ANNUAL REPORT
2023

Contents

Annual report 2023

1 GENERAL *Information*

THERE ARE DEPARTMENT STORES, FASHION STORES, TEMPLES OF CONSUMERISM – AND THERE IS *LUDWIG BECK*. WHETHER FOR OUR CUSTOMERS, EMPLOYEES, INVESTORS, AND BUSINESS PARTNERS, 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.

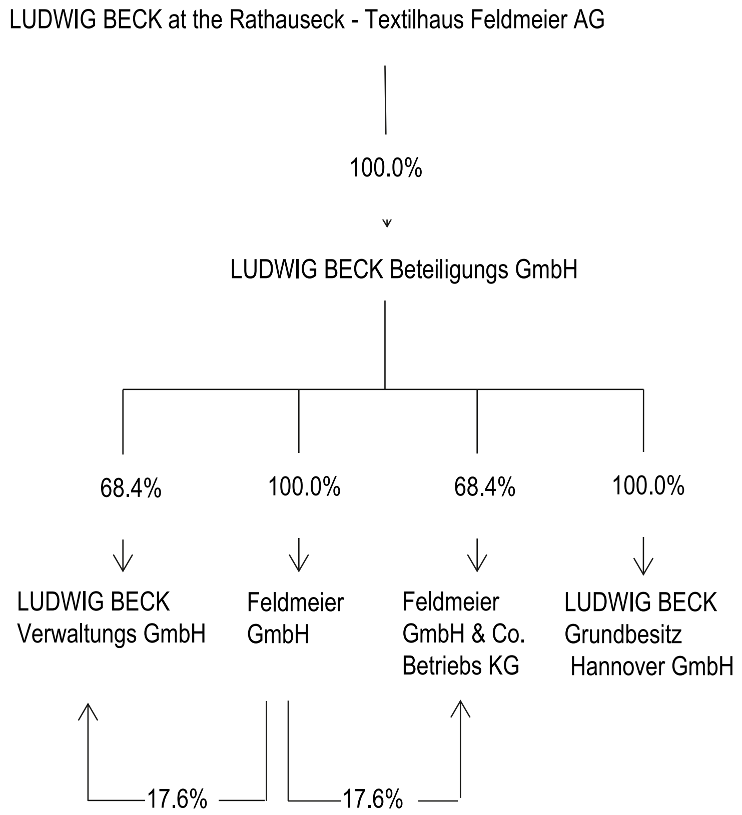
LUDWIG BECK.

Key figures of the Group

		2023	2022	2021	2020	2019*)
		(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)
Result						
Sales (gross)	€m	86.5	83.3	66.0	60.4	95.3
Value added tax	€m	13.8	13.4	10.6	8.9	15.2
Sales (net)	€m	72.7	70.4	55.4	51.5	80.1
	%	100.0	100.0	100.0	100.0	100.0
Gross profit	€m	35.3	35.0	25.4	20.5	38.6
	%	48.5	49.8	45.8	39.8	48.2
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	€m	9.9	11.3	13.0	4.3	12.9
	%	13.7	16.0	23.5	8.4	16.1
Earnings before interest and taxes (EBIT)	€m	3.1	4.9	6.7	-1.9	7.0
	%	4.3	7.0	12.0	-3.6	8.7
Earnings before taxes (EBT)	€m	0.6	2.8	4.3	-4.3	4.6
	%	0.8	4.0	7.8	-8.3	5.8
Consolidated net profit	€m	0.4	2.2	3.6	-1.7	3.4
	%	0.6	3.2	6.6	-3.4	4.3
Balance sheet						
Equity	€m	65.5	65.3	63.0	59.6	61.6
Equity ratio	%	38.5	38.8	37.4	32.4	34.8
Return on equity before taxes	%	0.9%	4.3%	6.9%	-7.1%	7.5%
Investments	€m	3.2	2.4	3.0	4.9	1.7
Balance sheet total	€m	169.8	168.6	168.2	183.8	177.2
Personnel						
Employees	People	409	389	373	397	442
Personnel expenses	€m	16.8	15.8	13.2	13.5	17.4
	%	23.1	22.5	23.8	26.3	21.8
Net sales per employee (weighted, average)	T€	270.3	264.6	217.3	194.3	272.4
Share						
Number of shares	m.	3.70	3.70	3.70	3.70	3.70
Earnings per share undiluted and diluted	€	0.12	0.60	0.98	-0.47	0.93
Dividend	€	0.15	0.00	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	6,971	6,753	5,312	4,862	7,685

*) Continued operations

Group 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, Mr. 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, Mr. 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, Mr.- Christian Greiner moved from the Supervisory Board to the Executive Board of LUDWIG BECK AG, where he is now responsible for Human Resources, Purchasing, Sales, and Marketing.

JENS SCHOTT

Executive Board member responsible for Finance, IT, and Logistics
LUDWIG BECK AG

Mr. 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. Mr. 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 LUDWIG BECK Group for their commitment and the trust they have placed in the company in 2023.

Supervisory Board’s Report

The term of office of all four shareholder representatives on the Supervisory Board – namely Mr. Dr Bruno Sälzer (Chairman), Ms. Sandra Pabst (Deputy Chairwoman), Ms. Clarissa Käfer and Mr. Josef Schmid - ended upon the conclusion of the Annual General Meeting on May 9, 2023, meaning that a new election of shareholder representatives was necessary.

Since the Annual General Meeting on May 9, 2023, the Supervisory Board of Ludwig Beck AG has consisted of the previous members Mr. Dr Bruno Sälzer (Chairman), Ms. Sandra Pabst (Deputy Chairwoman), Ms. Clarissa Käfer, and the new member Mr. Sebastian Hejnal as shareholders’ representatives. Mr. Dr Moritz Frhr. von Hutten zum Stolzenberg was elected as a substitute member for all Supervisory Board members elected by the Annual General Meeting.

The term of office of the employee representatives – Mr. Michael Eckhoff and Mr. Michael Neumaier - on the Supervisory Board also ended upon the conclusion of the 2023 Annual General Meeting. Mr. Michael Eckhoff was re-elected, and Mr. Martin Paustian was elected to the Supervisory Board as employee representative for the first time. Their term of office began upon the conclusion of the 2023 Annual General Meeting on May 9, 2023.

In the 2023 fiscal year, the Supervisory Board again dealt in detail with the development and strategic goals of the group. Its advisory, controlling, and monitoring function vis-à-vis the Executive Board was exercised conscientiously and with all due diligence. In four meetings, the Supervisory Board discussed and advised the Executive Board on issues of corporate management and planning, the risk position and risk management.

The oral and written reports of the Executive Board within the meaning of section 90 Stock Corporation Act (AktG) formed a key basis for the Supervisory Board's activities. Accordingly, the Supervisory Board was regularly and comprehensively informed by the Executive Board about all developments in the company and the group, both orally and in writing, within and outside the meetings of the Supervisory Board and its committees. This ensured direct and comprehensive reporting on all developments and issues relevant to the company and the group. The Executive Board thus fully complied with its duties to provide information at all times. No additional or supplementary reports were required.

The reporting mainly referred to the 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 and examined in detail, and, if necessary, approved. In exercising its supervisory function, the Supervisory Board was able to satisfy itself of the legality and regularity of the corporate management by the Executive Board.

The Supervisory Board and the Executive Board were in constant communication about the assessment of the company's opportunities and risks. The Executive Board informed the Supervisory Board about potential or actual risk scenarios and solutions were developed in joint consultations. In addition, opportunities serving the company's objectives and supporting successful business development were discussed.

The Executive Board and the Supervisory Board also discussed the effects of the national and international political situation, high inflation, and extreme weather conditions etc. on consumer sentiment and consumer behaviour.

In addition to the members of the Supervisory Board, the chairman of the Supervisory Board was in constant exchange with the Executive Board and was informed in detail about the ongoing business development—both stationary and online—and about other important events. The chairman of the Supervisory Board regularly visited the company and discussed the current situation with the Executive Board.

Both the Executive Board and the Supervisory Board consider investments to secure the company’s location and competitiveness as a future-oriented necessity. All investments were approved in the planning process. The year 2023 was characterised by extensive renovations, which will make a significant contribution to the attractiveness of the location.

There were no personnel changes in the Executive Board of LUDWIG BECK AG in the 2023 fiscal 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 main topics:

Four meetings in 2023

Four meetings were held in the 2023 reporting year. All but two of the meetings were attended by all acting members of the Supervisory Board and the members of the Executive Board. The Supervisory Board met without the Executive Board when necessary or appropriate. The meetings of the Supervisory Board were held in presence and, in some cases, with guests attending.

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

The balance sheet meeting according to section 171 (1) Stock Corporation Act (AktG) was held on March 29, 2023. The auditor also participated in this meeting. At this meeting, the annual financial statements prepared by the Executive Board and the consolidated financial statements were approved. The annual financial statements of LUDWIG BECK AG are thus adopted.

In addition, the Executive Board presented the Supervisory Board with a medium-term corporate planning.

The proposed resolutions on the items on the agenda of the Annual General Meeting on May 9, 2023, were also adopted.

Following the Annual General Meeting on May 9, 2023, which took place in virtual form, and which was attended by the members of the Supervisory Board on site, a constituent meeting of the Supervisory Board was held upon the new election of the shareholder representatives of the Supervisory Board at the Annual General Meeting.

At this meeting, the members of the Supervisory Board reelected Mr. Dr Bruno Sälzer as chairman and Ms. Sandra Pabst as deputy chairwoman of the Supervisory Board. The Audit Committee and the Management and Personnel Committee were also formed. Due to the new election of all Supervisory Board members, a new resolution was passed on the rules of procedure for the Supervisory Board.

On September 12, 2023, the Supervisory Board held an ordinary meeting at which it discussed, among other things, the current business development in the first eight months of 2023 and ongoing projects. The declaration of compliance with the German Corporate Governance Code was also adopted at this meeting.

In the last meeting of the year, on December 14, 2023, the Supervisory Board discussed, among other things, the business development in the fourth quarter and the Executive Board's planning for the 2024 fiscal year. The topics of compliance and the invitation to tender for the auditing mandate were also discussed.

The Annual General Meeting in 2024 will also be held in virtual form. The date for the Annual General Meeting is May 15, 2024.

Members of the Supervisory Board disclose potential conflicts of interest to the chairman of the Supervisory Board. This usually leads to the non-participation of the affected Supervisory Board member in the discussion and vote on the agenda item causing the conflict of interest. No conflicts of interest arose among Supervisory Board members in the 2023 reporting year.

Audit Committee

The Supervisory Board has formed two committees, with one committee being the Audit Committee. In the reporting year until the Annual General Meeting in May 2023, the Audit Committee was composed of the members Ms. Clarissa Käfer (Committee Chairwoman), Mr. Dr Bruno Sälzer, and Mr. Josef Schmid. The latter member was followed by Mr. Sebastian Hejnal after the 2023 Annual General Meeting. The Audit Committee held two meetings in the fiscal year. The committee chairwoman consulted with the auditor's representatives on the audit of the annual financial statements at four further meetings. With the exception of Mr. Josef Schmid, who was prevented from attending one meeting, all members took part in all Audit Committee meetings.

The Audit Committee focused on the audit of the annual financial statements, the consolidated financial statements, and the management report, the audit of the accounting, the monitoring of the accounting process, the effectiveness of the internal control and risk management systems, and the compliance management system. The chairwoman of the Audit Committee consulted with the auditor 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 defined 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 2022 annual financial statement in March 2023.

The Audit Committee made a recommendation for the Supervisory Board's proposal to the Annual General Meeting for the selection of the auditor for the fiscal year ending December 31, 2023. The committee appointed the auditor and defined the focal points of the audit for the reporting year. The members addressed the new regulations on accounting and reporting, in particular on the topic of sustainability.

In addition, the tender process for the auditor of the annual financial statements as of December 31, 2024, has been carried out by a project group under the Audit Committee's responsibility since April 2023.

Executive and Personnel Committee

The Supervisory Board's second committee, the Executive and Personnel Committee is composed of the members Mr. Dr Bruno Sälzer (Chairman), Ms. Sandra Pabst, and Ms. Clarissa Käfer since May 9, 2023. The chairman of the Supervisory Board automatically chairs this committee.

In 2023 the Executive and Personnel Committee held one meeting to discuss the extension of Mr. Christian Greiner's contract. All committee members attended the meeting. In addition, the members of the Executive and Personnel Committee were in regular contact.

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. For this reason, the chairwoman of the Audit Committee has obtained a declaration from the auditor stating that there are no business, financial, personal, or other relationships between the auditor and the company that could give rise to doubts about the auditor's independence. The auditor submitted this declaration of independence to the chairwoman of the Audit Committee in a letter dated March 26, 2023. It also relates to consultancy services that the auditor provided to the company in the past fiscal year or that were agreed upon for the current fiscal year.

