years, the IASB has made various amendments to existing IFRS and published new IFRS and interpretations of the International Financial Reporting Committee (IFRIC).

After careful examination, the following standards or their amendments are not pertinent for LUDWIG BECK, so their first-time application has no effect on the consolidated financial statements as of December 31, 2024:

- Amendments to IAS 1: Classification of liabilities as current or non-current (including deferral of effective date) and non-current liabilities with covenants
- Amendments to IFRS 16: Lease liability in sale and leaseback transactions
- Amendments to IAS 7 and IFRS 7: Supplier finance arrangements

Due to its continued use as a lease property, the Group has decided to recognise the property in Hanover separately as "investment property" in accordance with IAS 1.54 (b) in the current year and also in the previous year, to improve comparability, . Deferred tax assets and liabilities on right-of-use assets and lease liabilities to be offset were recognised in Note 11. The offsetting has no effect on the balance sheet. Both adjustments were made to improve comparability.

New and amended IFRS standards and interpretations to be applied for the first time in future reporting periods:

- Amendments to IAS 21: Lack of exchangeability (expected from January 1, 2025)
- Amendments to IFRS 7 and IFRS 9: Financial instruments: disclosures (expected from January 1, 2026)
- Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10: Annual improvements to IFRS Accounting Standards - Volume 11 (expected from January 1, 2026)
- IFRS 18: Presentation and disclosure in financial statements (expected from January 1, 2027)
- IFRS 19: Subsidiaries without public accountability: disclosures (expected from January 1, 2027)

The aforementioned changes may require adjustments to our accounting policies. We will carefully examine the effects of these changes on our financial reporting and, if necessary, adjust our annual financial statements.

3. Intangible assets

With the exception of the "LUDWIG BECK" brand, intangible assets acquired against payment are capitalised at cost in accordance with IAS 38 and amortised on a straight-line basis (pro rata temporis) over their expected useful life.

Software, industrial property rights, and similar rights
These are licences and purchased or adaptations of user software, which are amortised over the expected useful life of 3 years, or up to 10 years in the case of essential software programs.

Brand name "LUDWIG BECK"
The brand name "LUDWIG BECK" (€ 2,039k) is shown under the item "Intangible assets" as it is an identified brand name in accordance with IAS 38. In applying this standard, scheduled amortisation of the brand name was discontinued as of January 1, 2004, as this right is not consumed over time (indefinite useful life). For information on the impairment test performed, please refer to section C.I. (1). No impairment of the brand name was found to be necessary as of December 31, 2024.

4. Property, plant, and equipment

Property, plant, and equipment is measured at cost in accordance with IAS 16, including any incidental costs.

The main item here is the property of Feldmeier GmbH & Co. Betriebs KG at Marienplatz in Munich, which was recognised at fair value in 2001 following the acquisition of the company by LUDWIG BECK Beteiligungs GmbH by way of a business combination. The fair value of the land as of the initial consolidation in 2001 was determined based on the acquisition costs and the development of standard land values between 1998 and 2000. The 2001 valuation was retained unchanged until December 31, 2024. The building is subject to scheduled depreciation.

Property, plant, and equipment with a limited useful life is depreciated on a straight-line basis (pro rata temporis) over its normal useful life (limited by any shorter term of rental/lease agreements). Depending on the asset, the following useful lives are applied:

Building	25 - 40 years
Buildings - leased under operating leases	40 years
Buildings on third-party land	10 - 20 years
Other equipment, operating, and office equipment	3 - 10 years

Movable fixed assets up to a value of € 450.00 are recognised in full as an expense in the year of acquisition outside fixed assets. Movable fixed assets with a value of more than € 450.00 and less than € 1,000.00 are pooled in the year of acquisition for reasons of materiality and depreciated on a straight-line basis over a useful life of 5 years.

Advance payments on assets under construction are capitalised in the amount of the payment made.

Maintenance expenses are treated as expenses for the period.

5. Leases

LUDWIG BECK as lessee

Generally, when a contract is entered into, the group assesses whether the contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a specified period in exchange for payment.

The Group recognises and measures all leases (except for short-term leases and leases where the underlying asset is of low value) using a single model. It recognises liabilities relating to lease payments and right-of-use assets for the right to use the underlying asset.

Rights of use

The Group recognises right-of-use assets as of the commencement date (i.e. the date on which the underlying leased asset is available for use). Right-of-use are measured at cost less any accumulated depreciation and any accumulated impairment losses and are adjusted for any remeasurement of the lease liability. The costs of right-of-use assets include the recognised lease liabilities, the initial direct costs incurred, and the lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term and the expected useful life of the lease.

The right-of-use assets are also tested for impairment. Details on the accounting policies can be found in the section Impairment of non-financial assets.

Leasing liabilities

At the commencement date, the Group recognises lease liabilities at the present value of the lease payments to be made over the lease term. The lease payments comprise fixed payments (including de facto fixed payments) less any lease incentives receivable, and variable lease payments that depend on an index or a rate.

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement date, as the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of the lease liability is increased to reflect the higher interest expense and reduced to reflect the lease payments made. In addition, the carrying amount of the lease liability is remeasured in the event of changes to the lease, changes in the lease term, changes in lease payments (e.g. changes in future lease payments resulting from a change in the index used to determine those payments), or a change in the assessment of an extension option for the underlying asset.

The Group's lease liabilities are included in the financial liabilities (see C. I. (10.)).

LUDWIG BECK as lessor

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is recognised on a straight-line basis over the term of the lease and reported under revenues due to its operational nature. Initial direct costs incurred in negotiating and concluding an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term in the same way as lease income. Contingent rents are recognised as income in the period in which they are earned.

Investment property

LUDWIG BECK Grundbesitz Hannover GmbH leased two properties in Hanover to WORMLAND up to and including December 31, 2021. Both properties were sold on this date. The leases were to be classified as operating leases in accordance with IFRS 16. Due to the overdue purchase price payment for one property, LUDWIG BECK withdrew from the sales contract in September 2023. Instead of the purchase price receivable, the property was reclassified under long-term assets. The property is an "investment property" in accordance with IAS 40. The "cost model" in accordance with IAS 16 was applied for accounting purposes. To calculate the residual carrying amount, the accumulated depreciation was deducted from the historical costs.

Subleases exist only to an insignificant extent. The contracts do not contain any non-lease components.

6. Inventories

Raw materials, consumables and supplies as well as merchandise are generally recognised at cost in accordance with IAS 2. The FIFO principle was applied to the consumption of inventory where necessary.

Appropriate deductions to the lower net realisable value were made for old stock and goods of reduced usability (marketability). For this purpose, goods are categorised as standard goods, fashionable goods, and high-fashion goods and different discounts are applied depending on the age of the goods. In addition, lump-sum deductions were made for cash discounts. Borrowing costs were not capitalised.

7. Receivables and other assets

Trade receivables are recognised at amortised cost, which generally corresponds to the nominal value before valuation allowances. Appropriate valuation allowances are made for doubtful receivables and receivables with identifiable risks, and irrecoverable receivables are written off.

Other assets are recognised at amortised cost. There are no identifiable risks that would necessitate a valuation allowance.

Deferred income is a component of other assets and only includes operating expenses paid in advance.

The carrying amounts of trade receivables and other assets correspond to their fair value.

8. Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term bank balances. They are stated at nominal value. The fair value corresponds to the carrying amount. Default risks are low.

9. Provisions

In accordance with IAS 37, provisions are recognised when there is a present legal or constructive obligation arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the reporting date.

Long-term, non-interest-bearing provisions were discounted to their present value.

Pension obligations

Pension obligations are recognised in accordance with the provisions of IAS 19R "Employee Benefits".

The actuarial valuation of pension obligations is based on the projected unit credit method for defined benefit obligations as prescribed in IAS 19R. This method takes into account not only the pensions and vested entitlements known at the balance sheet date, but also expected future increases in salaries and pensions. Actuarial gains and losses are recognised directly in equity.

10. Liabilities

Initial recognition and measurement

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as loans, as liabilities or as derivatives designated as hedging instruments in an effective hedge. All financial liabilities are recognised initially at fair value. In the case of loans and liabilities, less directly attributable transaction costs. The Group's financial liabilities include trade payables, loans including overdrafts, and derivative financial instruments. In accordance with IFRS 13, financial liabilities are generally to be recognised at their fair values and are recognised at cost. Fair values are determined by taking into account changes in the market interest rates for financial liabilities with comparable conditions (term, repayment conditions, collateral).

Subsequent measurement

In subsequent measurement, financial liabilities are exclusively assigned to the category of amortised cost. The category "loans" has the greatest significance in the consolidated financial statements. After initial recognition, interest-bearing loans are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, except in the case of amortisation using the effective interest method.

Derivative financial instruments

The LUDWIG BECK Group does not use derivative financial instruments.

11. Deferred taxes

Deferred taxes are calculated on the basis of the balance sheet liability approach (IAS 12). Accordingly, deferred tax items are generally recognised for all temporary differences between the carrying amount of assets and liabilities under IFRS and their tax bases. Deferred tax assets are only recognised if realisation is probable.

For the calculation of deferred taxes (corporate tax, solidarity surcharge, trade tax), the corporate tax rate of 32.975% applicable to LUDWIG BECK AG was applied. Based on a trade tax rate of 490% for Munich, a trade tax rate of 17.15% was calculated. The parent company recognises deferred tax assets only on loss carry forwards arising from the COVID-19 pandemic in the amount in which it is foreseeable that it will have appropriate taxable profit in a foreseeable planning horizon to make use of the tax loss carry forwards. The loss carry forwards do not expire and cannot be offset against the taxable profit of other Group companies.

For temporary differences arising from Feldmeier GmbH & Co. Betriebs KG, the tax rate of 15.825% (corporate tax and solidarity surcharge) was applied to the shares attributable to LUDWIG BECK Beteiligungs GmbH and Feldmeier GmbH. Trade tax was not considered in these temporary differences due to trade tax reduction regulations at Feldmeier GmbH & Co Betriebs KG.

Deferred taxes were netted in accordance with IAS 12.74.

12. Maturities

Assets and liabilities with a residual term of up to one year were recognised as "short-term". Those with a residual term of more than one year were recognised as "long-term".

13. Revenue recognition

Sales revenue is recognised at the conclusion of sales contracts. Sales revenues are reported net of sales rebates and credits, with VAT openly deducted.

For loyalty points earned by customers as part of our loyalty programme with the LUDWIG BECK CARD, part of the revenue is not realised at the time of purchase, but when the credit points are redeemed. Until the credit points are redeemed, a contract liability for the equivalent value is recognised. The contract liability is measured at the sales value of the credit points on the basis of a portfolio approach. As there are no reliable empirical values on the redemption behaviour of customer cardholders, it was assumed that 100% of the credit points would be redeemed as of December 31, 2024. If credits expired without having been redeemed, the revenue is realised, and the liability derecognised.

14. Financial instruments

Upon initial recognition, financial assets are classified for subsequent measurement either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.

Financial assets and liabilities included in the consolidated balance sheet include cash and cash equivalents, trade receivables and payables, other receivables, other liabilities, and liabilities to banks. The accounting policies for the recognition and measurement of these items are included in the respective notes to these consolidated financial statements.

Financial instruments are classified as assets or liabilities based on the economic substance of the contractual terms. Interest, gains and losses from these financial instruments are therefore recognised as expenses or income.

Financial instruments are offset if the Group has a legally enforceable right of off-set and intends to settle either only the balance or both the receivable and the liability simultaneously.

Financial assets and liabilities are recognised as soon as a contractual payment claim or a contractual payment obligation arises. They are derecognised upon payment, upon the final expiry of the payment claim or as soon as LUDWIG BECK is released from the obligation.

Financial instruments and liabilities are classified into the following categories in accordance with IFRS 9:

- Financial assets at amortised cost (debt instruments)
- Financial assets measured at fair value through other comprehensive income with recycling (debt instruments),
- Financial assets measured at fair value through profit or loss, and
- Financial assets measured at fair value through other comprehensive income without recycling (equity instruments).

LUDWIG BECK currently only has financial assets and liabilities classified at amortised cost in subsequent measurement.

In accordance with IAS 32.18 (b), the shares of the other shareholder in Feldmeier GmbH & Co. Betriebs KG are classified as liabilities.

Management of financial risks
The LUDWIG BECK Group uses a centralised approach to financial risk management for the identification, assessment, and control of risks. No significant risks could be identified as of the balance sheet date. Areas of risk deriving from financial assets and liabilities can be categorised into liquidity, credit, and interest risks.

Liquidity risk
This term generally refers to the risk that the LUDWIG BECK Group might not be able to fulfil its obligations resulting from financial liabilities.

Management constantly monitors and plans the necessary liquidity requirements using current cash flow ratios and plans. The company relies on credit lines and loans to ensure sufficient liquid funds. As at the reporting date, short-term credit lines of € 26,000k and bank guarantees of € 4,000k for were available until further notice, around 58% of which had been utilised (including utilisation of bank guarantees) as at the reporting date.

According to the cash flow planning for the future and the available credit lines, no liquidity bottlenecks can be identified. Risks can essentially only arise in the event of a deterioration in creditworthiness or if the cash flows forecast from the business plan are significantly undercut. The maturity structure of the liabilities is shown under the respective balance sheet items.

Bad debt risk
The risk of bad debt describes the risk of default of financial assets. LUDWIG BECK primarily generates its sales against cash, credit card, or EC card receivables. Therefore, LUDWIG BECK is exposed to bad debt risk to a very limited extent. Online retailing plays a subordinate role compared to brick-and-mortar retailing. Risks from credit card payments are mainly borne by credit card providers. The monitoring of receivables from EC card sales has been outsourced to an external service provider. The risks from cash payments are low due to implemented control mechanisms.

Derivative financial instruments
No derivative financial instruments were recognised on the balance sheet date.

Interest rate risk
The LUDWIG BECK Group uses overdraft facilities with variable-interest rates. These positions expose the Group to interest rate risks from financial liabilities. Interest rate risks are minimised by maturity and interest rate structure management and typical retail cash flow fluctuations are controlled by cash management.

An increase in the interest rate of 50 basis points would lead to a reduction in earnings before taxes of € 69k (previous year: € 84k) if the overdraft facilities were utilised as at December 31, 2024. A decrease in the interest rate would lead to an increase in earnings before taxes of € 69k (previous year: € 84k) if the overdraft facilities were utilised as at December 31, 2024.

15. Fair value

The Group measures financial instruments at fair value on each reporting date and discloses the fair value in the notes, whereby the Group uses amortised costs for all financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place,

- either in the principal market for the asset or the liability
- or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group must have access to the principal market or the most advantageous market. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use is taken into account.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. The use of relevant observable inputs should be maximised, and the use of unobservable inputs should be minimised.

All assets and liabilities for which fair value is determined or recognised in the financial statements are categorised within the fair value hierarchy described below, based on the lowest level input that is significant to the entire measurement of fair value:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in the market

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable in the market

If assets and liabilities are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between the levels of the fair value hierarchy by re-assessing (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no such cases in the current financial year.

16. Significant judgements, estimates, and assumptions

In preparing the consolidated financial statements, management makes judgements, estimates, and assumptions that affect the reported amounts of income, expenses, assets, liabilities, and related disclosures, as well as the disclosure of contingent liabilities. Due to the uncertainty associated with these assumptions and estimates, the actual results in future periods could lead to significant adjustments in the carrying amount of the assets or liabilities concerned.

Discretionary decisions
In applying the Group's accounting policies, management has made the following judgements most significantly effect on the amounts in the consolidated financial statements:

Determining the term of leases with extension and cancellation options - the Group as lessee
The Group determines the term of the lease based on the non-cancellable basic term of the lease and includes the periods resulting from an option to extend the lease if it is reasonably certain that it will exercise that option, or the periods resulting from an option to terminate the lease if it is reasonably certain that it will not exercise the option. The Group makes judgements when assessing whether there is reasonably certainty that the option to extend or terminate the lease will be exercised or not exercised. This means that it takes into account all relevant factors that represent an economic incentive to exercise the extension option. After the commencement date, the Group reassesses the lease term if there is a significant event change in circumstances that is within its control and that affects whether or not it will exercise the option to extend the lease (e.g. making significant leasehold improvements or a significant adjustment to the underlying asset).

Estimates and assumptions
The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group's assumptions and estimates are based on parameters that existed at the time the consolidated financial statements were prepared. However, these conditions and assumptions about future developments may

change due to market developments and conditions that are beyond the Group's control. Such changes are only reflected in the assumptions when they occur.

Taxes
Significant management judgement is required for deferred tax assets on loss carry forwards, regarding the expected timing and amount of future taxable income and future tax planning strategies.

Defined benefit pension plans (pension benefits)
The expense from the defined benefit plan and the post-employment medical benefits plan as well as the present value of the pension obligation are determined on the basis of actuarial valuations. An actuarial valuation is based on various assumptions that may differ from actual developments in the future. These include the determination of discount rates, future wage and salary increases, mortality rates, and future pension increases. Due to the complexity and its long-term nature, a defined benefit obligation reacts sensitively to changes in these assumptions. All assumptions are reviewed at each reporting date.

Inventories
Up to the time of stocktaking, actual inventory differences were taken into account for the determination of the inventory of goods. For the period between stocktaking and December 31, 2024, the inventories per sales department were reduced by the corresponding deduction for shrinkage, which is based on the average of the past three years.

All merchandise was recognised at cost less write-downs. Inventories with reduced usability (marketability) are written down to the lower net realisable value. The write-downs range between 4% and 100%. Lump-sum deductions were made for cash discounts.

Property, plant, and equipment
The estimated useful life of an asset is determined on the basis of historical experience, technical assessments, planned utilisation, and industry standards. It is reviewed annually and adjusted in the event of significant changes.

17. Accounting and valuation changes

The accounting and valuation principles remained unchanged from the previous year.

C. EXPLANATION TO INDIVIDUAL ITEMS IN THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

I. Consolidated balance sheet

(1) Intangible assets and property, plant, and equipment

This term comprises the following items shown in the consolidated balance sheet:

- Intangible assets
- Property, plant, and equipment

The development of acquisition costs, accumulated depreciation and amortisation, and the carrying amount of intangible assets and property, plant, and equipment are shown in the following statement of changes in fixed assets.

Intangible assets
Intangible assets exclusively comprise purchased assets including acquisition costs.

The useful life of software is between 3 and 10 years. Software is amortised on a straight-line basis (pro rata temporis). The enterprise resource planning software in use is amortised over a useful life of 8 years.

The intangible asset originating from the purchase of the "LUDWIG BECK" brand name in 1995 was amortised on a straight-line basis (pro rata temporis) at an annual rate of € 170k until December 31, 2003. Upon the application of IAS 36 and IAS 38, the annual amortisation of this intangible asset ceased as of January 1, 2004.

The brand name "LUDWIG BECK" only concerns the cash-generating unit "Stammhaus Marienplatz". Impairment tests are carried out annually. The recoverable amount is the value in use, as there is no active market for the brand name. The value in use was derived from the planned cash flows of the flagship store (before financing activities and income taxes) that were discounted at a pre-tax interest rate of 3.8% (previous year: 3.9%). The interest rate was calculated from the weighted average cost of capital. Cash flows were derived from previous years and extrapolated within the company's planning for a period of 5 years. An increase in sales .of between 2.0% and 3.0% (previous year: 2.0%) as well as a gross profit margin of approximately 49.0% (previous year: 49.0%), and a cost indexation of 3.0% (previous year: 3.0%) were assumed.

No impairment was required as a result of the impairment test. LUDWIG BECK considers the discount rate and the assumptions on the increase in sales/costs to be the key assumptions for the impairment test. . Alternative scenarios were calculated with a deviation in the discount rate of ±1 and a change in sales/cost increases of ±1. All scenarios showed that no impairments had to be recognised.

In the financial year 2024, advance payments of € 109k were made for intangible assets (previous year: € 1,126k).

Development of consolidated fixed assets of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, from January 1, 2024, to December 31, 2024.

	As of 01/01/2024 *01/01/2023*	**Addition**	**Disposal**	**Reclassification**	**As of 12/31/2024** *12/31/2023*	**Cumulative depreciation**	**Book value 12/31/2024** *12/31/2023*	**Book value 12/31/2023** *12/31/2022*	**Depreciation 2024** *2023*
	€k	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**
I. Intangible assets									
1. Software, industrial property rights, and similar rights	**4,976**	**1,096**	**15**	**1,123**	**7,179**	**4,404**	**2,775**	**1,382**	**825**
Previous year	*5,180*	*18*	*285*	*64*	*4,976*	*3,595*	*1,382*	*2,052*	*707*
2. Brand name	**3,399**	**0**	**0**	**0**	**3,399**	**1,359**	**2,039**	**2,039**	**0**
Previous year	*3,399*	*0*	*0*	*0*	*3,399*	*1,359*	*2,039*	*2,039*	*0*
3. Advance payments	**1,126**	**80**	**0**	**-1,123**	**84**	**0**	**84**	**1,126**	**0**
Previous year	*381*	*793*	*0*	*-48*	*1,126*	*0*	*1,126*	*381*	*0*
	9,501	**1,176**	**15**	**0**	**10,662**	**5,764**	**4,898**	**4,547**	**825**
Previous year	*8,960*	*810*	*285*	*17*	*9,501*	*4,954*	*4,547*	*4,472*	*707*
II. Property, plant, and equipment									
1. Land, land rights, and buildings, including buildings on third-party land	**102,307**	**223**	**892**	**0**	**101,638**	**24,540**	**77,098**	**77,964**	**1,090**
Previous year	*174,893*	*8,396*	*837*	*313*	*182,766*	*41,810*	*140,956*	*137,707*	*5,103*
2. Rights of use	**77,363**	**2,182**	**0**	**0**	**79,545**	**21,188**	**58,358**	**59,943**	**3,768**
Previous year	*73,120*	*4,544*	*301*	*0*	*77,363*	*17,420*	*59,943*	*59,586*	*3,886*
3. Other fixtures and fittings, tools, and equipment	**13,336**	**635**	**1,445**	**0**	**12,525**	**8,587**	**3,938**	**4,344**	**1,037**
Previous year	*12,525*	*1,635*	*1,367*	*542*	*13,336*	*8,992*	*4,344*	*3,205*	*1,024*
4. Advance payments and assets under construction	**0**	**25**	**0**	**0**	**25**	**0**	**25**	**0**	**0**
Previous year	*872*	*0*	*0*	*-872*	*0*	*0*	*0*	*872*	*0*
	193,005	**3,065**	**2,337**	**0**	**193,733**	**54,315**	**139,419**	**142,251**	**5,894**
Previous year	*188,289*	*10,032*	*2,203*	*-17*	*196,101*	*50,801*	*145,300*	*141,783*	*6,127*
III Investment property	**3,096**	**0**	**0**	**0**	**3,096**	**94**	**3,002**	**3,049**	**47**
Previous year	*0*	*3,096*	*0*	*0*	*3,096*	*47*	*3,049*	*0*	*47*
	205,603	**4,241**	**2,353**	**0**	**207,491**	**60,173**	**147,319**	**149,847**	**6,766**
Previous year	*197,249*	*10,842*	*2,488*	*0*	*205,603*	*55,756*	*149,847*	*146,255*	*6,834*

Property, plant, and equipment

Land, land rights and buildings, including buildings on third-party land
Buildings are depreciated on a straight-line basis (pro rata temporis) over their expected useful life of 25 to 40 years. Fixtures and fittings are depreciated on a straight-line basis (pro rata temporis) throughout the Group over the standard useful life of 10 to 20 years or over shorter lease term

s.

Marienplatz property
The property was valued at € 68,779k as at September 1, 2001. As of the date of acquisition within the scope of initial consolidation, the building (September 1, 2001: € 3,527k) is depreciated over 30 years at annual rates of € 118k (December 31, 2024: € 777k). Hidden reserves totalling € 66,661k were uncovered upon the valuation of land as part of the initial consolidation of Feldmeier GmbH & Co Betriebs KG. For the fair value measurement of land at initial consolidation in 2001, acquisition costs and development of standard land values between 1998 and 2000 were considered. The carrying value determined in 2001 was maintained until December 31, 2024.

The Marienplatz property is encumbered with land charges in the amount of € 30,000k (previous year: € 20,000k) for interest-bearing liabilities recognised in the balance sheet.

Rights of use from leases
The rights of use are amortised over a period of between 1 and 24 years.

Other fixtures and fittings, tools, and equipment
The assets in this item are generally depreciated on a straight-line basis (pro rata temporis) over a useful life of 3 to 10 years.

(2) Investment property

The property is valued according to the cost model with an assumed useful life of 40 years using the straight-line depreciation method. The development of the investment property is shown in the statement of changes in fixed assets (C. I. (1)). No direct operating expenses (including repairs and maintenance) were incurred for the property in the 2024 financial year. The rental income for the property can be found under G. Other information III. Leasing.

There are no restrictions on disposal or encumbrances with regard to this property.

The fair value of the property was determined by an independent expert based on level 3 of the fair value hierarchy using a capitalised earnings model and amounts to € 3.3m. An estimated market rent of between € 3.50/m² for warehouses and up to € 70/m² for retail space was assumed. A discount rate of 3.25% was applied; a rent loss rate of 5% and no rent increases were assumed.

(3) Other assets (long-term)

Other long-term assets concern long-term deferred items.

(4) Inventories

Inventories break down as follows:

	12/31/2024	**12/31/2023**
	€k	**€k**
Raw materials, consumables, and supplies (at cost)	234	138
Merchandise (at cost)	13,509	13,252
Less write-downs of merchandise	-986	-1,000
	12,757	**12,390**

The usual retention of title until complete payment for the merchandise applies to all disclosed inventories. It is expected that most inventories will be sold within the next 12 months.

Inventories were reduced by a deduction for inventory differences between the date of inventory taking and December 31, 2024, in the amount of € 332k (previous year: € 267k) .

In the reporting period, merchandise amounting to € 37,796k (previous year: € 37,589k) were recognised as an expense (cost of sales excluding the change in the valuation allowance on the net realisable value).

(5) Receivables and other assets (short-term)

Receivables and other assets are as follows:

	12/31/2024	12/31/2023
	€k	€k
Trade receivables (financial)	1,055	1,239
Other assets (financial)	1,644	1,696
Deferred items	313	259
	3,011	**3,195**

The carrying amounts recognised correspond to the market values. The remaining term is less than one year. There are no identifiable risks of default as at the reporting date.

Trade receivables (short-term)
Trade receivables are as follows:

	12/31/2024	12/31/2023
	€k	€k
Total receivables (financial)	1,065	1,245
Less allowances	-10	-6
Receivables	**1,055**	**1,239**

The valuation allowances are general value adjustments.

There were no hedging transactions. The fair value corresponds to the carrying amount. The valuation was carried out in accordance with level 2 of the fair value hierarchy.

Other assets (short-term)
Other short-term assets are as follows:

	12/31/2024	12/31/2023
	€k	€k
Debit-side creditors (financial)	168	117
Receivables from tax authorities	815	963
Claim from bridging assistance III	400	400
Other (financial)	261	216
	1,644	**1,696**

The claim from bridging aid results from the final claim that has already been prepared internally based on current state of knowledge. The actual final claim may result in a different amount. Financial assets are measured at amortised cost. The fair value corresponds to the carrying amount. The valuation was carried out in accordance with level 2 of the fair value hierarchy.