The declaration of compliance adopted on September 12, 2023, in accordance with section 161 of the German Stock Corporation Act (AktG) was published on the company's website under the Investor Relations menu item in the Corporate Governance section. On March 21, 2024, the Supervisory Board, together with the Executive Board, issued the Declaration on Corporate Governance and made it 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, 2023, as well as the management report and the group management report, including the accounting records, were audited by the appointed auditor BTU Treuhand GmbH and received an unqualified audit opinion.

All members of the Supervisory Board were provided with all financial statements’ documents and audit reports in good time before the Supervisory Board's financial statements meeting on March 21, 2024, and the Supervisory Board carefully examined these. 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 explained the scope and focus of the audit. The auditor reaffirmed its independence and reported on the non-audit services. Both the Executive Board and the auditors answered all of the Supervisory Board's questions comprehensively and satisfactorily.

The Supervisory Board approved the results of the auditor's audit at the meeting on March 21, 2024.Based on the final results of its examination, 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 2023 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 2023.

Personal thanks

The Supervisory Board would like to thank the Executive Board, the works council, and all employees of LUDWIG BECK AG for their dedication, great personal commitment, and the trust they have placed in the company in 2023.

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 cooperation with the company.

Munich, March 2024

Dr Bruno Sälzer

Chairman of the Supervisory Board

Share

THE STOCK MARKET YEAR 2023

The calendar year 2023 again saw many headwinds for the global economy. Although the recovery from the coronavirus pandemic continued, a continued economic boom was thwarted by Russia's ongoing war of aggression against Ukraine, which not only disrupted global demand and supply chains, but also caused significantly higher commodity and energy prices. Central banks countered these inflationary pressures by raising interest rates, which in turn resulted in turmoil on the credit and real estate markets. Overall, global gross domestic product (GDP) is expected to grow by 2.7% in the 2023 calendar year, a slight decline versus the previous year, when global GDP rose by 3.1%. Household consumption patterns have normalised. The shift from services to goods triggered by the COVID-19 pandemic gradually reversed last year—benefiting the tourism industry in particular. In contrast, global demand for goods and trade were significantly lower, as many companies reduced the inventories that had been built up in times of disrupted supply chains to a normal level.

The normalisation of demand for goods and services resulted in the Chinese economy growing noticeably slower in 2023 than in the previous year. Ultimately, the expected GDP growth of 5.2% compared to the previous year, which was burdened by repeated lockdowns, must be seen as a disappointment. Meanwhile, the US economy responded better than expected to the Fed's interest rate hikes: robust labour market figures and declining inflation rates in the course of the year allowed the US economy to grow by a surprising 2.1%. Growth in the high-energy and export-orientated economy in the European Union (EU) was still weaker and below forecasts, High energy prices had a particularly strong impact on competition. Real GDP growth of 0.5% is expected for the EU. For Germany, the largest economy in Europe, a decline of -0.3% is expected. This means that the recovery of the German economy did not continue after the sharp slump Nevertheless, these conditions, the global stock markets performed extremely well in 2023. Although the German economy is in recession, the DAX-40 gained 20.3% over the year. It closed at 16,752 points on the last trading day in December 2023. Several new all-time highs were set over the course of the year and the DAX almost reached 17,000 points for a short time. The reason for this positive annual performance was a year-end rally that started at the end of October, but which many analysts did not expect to materialize in 2023.

LUDWIG BECK SHARE

Share data	
ISIN	DE0005199905
WKN	519990
Ticker symbol	ECK
Industry	Retail
Segment	Prime Standard
Number of shares	3,695,000
Market capitalisation per December 31, 2023	€ 72.1 m
Trading	Frankfurt/M., Stuttgart, Munich, Düsseldorf, Berlin/Bremen, Hamburg, XETRA
Price year-end (29/12/2023)	€ 19.50
Price high (26/07/2023)	€ 28.60
Price low (12/12/2023)	€ 18.70
Designated Sponsor	DZ Bank

LUDWIG BECK share with negative development

The LUDWIG BECK AG share started the year 2023 with a XETRA closing price of € 28.00. The annual high was on July 26, 2023, at € 28.60 and the annual low on December 12, 2023, at € 18.70. The XETRA closing price on December 29, 2023, was € 19.50, which corresponded to a market capitalisation of € 72.1 million and a share price performance of -30.9% in the reporting period.

This performance reflects the difficult industry conditions in the German textile retail sector. High energy prices and price increases, particularly for food and groceries, unsettled consumers and had negative effect on purchasing behaviour.

Earnings per share

The LUDWIG BECK shares closed the year 2023 with positive earnings per share of € 0.12 (previous year: € 0.60).

Dividend

After LUDWIG BECK AG has not distributed any dividends to shareholders in the last five years due to multiple crises, the Supervisory Board and Executive Board propose to pay a dividend of € 0.15 per share, i.e. € 554k, for the 2023 fiscal year.

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 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 2024 can be found on page 70 of this Annual Report and online under the section Investor Relations / Corporate Events / Financial Calendar.

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, 2023, according to IASB provisions.

Assets			**12/31/2023**	**12/31/2022**
		Notes	**€k**	**€k**
A.	**Long-term assets**			
I.	Intangible assets	(1)	12	4,472
II.	Property, plant, and equipment	(1)	145,300	141,783
III.	Other assets	(2)	155	143
IV.	Deferred taxes	(10)	3,784	3,496
	Total long-term assets		**153,786**	**149,894**
B.	**Short-term assets**			
I.	Inventories	(3)	12,390	11,839
II.	Receivables and other assets	(4)	3,195	6,329
III.	Cash and cash equivalents	(5)	429	492
	Total short-term assets		**16,013**	**18,659**
			169,800	**168,553**

Liabilities			**12/31/2023**	**12/31/2022**
		Notes	**€k**	**€k**
A.	**Shareholders' equity**			
I.	Subscribed capital	(6)	9,446	9,446
II.	Capital reserves	(6)	3,459	3,459
III.	Accumulated profit	(6)	53,181	53,010
IV.	Other equity components	(6)	-633	-594
	Total shareholders' equity		**65,453**	**65,321**
B.	**Long-term liabilities**			
I.	Financial liabilities	(9)	68,399	79,157
II.	Accruals	(8)	2,465	2,507
III.	Deferred taxes	(10)	328	328
	Total long-term liabilities		**71,192**	**81,991**
C.	**Short-term liabilities**			
I.	Financial liabilities	(9)	27,652	14,968
II.	Trade liabilities	(9)	1,086	1,121
III	Tax liabilities	(9)	9	244
IV.	Other liabilities	(9)	4,407	4,908
	Total short-term liabilities		**33,155**	**21,241**
	Total debt (B. – C.)		**104,347**	**103,233**
			169,800	**168,553**

Consolidated Statement of Comprehensive Income

Consolidated statement of comprehensive income of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1, 2023 – December 31, 2023, according to IASB provisions.

			1/1/2023 – 12/31/2023		1/1/2022 – 12/31/2022	
		Notes	**€k**	**€k**	**€k**	**€k**
1.	Sales revenue	(11)				
	- Gross sales		86,549		83,834	
	- Less VAT		13,849		13,438	
	- Net sales			72,699		70,396
2.	Other own work capitalized	(12)		122		63
3.	Other operating income	(13)		4,670		3,761
				77,492		**74,220**
4.	Cost of materials	(14)	37,410		35,366	
5.	Personnel expenses	(15)	16,822		15,822	
6.	Depreciation	(16)	6,834		6,365	
7.	Other operating expenses	(17)	13,321	74,387	11,762	69,316
8.	**Earnings before interest and taxes (EBIT)**			**3,105**		**4,905**
9.	**Financial result**	(18)		**-2,538**		**-2,082**
	- thereof financing expenses: € 2,599k (previous year: € 2,148k)					
10.	**Earnings before taxes (EBT)**			**567**		**2,823**
11.	Taxes on income	(19)		137		588
12.	**Earnings after taxes (EAT)**			**431**		**2,235**
13.	**Expenditures and income entered directly into equity**	(20)				
13a.	Components that cannot be reclassified to the income statement					
	Actuarial gains (+) / losses (-) from pension commitments			-58		524
13b.	Deferred taxes on expenditures (+) and income (-) entered directly into equity			-19		172
	Total expenditures and income entered directly into equity			**-39**		**352**
14.	**Consolidated comprehensive income**			**392**		**2,587**
Diluted and undiluted earnings per share in €		(21)		0.12		0.60
Average number of outstanding shares in thousands				3,695		3,695

Consolidated Equity Statement

Consolidated equity statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2023 – December31, 2023.

	Subscribed capital	Capital reserve	Accumulated profit	Other equity components*)	Total
	(6)	(6)	(6)	(6)	
	€k	€k	€k	€k	€k
As per 1/1/2023	**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 into consolidated shareholders' equity	0	0	0	-39	-39
As per 12/31/2023	**9,446**	**3,459**	**53,181**	**-633**	**65,453**

Consolidated equity statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2022 – December31, 2022.

	Subscribed capital	Capital reserve	Accumulated profit	Other equity components*)	Total
	(6)	(6)	(6)	(6)	
	€k	€k	€k	€k	€k
As per 1/1/2022	**9,446**	**3,459**	**51,016**	**-946**	**62,975**
Consolidated net income	0	0	2,235	0	2,235
Payments to other shareholders	0	0	-241	0	-241
Change in income and expenses recognised directly into consolidated shareholders' equity	0	0	0	352	352
As per 12/31/2022	**9,446**	**3,459**	**53,010**	**-594**	**65,321**

*) Other equity components mainly result from actuarial profits and losses, which in the future will not be reclassified in the income statement.

Consolidated Cash Flow Statement

Consolidated cash flow statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1, 2023 – December 31, 2023, according to IASB provisions.

	1/1/2023 – 12/31/2023	1/1/2022 – 12/31/2022
	€k	€k
Earnings before taxes on income	**567**	**2,823**
Adjustments for:	1,174	0
- Depreciation	6,834	6,365
- Interest income	-61	-67
- Interest expenses	2,599	2,148
- Profits/losses (-/+) from the disposal of fixed assets	364	11
Operating result before changes in net working capital	**11,478**	**11,281**
Increase/decrease (-/+) in assets:		
Inventories	-551	-1,495
Trade receivables	-323	-289
Other assets	-826	-74
Increase/decrease (+/-) in liabilities:		
Trade liabilities	-35	181
Other liabilities	-501	489
Increase/decrease (+/-) in accruals:		
Accruals	16	-122
Cash flow from operating activities (before interest and tax payments)	**9,259**	**9,971**
Interest paid	-2,525	-2,109
Interest received	0	2
Payments to other shareholders	-260	-241
Taxes on income paid	-717	-739
A. Cash flow from operating activities	**5,757**	**6,884**
Payments for investments in intangible assets and fixed assets	-3,202	-2,391
B. Cash flow from investing activities	**-3,202**	**-2,391**
Acceptance/repayment (+/-) of long-term bank loans and loans from insurance comp.	-3,407	-2,781
Acceptance/repayment (+/-) of short-term bank loans and loans from insurance comp.	12,927	1,737
Acceptance/repayment (+/-) of other loans	-30	-30
Repayment of finance leases	-12,108	-3,260
C. Cash flow from financing activities	**-2,618**	**-4,334**
Cash-effective change in cash and cash equivalents (A. + B. + C.)	-63	159
Cash and cash equivalents at the beginning of the period	492	333
Cash and cash equivalents at the end of the fiscal year	**429**	**492**

Consolidated Notes

Consolidated notes to the IFRS-compliant consolidated financial statements for the fiscal year 2023 of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich.

A. GENERAL DATA

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, by means of transformation from the company 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 is the sale of all kinds of goods, especially the wholesale and retail of textiles, clothing, hardware, and other merchandise, also by mail order or online, as well as the acquisition, holding, and management of investments in unincorporated and incorporated companies, especially companies that own real estate or which themselves hold interest in such companies.

The consolidated financial statements of LUDWIG BECK AG as of December 31, 2023, have been prepared in accordance with the International Financial Reporting Standards (concisely IFRS) / International Accounting Standards (concisely IAS), as applicable in the EU, and the interpretations of the International Financial Reporting Interpretations Committee (concisely IFRIC) / Standing Interpretations Committee (concisely SIC). All the aforementioned standards and interpretations that are mandatory for the 2023 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, 2023, and December 31, 2022. The relevant consolidated statement of comprehensive income, the consolidated equity statement, the consolidated cash flow statement, and the notes to the consolidated financial statements cover the periods from January 1, 2023, to December 31, 2023, and from January 1, 2022, to December 31, 2022. The balance sheet dates of the consolidated companies are identical.

The amounts in the consolidated financial statements are given in thousand Euro (€k). The consolidated financial statements have been set up based on precise (unrounded) figures, which were then rounded to €k. This may lead to summation-related rounding differences.

The present consolidated financial statements complying with the relevant IFRS/IAS standards in all respects give an accurate picture of the actual assets, financial and earnings situation of LUDWIG BECK AG.

The layout of items in the consolidated balance sheet, the consolidated statement of comprehensive income (total cost method), the consolidated equity statement, and the consolidated cash flow statement is in accordance with IAS 1.