Prepaid expenses and deferred item
Deferred item relates to various expenses that represent expenses for a specific period after the consolidated balance sheet date.

(6) Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances.

Cash and cash equivalents are as follows:

	12/31/2024	12/31/2023
	€k	**€k**
Cash in hand	437	321
Cash at banks	159	108
	596	**429**

Bank balances were not interest-bearing as of the reporting date. Cash in hand is not interest-bearing. There are no hedging activities. The fair value corresponds to the carrying amount. The valuation was carried out in accordance with level 2 of the fair value hierarchy.

(7) Equity management

Concerning the presentation of changes in equity in the 2024 financial year, we refer to the consolidated statement of changes in equity.

The company has equity management targets that are primarily as follows:

- Securing ongoing financing,
- Ensuring an appropriate credit rating and
- an adequate return on equity.

The principal objective of capital management is the control of equity and debt capital, with a particular focus on ensuring sufficient liquidity at all times to finance planned investments and ongoing business operations.

The Group monitors equity using various equity key figures such as the equity ratio and the return on equity. To determine the equity ratio, the economic equity is set in relation to the balance sheet total. Economic equity in the LUDWIG BECK Group corresponds to the equity reported on the balance sheet. Neither LUDWIG BECK AG nor any consolidated subsidiary is subject to external minimum capital requirements.

Subscribed capital
The subscribed capital (share capital) of LUDWIG BECK AG is divided into 3,695,000 no-par value shares (ordinary shares) as of December 31, 2024, (December 31, 2023: 3,695,000). The no-par value shares are bearer shares with a notional share in the equity capital of € 2.56. The share capital was fully paid. In the 2024 financial year, an average of 3,695,000 shares were outstanding. All ordinary shares are entitled to profit distribution to be resolved by the Annual General Meeting. In the 2024 financial year, a dividend of € 0.20 per share was paid for the 2023 financial year 2023 based on the resolution of the Annual General Meeting on May 15, 2024.

Subscribed capital totalled € 9,446k in the financial year (previous year: € 9,446k).

Shareholder structure
According to the company's knowledge, the shareholder structure of LUDWIG BECK AG as of December 31, 2024, is as follows:

Christian Greiner	26.1 %
Hans Rudolf Wöhrl	25.2 %
Alfons Doblinger	25.0 %
OST-WEST Beteiligungs- und Grundstücksverwaltungs-AG	5.0 %
Rheintex Verwaltungs AG	3.0 %
Retail investors (investors under 3%)	15.7 %

Notifications pursuant to Sections 21 (former version) and 33 (1) (new version) of the German Securities Trading Act (WpHG)
OST-WEST Beteiligungs- und Grundstücksverwaltungs-AG, Cologne, reported on June 18, 2009, that it exceeded the 5% threshold of voting rights in LUDWIG BECK AG on June 18, 2009, and held 5.007% at that date. This corresponds to 185,000 votes. Of these, 4.87% (180,000 votes) are attributable to subsidiaries.

Rheintex Verwaltungs AG, Cologne, reported on June 22, 2009, that it exceeded the 3% threshold of voting rights in LUDWIG BECK AG of 3 on June 18, 2009, and held 3.019% on that date. This corresponds to 111,550 votes.

Mr Christian Greiner reported holding a total of 965,399 shares in LUDWIG BECK AG on August 16, 2021. At the time of the notification, he thus held approximately 26.13% of the voting rights. This includes voting rights from 25.69% of the shares in LUDWIG BECK AG held directly by Hans Rudolf Wöhrl Verwaltungs GmbH (new: Christian Rudolf Greiner Verwaltungs GmbH) that are attributable to Mr Greiner in accordance with Section 34 WpHG.

Mr Hans Rudolf Wöhrl reported holding a total of 930,805 shares in LUDWIG BECK AG on August 16, 2021.. At the time of the notification, he thus held approximately 25.19% of the voting rights. This includes voting rights from 25.19% of the shares in LUDWIG BECK AG, held directly by INTRO-Verwaltungs GmbH and that are attributable to Mr Wöhrl in accordance with Section 34 WpHG.

Mr Alfons Doblinger reported holding a total of 923,767 shares in LUDWIG BECK AG on July 22, 2022. At the time of the notification, he thus held approximately 25.00% of the voting rights. This includes voting rights from 24.00% of the shares in LUDWIG BECK AG held directly by BG Heppenheim Grundstücks GmbH and that are attributable to Mr Doblinger in accordance with Section 34 WpHG.

Capital reserve

The development of the capital reserve is shown in the consolidated statement of changes in equity and includes a capital increase from a past transaction. The capital reserve serves to secure the long-term financing of the company.

Accumulated profit

The development of the accumulated profit is shown in the consolidated statement of changes in equity and includes the cumulative changes in the consolidated statement of comprehensive income of previous years. The accumulated profit serve to secure the short and long-term financing of the company.

Pursuant to IAS 32.18 (b), compensation claims of limited partnership interests of other shareholders are to be classified as liabilities (cf. explanations on point (8) below).

Furthermore, there are minority interests in Ludwig Beck Verwaltungs GmbH. As the amounts are immaterial, the minority interests are not disclosed in the Group.

(8) Compensation claim for other shareholders

The compensation claim for other shareholders in Feldmeier GmbH & Co. Betriebs KG is based on the provisions of the company agreement. The amount of the compensation claim is based on the value of the shares. The company agreement stipulates a valuation approach to determine the value of the Marienplatz property. The agreement also stipulates that the company is, at all times, entitled to offset payment claims against a withdrawing shareholder against their potential settlement claim. Due to over-withdrawals by the other shareholder, there are no liabilities as at the balance sheet date.

In accordance with the provisions of the company agreement, the other shareholder - with the exception of the offsetting option explained above - is generally not obliged to settle a claim against himself , so that the surplus does not result in a claim by LUDWIG BECK against the other shareholder.

(9) Provisions

The following disclosures are to be made in accordance with IAS 37 for the recognised provisions that are all long-term in nature:

	As of 01/01/2024	Utilisation	Addition	As of 12/31/2024
	€k	**€k**	**€k**	**€k**
Restoration obligations	1,886	0	56	1,942
Previous year	*1,938*	*52*	*0*	*1,886*
Pension obligations	579	61	0	578
Previous year	*500*	*0*	*79*	*579*
Obligation from acceptance of legacy	0	0	0	0
Previous year	*69*	*69*	*0*	*0*
Total provisions	**2,465**	**61**	**56**	**2,520**
Previous year	*2,507*	*121*	*79*	*2,465*

Restoration obligations

The provision relates to restoration obligations from a rental agreement and was derived from an expert opinion. This relates to restoration obligations upon termination of this rental agreement. The amounts of the obligations were estimated at the expected fulfilment date. The values in the expert opinion were extrapolated using an average increase in the construction cost index and then discounted at a standard market interest rate. The accruals will be compounded proportionally unless this estimation is to be adjusted in the coming years.

Utilisation is scheduled upon termination of the underlying rental agreement. Due to the long-term term of the rental agreement, it is not expected to be utilised in the short to medium term.

Pension obligations

Pension obligations are recognised for commitments to retirement, disability, and surviving dependants' benefits on the basis of pension plans if the pension plan is a defined benefit plan in accordance with IAS 19.

Pension obligations for defined benefit plans are calculated using the internationally recognised projected unit credit method in accordance with IAS 19. Future liabilities are measured based on the prorated entitlements acquired as of the balance sheet date.

In these consolidated financial statements, the company recognises pension obligations in accordance with the provisions of IAS 19. Accordingly, actuarial gains and losses are recognised directly under shareholders' equity in accordance with IAS 19. Furthermore, the company paid contributions into an external pension fund from which the pension benefits are paid in the event given rise to benefits. This insurance policy qualifies as a plan asset. Due to the transfer of pension obligations to a pension fund, LUDWIG BECK assumes that the Group will not have to make any payments when pension benefits fall due.

The present value of the pension obligation and the present value of the plan assets developed as follows in the financial year:

	12/31/2024	12/31/2023
	€k	€k
Present value of the pension obligations as at 01.01.	2,605	2,538
Interest expenses	86	82
Retirement benefits	-121	-121
Actuarial gains/losses (-/+), recognised directly in equity	-13	106
Present value of the pension obligations as at 31.12.	2,557	2,605
Carrying amount of the pension obligations before offsetting	**2,557**	**2,605**
Present value of plan assets as at 01.01.	-2,026	-2,038
Income from plan assets	-64	-61
Payments from plan assets	121	121
Actuarial gains/losses (-/+)	-10	-48
Present value of plan assets as at 31.12.	**-1,979**	**-2,026**
Remaining difference as at 31.12.	**578**	**579**

The present values of the pension obligations amounted to € 2,538k as of December 31 , 2022, and to € 3,101k as of December 31, 2021, the present values of the plan assets amounted to € 2,038k and € 2,044k, respectively.

The following actuarial assumptions were used to determine the carrying amount of the liabilities:

	2024	2023
Discount factor	3.45 %	3.40 %
Pension trend	2.1 %	2.1 %

The "2018 G reference tables" by Klaus Heubeck were used as the biometric basis for the calculations.

Actuarial gains or losses result from changes in the portfolio and deviations in actual trends (e.g. changes in interest rates) compared to the original calculation parameters.

A change in the discount rate of +0.5 percentage points would result in a reduction in the present value of the benefit obligation to € 2,421k, while a change of -0.5 percentage points would result in an increase of the present value of the benefit obligation to € 2,707k.

A change in the pension trend to 8.5% every 5 years would result a reduction in the present value of the benefit obligation to € 2,373k, while a change to 8.5% every 3 years would result in an increase in the present value of the benefit obligation to € 2,705k.

The company expects service costs of € 0k and interest costs of € 86k, as well as an expected return on plan assets of € 72k for the 2025 financial year. No more payments have been made to the plan assets since December 1, 2017. The weighted average term of the benefit obligations is 9.58 years.

(10) Liabilities

The **cash flows** of financial liabilities (including interest payments) were as follows as of the balance sheet date:

		Residual term		
	Total	**up to 1 year**	**1 - 5 years**	**over 5 years**
	€k	**€k**	**€k**	**€k**
1. Financial liabilities	43,730	17,180	13,999	12,550
Previous year	*43,717*	*24,801*	*5,743*	*13,173*
2. Lease liabilities (minimum lease payments)	64,425	4,428	17,712	42,285
Previous year	*66,052*	*4,238*	*17,073*	*44,741*
3. Trade payables	1,609	1,609	0	0
Previous year	*1,086*	*1,086*	*0*	*0*
12/31/2024	**109,763**	**23,217**	**31,711**	**54,835**
Previous year	110,855	30,125	22,816	57,914

The financial liabilities are collateralised as follows:

	€k
Land charges UniCredit Bank AG for property loans	13,495
Land charges UniCredit Bank AG for LfA loans	3,310
Land charges Commerzbank	5,000
Land charges DZ Bank	5,000

The other financial liabilities are not collateralised as of December 31, 2024.

10 a) Financial liabilities (long-term)

Long-term financial liabilities are as follows:

	12/31/2024	**12/31/2023**
	€k	**€k**
Loan UniCredit Bank AG	13,752	16,805
Loan Commerzbank	5,000	0
Loan DZ Bank	5,000	0
Leasing	50,415	51,594
	74,167	**68,399**

There are no derivatives (structured products) to be split off or valued separately.

Long-term financial liabilities are recognised at amortised cost, which in this case corresponds to the repayment amounts. Interest rates in the reporting year were between 1.1% and 4.1% (previous year: 1.1% and 1.8%).

The fair value of long-term bank liabilities amounted to € 26,730k (previous year: € 16,309k as of the balance sheet date. The valuation is based on level 2 of the valuation hierarchy set out in B. IV.15.

10 b) Financial liabilities (short-term)

Short-term financial liabilities are as follows:

	12/31/2024	12/31/2023
	€k	€k
Current account liabilities	13,574	21,167
Loan UniCredit Bank AG	3,054	3,407
Leasing	3,255	3,058
Other loans	0	20
	19,883	**27,652**

As of December 31, 2024, the current account and guarantee credit lines granted by banks amounted to € 30,000k (previous year: € 43,000k), which were subject to market interest rates when utilised.

Short-term financial liabilities are recognised at the repayment amount. The repayment amount corresponds to the fair value of the liabilities. The valuation is based on level 2 of the valuation hierarchy set out in B. IV.15.

Interest rates for short-term financial liabilities were between 1.1% and 7.4% in the reporting year (previous year: 1.1% and 7.4%).

There are no purchase options with regard to finance leases.

10 c) Trade payables (short-term)

Trade payables amounting to € 1,609k (previous year: € 1,086k) are recognised at the repayment amount. Due to the short term maturities of these liabilities, this amount corresponds to the fair value of the liabilities.

10 d) Other liabilities (short-term)

	12/31/2024	12/31/2023
	€k	€k
Wage and sales taxes	1,111	1,182
Purchase vouchers	1,597	1,527
Customer card	521	332
Personnel costs	237	199
Year-end closing and tax declaration costs	167	167
Other accrued liabilities	815	1,000
	4,448	**4,407**

10 e) Tax liabilities (short-term)

Income tax liabilities amounted to € 16k (previous year: € 9k) as of December 31, 2024.

(11) Deferred taxes (assets and liabilities)

Deferred taxes are attributable to the following consolidated balance sheet items or matters:

	12/31/2024		12/31/2023	
	Assets-side	Liabilities-side	Assets-side	Liabilities-side
	€k	€k	€k	€k
Brand name "LUDWIG BECK"		673		673
Land		328		328
Building	27		37	
Provisions	94		104	
Finance lease	17,698	16,721	18,021	17,186
Loss carry forward	510		3,499	
Other		17		18
Total	**18,330**	**17,740**	**21,661**	**18,205**
Net balance of deferred taxes	-17,412	-17,412	-17,877	-17,877
Total according to the consolidated balance sheet	**917**	**327**	**3,784**	**328**

Except for the brand name "LUDWIG BECK" and land, deferred taxes were formed exclusively for taxable temporary differences between the tax balance sheet and the IFRS balance sheet of the respective company (IAS 12.15). These temporary differences and the deferred taxes are reversed over a corresponding period (until the realisation of the asset or liability).

Deferred tax liabilities were formed for a "quasi-permanent" difference between the recognition of land in the tax balance sheet of Feldmeier GmbH & Co. Betriebs KG and the IFRS balance sheet. The sale of the real estate company was assumed to be the most likely realisation premise.

Deferred tax liabilities were also formed for the "quasi-permanent" difference between the recognition of the brand name "LUDWIG BECK" in the IFRS balance sheet and the recognition in the tax balance sheet.

Deferred tax assets originally recognised in full in the balance sheet for the tax losses incurred almost exclusively during the COVID-19 pandemic, as the company assumed that sufficient taxable income would be available the foreseeable future to utilise the tax loss carry forwards. Due to the massive deterioration of Germany's conditions as a business location, the persistently poor consumer sentiment, and ever-increasing political uncertainties, the company has downgraded its medium-term forecasts and derecognised a large portion of the deferred taxes on loss carry forwards. The tax loss carry forwards have not expired and can still be utilised 100%. There is no time limit on the utilisation of tax loss carry forwards. Trade tax losses carried forward for which no deferred taxes were recognised amount to € 8.3m (previous year: € 0.0m) and corporate income tax losses carried forward for which no deferred taxes recognised amount of € 11.8m (previous year: € 0.0m).

The residual terms of the accrual-related deferred items, as well as those attributable to the two "quasi-permanent" differences, have a residual term of more than 12 months.

The balance sheet item for deferred taxes includes deferred tax assets in the amount of € 304k (previous year: € 311k) that are attributable to expenses and income recognised directly in equity.

II Consolidated statement of comprehensive income

(12) Sales revenue

	2024	2023
	€k	€k
Textile	55,472	53,563
Non-textile	17,840	19,136
Total sales	**73,312**	**72,699**

The segment reporting provides more detailed information on sales revenues. All but € 347k (previous year: € 828k) of the LUDWIG BECK Group's sales were generated in Germany.

Sales revenues include rental income from operating leases totalling € 104k (previous year: € 91k).

(13) Other own work capitalised

Other own work capitalised amounted to € 467k in the financial year 2024 (previous year: € 122k). This item concerns personnel costs in connection with refurbishment work at the Marienplatz store and own work in connection with the logistics outsourcing project.

(14) Other operating income

Other operating income breaks down as follows:

	2024	2023
	€k	€k
Rental income	1,805	1,607
Sales proceeds	1,063	865
Personnel income	451	448
Cafeteria income	334	352
Aperiodic income	385	367
Other income	432	1,031
	4,470	**4,670**

(15) Cost of materials

	2024	2023
	€k	€k
Expenses for purchased	37.781	37.410

The expenses reported under this item include merchandise at cost less discounts received, as well as changes in inventories and changes in marketability discounts.

(16) Personnel expenses

	2024	2023
	€k	€k
Wages and salaries	13,764	14,059
Social security contributions (health insurance and other)	1,506	1,466
Statutory pension insurance	1,208	1,185
Expenses for retirement benefits	122	112
	16,600	**16,822**

Pensions

The LUDWIG BECK Group has so-called defined contribution and defined benefit pension plans (IAS 19) for employees.

These are divided into the following groups:

a) Pension scheme for all LUDWIG BECK employees

Since January 1, 2001, employees can apply for inclusion in the union-agreed pension scheme after six months of service.

For employees who joined the company before March 31, 2000, the pension scheme is a direct insurance agreement with an independent third party (with complete reinsurance cover). For employees who joined the company after March 31, 2000, the contributions are paid into a pension fund.

The schemes are financed by employer contributions, which are recognised in the consolidated statement of comprehensive income.

Employees who joined the company before March 31, 2000, were older than 25 years, and had at least 5 years of service receive a voluntary pension commitment from LUDWIG BECK, whereby the collectively agreed entitlements are offset.

The scheme qualifies as a defined contribution plan within the meaning of IAS 19.

A total of 223 employees (previous year: 236) participate in the pension schemes.

b) Pension scheme for members of the Executive Board
Two former members of the Executive Board have received a pension commitment from LUDWIG BECK. The commitment is a defined benefit plan within the meaning IAS 19.

The expenses from pension obligations are shown under (9).

(17) Depreciation and amortisation

For details concerning the composition of amortisation and depreciation of intangible assets and property, plant, and equipment, please refer to the fixed asset schedule.

(18) Other operating expenses

Other operating expenses include the following items:

	2024	2023
	€k	€k
Other leasing expenses	676	248
Other occupancy costs	2,127	1,836
Administrative costs	2,079	2,058
Sales costs	6,789	6,050
Other personnel costs	1,254	1,172
Insurance/contributions	284	257
Other taxes	121	121
Loss on disposal of property Hanover	0	1,175
Other	326	1,405
	13,656	**13,321**

(19) Financial result

	2024	2023
	€k	€k
Interest income	66	61
Interest expenses	3,004	2,599
Financial result	**-2,938**	**-2,538**

Of the interest income, interest income from plan assets amounted to € 64k (previous year: € 61k). The interest portion from pension obligations included in interest expenses amounted to € 86k (previous year: € 82k). The interest on leases included in interest expenses is shown under G. III. Leasing. The remaining interest income and interest expenses are attributable to financial instruments that are recognised at amortised cost.

(20) Taxes on income

	2024	2023
	€k	€k
Taxes on income	520	407
Other deferred tax income/tax expense (-/+)	2,859	-270
	3,379	**137**

Deferred tax income / tax expense	2024	2023
	€k	€k
From the recognition of loss carry forwards	2,989	-268
From the recognition of finance leases in accordance with IFRS 16	-141	32
From temporary differences in accounting of buildings	20	-29
From temporary differences in accounting of pension provisions	-9	-5
Total deferred tax income/tax expense (-/+)	**2,859**	**-270**

The following overview provides a reconciliation between the tax expense or tax income that arithmetically results from applying the Group tax rate of 32.975 % (corporation tax, solidarity surcharge, trade tax) and the tax expense or tax income in the consolidated financial statements in accordance with IFRS:

	2024	2023
	€k	€k
Earnings before income taxes	508	567
Nominal Group tax rate in %	32,975	32.975
Calculated tax expense	168	187
Changes in the calculated tax expense:		
- Tax rate difference from the real estate companies of the LUDWIG BECK Group	-587	-434
- Deviating tax base	453	385
- Adjustment of deferred tax assets on loss carry forwards	3,482	0
- Other	-137	-1
Actual tax expense	**3,379**	**137**

(21) Income and expenses recognised directly in equity

The expenses and income recognised directly in equity are subject to the following deferred tax expenses and tax income:

	2024	2023
	€k	€k
Net pension obligation		
- Income/expenses (+/-)	24	-58
- Deferred tax income/tax expense (+/-)	-8	19
Net income/net expenses (+/-)	16	-39
Total income and expenses recognised directly in equity (+/-)	**16**	**-39**

(22) Notes on earnings per share

Earnings per share are calculated in accordance with IAS 33 by dividing the Group's net profit by the weighted average number of shares issued during the period under review.

Earnings per share

	2024	2023
Consolidated net profit in €k	-2,855	431
Weighted number of shares in thousands	3,695	3,695
Earnings per share in € (undiluted and diluted)	-0.78	0.12

Dividend proposal

The Executive Board and Supervisory Board propose that the parent company's net profit for the financial year 2024 be allocated in full to other retained earnings.

D. NOTES ON SEGMENT REPORTING

The following segment reporting follows IFRS 8 "Operating Segments", which defines the requirements for reporting on the financial results of a company's operating segments. The applied method is the so-called "management approach" that requires segment information to be presented based on internal reporting as it is regularly used by the so called "chief operating decision maker" to decide on the allocation of resources to individual segments and to assess their performance.

LUDWIG BECK therefore divides the reporting segments into "Textile" (clothing) and "Non-textile" (accessories, paper goods, music, beauty). The Group figures to be segmented are split among the individual segments as follows in the 2024 financial year :

	Textile	Non-textile	Segments total	Adjustment	Group
	€k	€k	€k	€k	€k
Gross sales	**66,007**	**21,242**	**87,249**		**87,249**
Previous year	*63,768*	*22,781*	*86,549*		*86,549*
Value added tax	-10,535	-3,402	-13,936		-13,936
Previous year	*-10,204*	*-3,646*	*-13,849*		*-13,849*
Net sales	**55,472**	**17,840**	**73,312**		**73,312**
Previous year	*53,563*	*19,136*	*72,699*		*72,699*
Cost of sales	-28,163	-10,511	-38,674	893	-37,781
Previous year	*-27,281*	*-11,155*	*-38,436*	*1,026*	*-37,410*
Gross profit	**27,309**	**7,330**	**34,639**	**893**	**35,531**
Previous year	*26,282*	*7,981*	*34,263*	*1,026*	*35,290*
Personnel costs for sales (personnel expenses)	-4,450	-2,817	-7,267	-9,333	-16,600
Previous year	*-4,510*	*-2,942*	*-7,451*	*-9,371*	*-16,822*
Calculatory occupancy costs (other operating expenses)	-9,724	-2,079	-11,803	-1,853	-13,656
Previous year	*-9,614*	*-2,209*	*-11,823*	*-1,499*	*-13,321*
Calculatory interests (financial result)	-792	-293	-1,085	-1,853	-2,938
Previous year	*-813*	*-430*	*-1,243*	*-1,295*	*-2,538*
Segment result	**12,343**	**2,141**	**14,484**	**-12,146**	**2,338**
Previous year	*11,346*	*2,401*	*13,747*	*-11,138*	*2,609*
Transition to segment total result	**14,484**				
Previous year	13,747				
Cost of sales	893				
Previous year	*1,026*				
Other operating income	4,937				
Previous year	*4,793*				
Personnel expenses	-9,333				
Previous year	*-9,371*				
Other operating expenses	-1,853				
Previous year	*-1,499*				
Depreciation	-6,766				
Previous year	*-6,834*				
Financial result	-1,853				
Previous year	*-1,295*				
Earnings before taxes	**508**				
Previous year	*567*				

E. NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement shows how the Group's cash and cash equivalents changed during the reporting year as a result of cash inflows and outflows. In accordance with IAS 7 (Cash Flow Statements), the company distinguishes between cash flows from operating activities, investing activities, and financing activities. The liquidity shown in the cash flow statement comprises cash in hand and bank balances.

In accordance with IAS 7.6 ff., cash and cash equivalents comprise the sum of cash in hand and short-term bank balances.

The rental lease liabilities include non-cash changes from additions of € 2,182k (previous year: € 4,544k).

F. NOTES ON THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity shows the changes to the Group’s equity items in the year under review. The presentation is in accordance with IAS 1.

G. OTHER INFORMATION

I. Contingent liabilities, contingent assets

1. Contingent liabilities

In addition to de facto obligations covered by provisions, there are no other probable obligations depending on future events.

2. Contingent assets

There are no contingent assets to be recognised in accordance to IAS 37.

II Other financial obligations

As of the balance sheet date, there are purchase commitments for merchandise totalling €13,458k (previous year: € 11,208k).

III Leasing

Leases in which LUDWIG BECK acts as lessee

The development of rights of use assets from leasing agreements in which LUDWIG BECK acts as the lessee is shown in section C. I. (1). Other leasing expenses are shown under (C. II. 18). The leasing contracts concern the rental of shop and warehouse space.

	2024	2023
	€k	€k
Interest expense	1,197	1,146
Total payments for finance leases	4,360	4,586

Operating leases in which LUDWIG BECK acts as lessor

The development of the property leased out under an operating lease agreement in which LUDWIG BECK acts as the lessor is shown in section C. I. (1).

Maturities of future payments from operating leases:

Maturity in	2025	2026	2027	2028	2029	over 5 years
	€k	€k	€k	€k	€k	€k
Nominal values	72	72	72	72	72	108

In addition, LUDWIG BECK rents out parts of its sales space to various brand suppliers on a variable sales-based rent under operating lease agreements. The variable rental income amounts to € 1,602k. The average terms are between 1-5 years.

IV. Declaration of compliance in accordance with Section 161 AktG (Corporate Governance)

On September 10, 2024, the Executive Board and Supervisory Board of LUDWIG BECK AG issued the Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (AktG).

The Declaration of Conformity is permanently available to shareholders on the company's website in the Investor Relations section under the Corporate Governance menu item on the Declarations of Compliance page.

V. Related party disclosures

Transactions with related parties are listed below.

Remuneration of individuals in key management positions:

Executive Board:

Christian Greiner, Chairman, Businessman
Jens Schott, Businessman

The total remuneration of the Executive Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft for activities in the financial year 2024 amounted to € 729k (previous year: € 792k,) as short-term employee benefits.

As of December 31, 2024, the members of the Executive Board held 965,399 shares (previous year: 965,399 shares).

The compensation of the individual members of the Executive Board is provided in the Compensation Report, which is published on the company's website in the Investor Relations section.