The preparation of the consolidated financial statements requires estimates and assumptions that may affect the amounts stated for assets, liabilities, and financial commitments as of the balance sheet date, as well as income and expenses of the fiscal year. Actual future amounts may differ from these estimates. The most important future-oriented assumptions and other major sources of estimation uncertainty as of the reporting date, involving the considerable risk that significant adjustment to the book values of assets and liabilities will be required in the following year, are disclosed in the respective notes. The LUDWIG BECK Group made estimations and assumptions in particular concerning the valuation of intangible assets, property, plant, and equipment (notes 4 and 5), inventories (note 6), accruals (note 9), and deferred taxes (note 10).

The consolidated financial statements will be submitted to the Supervisory Board for approval at its meeting on March 21, 2024. 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, LUDWIG BECK AG, the following subsidiaries, all domiciled in Germany, are included in the consolidated financial statements as of December 31, 2023:

Name	Shareholding ratio (also voting rights ratio)
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 through the majority of voting rights.

II Consolidation methods

1. Capital consolidation

The capital of the fully consolidated companies is consolidated using the purchase method. The acquisition costs of the investments are offset against the proportionate shareholder's equity of the fully consolidated company at the time of purchase. In the course of consolidation, the hidden reserves and liabilities charges were allocated to the assets and liabilities of the acquired company. A complete revaluation of assets and liabilities was undertaken for the purpose of consolidation.

The capital of Feldmeier GmbH & Co. Betriebs KG was consolidated at the time of acquisition. Simultaneously, for all other first-tier and second-tier subsidiaries, capital consolidation was undertaken at the time of foundation or acquisition of the companies.

Within the scope of subsequent consolidation, uncovered hidden reserves and liabilities are treated similarly to the corresponding assets and liabilities.

In equity components of other shareholders (limited partners) of Feldmeier GmbH & Co. Betriebs KG are reported in compliance 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 during the consolidation of receivables and liabilities.

3. Consolidation of expenses and income

Intra-group 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 foreign currency translation

No foreign currency translations were required during the consolidation of the subsidiaries, as all subsidiaries are German.

The reporting currency is thousand Euro (€k).

IV. Accounting principles 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 prepared in accordance with the accounting and valuation methods of the parent company as described below.

2. First-time application of IFRS/IAS

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

The interpretations and standards that companies had to apply for the first time in the fiscal year beginning on January 1, 2023, had no impact on the consolidated financial statements of LUDWIG BECK.

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, 2023:

- IFRS 17: Insurance contracts
- Amendments to IAS 1 and IFRS Guidance Document 2: Disclosure of accounting policies
- Amendments to IAS 8: Definition of accounting estimates
- Amendments to IAS 12: Deferred taxes related to assets and liabilities arising from a single transaction
- Amendments to IAS 12: International tax reform / Global minimum taxation – Pillar Two model rules
- Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 – Comparative information

The initial application of the following new standards and amendments to existing standards is not expected to have a significant impact on the consolidated financial statements of LUDWIG BECK:

- Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IFRS 16: Lease liability in a sale and leaseback
- Amendments to IAS 7/IFRS 7: Supplier finance arrangements
- Amendments to IAS 21: The effects of changes in foreign exchange rates – Lack of exchangeability

3. Currency translation applied by consolidated companies

Hedging transactions for foreign currencies do not exist.

Receivables and payables in foreign currencies are always reported at the exchange rate valid on the day of the transaction according to IAS 21.

Receivables and payables in foreign currencies are valued at the relevant exchange rate on the consolidated balance sheet date.

4. Intangible assets

Except for the "LUDWIG BECK" brand, intangible assets acquired on a payment basis are capitalized at acquisition cost and amortized in scheduled amounts over their expected useful lives using the straight-line method (pro-rata temporis) in accordance with IAS 38.

Software, industrial property rights, and similar rights
These are licences and purchased or modified user software that are amortized over an expected useful life of three years or up to ten 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" since it is an identified brand name according to IAS 38. In line with the application of this standard, scheduled amortization ended on January 1, 2004, as this right is not consumed over time (unlimited useful life). As to the impairment test performed, please refer to section C.I. (1). Consequently, no impairment of the brand name, as of December 31, 2023, was needed.

5. Property, plant, and equipment

Property, plant, and equipment are carried at acquisition or production costs, including ancillary expenses, if any, according to IAS 16.

The essential item is the real estate of Feldmeier GmbH & Co. Betriebs KG at Marienplatz in Munich, reported at its assessed fair value in 2001 following the acquisition through merger by LUDWIG BECK Beteiligungs GmbH. The fair value of the land at initial consolidation in 2001 was determined based on the acquisition costs as well as the development of guideline land prices between 1998 and 2000. The amount stated in 2001 remained unaltered until December 31, 2023. The building is subject to scheduled depreciation.

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

Building	25 – 40 years
Buildings – rented under operating lease	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 expensed in full 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 over a useful life span of five years using the straight-line method.

Advance payments made on assets under construction are capitalized with the amount paid.

Maintenance costs are expensed in the respective period.

LUDWIG BECK as lessee

LUDWIG BECK has entered rental and leasing contracts to be classified as operating leases according to IAS 17 and were therefore not recognized in the consolidated balance sheet. With the mandatory implementation of IFRS 16, the distinction between finance and operating leases has been eliminated, and rental agreements must be included uniformly in the consolidated balance sheet. The right of use from the rental agreements is capitalized in the consolidated balance sheet, and the payment obligation relating to future rental payments is recognized as a financial liability. The initial accounting for rights of use and payment obligations is carried out in the amount of the present value of future rental payments. The capitalized rights of use are amortized on a straight-line basis over the term of the respective rental agreement, as the term is generally shorter than the useful life of the underlying assets. In the consolidated income statement, depreciation and finance costs are presented instead of rental expenses.

LUDWIG BECK as lessor

Leases in which LUDWIG BECK is the lessor are classified as finance leases according to IFRS 16 if they transfer substantially all the risks and rewards incidental to ownership to the lessee; otherwise, leases are classified as operating leases.

LUDWIG BECK has been active as a lessor again since September 2023.

LUDWIG BECK Grundbesitz Hannover GmbH rented two properties in Hanover to WORMLAND up to December 31, 2021. Both properties were sold on this date. Pursuant to IFRS 16, the rental agreements were classified as operating leases. As the purchase price payment for one property was overdue, LUDWIG BECK withdrew from this purchase agreement in September 2023. Instead of the purchase price receivable, the property was again recognized under long-term assets.

Rental income from operating leases is recognised on a straight-line basis over the term of the respective lease. Initial direct costs from the negotiation and conclusion of lease agreements are added to the book value of the leasing object and depreciated on a straight-line basis over the lease term.

Generally, the rented property classifies as financial investment per IAS 40. Rental income amounted to € 108k in the fiscal year 2023 (previous year: € 0k). In proportion to LUDWIG BECK's total sales, they were of absolutely minor importance and therefore of no relevance for the assessment of LUDWIG BECK's earnings and financial situation and the group's control. Likewise, the book value of the property (as per December 31, 2023: € 3,048k; previous year: € 0k) as a proportion of the group's total assets and fixed assets is not material for the assessment of LUDWIG BECK's asset situation. Therefore, LUDWIG BECK did not apply IAS 40 to the property in Hanover.

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

6. Inventories

Raw materials, supplies, and merchandise are generally valued at acquisition 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 saleability (marketability). For this purpose, a distinction is made between standard, fashionable, and high-fashion goods and different discounts are applied, depending on the age of the goods. In addition, lump sum reductions were made for cash discounts. The cost of external capital was not capitalized.

7. Receivables and other assets

Trade receivables are carried at amortized costs that usually equal nominal values before valuation allowances. Adequate valuation allowances are made for doubtful receivables and receivables with recognizable risks; bad debts are written off.

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

The deferred item is a component of other assets and only concerns prepaid operating expenses.

The book values of trade receivables and other assets correspond to their fair values.

8. Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and short-term bank balances. The amounts are given at nominal values. Fair value equals book value. There are no default risks.

9. Accruals

According to IAS 37, accruals are recognized when an entity has a current legal or constructive obligation that results from a past event when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

The amount posted to accrual represents the best estimate of the expenditure required to settle the current obligation at the reporting date.

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

Pension commitments
Pension commitments were accounted for in accordance with IAS 19R "Employee Benefits".

The actuarial valuation of pension commitments is based on the projected unit credit method prescribed in IAS 19R for post-employment benefit plans. This method considers not only the pension benefits and accrued future pension benefits known at the balance sheet date but also expected future increases in salaries and pensions. Actuarial gains and losses are recognized directly in equity.

10. Liabilities

Financial liabilities
According to IFRS 13, financial liabilities are carried at fair value. Fair values are determined taking into account changes in the market interest rate level for financial liabilities with comparable conditions (term, repayment conditions, and collaterals).

Trade payables and other liabilities
Trade payables and other liabilities are generally carried at amortized cost that essentially corresponds to fair values. They are usually due within one year and comprise various individual items.

Derivative financial instruments
The LUDWIG BECK Group does not utilize any derivative financial instruments.

11. Deferred taxes

Deferred taxes are calculated according to the balance sheet liability method (IAS 12). This generally requires deferred taxation items to be stated for all temporary accounting and valuation differences between valuations, according to IFRS and tax-relevant valuations. Deferred tax assets are only recognized to the extent that realisation is probable.

The calculation of deferred taxes (corporate tax, solidarity surcharge, trade tax) was based on the corporate tax rate of 32.975% as applicable to LUDWIG BECK AG. With a trade tax multiplier of 490% for Munich, a trade tax rate of 17.15% was calculated. Deferred tax assets were recognized in full in the balance sheet for the tax losses incurred almost solely because of the COVID-19 pandemic, as the company assumes sufficient taxable income will be available in the future to use the tax loss carried forward.

For temporary differences that result 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 in Feldmeier GmbH & Co. Betriebs KG.

Deferred tax assets and liabilities were offset in accordance with IAS 12.74.

12. Maturities

Asset and liability items with a residual term of up to one year were recognized as “short-term.” Asset and liability items with a residual term of more than one year were recognized as “long-term".

13. Revenue recognition

Sales revenue is recognized at the conclusion of sales contracts. Sales revenues are reported less sales deductions and refund credits with open deduction of value-added tax.

For loyalty points that customers acquire within the framework of our loyalty programme with the LUDWIG BECK CARD, part of the turnover is not realized upon purchase but upon redemption of credit. Until the redemption, a contract liability for the equivalent value is recognized. The contract liability is valued at the sales value of the credit balances based on a portfolio approach. As no reliable empirical values are available on the redemption behaviour of loyalty card holders yet, a 100% re-demption of the balances was assumed as of December 31, 2023. If balances have expired as of the balance sheet date without being redeemed, the proceeds are realized, and the liability is removed.

14. Financial instruments

Financial assets and liabilities included in the consolidated balance sheet comprise cash and cash equivalents, trade receiva-bles and trade payables, other receivables, other payables, and liabilities to banks. The accounting principles regarding carry-ing amounts and valuation of these items are described in the respective explanations of these consolidated notes.

Financial instruments are classified as assets or liabilities per the economic content of the contractual terms. Therefore, inter-est, gains, and losses from these financial instruments are presented as expenses or income.

Financial instruments are offset if the group has a legally enforceable right to offset and intends to settle either only the balance or both the receivables and the liabilities at the same time.

Financial assets and liabilities are recognized as soon as a contractual payment claim or a contractual payment obligation arises and are derecognized when payment is made, total loss of the payment claim has occurred, or LUDWIG BECK is relieved from the obligation.

Per IAS 32.18 (b), shareholdings of the other shareholder in Feldmeier GmbH & Co. Betriebs KG are classified as debt capital.

Management of financial risks

The LUDWIG BECK Group uses a centralized 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 from financial assets and liabilities can be subdivided into liquidity, credit, and interest risks.

Liquidity risk

The term generally describes the risk that the LUDWIG BECK Group would not be in a position to meet its obligations that result from financial liabilities.

Management is constantly monitoring and planning required liquidity needs based on up-to-date cash flow ratios and plans. To ensure sufficient liquid funds, the company relies on credit lines and loans. As of the balance sheet date, short-term credit facilities in the amount of € 43,000,000 were available until further notice, of which around 58% (including bank guarantees taken out) had been used as per the relevant date.

According to the cash flow forecasts for the future and 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 concerns the default risk involved in financial assets. LUDWIG BECK basically generates primary sales against cash or credit card or EC card receivables. Therefore, LUDWIG BECK is exposed to the risk of bad debt to a very limited extent. Compared to stationary trade, online trade still plays a subordinate role. The credit card providers mainly bear the risks involved in credit card payments. The monitoring of receivables from EC card sales is outsourced to an external service provider. Risks arising from the physical movement of cash are minimized through implemented monitoring mechanisms.

Derivative financial instruments
There were no derivative financial instruments on the balance sheet date.

Interest rate risk
The LUDWIG BECK Group uses overdraft facilities with variable interest rates. The group is subject to an interest rate risk from financial liabilities from these positions that can be considered minor under the current market situation.