Supervisory Board:

Dr Bruno Sälzer, Chairman, Businessman, Grünwald
Sandra Pabst, Deputy Chairwoman, Managing Director, Nuremberg
Sebastian Hejnal, Businessman, Haar
Clarissa Käfer, Tax consultant and Lawyer, Munich
Michael Eckhoff, Head of Department, Munich (employee representative)
Martin Paustian, Employee, Munich (employee representative

For the financial year 2024, the members of the Supervisory Board were granted remuneration totalling € 208k (previous year € 208k).

The following members of the Executive Board and Supervisory Board are members of the Supervisory Board or similar bodies of other companies:

Mr Christian Greiner

Chairman of the Supervisory Board:	Rudolf Wöhrl SE, Nuremberg
Supervisory Board:	TETRIS Grundbesitz AG, Reichenschwand
Member of the Trade Committee:	CCI Munich

Dr Bruno Sälzer

Lead Independent Director:	Amer Sports Inc. Helsinki (as of 02/2024)
Board of Directors:	Zino Davidoff SA, Basel

Supervisory Board:	Lacoste Holding, Paris
Advisory Board:	Deichmann SE, Essen

Mrs Sandra Pabst

Supervisory Board:	AURUM-Project AG, Reichenschwand
	Curameo AG, Reichenschwand
Advisory Board:	Deutsche Bank AG, Advisory Board Bavaria

Mr Sebastian Hejnal

Chairman of the Supervisory Board:	DIBAG Industriebau AG, Munich

Mrs Clarissa Käfer

Chairman of the Supervisory Board:	Käfer AG, Parsdorf
Supervisory Board:	RATIONAL AG, Landsberg am Lech

As in the previous year, the members of the Supervisory Board held no shares as of December 31, 2024.

The following transactions were conducted at standard market conditions.

Rental income of € 60k (previous year: € 40k) was generated with other related parties from the subletting of space at Marienplatz. Other income amounted to € 36k (previous year: € 47k). Other services amounted to € 42k (previous year: € 67k).

In addition, warehouse space was rented from companies with significant influence in the amount of € 479k (previous year: € 427k) including ancillary costs.

VI Supplementary report

There were no significant events after the end of the financial year that are not reflected in the consolidated statement of comprehensive income or the consolidated balance sheet.

VII Auditor's fee

The auditor's fee in the 2024 financial year amounted to € 136k (previous year: € 104k).

Fees for the audit of the consolidated financial statements and the annual financial statements of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG amounted to € 136k (previous year: € 102k). The amount incurred for audit-related issues amounted to € 0k (previous year: € 2k).

VIII. Employees

	2024	**2023**
Full-time	129	139
Part-time	174	170
Temporary staff	109	99
	412	**408**

Apprentices were not included in this calculation.

IX. Disclosures in accordance with Section 297 (2) HGB

The Executive Board has issued the statutory declaration required by Section 297 (2) HGB.

Munich, February 28, 2025

The Executive Board

Christian Greiner

Jens Schott

3 CONSOLIDATED *Management Report*

I. Group fundamentals

1. BUSINESS MODEL

LUDWIG BECK is a retail company specialising in the sale of textiles in the medium to high-price segment. In addition to a wide selection of textiles, the product range encompasses accessories, cosmetics, paper goods, and sound recordings. The heart of its business activities is the renowned flagship store "Kaufhaus der Sinne" at Munich's Marienplatz. In addition, LUDWIG BECK presents exclusive beauty products in a branch in the Fünf Höfe in Munich's city centre.

LUDWIG BECK's presence extends not only to brick-and-mortar stores, but also to the digital world with the online portal ludwigbeck.de. Here, customers are offered an extensive selection of premium cosmetics, textiles, and accessories. The combination of traditional retail in the flagship "Kaufhaus der Sinne " and the digital presence emphasises LUDWIG BECK's versatility and innovative spirit in meeting the demands of its discerning customers.

2. STRATEGY AND OBJECTIVES

LUDWIG BECK aims to permanently solidify its position among Germany's leading fashion stores. This pre-eminence is to be achieved – in addition to the unique shopping location right in the heart of Munich –with a high-quality product assortment, creative product staging, and a service-orientated advising and sales culture.

The entire offer, the presentation, the character, and the design of the sales areas are constantly reviewed for quality and optimised to ensure a clear focus. This also applies to the online shop. The above-average service quality that has been a hallmark existed since the founding of the company continues to be adapted to changing customer needs.

This exceptional level of service, compared to competitors, is achieved with employees who value LUDWIG BECK both as a family-orientated, secure employer and as a professional home. The length of service is above average and partly due to the numerous individual development and career opportunities offered by the company.

3. INTERNAL CONTROL SYSTEM

A merchandise management system provides LUDWIG BECK with all the necessary information for the efficient control of inventories, assortments, and allocated sales areas. It enables day-by-day merchandise management analyses, structured by article number and product groups, and up to department sizes.

The company's financial flexibility is continuously monitored based on these merchandise management indicators and liquidity indicator on a target-actual basis to enable immediate action if significant deviations occur. LUDWIG BECK has defined gross sales and earnings before taxes (EBT) as the most important financial performance indicators.

In addition to the financial performance indicators of the management system, the company uses other indicators to measure economic performance. These include, in particular, the development of sales and earnings, working capital, and investments in terms of capital employed.

The Executive Board monitors the development of the key figures using target-actual analyses within the monthly reporting system. This ensures that management can react immediately to any business developments that deviate from the plan. At the same time, a thorough analysis of the underlying causes ensures that risks are minimised, and opportunities are exploited.

II. Economic report

1. MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

Geopolitical conflicts and economic developments in 2024

The year 2024 was characterised by geopolitical conflicts and economic challenges. The war in Ukraine continued to impact global politics and economy, whereas tensions in the Middle East weighed on oil prices. The political climate in the USA was dominated by the election campaigns , but the economy remained stable. China struggled with weak growth, while India continued to grow as an economic power. Tourism from Asia suffered from the overall situation and, in the opinion of the Executive Board, there was more uncertainty for consumers in Germany.

German economy in recession

The German economy declined again in 2024 by 0.2% due to cyclical and structural problems. While inflation fell to 2.2%, exports dropped by 0.8% and imports rose by 0.2%. The construction sector suffered from high prices and interest rates and posted a decline in gross value added of 3.8% Services grew by 0.8%, while investments fell by 2.8%. Private consumer spending rose slightly by 0.3%, while government spending increased significantly by 2.6%. The German labour market reached a 0.2% growth, mainly in the service sector. Industrial sectors like mechanical engineering and the automotive industry produced less, and Germany became less attractive for investment.

Stationary textile sector continues to face a difficult environment

The German fashion market faced considerable challenges in 2024, characterised by the macroeconomic situation, structural changes, and a shift in consumer behaviour. Weak exports, inflation, job concerns, and a subdued economy weighed on the market and prevented sustainable growth.

Brick-and-mortar fashion retail was unable to sustain the previous year’s positive development in 2024. Sales were flat against 2023, which had seen a 6% growth. The mid-priced consumer segment declined in particular, which can be attributed to consumer restraint and a greater focus on affordable alternatives. In contrast, online fashion retail showed early signs of recovery. After eight quarters of declining sales, fashion spending in e-commerce started to rise again in the second quarter of 2024. This positive trend continued in the third quarter, so that by the end of September, sales were down only slightly, 0.4%, year-on-year. This is seen as a turnaround by experts, although major differences remain between individual market segments.

In 2024, the luxury products business, too, cooled down significantly. At the same time, pressure from low-cost suppliers increased, particularly from Asian platforms. In addition, sustainable alternatives like second-hand platforms and conscious consumption became more important. Global trade barriers and the development of high-growth markets in neighbouring countries by online retailers only served to deepen the divide.

The economic environment, characterised by recession and subdued consumer confidence, had a significant impact on purchasing behaviour. German households’ savings rate rose to 11.1% in the first half of 2024, one percentage point up on 2023. People saved an average of EUR 280 per month per capita, which further restricted consumer spending. Fashion purchases in particular were postponed or deferred. Although inflation, at 2.2%, was significantly lower than in previous years, clothing and shoes were affected by above-average price increases. Prices for fashion items rose by 3.2% as of November, which further dampened the willingness to buy. Meanwhile, fashion suppliers were confronted with rising operating costs, particularly for staff, energy, and rents. While nominal wages rose by 4.9% and real wages by 2.9%, a large proportion of the additional income not spent but saved instead.

All this had an impact on the brick-and-mortar textile industry. In some cases, the negative impact was so severe that 2024 was again marked by numerous major insolvencies in the industry. Well-known companies like Galeria, KaDeWe, Esprit, and Wormland were among those that had to file for insolvency.

2. LUDWIG BECK BUSINESS DEVELOPMENT

The year had a challenging start for brick-and-mortar fashion retailers and LUDWIG BECK. Black ice, farmers', and railway strikes in January caused a sluggish start to the new year. It was not until March that demand picked up, supported by spring-like weather, new collections, and events. Declining inflation also contributed to improved consumer sentiment, which benefited fashion retailers and LUDWIG BECK. LUDWIG BECK was able to close the first quarter of 2024 with a 6% growth in sales.

The second quarter of 2024 was marked by extreme weather that particularly hit the Munich region. In spring, intense rainfall caused flooding in some neighbourhoods and the surrounding region, resulting in significant damage for brick-and-mortar retailers. Many customers avoided the city centre at this time, resulting in a significant drop in sales. This was followed in June by an unusually early heatwave with temperatures above 30 degrees Celsius. While outdoor restaurants profited from the summer weather, the heat put a strain on bricks-and-mortar retail.

The European Football Championship, which took partly place in Munich, brought a lively atmosphere to the city, but did not have the hoped-for economic effect for LUDWIG BECK. The overcrowded Marienplatz made it difficult for customers to reach the store, which further dampened sales. These developments illustrate how strongly external influences such as weather conditions and major events can affect brick-and-mortar retail.

However a significant recovery took place as the year progressed. Large-scale concerts, for example by Adele and Coldplay, revived tourism in Munich, and with it footfall in the city centre, particularly in August. According to CityPartnerMünchen e.V., 2.1 million overnight stays were registered in August 2024. This not only made it the most successful August ever, but also the month with the highest number of overnight stays since records began in 1912. Compared to August 2023, overnight stays increased by 18.5%. LUDWIG BECK recorded a significant increase in footfall in August.

In August and September in particular, bricks-and-mortar fashion retailers saw an upturn due to spontaneous purchases of autumn and winter clothing. Cooler temperatures and unsteady weather sparked increased interest in the new autumn and winter fashions. Traditional costume sales again increased compared to the strong previous year. Thanks to the successful September, cumulative annual sales by the end of that month were back at the previous year's level.

The final quarter, and Christmas business in particular, brought further challenges. A shortened Christmas shopping period, one Saturday less than in the previous year and the calendar constellation of public holidays led to fewer sales opportunities. In addition, Black Friday 2024, which emerged from the online sector, took place one week later than in the previous year, so that demand picked up with a delay. These factors made December a difficult final month for the entire brick-and-mortar retail sector and for LUDWIG BECK.

With regard to investments, the financial year was marked by the finalisation of the logistics outsourcing process.

3. CONSOLIDATED EARNINGS

All totals in the following tables were calculated precisely and then rounded to one decimal place to € million. Percentages were calculated using the precise (not rounded) figures.

	1/1/2024-12/31/2024		1/1/2023-12/31/2023		Delta
	€m	%	€m	%	€m
Gross sales	87.2	119.0	86.5	119.0	0.7
Value added tax	13.9	19.0	13.8	19.0	0.1
Net sales	**73.3**	**100.0**	**72.7**	**100.0**	**0.6**
Other own work capitalised	0.5	0.6	0.1	0.2	0.3
Other operating income	4.5	6.1	4.7	6.4	-0.2
	78.2	**106.7**	**77.5**	**106.6**	**0.8**
Cost of materials	37.8	51.5	37.4	51.5	0.4
Personnel expenses	16.6	22.6	16.8	23.1	-0.2
Depreciation and amortisation	6.8	9.2	6.8	9.4	-0.1
Occupancy costs	2.8	3.8	2.1	2.9	0.7
Administrative costs	2.1	2.8	2.1	2.8	0.0
Sales costs	6.8	9.3	6.1	8.3	0.8
Other personnel costs	1.2	1.7	1.2	1.6	0.1
Insurances/contributions	0.3	0.4	0.3	0.4	0.0
Other expenses	0.4	0.6	1.7	2.3	-1.3
Total other operating expenses	**13.7**	**18.6**	**13.3**	**18.3**	**0.3**
Earnings before interest and taxes (EBIT)	**3.4**	**4.7**	**3.1**	**4.3**	**0.3**
Financial result	-2.9	-4.0	-2.5	-3.5	-0.4
Earnings before taxes (EBT)	**0.5**	**0.7**	**0.6**	**0.8**	**-0.1**
Income taxes	3.4	4.6	0.1	0.2	3.2
Earnings after taxes (EAT)	**-2.9**	**-3.9**	**0.4**	**0.6**	**-3.3**
Expenses (-) and income (+) recognised directly in equity	0.0	0.0	0.0	-0.1	0.1
Total comprehensive income	**-2.9**	**-3.9**	**0.4**	**0.5**	**-3.2**
Gross profit	35.5	48.5	35.3	48.5	
EBITDA	10.2	13.9	9.9	13.7	
Return on sales (EBT/Net sales) in %	0.7		0.8		

Segment reporting

LUDWIG BECK's segment reporting covers the "Textile" and "Non-textile" segments:

01/01/2023–12/31/2024	Textile	Non-textile	Segments total	Adjustment	Group
	€m	€m	€m	€m	€m
Gross sales	**66.0**	**21.2**	**87.2**		**87.2**
Previous year	*63.7*	*22.8*	*86.5*		*86.5*
VAT	-10.5	-3.4	-13.9		-13.9
Previous year	*-10.2*	*-3.7*	*-13.8*		*-13.8*
Net sales	**55.5**	**17.8**	**73.3**		**73.3**
Previous year	*53.6*	*19.1*	*72.7*		*72.7*
Cost of sales (without discounts, rebates etc)	-28.2	-10.5	-38.7	0.9	-37.8
Previous year	*-27.3*	*-11.2*	*-38.4*	*1.0*	*-37.4*
Gross profit	**27.3**	**7.3**	**34.6**	**0.9**	**35.5**
Previous year	*26.3*	*8.0*	*34.3*	*1.0*	*35.3*
Personnel expenses of sales	-4.5	-2.8	-7.3	-9.3	-16.6
Previous year	*-4.5*	*-2.9*	*-7.5*	*-9.4*	*-16.8*
Imputed occupancy costs	-9.7	-2.1	-11.8	-1.9	-13.7
Previous year	*-9.6*	*-2.2*	*-11.8*	*-1.5*	*-13.3*
Imputed interest costs	-0.8	-0.3	-1.1	-1.9	-2.9
Previous year	*-0.8*	*-0.4*	*-1.2*	*-1.3*	*-2.5*
Segment result	**12.3**	**2.1**	**14.5**	**-12.1**	**2.3**
Previous year	*11.3*	*2.4*	*13.7*	*-11.1*	*2.6*

Sales development

In the 2024 financial year, LUDWIG BECK increased gross sales by 0.8% to € 87.2m (previous year: € 86.5m million). However, overall sales were below the forecasted plan corridor of €90m to € 93m. The deviations from the plan are described in the section on business development.