15. Changes in accounting and valuation methods

Accounting and valuation principles remained unchanged compared to the previous year.

C. EXPLANATIONS TO INDIVIDUAL ITEMS OF 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, cumulative depreciation and amortization, and book values of intangible and tangible fixed assets are presented in the following schedule of assets.

Intangible assets
Intangible assets only comprise assets acquired on a payment basis.

The useful life of software is between three and ten years. Software is depreciated pro-rata temporis using the straight-line method. The used enterprise resource planning system is depreciated over a useful life span of eight years.

The intangible asset originating from the purchase of the brand name "LUDWIG BECK" in 1995 was amortized on a straight-line basis (pro rata temporis) at an annual rate of € 170k until December 31, 2003. By the applied IAS 36 and IAS 38 standards, the yearly scheduled amortization of this intangible asset ended on January 1, 2004.

The brand name “LUDWIG BECK” only concerns the cash-generating unit “Marienplatz Flagship Store.” Impairment tests are conducted 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 an after-tax interest rate of 3.9%. The interest rate was determined from the weighted average cost of capital. The interest rate was determined from the weighted average cost of capital. Cash flows were deduced from previous years and were extrapolated for a period of five years within the company’s planning. An increase in sales of 2.0% as well as a gross profit margin of approximately 49% and cost indexation of 3.0% were assumed.

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

In the fiscal year 2023, advance payments of € 1,126k were made for intangible assets (previous year: € 381k).

Development of consolidated fixed assets of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, from January 1, 2023, to December 31, 2023.

	As of 1/1/2023 *1/1/2022*	**Addition**	**Dis-posal**	**Reclas-sifica-tion**	**As of 12/31/2023** *12/31/2022*	**Cumula-tive Depre-ciation**	**Book value 12/31/2023** *12/31/2022*	**Book value 12/31/2022** *12/31/2021*	**Depre cia tion 2023** *2022*
	€k	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**
I. Intangible assets									
1. Software, industrial, and similar rights	**5,180**	**18**	**285**	**64**	**4,976**	**3,595**	**1,382**	**2,052**	**707**
Previous year	*5,144*	*54*	*18*	*0*	*5,180*	*3,128*	*2,052*	*2,707*	*709*
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	**381**	**793**	**0**	**-48**	**1,126**	**0**	**1,126**	**381**	**0**
Previous year	*0*	*330*	*0*	*51*	*381*	*0*	*381*	*0*	*0*
	8,960	**810**	**285**	**17**	**9,501**	**4,954**	**4,547**	**4,472**	**707**
Previous year	*8,542*	*384*	*18*	*51*	*8,960*	*4,487*	*4,472*	*4,746*	*709*
II. Property, plant, and equipment									
1. Land, land rights, and buildings, including buildings on third-party land	**174,893**	**8,396**	**837**	**313**	**182,766**	**41,810**	**140,956**	**137,707**	**5,103**
Previous year	*172,238*	*2,810*	*208*	*53*	*174,893*	*37,186*	*137,707*	*139,535*	*4,690*
2. Other fixtures and fittings, tools, and equipment	**12,525**	**1,635**	**1,367**	**542**	**13,336**	**8,992**	**4,344**	**3,205**	**1,024**
Previous year	*12,640*	*853*	*1,097*	*129*	*12,525*	*9,320*	*3,205*	*3,190*	*966*
3. Advance payments and assets under construction	**872**	**0**	**0**	**-872**	**872**	**0**	**0**	**872**	**0**
Previous year	*260*	*854*	*9*	*-234*	*872*	*0*	*872*	*260*	*0*
	188,289	**10,032**	**2,203**	**-17**	**196,101**	**50,801**	**145,300**	**141,783**	**6,127**
Previous year	*185,138*	*4,517*	*1,314*	*-51*	*188,289*	*46,506*	*141,783*	*142,986*	*5,656*
	197,249	**10,842**	**2,488**	**0**	**205,603**	**55,756**	**149,847**	**146,255**	**6,834**
Previous year	*193,681*	*4,901*	*1,333*	*0*	*197,249*	*50,994*	*146,255*	*147,731*	*6,365*

Property, plant, and equipment

Rights of use from leasing agreements

As of December 31, 2023, under leasing agreements were as follows:

		Residual term		
	Total	**up to 1 year**	**1 – 5 years**	**over 5 years**
	€k	**€k**	**€k**	**€k**
Land, land rights, and buildings on third-party properties	**59,943**	**3,669**	**12,663**	**43,611**

In the 2023 fiscal year, rights of use in the amount of € 4,544k were added as a result of rent adjustments (previous year: € 2,510k).

Land, land rights, and buildings, including buildings on third-party land

Buildings are depreciated over their expected useful life of 25-40 years, using the straight-line method (pro rata temporis). Fixtures and fittings are depreciated uniformly across the group over the normal useful life of 10-20 years or shorter lease terms using the straight-line method (pro rata temporis).

Real estate at Marienplatz

The land was valued at € 68,779k on 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, 2023: € 895k). For the valuation of land at the initial consolidation of Feldmeier GmbH & Co. Betriebs KG, hidden reserves amounting to € 66,661k were uncovered. For the fair value measurement of land at initial consolidation in 2001, acquisition costs and development of guideline land prices between 1998 and 2000 were considered. The carrying value determined in 2001 was maintained until December 31, 2023.

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

Other real estate

At the end of 2021, LUDWIG BECK sold its real estate holdings in Hanover, which dated back to its investment in WORMLAND. The transaction involved two properties. The buyer of one property was unable to pay the purchase price by the end of September 2023 due to the massive changes in the interest rate and real estate markets. Therefore, LUDWIG BECK withdrew from the purchase agreement. The property was again recognized in the balance sheet under long-term assets.

The development of this property, which is recognised in item II.1 "Land, land rights, and buildings, including buildings on third-party land", was as follows:

	As of 1/1/2023 *1/1/2022*	**Addition**	**Dis-posal**	**Reclas-sifica-tion**	**As of 12/31/2023** *12/31/2022*	**Cumula-tive Depre-ciation**	**Book value 12/31/2023** *12/31/2022*	**Book value 12/31/2022** *12/31/2021*	**Depre cia tion 2023** *2022*
	€k	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**	**€k**
Properties leased out under operating leases	**0**	**3,096**	**0**	**0**	**3,096**	**47**	**3,049**	**0**	**47**
Previous year	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

There are no restrictions on disposal or encumbrances in respect of this property.

Other fixtures and fittings, tools, and equipment
The assets under this item are depreciated over a useful life of 3-10 years using the straight-line method (pro-rata temporis).

Advance payments and assets under construction amounted to € 0k as of December 31, 2023 (previous year: € 872k).

(2) Other assets (long-term)

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

(3) Inventories

Inventories consist of the following items:

	12/31/2023	12/31/2022
	€k	€k
Raw materials and supplies (at cost)	138	152
Merchandise (at cost)	13,252	1,.866
Less write-downs of merchandise	-1,000	-1,179
	12,390	**11,839**

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

Until the date of inventory taking, discrepancies were considered for stock determination. Between the date of inventory taking and December 31, 2023, goods on hand per department were reduced by a deduction for wastage based on the average of the last three years. This deduction led to a valuation allowance of € 267k (previous year: € 178k). All merchandise was carried at cost less value allowances. Appropriate deductions on the lower realizable net value were made for stocks of reduced saleability (marketability). Lump sum reductions for cash discounts were also recognized. In the fiscal year, write-downs amounted to € 1,000k (previous year: € 1,179k). Additions to and reversals of the write-downs are netted (IAS 2.36 e, f).

In the reporting period, merchandise in the amount of € 37,589k (previous year: € 36,016k) was carried as an expense (cost of goods sold before adjustment of valuation allowance on net realizable value).

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

Receivables and other assets are as follows:

	12/31/2023	12/31/2022
	€k	€k
Trade receivables	1,239	916
Other assets	1,696	5,169
Deferred item	259	245
	3,195	**6,329**

The disclosed carrying amounts correspond to market values. All maturities are within one year. There are no identifiable risks of default as of the relevant date.

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

	12/31/2023	12/31/2022
	€k	€k
Total receivables	1,245	920
Less allowances	-6	-4
Receivables	**1,239**	**916**

The value adjustments are general value adjustments.

There were no hedging activities.

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

	12/31/2023	12/31/2022
	€k	€k
Debit-side creditors	117	65
Receivables due from tax authorities	963	0
Receivables due from suppliers	0	197
Sale of property in Hanover	0	4,270
Claim from bridging aid III	400	400
Other	216	237
	1,696	**5,169**

In the previous year, the remainder of the purchase price claim for the sale of a property in Hanover was reported under other assets. The property was sold with benefits and encumbrances as of December 31, 2021. The remaining purchase price was meant to be paid in full by June 30, 2023, by the purchaser at the latest. Due to the overdue purchase price payment, LUDWIG BECK withdrew from this purchase agreement in September 2023. Instead of the purchase price receivable, the property was again recognized in the balance sheet under long-term assets.

The claim from bridging aid III corresponds to the final claim that has already been prepared internally based on the current state of knowledge. The actual final claim may result in a different amount. There is no historical information on the procedure of the granting agencies and the FAQ yet.

Deferred item
The deferred item concerns various expenses representing costs incurred for a specific period after the consolidated balance sheet date.

(5) Cash and cash equivalents

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

Cash and cash equivalents are made up as follows:

	12/31/2023	12/31/2022
	€k	€k
Cash in hand	321	248
Cash at banks	108	243
	429	**492**

Bank balances were not interest-bearing as of the reporting date. Cash in hand is not interest-bearing. There are no hedging activities.

(6) Shareholders' equity

Concerning the presentation of changes in shareholders' equity for the 2023 fiscal year, we refer to the equity statement.

The company's equity management objectives focus mainly on:

- Safeguarding financing and liquidity on an ongoing basis,
- Ensuring an appropriate credit rating, and
- Procuring adequate return on equity.

The principal objective of capital management is the control of liquid funds and debt capital, whereby the focus is 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. The economic equity of the LUDWIG BECK Group corresponds to balance sheet equity. Neither LUDWIG BECK AG nor any of its consolidated subsidiaries are 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, 2023 (December 31, 2022: 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 2023 fiscal year, an average of 3,695,000 shares were outstanding. All ordinary shares are entitled to profit distribution to be resolved by the General Meeting. In the fiscal year 2023, no dividend payment was made due to the negative result of the parent company of LUDWIG BECK AG in the fiscal year 2022.

The subscribed capital amounted to € 9,446k in the fiscal year (previous year: € 9,446k).

Shareholder structure

According to the company's knowledge, the shareholder structure of LUDWIG BECK AG as of December 31, 2023, 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 according to section 21 (former version) or section 33 (1) (new version) 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 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 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 to be attributed to Mr Greiner according to 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 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 that are to be attributed to Mr Wöhrl according to 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 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 that are to be attributed to Mr Doblinger according to section 34 WpHG.

Capital reserve

The development of capital reserve is shown in the equity statement. The capital reserve serves to secure the long-term financing of the company.

Accumulated profit

The development of accumulated profit is shown in the equity statement. Accumulated profit serves to secure the short-term and long-term financing of the company.

Pursuant to IAS 32.18 (b), compensation claims from limited partners' interests of other shareholders are generally classified as debt capital (cf. explanations in clause (7) below).

(7) Compensation claim for other shareholders

The compensation claim for other shareholders of Feldmeier GmbH & Co. Betriebs KG is subject to the provisions outlined in the company agreement. The amount of the compensation claim is based on the market value of the relevant interests. The valuation of the market value of the Marienplatz property is stipulated in the company agreement. In addition, the agreement provides that the company shall be entitled to set off payment claims against a withdrawing shareholder against this shareholder's compensation balance, if any, at any time. In the fiscal year, the calculation was as follows:

	12/31/2023	12/31/2022
	€k	€k
Assumed market value of Feldmeier GmbH & Co. Betriebs KG for the purpose of computing a potential compensation claim according to the company agreement	87,075	87,074
Other shareholders' interest (14.06%)	12,243	12,243
Receivables from other shareholders	-15,633	-15,629
	-3,390	**-3,386**

Since the claim against the other shareholder exceeds his share in the market value of the company, no compensation obligation had to be entered into the balance sheet.

According to the provisions outlined in the company agreement, the other shareholder is generally not obligated to settle the aforementioned receivables – except for the aforementioned setoff option. Therefore, LUDWIG BECK cannot claim receivables from the other shareholder on account of this excess.