Sales at the flagship store on Munich's Marienplatz increased by 2.8% compared to the previous year.

The online business declined. Particularly with regard to beauty products. LUDWIG BECK recorded a year-on-year decline. Until mid-2023, LUDWIG BECK sold beauty products to China via one distribution channel. However, due to various regulatory requirements imposed by some of our main suppliers, these activities had to be discontinued completely. The introduction of shipping and returns costs in the online shop, which we believe was necessary, may also have affected sales performance.

The "Textile" segment contributed € 66.0m (previous year: € 63.7m) and the "Non-textile" segment € 21.2m (previous year: € 22.8m) to sales.

According to TextilWirtschaft, sales in the industry were flat over the respective period.

Earnings situation

As a result of the sales trend, gross profit increased from € 35.3m to € 35.5m. The gross profit margin remained at the previous year's level of 48.5%.

Other operating income, consisting of rental, sales, and personnel income, decreased by € 0.3m. Own work capitalised increased by € 0.4m due to investments in the new logistics system.

Personnel expenses fell to € 16.6m in the 2024 financial year (previous year: € 16.8m) due to structural adjustments in administration. Annual salary increases and new hires in the sales had an opposite effect.

Depreciation and amortisation amounted to € 6.8m, as in the previous year. This included amortisation of right-of-use assets from the recognition of rental agreements in accordance with IFRS 16 (finance leases) in the amount of € 3.8m (previous year: € 3.9m).

Other operating expenses increased from € 13.3m to € 13.7m, mainly due to higher occupancy and sales expenses. In the 2024 financial year, LUDWIG BECK successfully completed the outsourcing of its logistics. This process reorganisation resulted in a one-time additional earnings charge of approximately € 0.6m in the financial year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 10.2m (previous year: € 9.9m). This corresponds to an EBITDA margin of 13.9% (previous year: 13.7%). The previous year was negatively affected by a loss on receivables in the amount of € 1.2m resulting from the cancellation of a purchase agreement in connection with the sale of a property in Hanover.

Earnings before interest and taxes (EBIT) improved from € 3.1m in the previous year to € 3.4m in the financial year. The financial result for the financial year was € -2.9m (previous year: € -2.5m). The financial result included € 1.2m interest from finance lease accounting in accordance with IFRS 16 (previous year: €1.1m). The sharp rise in interest rates for short-term bank overdrafts had an even greater negative impact on the financial result than in previous years.

Earnings before taxes (EBT) totalled € 0.5m (previous year: € 0.6m). Earnings were thus at the lower end of the planning corridor of € 0.5m to € 1.8m.

Due to the massive deterioration of Germany's conditions as a business location and in the textile retail industry, the company has revised its medium-term forecasts downwards and derecognised a large portion of the deferred tax assets on loss carry forwards in the amount of € 3.0m. Due to this one-time special effect, earnings after taxes (EAT) totalled € -2.9m (previous year: € 0.4m).

4. CONSOLIDATED ASSETS

Assets	**2024**		**2023**	
	€m	%	**€m**	%
Long-term assets				
Intangible assets	4.9	3.0	4.5	2.7
Property, plant, and equipment	139.4	84.6	142.3	83.8
Investment property	3.0	1.8	3.0	1.8
Other assets	0.1	0.1	0.2	0.1
Deferred taxes	0.9	0.6	3.8	2.2
	148.4	90.1	153.8	90.6
Short-term assets				
Inventories	12.8	7.7	12.4	7.3
Receivables and other assets	3.0	1.8	3.2	1.9
Cash and cash equivalents	0.6	0.4	0.4	0.3
	16.4	9.9	16.0	9.4
Balance sheet total	**164.7**	**100.0**	**169.8**	**100.0**

The LUDWIG BECK Group's total assets amounted to € 164.7m as of the balance sheet date December 31, 2024 (December 31, 2023: € 169.8m).

Intangible assets totalled € 4.9m (previous year: € 4.5m). As in previous years, LUDWIG BECK continued to invest in digitalisation and the realignment of logistics.

Property, plant, and equipment amounted to € 139.4m and, as in previous years, was the largest item in the balance sheet (December 31, 2023: € 142.3m). The main asset within this item was the company's flagship store at Munich's Marienplatz, with a carrying amount of around € 70m. The shares in the real estate company that include the property, were acquired in the 2001 financial year. The valuation has remained unchanged since then.

In addition, right-of-use assets from rental agreements in the amount of € 58.4m (December 31, 2023: € 59.9m) were recognised. Amortisation on the rental rights amounted to € 3.8m (previous year: € 3.9m). These amortisations were offset by additions due to rent increases in the reporting year totalling € 2.2m (previous year: € 4.5m)

One of the properties included under fixed assets and located in Hanover is classified as "investment property", as it is only a rental property. After depreciation, the property has a residual carrying amount of € 3.0m (previous year: € 3.0m).

As already described in the section on consolidated earnings, deferred tax assets on loss carry forward were reduced by € 3.0m from € 3.5m to € 0.5m in the financial year. Deferred tax assets totalled € 0.9m (previous year: € 3.8m).

At € 16.4m, short-term assets were roughly at the previous year's level (previous year: € 16.0m). One of the main items in short-term assets is inventories of merchandise which amount to € 12.8m (December 31, 2024: €12.4m). Receivables and other assets totalled € 3.0m (previous year: € 3.2m).

Cash and cash equivalents amounted to € 0.6m as at the balance sheet date (December 31, 2023: € 0.4m). These are cash in hand of LUDWIG BECK AG and bank balances of the subsidiaries. As a matter of principle, LUDWIG BECK AG always uses the free liquidity within the Group to balance current account lines.

5. FINANCIAL POSITION

Liabilities	**2024**		**2023**	
	€m	%	**€m**	%
Shareholder's equity	61.8	37.5	65.5	38.5
Long-term liabilities				
Financial liabilities	74.2	45.0	68.4	40.3
Provisions	2.5	1.5	2.5	1.5
Deferred taxes	0.3	0.2	0.3	0.2
	77.0	46.7	71.2	41.9
Short-term liabilities				
Financial liabilities	19.9	12.1	27.7	16.3
Accounts payable	1.6	1.0	1.1	0.6
Tax liabilities	0.0	0.0	0.0	0.0
Other liabilities	4.5	2.7	4.4	2.6
	26.0	15.8	33.2	19.5
Balance sheet total	**164.7**	**100.0**	**169.8**	**100.0**

The LUDWIG BECK Group had shareholder's equity of € 61.8m as of the balance sheet date (December 31, 2023: € 65.5m). This development was due to the consolidated net income and the dividend distribution resolved by the Annual General Meeting in May 2024. The equity ratio at Group level was 37.5% (December 31, 2023: 38.5%).

The Group's total liabilities amounted to € 103.0m (December 31, 2023: € 104.4m).

Short-term and long-term financial liabilities were reduced by € 2.0m from € 96.1m to € 94.1m. In March of the financial year, LUDWIG BECK took out two medium-term loans totalling € 10.0m at lower interest rates in order to optimise its financing structure. The loans significantly reduced the utilisation of more expensive current account lines. Furthermore, the Group plans to refinance two medium-term real estate loans, which could be called by LUDWIG BECK at the end of April 2025 with a residual amount of € 13.4m.

Finance lease liabilities amounted to € 53.7m at the end of the financial year (previous year: € 54.7m). Repayments totalling € 3.2m were offset by additions of € 2.2m due to rent increases.

Trade payables totalled € 1.6m as at the balance sheet date (previous year: € 1.1m).

The Group's financial policy is geared towards securing liquidity while optimising financing costs. Risks not arising from business activities are to be excluded as far as possible.

Cash flow

Cash flow from operating activities amounted to € 6.9m in the reporting year (previous year: € 5.8m).

Cash flow from investing activities amounted to € -2.0m (previous year: € -3.2m). Apart from investments in the new jewellery department of the flagship store at Marienplatz, investments focused on IT and logistics, and the digitalisation of LUDWIG BECK.

Cash flow from financing activities amounted to € -4.7m (previous year: € -2.6m). In addition to changes in bank liabilities, cash flow from financing activities also includes changes in finance lease liabilities.

Further details on the individual cash flow items are presented in the consolidated cash flow statement.

6. SUMMARY STATEMENT ON BUSINESS PERFORMANCE

Despite persistently challenging retail market conditions, LUDWIG BECK achieved a slight increase in gross sales of € 0.7m, while earnings before taxes (EBT) fell slightly by € 0.1m to € 0.5m. The € 0.2m increase in gross profit to € 35.5m had a positive effect. In contrast, other operating expenses rose by € 0.6m due to higher occupancy and sales costs as well as one-time effects from the logistics outsourcing project. A one-time effect from a book loss of € 1.2m in the previous year had a positive impact on the year-on-year comparison. EBT decreased slightly as mentioned above. Overall, the Group's equity base of € 61.8m and equity ratio of 37.5% are solid from the Executives Board's perspective. The new logistics concepts puts the company in a good position to meet future challenges.

7. NON-FINANCIAL PERFORMANCE INDICATORS

Employees

The professional qualifications, motivation, and advisory skills of our employees are a key prerequisite for LUDWIG BECK's business success. As intermediaries between the assortment of products and the customers, their daily commitment is irreplaceable. While trends and products are subject to constant change, the people behind the LUDWIG BECK brand are a permanent asset and constitute the company's real value. No matter how high the quality of the products and the demands of the customers, the individual class of LUDWIG BECK's employees and their dedication are always to be rated even higher. The company implements all necessary measures to keep employee development and qualification at the highest level.

LUDWIG BECK is also committed to the principles of "healthy leadership". This includes, for example, a wide range of workshops for employees or cooperation with fitness partners for special fitness training. The supportive health management contributes to minimise absence times and increase general well-being at the workplace.

In 2024, LUDWIG BECK employed an average of 412 people (previous year: 409). The number of apprentices was 39 (previous year: 37). The weighted number of employees was 287 (previous year: 284).

III Risk and Opportunity report

RISK REPORT

Evaluation as a core task

Long-term corporate success in a dynamic market can only be achieved if opportunities are recognised and seized at an early stage. This necessity is one of the fundamental entrepreneurial duties.

The companies of the LUDWIG BECK Group are subject to external and internal factors that can influence their business directly or indirectly. LUDWIG BECK classifies these potentials according to quantitative and qualitative indicators and by taking into account the risk-bearing capacity, which LUDWIG BECK measures based on funds available at short notice. The risks and opportunities identified this way are permanently reviewed by the management. Consideration is also given to the fact that almost one third of the Group's customers are tourists. Locally insignificant risks become increasingly important from a trans-regional and global perspective. The same applies to opportunities.

For risk monitoring and assessment, LUDWIG BECK has categorised risks into the following risk classes:

Class A – significant risks: These are risks which, if they materialise, could potentially jeopardise the company's existence and which can only be reduced or passed on to a limited extent – or not at all – through appropriate management.

Class B – acceptable, yet relevant risks: This category includes risks that either have a high potential for damage with a low probability of occurrence or a low potential for damage with a high probability of occurrence.

Class C – non-relevant risks: Risks that are categorised as low due to their extent of damage and their probability of occurrence.

Continuous evaluation provides an early opportunity to prevent problems, avert them or utilise untapped potential to create value. Due to their size alone, DAX companies have the human and technical resources to reassess and evaluate opportunities and risks on a daily basis. LUDWIG BECK, on the other hand, relies on communication structures. In order to make the analysis process as efficient as possible, the Group's employees are in constant dialogue with the Executive Board, which pursues an "open door policy". At a further level, the Executive Board and Supervisory Board communicate about potential risks and opportunities, discuss solutions and define courses of action.

1. Risks from the environment

Macroeconomic risks (class B)
The combination of extensive economic stimulus programmes, rescue packages for financial institutions and countries in the eurozone, and falling tax revenues led to historically high budget deficits and record levels of public debt. Developments in some European countries have shown how quickly investor concerns regarding a country's public finances can spread to other countries. In addition, high levels of public debt can slow down long-term economic growth and ultimately jeopardise monetary stability. Consumer sentiment can drop significantly if other issues take priority.