(8) Accruals

The following disclosures are to be made on the accruals formed in accordance with IAS 37:

	As of 1/1/2023	Utilization	Addition	As of 12/31/2023
	€k	€k	€k	€k
Repair and maintenance obligation	1,938	52	0	1,886
Previous year	*1,939*	*1*	*0*	*1,938*
Pension commitments	500	0	79	579
Previous year	*1,057*	*557*	*0*	*500*
Obligation from accepted legacy	69	69	0	0
Previous year	*192*	*123*	*0*	*69*
Total accruals	**2,507**	**121**	**79**	**2,465**
Previous year	*3,188*	*681*	*0*	*2,507*

Repair and maintenance obligations

The provision relates to restoration obligations from a rental agreement and was derived from an expert opinion. These are deconstruction obligations upon termination of this rental agreement. The amounts of the obligation were estimated for the anticipated dates of fulfilment. The values set down in the expert opinion were extrapolated based on an average construction cost increase and discounted at a normal market rate. The accruals will be compounded proportionally unless this estimation is to be adjusted in the coming years.

Utilization is scheduled for the relevant determination date of the underlying rental agreement. Due to the long term of the rental agreement, a short- to medium-term utilization is not to be expected.

Pension commitments

Accruals for pension commitments are established for employee benefit schemes providing for retirement, invalidity, and surviving dependents' benefits if the pension plan is a defined benefit plan in accordance with IAS 19R.

Pension obligations for defined benefit plans are determined per the internationally accepted "projected unit credit method" according to IAS 19R. Future pension commitments are measured based on the prorated acquired entitlements as of the balance sheet date.

In these consolidated financial statements, the company recognizes pension obligations per IAS 19R. Accordingly, so-called actuarial gains and losses are recognized directly under shareholders' equity according to IAS 19R. Furthermore, the company paid contributions into an external pension fund that will make payments in the event giving rise to benefits. This insurance policy qualifies as a plan asset. Due to the aforementioned transfer of pension liabilities to a pension fund, LUDWIG BECK assumes the group will not have payment obligations when pension benefits fall due.

The present value of the pension commitments and the fair value of the plan assets have developed as follows in the fiscal year:

	12/31/2023	12/31/2022
	€k	€k
Present value of pension commitments as of 1/1	2,538	3,101
Interest costs	82	40
Retirement benefits	-121	-113
Actuarial gains (-) / losses (+) to be recognized directly in equity	106	-490
Present value of the pension commitments as at 12/31	2,605	2,538
Carrying amount of pension commitments before offsetting	**2,605**	**2,538**

	12/31/2023	12/31/2022
	€k	**€k**
Present value of plan assets as at 1/1	-2,038	-2,044
Income from plan assets	-61	-64
Payments from plan assets	121	105
Actuarial gains (-) / losses (+)	-48	-34
Present value of plan assets as of 12/31	**-2,026**	**-2,038**
Remaining difference as of 12/31	**579**	**500**

The present values of pension commitments amounted to € 3,101k as of December 31, 2021, and € 3,511k as of December 31, 2020, those of the plan assets to € 2,044k and € 2,447k, respectively.

The following actuarial assumptions form the basis for the determination of the balance sheet value of the commitments:

	2023	2022
Discount factor	3.4%	3.9%
Pension trend	2.1%	2.1%

The “2018 G Reference Tables” by Klaus Heubeck served as a biometric basis for the relevant calculations.

Actuarial gains or losses resulted from asset changes and deviations of the actual trends (e.g., interest rate variations) from the original calculation parameters.

A change of the actuarial rate by +0.5 percentage points would result in a reduction in the present value of the benefit commitments to € 2,461k. A change of -0.5 percentage points would raise the present value of the benefit commitments to € 2,764k.

A 7.5% pension trend adjustment every five years would reduce the present value of the benefit commitments to € 2,427k. A change to 7.5% every three years would raise the present value of the benefit commitments to € 2,748k.

The company expects service costs of € 0k and an interest cost of € 86k as well as plan asset yields of € 63k for the 2024 fiscal year. No contributions to plan assets have been made since December 1, 2017. The weighted average term of benefit commitments is 10.58 years.

Obligation from accepted legacy

By accepting the legacy of a late shareholder, LUDWIG BECK incurred contractual obligations towards the surviving relatives of this former shareholder. As of December 31, 2023, no further obligations had to be recognised (previous year: € 69k). The last payment was made in June 2023 in accordance with the contract. In return, the LUDWIG BECK Group received this shareholder's interest in Feldmeier GmbH & Co.

(9) Liabilities

As of the balance sheet date, liabilities are as follows:

				Residual term
	Total	**up to 1 year**	**1 – 5 years**	**over 5 years**
	€k	**€k**	**€k**	**€k**
1. Financial liabilities	96,051	27,652	29,830	38,569
Previous year	*94,125*	*14,968*	*32,426*	*46,731*
2. Trade liabilities	1,086	1,086	0	0
Previous year	*1,121*	*1,121*	*0*	*0*
3. Tax liabilities	9	9	0	0
Previous year	*244*	*244*	*0*	*0*
4. Other liabilities	4,407	4,407	0	0
Previous year	*4,908*	*4,908*	*0*	*0*
- tax related: € 1,182k (previous year: € 1,286k)				
12/31/2023	**101,554**	**33,155**	**29,830**	**38,569**
Previous year	100,398	21,241	32,426	46,731

In connection with the financial liabilities mentioned previously, the following contractually agreed interest payments would have to be made in the coming years:

				Residual term
	Total	**up to 1 year**	**1 – 5 years**	**over 5 years**
	€k	**€k**	**€k**	**€k**
Loan interest	340	248	92	0
Previous year	*642*	*303*	*339*	*0*

€ 13,661k of financial liabilities in the total amount of € 96,051k were applied to financing the "Marienplatz" property. The financial liabilities are secured as follows:

	€k
Land charges UniCredit Bank AG for real estate loans	13,661
Land charges UniCredit Bank AG for LfA loans	6,339

The other financial liabilities are not collateralized as of December 31, 2023.

9 a) Financial liabilities ((long-term)

Long-term financial liabilities are as follows:

	12/31/2023	12/31/2022
	€k	€k
Loan UniCredit Bank AG	16,805	20,212
Leasing	51,594	58,945
	68,399	**79,157**

Loans do not contain loan derivatives (structured products) that have to be split off or valued separately.

Long-term financial liabilities are carried at amortized cost that, in the present case, equal the repayment amounts. The interest rates in the reporting year were between 1.1% and 1.8%.

The fair value of long-term financial liabilities amounted to € 67,903k (previous year: € 77,610k) as of the balance sheet date.

9 b) Financial liabilities (short-term)

Short-term financial liabilities are as follows:

	12/31/2023	12/31/2022
	€k	€k
Current account liabilities	21,167	8,242
Loan UniCredit Bank AG	3,407	3,405
Leasing	3,058	3,271
Other loans	20	50
	27,652	**14,968**

As of December 31, 2023, the current account and guarantee credit lines granted by banks amounted to € 43,000k. They were subject to interest at market rates when utilized.

Short-term financial liabilities are recognized at the repayment value.

The interest rates for short-term financial liabilities ranged between 1.1% and 7.4% in the year under report.

Summarized presentation of long-term and short-term liabilities from finance leases

		Residual term		
	Total	up to 1 year	1 – 5 years	over 5 years
	€k	€k	€k	€k
1. Minimum lease payments	66,052	4,238	17,073	44,741
Previous year	*80,947*	*4,675*	*17,189*	*59,083*
2. Interest and administrative costs	11,400	1,180	4,048	6,172
Previous year	*18,731*	*1,404*	*4,975*	*12,352*
3. Redemption (present value of lease liabilities)	54,652	3,058	13,025	38,569
Previous year	*62,216*	*3,271*	*12,214*	*46,731*

No purchase options were agreed upon within the framework of finance leases.

9 c) Trade payables (short-term)

Trade payables amounting to € 1,086k (previous year: € 1,121k) are recognised at the repayment amount. are carried at their repayment value. Due to the short-term maturities of these liabilities, this amount corresponds to the fair value of these liabilities. Suppliers are generally paid within 10 days to benefit from cash discounts, whereas the credit period is usually 60 days.

9 d) Other liabilities (short-term)

	12/31/2023	12/31/2022
	€k	€k
Wage and sales taxes	1,182	1,286
Purchase vouchers	1,527	1,483
Customer card	332	260
Personnel costs	199	171
Year-end closing and tax declaration costs	167	128
Other accrued liabilities	1,000	1,580
	4,407	**4,908**

9 e) Tax liabilities (short-term)

Income tax liabilities amounted to € 9k (previous year: € 244k) as of December 31, 2023.

(10) Deferred taxes (assets and liabilities)

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

	12/31/2023		12/31/2022	
	Assets-side	Liabilities-side	Assets-side	Liabilities-side
	€k	€k	€k	€k
Brand name "LUDWIG BECK		673		673
Land	37	328	0	328
Accruals	104		89	
Finance lease	835		867	
Loss carry forwards	3,499		3,231	
Other		18		18
Total	**4,475**	**1,019**	**4,186**	**1,019**
Net balance of deferred taxes	-691	-691	-691	-691
Total according to the consolidated balance sheet	**3,784**	**328**	**3,496**	**328**

Except for the categories brand name “LUDWIG BECK” and land, deferred taxes have resulted exclusively from temporary taxable differences between the tax balance sheet and the IFRS balance sheet of the respective company (IAS 12.15). These temporary differences and hence the deferred taxes will be released over the corresponding periods (until the recognition of the respective asset or liability).

Deferred tax liabilities were formed for a “quasi-permanent” difference between the valuation of the land in the tax balance sheet of Feldmeier GmbH & Co. Betriebs KG and the IFRS balance sheet. The sale of the real estate company has been considered the most probable realization proposition.

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

Deferred tax assets were recognized in full in the balance sheet for the tax losses incurred solely because of the COVID-19 pandemic, as the company assumes that sufficient taxable profits will be available in the future to utilize the tax loss carry forward. The usability of the tax loss carried forward is not limited in time.

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

The balance sheet item for deferred taxes includes deferred tax assets in the amount of € 311k (previous year: € 292k) that are attributable to expenses and income recognized directly in equity.

II. Consolidated statement of comprehensive income

(11) Sales revenue

	2023	2022
	€k	€k
Sales revenue (net)	72,699	70,396

The segment reporting provides more detailed information on sales revenues. All but € 828k (previous year: € 1,989k) of the LUDWIG BECK Group's sales were generated in Germany.

Sales revenues include rental income from operating leases totalling € 91k (previous year: € 0k).

(12) Other own work capitalised

Other own work capitalised amounted to € 122k in the 2023 fiscal year (previous year: € 63k). This item concerns personnel expenses incurred during refurbishing works at the department store at Marienplatz.

(13) Other operating income

Other operating income consists of the following items:

	2023	2022
	€k	€k
Rental income	1,607	1,473
Sales proceeds	865	700
Personnel earnings	448	376
Cafeteria earnings	352	282
Aperiodic income	367	577
Other income	1,031	354
	4,670	**3,761**

(14) Cost of materials

	2023	2022
	€k	€k
Cost of merchandise	37,410	35,366

The expenses reported under this item include merchandise at cost less discounts received, as well as changes in opening and closing stock and reductions due to lack of saleability.

(15) Personnel expenses

	2023	2022
	€k	**€k**
Wages and salaries	14,059	13,160
Social security contributions	2,651	2,538
Pension costs	112	124
	16,822	**15,822**

Pensions
The LUDWIG BECK Group has so-called defined contribution and defined benefit pension plans (IAS 19R) 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, contributions are paid into a pension fund.

The scheme is financed by employer contributions expensed to the consolidated profit and loss account.

Employees who joined the company by March 31, 2000, are older than 25 years, and have been with the company for at least five years receive a voluntary pension commitment from LUDWIG BECK, whereby the collectively agreed entitlements are offset.

The scheme qualifies as a contribution-oriented plan within the meaning of IAS 19R.

The expenses for these pension commitments amounted to € 112k in 2023 (previous year: € 124k).

A total of 236 (previous year: 286) employees participate in the pension schemes.

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

The expenses from pension obligations are shown under (8).

(16) Depreciation

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

(17) Other operating expenses

Other operating expenses include the following items:

	2023	2022
	€k	**€k**
Rental expenses	248	457
Other occupancy costs	1,836	2,003
Administrative costs	2,058	1,967
Sales expenses	6,050	5,298
Other personnel costs	1,172	1,169
Insurances/contributions	257	250
Other taxes	121	121
Loss on disposal of property Hanover	1,175	0
Other	1,405	498
	13,321	**11,762**

(18) Financial result

	2023	2022
	€k	**€k**
Interest income	61	66
Interest expenses	2,599	2,148
Financial result	**-2,538**	**-2,082**

Interest income related to interest income from plan assets in the amount of € 61k (previous year: € 64k). The interest portion from pension commitments included in interest expenses totalled € 74k (previous year: € 32k).