Social and socio-political risks (class B)
LUDWIG BECK is also affected by global socio-political risks. Political crises, currency collapse, wars, revolutions, and other social upheavals in the countries of origin of refugees as well as calls for boycotts can cause important target groups to stay away from Munich. The wars in Ukraine and Gaza are current examples.

With the influx of refugees to Europe and Germany, there is a growing risk of social upheaval due to failed or non-existent information and integration policies. A lack of clear signals and the resurgence of radical movements could increasingly divide German society and, as a side effect, have a negative impact on the economic situation and the consumer climate. On the other hand, it is not possible to predict to what extent migrants who have arrived can be integrated into social life and the labour markets with positive effects for everyone. If this is not successful in the long term, the risk potential described above could increase in the long term.

Risks from catastrophic events such as terrorism, wars, epidemics, and pandemics (class B)
Our central location in Munich is susceptible to catastrophes such as epidemics, pandemics, and terrorist attacks due to its international interconnectedness and popularity as a tourist hotspot. These events could, through endangerment, disease, fear, and media reports, restrict business traffic, especially at Marienplatz, resulting in a loss of revenue due to a lack of visitors. Terrorist attacks have both direct and indirect economic effects, as they can change consumer behaviour and lead to supply bottlenecks or business closures, which would have a significant negative impact on LUDWIG BECK's asset, financial, and earnings position.

Weather risk (class B)
Global climate change is one of the fundamental risks facing companies in the textile retail sector. Summers are too cold and wet; winters are too warm or turn into extremes colds. Temperatures are anti-cyclical, and the general weather situation is unpredictable. This uncertainty thwarts consumers' propensity to buy. The usual pattern of seasonal buying is disrupted. For example, a rainy summer is bad for the swimwear collection, while a warm winter curbs demand for winter clothing such as coats, gloves, and hats. The past financial years are examples of unpredictable weather situations that have damaged the entire German fashion industry.

Accessibility risk (class B)
The central location of the flagship store at Marienplatz largely requires accessibility by public transport or by car. Labour strikes in the public sector, disruption to local public transport, or major roadworks can thus hinder or even prevent customers from getting to the city centre easily. This results in the risk of a drop in sales if this cannot be compensated for in the following days. Accessibility risk also includes obstructions caused by public-sector construction work in the immediate vicinity, such as the work that began at Marienplatz in 2017 to drill a second S-Bahn rail tunnel; there is no end in sight here.

2. Industry risks

Online competition risks (class B)
Possible additional online vendors in the same sector can entail the risk of exacerbated competition in the segments in which LUDWIG BECK operates. A broader range of online vendors could create a situation of multiple choices for stationary customers regarding identical or similar products, due to the rising appeal, higher service quality, and, if nothing else, the enticing pricing of web portals. The Group recognises this risk and is countering it with its own online shop. In its brick-and-mortar stores, the group offers its customers a unique shopping experience with its second-to-none product presentation.

Consumer behaviour risks (class C)
Changes in consumer behaviour and in the competitive environment in the retail sector, caused by the overall economic situation, economic policy, and income trends, require a constant realignment of the marketing concept to meet customer demands in terms of product selection and service.

Corporate policy is based on targeted market observation and an assessment of the competitive situation, trends in consumer behaviour, and the behavioural patterns of relevant target groups. As a provider of an exclusive product portfolio, LUDWIG BECK is a trendsetter and pioneer that can influence the consumer behaviour of its target groups to its own benefit.

With its clear positioning and strategy, LUDWIG BECK takes advantage of all opportunities arising from a permanently changing market. High-quality customer advice and a deep product range allow LUDWIG BECK to occupy the niches of a specialist store.

3. Performance risks

Supplier risks (class C)
As a company in the textile retail trade, LUDWIG BECK depends on reliable external suppliers and service providers. This results in risk factors such as disruptions in the procurement of goods, violations of quality, safety, and social standards, ethical issues or environmental abuse. LUDWIG BECK carefully selects its suppliers to ensure that its products meet customer demands for high quality and sufficient quantity. This is continuously reviewed. Due to the large number of cooperations in place, there is no dependency on a single partner.

Logistics risks (class B)
Any interruption in the value chain for the delivery of goods would have an immediate effect on the availability of the products offered by LUDWIG BECK. Due to the broad range of products, risks can arise that endanger the inventory as a whole. This applies to both the brick-and-mortar and online businesses. For this reason, LUDWIG BECK carefully monitors existing supply structures, especially in times of partial supply bottlenecks, and takes corrective action if necessary.

4. Financial risks

Financial risks (class B)
The latent European sovereign debt crisis could still cause difficulties in bank lending and liquidity bottlenecks in the commercial and industrial sectors. Risks also emanate from interest rate policy and inflation, as well as from insolvencies, which recently increased, particularly in the retail sector, and have led to a partial withdrawal of banks from retail financing. Liquidity risks could arise from insufficient funds being available. In addition to ongoing liquidity monitoring, LUDWIG BECK manages these risks by balancing financial resources among the Group companies, by diversification, and by timely and open communication with lenders. The companies in the LUDWIG BECK Group always have sufficient liquid funds to meet their current payment obligations. Furthermore, short-term overdrafts can be used.

Interest rate risks are minimised by maturity and interest rate structure management, and retail-typical payment flow fluctuations are controlled by cash management. As of the reporting date, short-term credit lines of €26,000k and bank guarantees of €4,000k were available until further notice, of which approximately 58% (including utilisation for bank guarantees) had been utilised as of the reporting date

Bad debt losses are low because payments are mostly made in cash or by credit card, and the credit risk essentially lies with the credit card provider by contract. Monitoring of receivables from EC card sales has been outsourced to an external service provider. Risks in cash payment transactions are low due to implemented control mechanisms.

5. Other risks

IT risks (class B)
The permanent availability of the cash register and computer systems, the underlying network and the integrity of the data are permanently exposed to potential external attacks via cybercrime. The quality and security of processes in the area of data processing are guaranteed by a combination of external and internal services. Effective IT management ensures that the IT systems are available at all times and that precautions are taken to protect against external attacks.

Personnel risks (class B)
Employees contribute decisively to the success and sale of our products. Therefore, a positive working environment, training, and professional development as well as the promotion of young talent are key to reducing fluctuation and ensuring quality. The attractiveness of the retail sector is declining amid recession and insolvencies, which has reduced the number of applicants to LUDWIG BECK. Therefore, ensuring a positive work environment has top priority. Recruiting is becoming more important, especially through digitalisation projects, for attracting talent and taking on a large number of young professionals after their apprenticeship.

Legal and tax risks (class C)
LUDWIG BECK is exposed to legal and tax risks due to possible violations of legal provisions. The company focuses on monitoring the current and forthcoming legislation. The involvement of external consultants helps to minimise this risk and to regularly adapt to the permanently changing legal environment.

As far as the company is aware, there are no pending or threatened court or arbitration proceedings that might have an impact on LUDWIG BECK's economic situation. In this respect, no impairment of the business development is to be expected.

There is sufficient insurance cover for claims and liability risks, the terms and conditions of which are subject to continuous internal and external evaluation.

Compliance risks (class C)
For an internationally active company, compliance with a multitude of legal systems and regulations requires a high degree of attention and integrity at every employee position. Compliance risks can arise, for example, from corruption in dealings with authorities, from violations of data protection, or from non-compliance with labour laws. To ensure that violations can be practically excluded, LUDWIG BECK thoroughly trains its employees and ensures a keen awareness of compliance. In addition, LUDWIG BECK has appointed an external compliance officer to provide support and minimise risks.

6. Overall risk evaluation

At present, the management of LUDWIG BECK considers the above-mentioned risks to be manageable. At present, no risks can be identified that could jeopardise the continued existence of the company.

On the other hand, there are still a variety of opportunities that the Executive Board will seize to promote growth and earnings. These include, not least, the property at Munich's Marienplatz, which is owned by the Group.

LUDWIG BECK bears all entrepreneurial risks for core processes and supporting processes of the Group. However, this responsibility only applies to risks are known to be controllable and to measures that contribute to increasing the Group's value. This includes strategic models, decisions on opening of new business areas, or the purchase and sale of products. Apart from this, LUDWIG BECK does not take any risks as a matter of principle.

The further effects of the wars in Ukraine and Gaza are currently difficult to predict. In addition to the absence of tourists from Russia, Ukraine, and other countries, the uncertain situation could generally lead to greater consumer restraint. In addition, persistently high inflation and the sharp rise in interest rates are having a negative impact on earnings.

OPPORTUNITIES REPORT

The coming financial year offers LUDWIG BECK promising prospects for successful further development. The company's own property on Munich's Marienplatz, one of the most exclusive shopping locations in Europe, provides an excellent basis for further sales growth.

Customer loyalty programmes are gaining in importance and offering new opportunities in a changing retail world. With the LUDWIG BECK CARD, the company has established an effective customer loyalty tool that impresses with personalised and attractive offers, such as points earned with every purchase, a six-week return period without receipt, and participation in partner programmes. This not only strengthens customer loyalty but also promotes their willingness to buy. In addition to brick-and-mortar retail, LUDWIG BECK is consistently expanding its presence in the online market and continuously optimising the company's online shop for fashion and beauty.

Customers' increasing demand for sustainable and ethical products offers LUDWIG BECK the opportunity to stand out from other retailers. The company is increasingly working with suppliers who guarantee high standards in the origin and manufacture of their products. Under the label "zum fairlieben", LUDWIG BECK sells products that are characterised by fairness towards the environment, people, and animals. Important certificates such as the BSCI (Business Social Compliance Initiative) by amfori ensure compliance with these high standards. The BCI (Better Cotton Initiative), a non-profit organisation of environmental and human rights groups and companies in the textile industry, plays a central role. The initiative's goal is a 30% share of sustainable cotton production worldwide. In this context, LUDWIG BECK is strengthening its cooperation with certified producers in order to promote the idea of sustainability.

IV. Internal control and risk management system

LUDWIG BECK carries out internal audits to ensure that its accounting complies with legal requirements. The Group accounting process is managed by standardised guidelines and regulations, as well as clearly defined processes. A uniform accounts system and booking instructions apply to the various business transactions. Control is also exercised through a clear attribution of functions to the various accounting processes. Accounting relevant items are mainly recorded on automated basis.

In-house accounting for all consolidated companies is carried out by LUDWIG BECK, which can be accessed for the consolidated accounting process. To survey compliance with regulations, LUDWIG BECK primarily uses process-integrated monitoring systems. These are divided into ongoing automatic controls, like the separation of functions and the restricted access to account groups for unauthorised personnel, and integrated workflow controls. The latter are ensured, for example, by automated bookings and permanently stored keys, as well as by automated booking procedures and the integration of the entire sales process (cash register systems).

LUDWIG BECK's accounting-related risk management system ensures the ongoing monitoring of risks of misrepresentation, which may arise in particular from new business processes or changes in legislation. These risks are contained by ensuring that accounting matters resulting from unusual business transactions are always decided at management level. The management also receives ongoing training regarding changes in accounting regulations. External service providers are engaged to provide timely transmission of the relevant literature, and external consultants are called in to implement changes and integrate them into existing processes, whenever needed.

V. Forecast report

A CHANGING WORLD: ECONOMIC AND GEOPOLITICAL CHALLENGES IN 2025

The Executive Board expects ongoing economic uncertainty from international geopolitics in 2025. Trump is sending strong signals with new decrees, tariffs threaten to strain transatlantic relations, and the trade conflict with China continues to smoulder. In terms of the global economy, the IMF and OECD expect growth of 3.2%. The USA will grow by 2.4%, China by 4.4%, and India by 6%. Germany and Europe face continued stagnation and are struggling with challenges posed by a shortage of skilled labour and bureaucracy. The Executive Board therefore does not expect any global economic tailwind for Germany’s consumer climate.

The German textile retail sector will continue to face numerous challenges and substantial changes in 2025. Consumers remain highly uncertain and tend to be pessimistic about the future. The parliamentary elections in February and the formation of a new government, Donald Trump's second US presidency with its "America First" policy, natural disasters, and the war in Ukraine are just some of the factors that are shaping consumer sentiment.

In addition, a slight increase in inflation is worsening the situation, as households have less money available for consumption. Negative news from the economy and the labour market adds to the uncertainty, and many people fear for their jobs and are cutting back on their spending accordingly.

The German Retail Association (HDE) is calling for clear economic policy decisions from the future government to sustainably strengthen the retail sector and Germany as a business location. "A new policy is urgently needed that focusses on the general conditions for the economy and retail to secure the long-term future of Germany as a business location. The future German government must provide bold and far-sighted impetus here," emphasises HDE President Dr Alexander von Preen. These demands are supported by numerous associations and working groups from industry and trade. The key concerns include reducing bureaucratic hurdles, lowering energy costs, ensuring fair competition, and implementing necessary tax reforms.

Nevertheless, LUDWIG BECK is cautiously optimistic about the upcoming financial year and continues to believe in the relevance of brick-and-mortar retail. Based on macroeconomic conditions outlined above, the management of LUDWIG BECK expects gross sales at Group level of between € 88m and € 91m and earnings before taxes (EBT) of between € 0.5m and € 1.8m for the financial year 2025.

VI Supplementary details

1. DISCLOSURES IN ACCORDANCE WITH SECTION 315A (1) HGB

Composition of the subscribed capital

The subscribed capital (share capital) of LUDWIG BECK is divided into 3,695,000 no-par shares (ordinary shares). The no-par shares are issued to the bearer. The nominal value of each capital share is € 2.56 per no-par share. Direct and indirect capital holdings that represent more than ten in a hundred of the voting rights are listed below.