(19) Taxes on income

	2023	2022
	€k	**€k**
Taxes on income	407	529
Other deferred tax income (-) / tax expense (+)	-270	59
	137	**588**

Deferred tax income / tax expense	2023	2022
	€k	**€k**
From the recognition of losses carried forward	-268	51
From the recognition of financing leases according to IFRS 16	32	-69
From temporary differences in accounting for buildings	-29	6
From temporary differences in accounting for pension provisions	-5	71
Total deferred tax income (-) / tax expense (+)	**-270**	**59**

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

	2023	2022
	€k	**€k**
Earnings before taxes on income	567	2,823
Nominal Group tax rate in %	32.975	32.975
Calculated tax expense	187	931
Changes in the calculated tax expense:		
- Tax rate difference from real estate companies of the LUDWIG BECK Group	-434	-584
- Deviating tax base	385	254
- Other	-1	-13
Actual tax expense	**137**	**588**

(20) Income and expenses directly entered in equity

Income and expenses directly entered inequity are subject to the following deferred tax expenses or income:

	2023	2022
	€k	€k
Net pension commitment		
- Income (+) / Expense (-)	-58	524
- Deferred tax income (-) / tax expense (+)	-19	172
Net income (+) / net expense (-)	-39	352
Total income (+) and expenses (-) directly entered in equity	**-39**	**352**

(21) Explanations of earnings per share

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

Earnings per share

	2023	2022
Consolidated net profit (+) / net loss (-) in €k	431	2,235
Weighted number of shares in thousands	3,695	3,695
Earnings per share in € (undiluted and diluted)	0.12	0.60

Undiluted and diluted earnings are identical.

Dividend proposal

The Executive Board proposes distributing a dividend of € 0.15 per share, i.e. € 554k, for the 2023 fiscal year.

D. EXPLANATION TO 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 subdivides its reporting segments into "textile" (clothing) and "non-textile" (accessories, stationery, music, beauty).

In the 2023 fiscal year, the group figures to be segmented are split among the individual segments as follows:

	Group	**Textile**	**Non-textile**
	€k	**€k**	**€k**
Gross sales	**86,549**	**63,768**	**22,781**
Previous year	*83,834*	*60,825*	*23,009*
Value added tax	-13,849	-10,204	-3,646
Previous year	*-13,438*	*-9,709*	*-3,729*
Net sales	**72,699**	**53,563**	**19,136**
Previous year	*70,396*	*51,116*	*19,280*
Cost of sales (without discounts, rebates, etc.)	-38,436	-27,281	-11,155
Previous year	*-37,380*	*-26,291*	*-11,089*
Gross profit	**34,263**	**26,282**	**7,981**
Previous year	*33,016*	*24,825*	*8,191*
Personnel costs for sales	-7,451	-4,510	-2,942
Previous year	*-7,215*	*-4,373*	*-2,843*
Calculatory occupancy costs	-11,823	-9,614	-2,209
Previous year	*-11,892*	*-9,773*	*-2,119*
Calculatory interests	-1,243	-813	-430
Previous year	*-1,149*	*-740*	*-409*
Segment result	**13,747**	**11,346**	**2,401**
Previous year	*12,760*	*9,939*	*2,820*
Discounts, rebates etc. on cost of sales	1,026		
Previous year	*2,014*		
Other operating income and expenses	3,294		
Previous year	*3,954*		
Other personnel expenses	-9,371		
Previous year	*-8,607*		
Depreciation	-6,834		
Previous year	*-6,365*		
Other financial results	-1,295		
Previous year	*-933*		
Taxes on income	-137		
Previous year	*-588*		
Earnings after taxes from continued operations	**430**		
Previous year	*2,235*		

	Group	Textile	Non-textile
	€k	**€k**	**€k**
Segment assets			
Inventories	12,390	7,768	4,622
Previous year	*11,839*	*7,195*	*4,644*
Total segment assets	**12,390**	**7,768**	**4,622**
Previous year	*11,839*	*7,195*	*4,644*

E. EXPLANATIONS TO CONSOLIDATED CASH FLOW STATEMENT

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

Cash and cash equivalents within the meaning of IAS 7.6. et seq. equal the sum of cash-in-hand and short-term bank balances.

As of December 31, 2023, the LUDWIG BECK Group had credit lines of € 43,000k. Approximately 58% of these were utilized through guarantees and short-term bank loans.

F. EXPLANATIONS TO CONSOLIDATED EQUITY STATEMENT

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

G. OTHER DETAILS

I. Contingent liabilities, contingent receivables

1. Contingent liabilities

In addition to actual commitments covered by accruals, there are no probable occurring commitments depending on future events.

2. Contingent receivables

There are no contingent receivables to be disclosed in accordance with IAS 37.

II Other financial obligations

As of the balance sheet date, there are purchase order commitments for merchandise in the amount of € 11,208k (previous year: € 15,194k).

III Leasing

The accounting principles for assets and liabilities for leases are described in section B. IV. 5.

Leasing agreements where 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).

	2023	2022
	€k	€k
Depreciation of the fiscal year		
Land, land rights, and buildings, including buildings on third-party land	3,710	3,470
Additions in the fiscal year		
Land, land rights, and buildings, including buildings on third-party land	4,544	2,510
Interest expense	1,146	1,415
Total payments for financial leases	4,586	4,675

The development of leasing liabilities from leasing agreements in which LUDWIG BECK acts as the lessee is shown in section C. I. 9b).

Operating leasing agreements where LUDWIG BECK acts as the lessor

The development of the property leased under an operating leasing 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	2024	2025	2026	2027	2028	over 5 years
	€k	€k	€k	€k	€k	€k
Nominal values	207	207	207	207	207	518

IV Declaration of conformity according to section 161 Stock Corporation Act (AktG) (Corporate Governance)

On September 12, 2023, the Executive Board and Supervisory Board of LUDWIG BECK AG issued the Declaration of Conformity according to section 161 Joint Stock Corporation Act (AktG).

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

V. Relations to related companies and persons

T The following lists the companies and persons related to the group according to IAS 24.

Executive Board:

Christian Greiner, Chairman, Businessman
Jens Schott, Businessman

T The total remuneration of the Executive Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft for its activities in the fiscal year 2023 amounted to € 792k (previous year: € 620k).

As of December 31, 2023, members of the Executive Board held 965,399 shares (previous year: 965,399 shares).

Individual details of Executive Board remuneration are included in the Remuneration Report section of the consolidated management report.

Supervisory Board:

Dr Bruno Sälzer, Chairman, Businessman, Grünwald
Sandra Pabst, Deputy Chairwoman, Managing Director, Nuremberg
Sebastian Hejnal, Businessman, Haar (since May 9, 2023)
Clarissa Käfer, Auditor, Tax consultant and Lawyer, Munich
Josef Schmid, Lawyer, Munich (until May 9, 2023)
Michael Eckhoff, Head of Department, Munich*)
Martin Paustian, Employee, Munich*) (since May 9, 2023)
Michael Neumaier, Commercial employee, Grafrath*) (until May 9, 2023)

The total remuneration of the Supervisory Board in the fiscal year 2023 amounted € 208k (previous year: € 208k).

In the 2023 fiscal year, transactions with related parties occurred only to an insignificant extent. All transactions with related parties were conducted at arm's length conditions.

The following members of the Executive Board and the 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
Advisory Board:	Bültel International Fashion Group, Salzbergen (until 01/2023)

Mr. Dr Bruno Sälzer

Chairman of the Supervisory Board:	Amer Sports Inc. Helsinki (since 02/2024)
Board of Directors:	Zino Davidoff SA, Basel
Supervisory Board:	Lacoste SA, Paris
Advisory Board:	Deichmann SE, Essen

Ms. 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

Ms. Clarissa Käfer

Chairwoman of the Supervisory Board:	Käfer AG, Parsdorf
Supervisory Board:	Münchner Bank eG, Munich

As in the previous year, the members of the Supervisory Board held no shares as of December 31, 2023.

VI Supplementary report

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

*) Employee representative

VII Auditor's fee

The auditor's fee in the 2023 fiscal year amounted to € 104k (previous year: € 103k).

The fee for the audit of the consolidated financial statements, the annual financial statements of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, as well as audit reviews carried out for subsidiaries amounted to € 102k (previous year: € 100k). The amount incurred for audit-related issues amounted to € 2k (previous year: € 3k).

VIII. Personnel

	2023	**2022**
Full-time	139	139
Part-time	170	160
Temporary	99	90
	408	**389**

Apprentices were not included in this calculation.

IX. Information according to section 297 (2) Commercial Code (HGB)

The Executive Board issued the statutory declaration required by section 297 (2) Commercial Code (HGB).

Munich, February 29, 2024

The Executive Board

Christian Greiner Jens Schott

3 Group *Management Report*

I. Group Fundamentals

1. BUSINESS ACTIVITY

LUDWIG BECK is a retail company specializing in the sale of medium and premium-priced textiles. The offered product range encompasses a wide selection of textiles as well as accessories, cosmetics, paper products, and sound recordings. The heart of its brick-and-mortar business is the renowned flagship store "Kaufhaus der Sinne" at Munich's Marienplatz. In addition, LUDWIG BECK presents exclusive beauty products in an annex in FÜNF HÖFE in Munich's city centre.

LUDWIG BECK's presence not only extends 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, textile, and accessories. The integration of traditional retail in the flagship "Kaufhaus der Sinne" and the digital presence exemplifies LUDWIG BECK's versatility and innovativeness in meeting the demands of its discerning clientele.

2. STRATEGY AND GOALS

LUDWIG BECK seeks to permanently secure a top position among Germany's leading fashion houses. By combining a unique shopping location in the heart of Munich with a high-quality product assortment, creatively staged product presentations, and a service-oriented advice and sales culture, LUDWIG BECK seeks to ensure this leading position.

The entire offer, presentation, and the character and design of the sales spaces are constantly reviewed for quality and optimized for a clear focusing. This also applies to the online store. The traditionally outstanding quality of service is being further developed to keep up with changing customer needs.

The exceptional level of service compared to competitors is achieved with employees who value LUDWIG BECK not only as a family-oriented, secure employer but also as their professional home. The above-average length of service is due in part to a wide range of individual development opportunities offered by the company.

3. INTERNAL CONTROL SYSTEM

A merchandise management system provides LUDWIG BECK with all necessary information for an efficient inventory control, product selection, and the allocation of sales areas. The system allows day-by-day merchandise management analyses, organized by categories, such as article number, product group, and up to the department level.

The company's financial scope for action is continuously monitored based on these merchandise management indicators and liquidity indicators by way of a target-actual analysis, to be able to respond swiftly if significant deviations occur.

In addition to the financial performance indicators of the management system, the company uses a number of other parameters to measure economic performance. These refer to developments in sales and earnings, working capital, and investments in terms of capital employed.

The Executive Board monitors the development of the key performance indicators using target-actual analyses within the monthly reporting system. This is to make sure that immediate action can be taken if current business developments deviate from the plan. At the same time, a thorough cause analysis makes sure that risks are minimized, and opportunities are exploited.

II. Economic report

1. MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

World economy characterised by war, climate, and moderate growth

Like the previous year, 2023 was overshadowed from the effects of the war in Ukraine. In October, there was also the outbreak of conflict in the Middle East.

In addition, there were numerous natural and environmental disaster events, including severe earthquakes in Turkey and Morocco, drought and flooding across Europe and the worst forest fires in Canadian history. These events underscore the impact of climate change, especially as 2023 was the hottest year on record, according to the EU's Copernicus climate change service.

China, the world's second-largest economy, recorded economic growth of 5.2%. However, excluding the years of the coronavirus pandemic, this was the weakest growth since 1990. The lingering real estate crisis and high levels of private household debt remain ongoing factors of uncertainty. Last year, China recorded its first decline in exports measured in dollars since 2016.

The USA, the world's largest economy, recorded an increase in gross domestic product. US economic growth doubled in the summer quarter of 2023, boosted by a robust labour market and rising wages despite high interest rates. The US Federal Reserve (Fed) is fighting high inflation with a tight monetary policy. In October 2023, the International Monetary Fund (IMF) raised its growth forecast for 2023 to plus 2.1%.

The global economy is experiencing a slow growth, while many Western governments are attempting to reduce their economies' dependency on China. Many companies are concerned about the geopolitical tensions and trade restrictions between China and the West.

The European economy is still losing momentum. The EU Commission has downgraded its growth expectations for 2023.

German economy stagnates

As in 2022, hopes for a robust economic growth were disappointed. In 2023, the German economy was unable to recover.

Although the inflation rate declined slightly year-on-year from +6.9% to +5.9%, the level was still high. According to initial calculations of the Federal Statistical Office, gross domestic product fell by 0.3% in 2023.

The development in the different economic sectors varied greatly. While gross value added in the manufacturing industry declined, most service sectors recorded a slight increase. In particular, information and communication saw a significant increase. Nevertheless, there was an overall price-adjusted decline of 0.1%.

Private consumer spending fell by 0.8% in 2023 compared to the previous year and adjusted for price. This is likely to be primarily due to high consumer prices, with food prices, for example, rising by 12.4%. Soaring financing and construction costs led to a decline in construction investment, which in turn had a significant impact on the housing market. Against the backdrop a high housing demand, especially in large cities and urban centres, residential rents continued to rise. For the first time in many years, public spending also fell by 1.7% in price-adjusted terms.

Trade with other countries declined despite falling prices, with exports falling by 1.8% adjusted for prices. Weak domestic demand led to a 3.0% decline in imports. Germany was particularly weak within the EU.

Stationary textile sector still in a difficult environment

Although the fashion retail sector had an optimistic start into 2023 and the end of coronavirus restrictions, the economic environment remained challenging. Increased costs of living, government energy-saving plans, general political uncertainty, and the ongoing war in Ukraine all continue to influence consumer sentiment. Additionally, there were unusually mild temperatures at year start and in the first weeks of the fall/winter business, followed by sudden cold snaps. Weather conditions, including long heatwaves, storms, and snow chaos, had a significant impact on sales. In addition, demonstrations and strikes had an adverse impact on sales, and footfall is still well below pre-pandemic 2019 levels in many places. According to a 2023 analysis by CityPartnerMünchen e.V., footfall in the immediate vicinity of LUDWIG BECK is still 9% below 2019 figures.

In 2023, there was a notable number of insolvencies, including well-established companies like Peek & Cloppenburg, Gerry Weber, and Hallhuber. Due to Signa Holdings filing insolvency in November 2023, Galeria Kaufhof also had to refile for insolvency in early 2024. The number of insolvency filings by high-revenue companies in the German fashion industry tripled compared to the previous year, as reported by TexilWirtschaft.

Despite these challenges, bricks-and-mortar retailers have managed to withstand the competition from online retailers. After record growth during the pandemic, the latter are now encountering a significant decline.

Notably, e-commerce promotions such as Black Friday and Black Week in November, which brick-and-mortar retailers cannot avoid, significantly influence consumers behaviour during the important Christmas period. There seems to be a shift here, with December's performance being the second weakest of the year, according to TW-Testclub.

Fashion retail faced another challenging year. However, according to TextilWirtschaft, fashion retailers increased their sales year-on-year. According to the panel, which has the highest number of participants in stationary fashion retail, the companies recorded an average increase of 6% last year.

2. LUDWIG BECK BUSINESS DEVELOPMENT

Overall, 2023 shows a mixture of ups and downs for both the stationary retail sector and LUDWIG BECK.

Despite the ongoing war in Ukraine and a subdued consumer sentiment forecast, LUDWIG BECK achieved an increase in sales of around 20% during the first quarter of 2023 compared to the previous year, which was still characterised by COVID-19 outbreaks. The second quarter was characterized by cold and rainy weather in April and May, which somewhat dampened enthusiasm for the new spring/summer collection. Nevertheless, LUDWIG BECK managed to maintain sales at the previous year's level in the second quarter. The sales plus from the first quarter was thus at least sustained. In the third quarter, the prolonged summer with warm temperatures negatively impacted the fashion trade, affecting the demand for the new fall/winter merchandise. However, the decline was partially offset by increased demand for traditional costume fashion.

In addition to contending with online discount campaigns, LUDWIG BECK faced a snow chaos in Munich during the Christmas season. In what is the most important time of the year for retailers, the onset of winter and the subsequent rail strike disrupted all local and long-distance traffic during the first and second Advent, preventing potential customers from visiting the city centre. Local public transport plays a vital role in bringing customers into city centres. The rail strikes, which repeatedly lasted for days on end, and S-Bahn main line closures due to renovation work on weekends, contributed to a drop in customer traffic from commuters and tourists and thus to partial drops in footfall in Munich.

Despite the adversities, LUDWIG BECK demonstrated resilience in a challenging market environment and deployed flexible strategies to increase sales by around 4% compared to the previous year.

3. CONSOLIDATED EARNINGS

All sums in the following tables were calculated precisely and then rounded to one decimal place to €m. Percentages were derived from precise (not rounded) values.

	1/1/2023–12/312023		**1/1/2022–12/312022**		**Delta**
	€m	%	**€m**	%	**€m**
Gross sales	86.5	119.0	83.8	119.0	2.7
VAT	13.8	19.0	13.4	19.0	0.4
Net sales	**72.7**	**100.0**	**70.4**	**100.0**	**2.3**
Own work capitalized	0.1	0.2	0.1	0.1	0.1
Other operating income	4.7	6.4	3.7	5.3	0.9
	77.5	**105.4**	**74.2**	**105.4**	**3.3**
Cost of materials	37.4	51.5	35.4	50.2	2.0
Personnel expenses	16.8	23.1	15.8	22.5	1.0
Depreciation	6.8	9.4	6.4	9.0	0.5
Cost of office and storage space	2.1	2.9	2.5	3.6	-0.4
Administrative expenses	2.1	2.8	2.0	2.8	0.1
Sales expenses	6.1	8.3	5.3	7.5	0.8
Other personnel costs	1.2	1.6	1.2	1.6	0.0
Insurance and contributions	0.3	0.4	0.2	0.4	0.1
Other operating expenses	1.7	2.3	0.6	0.9	1.1
Total operating expenses	**13.3**	**18.3**	**11.8**	**16.7**	**1.6**
Earnings before interest and taxes (EBIT)	**3.1**	**4.3**	**4.9**	**7.0**	**-1.8**
Financial result	-2.5	-3.5	-2.1	-3.0	-0.5
Earnings before taxes (EBT)	**0.6**	**0.8**	**2.8**	**4.0**	**-2.3**
Taxes on income	0.1	0.2	0.6	0.8	-0.5
Earnings after taxes (EAT)	**0.4**	**0.6**	**2.2**	**3.2**	**-1.8**
Expenses (-) and income (+) directly entered into equity	0.0	-0.1	0.4	0.5	0.0
Consolidated comprehensive income	**0.4**	**0.5**	**2.2**	**3.7**	**-1.8**
Gross profit	35.3	48.5	35.0	49.8	0.3
EBITDA	9.9	13.7	11.3	16.0	-1.3
Operating margin (EBT / net sales) in %	0.8		4.0		

Segment reporting

LUDWIG BECK's segment reporting comprises the segments "textile" and "non-textile”:

1/1/2023–12/31/2023	Textile		Non-textile		Group	
	€m	%	€m	%	€m	%
Gross sales	63.7	119.0	22.8	119.0	86.5	119.0
Previous year	*60.8*	*119.0*	*23.0*	*119.0*	*83.8*	*119.0*
VAT	-10.2	19.0	-3.7	19.0	-13.8	19.0
Previous year	*-9.7*	*19.0*	*-3.7*	*19.0*	*-13.4*	*19.0*
Net sales	53.6	100.0	19.1	100.0	72.7	100.0
Previous year	*51.1*	*100.0*	*19.3*	*100.0*	*70.4*	*100.0*
Cost of sales (without discounts, rebates etc)	-27.3	50.9	-11.2	58.3	-38.4	52.9
Previous year	*-26.3*	*51.4*	*-11.1*	*57.5*	*-37.4*	*53.1*
Gross profit	26.3	49.1	8.0	41.7	34.3	47.1
Previous year	*24.8*	*48.6*	*8.2*	*42.5*	*33.0*	*46.9*
Personnel expenses of sales	-4.5	8.4	-2.9	15.4	-7.5	10.2
Previous year	*-4.4*	*8.6*	*-2.8*	*14.7*	*-7.2*	*10.2*
Imputed occupancy costs	-9.6	17.9	-2.2	11.5	-11.8	16.3
Previous year	*-9.8*	*19.1*	*-2.1*	*11.0*	*-11.9*	*16.9*
Imputed interest costs	-0.8	1.5	-0.4	2.2	-1.2	1.7
Previous year	*-0.8*	*1.4*	*-0.4*	*2.1*	*-1.2*	*1.6*
Segment result	11.3	21.2	2.4	12.5	13.7	18.9
Previous year	*9.9*	*19.4*	*2.8*	*14.6*	*12.8*	*18.1*

Sales development

In the 2023 fiscal year, LUDWIG BECK (including online) generated gross sales of € 86.5m (previous year: € 83.8m).

The "textile" segment contributed sales € 63.7m (previous year: € 60.8m) and the "non-textile" segment, which also includes online sales with beauty, contributed € 22.8m (previous year: € 23.0m) to this sales growth.

Earnings situation

Gross profit increased from € 35.0m to € 35.3m, although the gross profit margin of 48.5% was below the previous year's figure of 49.8% due to higher price discounts.

Other income, composed of rental, sales, and personnel income as well as other income including own work capitalized in connection with investments, amounted to € 4.8m and was therefore significantly higher than the previous year's figure of € 3.8m.

Personnel expenses rose to € 16.8m in the 2023 fiscal year (previous year: € 15.8m), as LUDWIG BECK employed more staff again in a gradually normalizing business development in order to offer customers a qualified shopping experience.

Depreciation and amortization amounted to € 6.8m (previous year: € 6.4m). Depreciation and amortization on the recognition of rental agreements in accordance with IFRS 16 (finance leases) amounted to € 3.9m (previous year: € 3.5m).

Other operating expenses increased from € 11.8m to € 13.3m, mainly due to higher occupancy and selling expenses as well as a loss on receivables of € 1.2m resulting from the cancellation of a purchase agreement in connection with the sale of a property in Hanover. Earnings before interest, taxes, depreciation, and amortization (EBITDA) decreased from € 11.3m to € 9.9m due to the higher expenses. The EBITDA margin was 13.7% (previous year: 16.0%).

Earnings before interest and taxes (EBIT) decreased from € 4.9m in the previous year to € 3.1m in the 2023 fiscal year. In addition to the negative effect from the loss on receivables, the disappointing December business was the main reason for this earnings development. LUDWIG BECK was within the planning corridor until the end of November 2023. The decline in sales and gross profit caused by the severe onset of winter and the subsequent rail strikes during the first and second Advent could not be compensated for in the following weeks.

The financial result totalled € -2.5m in the 2023 fiscal year (previous year: € -2.1m). The financial result included € 1.1m interest from finance lease accounting in accordance with IFRS 16 (previous year: € 1.4m). The sharp rise in short-term overdraft interest rates had increased negative impact on the financial result compared to previous years.

Earnings before taxes (EBT) amounted to € 0.6m (previous year: € 2.8m). Earnings after taxes (EAT) was € 0.4m (previous year: € 2.2m).

4. CONSOLIDATED ASSETS

Assets	2023		2022	
	€m	%	€m	€m
Long-term assets				
Intangible assets	4.5	2.7	4.5	2.7
Property, plant, and equipment	145.3	85.6	141.8	84.1
Other assets	0.2	0.1	0.1	0.1
Deferred taxes	3.8	2.2	3.5	2.1
	153.8	90.6	149.9	88.9
Short-term assets				
Inventories	12.4	7.3	11.8	7.0
Receivables and other assets	3.2	1.9	6.3	3.8
Cash and cash equivalents	0.4	0.3	0.5	0.3
	16.0	9.4	18.7	11.1
Balance sheet total	**169.8**	**100.0**	**168.6**	**100.0**

The LUDWIG BECK Group's total assets amounted to € 169.8m as of the balance sheet date December 31, 2023 (December 31, 2022: € 168.6m).

At € 4.5m, intangible assets were exactly at the previous year's level. LUDWIG BECK continued to invest in digitalization in the 2023 fiscal year. Capitalizations were also made for the realignment of logistics.

At € 145.3m, property, plant, and equipment was the largest item on the balance sheet, as in the previous year (December 31, 2022: € 141.8m). One of the main items was the property at Munich's Marienplatz with a book value of around € 70m. The shares in the real estate company that owns the property were acquired in the 2001 fiscal year. The book value has remained unchanged since then until December 31, 2023. In addition, right of use assets from rental agreements in the amount of € 59.9m (December 31, 2022: € 59.6m) were recognised. The amortization of rental rights in the amount of € 3.9m was offset by additions of € 4.5m due to rent increases in the reporting year.

At the end of 2021, LUDWIG BECK sold its real estate holdings in Hanover, which dated back to the investment in WORM-LAND. This involved two properties. Due to the massive changes in the interest rate and real estate markets, the buyer of one property was not in a position to pay the purchase price for the property by the end of September 2023. Therefore, LUDWIG BECK withdrew from the purchase agreement. The property was again recognized in long-term assets at € 3.1m.

Of the deferred taxes recognized on the assets side of the balance sheet, € 3.5m relate to deferred taxes on losses carried forward of LUDWIG BECK AG. These losses arose almost exclusively due to the COVID-19 pandemic in the fiscal years 2020 and 2021. The company continues to assume that sufficient taxable results will be available in the future to offset the tax losses carried forward.

Short-term assets decreased by € 2.7m compared to the previous year and amounted to € 16.0m (December 31, 2022: € 18.7m). The main item under current assets is inventories of merchandise at € 12.4m (December 31, 2022: € 11.8m). The slight increase in inventories is due to lower-than-expected sales in December.

In the previous year, a purchase price receivable from the sale of a property in Hanover in the amount of € 4.3m was reported under other assets. Due to the cancellation of the purchase agreement in the 2023 fiscal year, the receivable was derecognized, and the property was recognized in property, plant, and equipment again as described.

Cash and cash equivalents amounted to € 0.4m as of the balance sheet date (December 31, 2022: € 0.5m). These are cash on hand of LUDWIG BECK AG and bank balances of the subsidiaries. As a matter of principle, LUDWIG BECK AG uses the free liquidity within the Group to balance current account lines.