Direct and indirect holdings

According to the company's knowledge, the listed companies and individuals directly or indirectly hold more than ten in a hundred of the voting rights at LUDWIG BECK at the time of the preparation of the annual financial statements:

- Christian Rudolf Greiner Verwaltungs GmbH, Reichenschwand, 25.69 % (direct)
- Mr Christian Greiner, Germany, 26.13 % (direct and indirect)
- INTRO-Verwaltungs GmbH, Reichenschwand, 25.19 % (direct)
- Mr Hans Rudolf Wöhrl, Germany, 25.19 % (indirect)
- BG Heppenheim Grundstücks GmbH, Grasbrunn, 24.00 % (direct)
- Mr Alfons Doblinger, Germany, 25.00 % (direct and indirect)

The aforementioned companies and individuals exert a significant influence on the company.

Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Executive Board and on amendments to the Articles of Association

In accordance with the Articles of Association and statutory provisions, the members of the Executive Board are appointed and dismissed by the Supervisory Board. The number of members is determined by the Supervisory Board. In accordance with the resolution passed by the Annual General Meeting on June 3, 2019, the Executive Board consists of at least one person. Any amendment to the Articles of Association requires a resolution by the Annual General Meeting (Section 179 (1) AktG).

In accordance with Section 16 (3) of the Articles of Association, the resolution of the Annual General Meeting requires a simple majority of the votes cast or, as the case may be, in addition, a simple majority of the represented share capital, unless a more substantial majority or further prerequisites are stipulated by law or the Articles of Association. This is the case for resolutions on changes to the nature and purpose of the business or capital measures excluding shareholders' subscription rights. In accordance with Section 12 (2) of the Articles of Association, the Supervisory Board is authorized to implement changes to the Articles of Association that only concern the wording.

Further details in accordance with Section 315a (1) HGB

Since the provisions of Section 315a (1) No. 2, No. 4, No. 5, No. 8, and No. 9 HGB do not apply, no details have to be provided.

2. CONSOLIDATED DECLARATION ON CORPORATE GOVERNANCE IN ACCORDANCE WITH SECTION 289F HGB AND SECTION 315D HGB

The Declaration on Corporate Governance in accordance with Section 289f HGB and Section 315d HGB has been made publicly available on the company's website in the Investor Relations section under the Corporate Governance menu item.

Munich, February 28, 2025

The Executive Board

Christian Greiner Jens Schott

4 ADDITIONAL *Information*

Balance sheet oath

"To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit and loss situation of the Group. The Group consolidated management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Munich, February 28, 2025

Christian Greiner Jens Schott

Auditor's Report

To LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

AUDITOR’S OPINIONS

We have audited the Consolidated Financial Statements of LUDWIG BECK am Rathauseck - Textilhaus Feldmeier AG, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1, 2024 to December 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of LUDWIG BECK am Rathauseck - Textilhaus Feldmeier AG, Munich, for the financial year from January 1, 2024 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of the information referred to in the cross-reference in section VI “2. Group statement on corporate governance pursuant to Section 289f HGB and Section 315d HGB” of the group management report.

According to our assessment based on the findings of our audit

- the attached Consolidated Financial Statements comply with the IFRS as adopted by the EU as well as with section 315e par. 1 Commercial Code (HGB) applicable as a supplementary source of German law, in all major aspects, and, with due regard to these provisions, give a true and fair view of the assets and financial situation of the Group as per December 31, 2024 and the Group’s earnings position for the Fiscal Year from January 1 to December 31, 2024 and
- the attached Consolidated Management Report, as a whole, provides a suitable view of the Group’s position. The Consolidated Management Report is consistent with the Consolidated Financial Statements in all major aspects, complies with

the provisions of German law and accurately represents the opportunities and risks of future development

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations with respect to the propriety of the consolidated financial statements and the group 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 Section 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 Group Management Report” section of our auditor's report. We are independent of the Group companies 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) (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 group management report.

Reference to another matter

The consolidated financial statements and Group management report of LUDWIG BECK am Rathauseck - Textilhaus Feldmeier AG for the previous financial year ending December 31, 2023 were audited by another auditor who issued unmodified audit opinions on these consolidated financial statements and Group management report dated March 19, 2024.

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 opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred tax assets on loss carryforwards

- *Reasons for the determination as a key audit matter*

In the consolidated financial statements of LUDWIG BECK AG as of December 31, 2024, deferred tax assets on loss carryforwards in the amount of € 0.5m as of December 31, 2024 (previous year: € 3.5m) were recognized. For the measurement of deferred tax assets, LUDWIG BECK must estimate the extent to which the existing deferred tax assets can be utilized in subsequent reporting periods. The realization of these claims essentially depends on the future tax and economic framework conditions as well as the future business development and whether sufficient taxable income will be generated in the future as a result. If, however, there are reasonable doubts as to the future usability of the deferred tax assets determined, deferred tax assets are not recognized or deferred tax assets already recognized are written down. LUDWIG BECK identified reasonable doubts in the course of the annual review of the recoverability of loss contracts and recognized a value adjustment in the amount of € 3.0m.

The accounting of deferred taxes is highly dependent on the assessment and assumptions regarding the taxable profits of LUDWIG BECK Textilhaus Feldmeier AG and is therefore subject to significant uncertainties. The assessment of recoverability is subject to considerable discretionary scope and forecasting uncertainties. The risk for the consolidated financial statements is that deferred tax assets are recognized which cannot be realized in the foreseeable future due to a lack of sufficient taxable income.

- *Our approach to the audit*

In order to assess the tax matters, we first examined the tax planning process. In addition, we reconciled tax audit reports and the loss carryforwards for LUDWIG BECK am Rathauseck - Textilhaus Feldmeier AG with the tax assessment notices (if already available) and the tax calculations for the past financial year. We assessed the recoverability of the deferred tax assets on the basis of LUDWIG BECK's internal forecasts of the future taxable income situation and critically evaluated the underlying assumptions. In addition, we reconciled the planning of future taxable income with the multi-year planning prepared by LUDWIG BECK and checked it for consistency. In addition, we incorporated our findings from the critical analysis of previous planning accuracy on the basis of past deviations from plan and actual figures prepared by the Executive Board.

- *Reference to related disclosures*

The recognition of deferred taxes is explained in the notes in sections B.IV (11) “Deferred taxes” and C.I (11) “Deferred taxes (assets and liabilities)” and C.II (20) “Income taxes”.

Recoverability of the merchandise

- *Reasons for designation as a key audit matter*

As at December 31, 2024, inventories amounted to € 12,757 thousand. Write-downs of € 986 thousand were made for age and slow-moving risks. Merchandise is recognized at cost, less deductions for age and slow-moving items (fashion risk, restrained consumer sentiment) and discounts granted. In our view, this valuation approach is a key audit matter, as the measurement of these discounts requires discretionary decisions, estimates and assumptions regarding the actual discounts to be granted on inventories in the following year and the costs of disposal expected to be incurred until the goods are sold.

- *Auditor's response*

Based on our understanding of the process for impairment testing of inventories, we assessed the establishment, design and effectiveness of identified internal controls, in particular with regard to the determination of expected net realizable values. We verified the arithmetical accuracy of the calculations to determine the net realizable value and to determine the impairment requirement for inventory items deliberately selected on a risk and size basis. We tested the appropriateness of the expected net realizable values and the impairment discounts applied for obsolescence, damage and shrinkage for consistency using, among other things, historical consistency.

- Reference to related disclosures

The accounting principles applied by LUDWIG BECK in accounting for merchandise are presented in the notes to the consolidated financial statements in chapters B.IV (6). “Inventories” and C.I (4) ‘Inventories’.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises

- the assurances pursuant to Sections 297 (2) sentence 4, 315 (1) sentence 5 HGB on the annual financial statements and management report in the notes to the consolidated financial statements under G.IX. “Disclosures pursuant to Section 297 (2) HGB”
- the declaration on corporate governance pursuant to Section 289f HGB and Section 315d HGB is included in the Group management report in Section VI. 2. “Group declaration on corporate governance pursuant to Section 289f HGB and Section 315d HGB”
- the remaining parts of the annual report for the financial year 2024, with the exception of the audited consolidated financial statements and the group management report and our auditor's report thereon.
- but not the consolidated financial statements, not the audited content of the group management report and not our auditor's report thereon.

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information, and accordingly, we do not express an audit opinion or any other form of audit conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information referred to above and, in doing so, consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited disclosures in the group management report or 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 is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the Group management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 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, management is 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. accounting fraud or error) 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. Furthermore, they are responsible 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, management is responsible for the preparation of the group 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, complies with 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 group 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 group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group 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 group 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 group 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 [Institute of Public Auditors in Germany] (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 the Group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group 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 group 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 legal representatives and the reasonableness of accounting estimates and related disclosures made by the legal representatives.

- 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 group 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.

- We 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 achieves fair presentation in accordance with the IFRS Accounting Standards as adopted by the EU and the additional German legal requirements pursuant to § 315e (1) HGB.

- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- We assess whether the group management report is consistent with the consolidated financial statements, complies with applicable legal requirements, and appropriately presents the Group’s overall position.

- We perform audit procedures on the forward-looking statements made by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence, we particularly evaluate the significant assumptions used by the legal representatives to develop the forward-looking statements and assess whether these statements have been appropriately derived from such assumptions. We do not express a separate audit opinion on the forward-looking statements or on the assumptions underlying them. There is a significant unavoidable risk that future events may differ materially from these forward-looking statements.

Among other, we discuss with the persons responsible for monitoring about the planned scope of and the time planning for the audit as well as significant audit findings, including possible shortcomings of the internal control system, which we detect in the course of our audit.

We declare vis-à-vis the persons responsible for monitoring that we have complied with the relevant requirements of independence, and explain to them all relations and other circumstances that can reasonably be expected to have an effect on our independence, and, where relevant, the actions taken or safeguards implemented to eliminate threats to independence.

From all factual matters discussed with the persons responsible for monitoring we select those factual matters that were most significant for the audit of the Consolidated Financial Statements for the current reporting period and therefore qualify as particularly significant factual matters. We relate these factual matters in our auditor's report unless statutory or other legal provisions preclude publication of the relevant data

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and the Consolidated Management Report Prepared for the Purpose of Disclosure Pursuant to Section 317 (3a) HGB

Assurance Opinion

We have performed a reasonable assurance engagement in accordance with § 317 (3a) HGB to determine whether the electronic reproductions of the consolidated financial statements and the group management report contained in the file "LudwigBeck_KA_2024.zip" (SHA 256 hash value: 51f20ff23e7f39f287fab6875a3dfa5130f4d0111926263345ec779a8183eb16) and prepared for disclosure purposes (hereinafter also referred to as the "ESEF documents") comply, in all material respects, with the requirements of § 328 (1) HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only covers the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format. It does not extend to the content of the reproductions or any other information contained in the aforementioned file.

In our opinion, the electronic reproductions of the consolidated financial statements and the group management report included in the attached file and prepared for disclosure purposes comply, in all material respects, with the requirements of § 328 (1) HGB regarding the electronic reporting format.

Beyond this assurance opinion and our audit opinions expressed in the preceding "Auditor's Report on the Audit of the Consolidated Financial Statements and the Group Management Report" for the financial year from 1 January 2024 to 31 December 2024, we do not express any assurance opinion on the content of these reproductions or on any other information contained in the aforementioned file.

Basis for the Audit Opinion

We conducted our audit of the reproductions of the consolidated financial statements and the consolidated management report contained in the above-mentioned attached file in accordance with section 317 par. 3a HGB and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to section 317 par. 3a HGB (IDW PS 410 (10.2021)) [IDW Prüfungsstandards: Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben von Abschlüssen und Lageberichten nach § 317 Abs. 3a HGB (IDW PS 410) (10.2021))]. Our responsibility thereunder is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Standard on Quality Control 1: Requirements for Quality Control in Audit Firms (IDW QS 1) [IDW Qualitätssicherungsstandards 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Responsibilities 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 reproductions of the consolidated financial statements and the consolidated management report in accordance with section 328 par. 1 sentence 4 no. 2 HGB.

Furthermore, the legal representatives of the Company are responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of section 328 par. 1 sentence 4 no. 1 HGB.

The legal representatives of the Company are also responsible for submitting the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited consolidated management report as well as other documents to be disclosed to the operator of the Federal Gazette.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of section 328 par. 1 HGB. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore, we

- identify and assess the risks of material non-compliance with the requirements of section 328 par. 1 HGB, 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 audit opinion;
- obtain an understanding of internal control relevant to the audit of the ESEF documents 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 those controls;
- assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, for the technical specification for that file;
- assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited consolidated management report;
- assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendering.

Other Information According to Article 10 EU-APRVO

We were elected as group auditor by the Annual General Meeting on 15 May 2024 and appointed by the Supervisory Board on 10 June 2024. We have been engaged as the group auditor of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, since the financial year 2024.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (Audit Report).

OTHER MATTER – USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited group management report and the audited ESEF documentation. The consolidated financial statements and the group management report converted into the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The responsible auditor for this audit is Felix Haendel.

Munich, 27 March 2025

Rödl & Partner GmbH

Wirtschaftsprüfungsgesellschaft

Hager	Haendel
Wirtschaftsprüfer	Wirtschaftsprüfer

Financial calendar

Publication of the Annual Report 2024	**March 27, 2025**
Analyst conference on the Annual Report 2024 (virtual, Munich)	**March 28, 2025**
Quarterly Statement for the first quarter of 2025	**April 17, 2025**
Annual General Meeting 2025 (virtual, Munich)	**May 22, 2025**
Half-Year Report for the second quarter and first six months of 2025	**July 24, 2025**
Quarterly Statement for the third quarter and first nine months of 2025	**October 16, 2025**

Imprint & Contact

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You can find more information about LUDWIG BECK at kaufhaus.ludwigbeck.de.
You can also subscribe to our financial newsletter there, so you are always up to date in a timely and comprehensive manner.