5. FINANCIAL POSITION

Liabilities	**2023**		**2022**	
	€m	%	**€m**	%
Shareholders' equity	65.5	38.5	65.3	38.8
Long-term liabilities				
Financial liabilities	68.4	40.3	79.2	47.0
Accruals	2.5	1.5	2.5	1.5
Deferred taxes	0.3	0.2	0.3	0.2
	71.2	41.9	82.0	48.6
Short-term liabilities				
Financial liabilities	27.7	16.3	15.0	8.9
Trade liabilities	1.1	0.6	1.1	0.7
Accrued taxes	0.0	0.0	0.2	0.1
Other liabilities	4.4	2.6	4.9	2.9
	33.2	19.5	21.2	12.6
Balance sheet total	**169.8**	**100.0**	**168.6**	**100.0**

As of December 31, 2023, the LUDWIG BECK Group had shareholder's equity of € 65.5m (December 31, 2022: € 65.3m). The positive consolidated result was the reason for this development. The equity ratio of the LUDWIG BECK Group was 38.5% (December 31, 2022: 38.8%).

The group's total liabilities amounted to € 104.4m (December 31, 2022: € 103.2m).

Short-term and long-term financial liabilities were € 96.1m (December 31, 2022: € 94.2m). The development was driven by high investments in the flagship store at Marienplatz and additions to liabilities from finance lease accounting for rental agreements due to rent increases of € 4.5m.

Finance lease liabilities were € 54.7m at the end of the fiscal year (previous year: € 62.2m). In addition to repayments of € 3.4m and additions of € 4.5m, this figure includes the disposal of a leasehold liability. To secure future earnings, LUDWIG BECK redeemed the leasehold in the basement of the flagship store by a one-off payment of € 8.0m. As a result, the company's future rental payments for the remaining lease term until July 2068 were reduced by more than € 8m. The short-term financing of this amount is intended to be converted to a medium- to long-term loan in the 2024 fiscal year.

As in previous years, trade payables were recognized at the settlement amount. Due to the short-term maturities of these liabilities, this amount corresponds to the market value of the liabilities. Suppliers were regularly paid within ten days to benefit from cash discounts, whereas the payment term was usually 60 days.

The group's financial policy is directed at securing liquidity while optimizing financing costs. Non-operational risks are to be excluded as far as possible.

Cash flow

Cash flow from operating activities amounted to € 5.8m in the 2023 fiscal year (previous year: € 6.9m).

Cash flow from investment activities amounted to € -3.2m (previous year: € -2.4m). In addition to investments in the new paper products, trousers, swimwear, and children's departments in the flagship store at Munich's Marienplatz, investments focused on IT and logistics, and the digitalisation of LUDWIG BECK.

Cash flow from financing activities totalled € -2.6m (previous year: € -4.3m). In addition to changes in bank liabilities, cash flow from financing activities also includes changes in liabilities from finance leases.

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

6. SUMMARY STATEMENT ON BUSINESS DEVELOPMENT

The conflict in Ukraine broke out in February 2022. The resulting geopolitical developments had a significant impact on the global economic situation. Rising energy costs resulting from the conflict led to a noticeable change in global economic momentum. Coupled with marked inflation and stock market uncertainty, this continued to affect LUDWIG BECK's business performance in 2023.

During the first half of the year in particular, the bricks-and-mortar retail sector–especially the fashion industry–experienced the impact of a subdued consumer sentiment. In the third and fourth quarters, demand was hampered by an unusually hot and long summer. This led to a reduced demand for new fall and winter merchandise.

In the Christmas season, LUDWIG BECK faced additional challenges due to the snow chaos in Munich and subsequent rail strikes. For several days during the important Christmas season, all local and long-distance traffic was disrupted, and potential customers were prevented from visiting the city centre. These unforeseeable circumstances added to the economic strains that the company faced in 2023. The outlook for the coming year remains challenging as retailers must continuously respond to change and adapt to be successful.

7. NON-FINANCIAL PERFORMANCE INDICATORS

Employees

The professional qualification, intrinsic motivation, and advisory competence of our employees are a key prerequisite for LUDWIG BECK's business success. As intermediaries between our offer and our customers, their daily commitment is indispensable. While trends and products are subject to constant change, the people behind the LUDWIG BECK brand are a permanent asset of the company and constitute its true 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 considered more important. 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 a wide range of workshops for employees and cooperation with fitness partners for fitness trainings. Health management activities help to minimize absences and enhance general well-being at work.

The Executive Board would like to take this opportunity to thank all employees again for their relentless commitment and loyalty to LUDWIG BECK, even in these challenging times.

In 2023, LUDWIG BECK employed an average of 409 people (previous year: 389). The number of apprentices was 37 (previous year: 42). The weighted number of employees amounted to 284 (previous year: 266).

III Risk and Opportunity Report

RISK REPORT

Evaluation – a core mission

Long-term corporate success in a dynamic market can only be achieved by recognizing and engaging opportunities early on. This necessity is one of the fundamental entrepreneurial obligations.

The companies of the LUDWIG BECK Group are exposed to external and internal factors of influence that impact the business directly or indirectly. LUDWIG BECK classifies these potentials by quantitative and qualitative indicators. The management continually examines the identified risks and opportunities, considering that almost a third of LUDWIG BECK's customers are tourists. Locally insignificant risks become increasingly important from a trans-regional and global perspective. The same holds for opportunities.

For risk monitoring and evaluation, LUDWIG BECK has established the following risk categories:

Class A – significant risks: They include risks that, should they happen, would potentially endanger the company's existence. Diminishing or shifting these risks through controlling measures is only marginally possible – or not at all.

Class B – acceptable, yet relevant risks: Risks of this category either have a high damage potential and minor probability, or a high probability and minor damage potential.

Class C – non-relevant risks: Based on their extent of damage and probability, these risks can be classified as minor.

Constant evaluation enables the company to forestall and avert problems, and to utilize latent potentials to create value. Due to their size, DAX companies have personnel and technical resources to measure and evaluate opportunities and risks daily. LUDWIG BECK, however, relies on communication structures. To make the analytical process as efficient as possible, the Group's employees are in constant communication with the Executive Board that pursues an open-door policy. On a higher level, the Executive Board and Supervisory Board discuss potential risks and opportunities, consider solutions, and determine adequate sets of measures.

1. Risks from the environment

Macroeconomic risks (class B)
The combination of large stimulus packages, rescue packages for financial institutions and states in the Eurozone, and sinking tax receipts led to exceptional, historically high budget deficits and record levels of the national debt. Developments in some European countries have demonstrated how easily investor concerns regarding a country's public finances can spread into other countries. Furthermore, high levels of national debt can dampen economic growth in the long term, ultimately endangering monetary stability. Consumer sentiment may decline significantly if other issues gain priority.

Societal and socio-political risks (class B)
Global, socio-political risks also affect LUDWIG BECK. Political crises, currency slumps, wars, revolutions, and other societal upheavals in the countries of origin of refugees, as well as calls for boycotts can cause important target groups to stay away from Munich. A current example is the war in Ukraine.

With the influx of refugees into Europe and Germany, there is a growing danger of societal distortions due to failed or non-existent information and integration policies. The absence of clear signals from the government and a revival of radical currents could lead to an increasing polarization of German society, incidentally influencing economic circumstances and consumer climate. It is currently difficult to predict whether migrants can be integrated into social life and labour so that positive effects result for all. If this cannot be achieved in the long run, increasing exposure to the risk mentioned previously could be the consequence.

Risks due to epidemics and pandemics (class B)
A city as highly linked and open to tourism as Munich is susceptible to epidemics and pandemics. Not only can the possible risk of illness of employees and customers severely impair business activities, but the fears generated by the news, the information in the digital media, and rumours could also cause a drop in sales, particularly at the heavily frequented store at Marienplatz. The absence of daily visitors and tourists would cause an additional drawback for the flagship store, which is traditionally visited by many foreign customers. Finally, in the case of an escalating public perception of an epidemic or pandemic, the overall economic impact might also affect LUDWIG BECK. In particular, adverse effects on consumer behaviour, supply

shortages, or the official closure of stores could have a significantly negative effect on LUDWIG BECK's asset, financial, and earnings situation.

Risk of terrorism (class B)
Worldwide terrorist attacks are now part of everyday life in our society. Also, the city of Munich is not safe against them. The potential consequences of an attack on German society for the overall economic situation are difficult to assess. Not only real threats but also putative dangers may cause customers to avoid bustling places and centres of cities. The flagship store at Marienplatz could suffer, at least temporarily, from the absence of regular customers and tourists in case of an actual terror alert or immediately after a real terrorist attack someplace else. Because of the mere existence of this type of risk, an anxious population and people impelled to change their plans may become significant factors to consider.

Weather risk (class B)
Global climate change poses a fundamental risk for companies in the textile retail sector. Summers are too cold and wet, winters are too warm or turn into extreme cold spells. Temperatures are anti-cyclical, and the general weather situation is unpredictable. This uncertainty dampens consumers' propensity to buy. The familiar seasonal purchasing pattern is disrupted. For instance, a rainy summer adversely impacts the swimwear collection, whereas a warm winter reduces demand for winter goods like coats, gloves, and hats. The past business years are examples of a sequence of unpredictable weather situations that have negatively impacted the entire German fashion industry.

Accessibility risk (class B)
The central location of the flagship store at Marienplatz largely requires accessibility via the public transport system or by car. Work stoppages in the public sector, a breakdown in local public transport or major road works can hamper or even prevent the unobstructed transportation of customers to the city centre. This results in the risk of a drop in sales if it cannot be compensated in the following days. The accessibility risk also includes obstructions by public reconstruction work nearby, such as those that have been taking place at Marienplatz since 2017 in connection with the construction of the second S-Bahn tube. There is no end in sight here.

2. Sector 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 recognizes 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)
Altered consumer behaviour or a changing competitive situation in retail, triggered by the general economic situation, commercial framework conditions, and income trends, requires constant realignment of marketing concepts to meet the needs of customers in terms of product selection and service.

Corporate policy orientation is based on targeted market observation and analysis of the competitive situation, trends in consumer behaviour, as well as particular behavioural patterns of the relevant target groups. As a vendor of an exclusive product portfolio, LUDWIG BECK is a trendsetter and forerunner with the ability to influence the shopping behaviour of the target group to its benefit.

With precise positioning and strategy, LUDWIG BECK uses all opportunities resulting from this permanently changing market. High-quality service and depth of product ranges allow the company to benefit from niches in the specialist store segment.

Seasonality risks (class C)
Goods purchased much earlier than seasonal and sales peaks occur causes outflows of cash at times during which there are not necessarily corresponding sales revenue/inflows of liquid funds. These cash flow fluctuation risks are monitored and controlled through financial management using various cash management tools.

3. Economic performance risks

Supplier risks (class C)
As a textiles retail company, LUDWIG BECK is dependent on reliable external suppliers. This causes various risk factors, such as disruptions in the procurement of goods, breaches of quality, safety, and social standards, ethical doubts, or environmental abuse. LUDWIG BECK carefully selects its suppliers to ensure the products are high quality and in sufficient quantity. This is continuously checked. Due to a large number of cooperatives in place, there is no dependency on a single partner.

Logistics risks (Class B)
Any interruption of the chain of value creation at the level of product supply directly affects the availability of products that LUDWIG BECK offers. The broad spectrum of product selection is vulnerable to risks that may threaten inventory. This holds for the brick-and-mortar business as well as the online shop. For this reason, LUDWIG BECK diligently observes existing supply structures, especially in times of partial supply bottlenecks, and takes corrective action if necessary.

4. Financial risks

Financial risks (class B)
As a result of the European sovereign debt crisis, industry and trade may also face unforeseeable difficulties and restrictions in bank lending in the future. This could lead to liquidity constraints if the situation worsens, and the banking sector comes under pressure. The financial effects of the European Central Bank's interest rate policy in combination with rising inflation must also be seen as risks. The increased number of insolvencies of well-known companies is a heavy burden for the banks involved.

The LUDWIG BECK Group has a centralized risk management system to identify, measure, and control financial risks. A financial resource balancing system between the companies in the group reduces the volume of external financing. This in turn has a positive effect on LUDWIG BECK's interest result.

LUDWIG BECK’s open and up-to-date information policy and equal treatment of all lenders is the basis for the trust creditors have in the company and their willingness to provide credit lines. To minimize concentration risks, credit volume is distributed among several lenders. The company’s solid equity position, its current cash flows, and available bank loans are the basis of the company’s long-term financing. Interest risks are controlled by the mix of maturities and fixed and variable rate positions. To secure future capital requirements, financial management also regularly reviews alternative financing opportunities.

Bad debt risk (class C)
LUDWIG BECK is only exposed to bad debt risk to a minor extent. Credit card providers mainly bear the risks resulting from credit card payments. The monitoring of EC-card payments is outsourced to an external service provider. Risks in cash payment transactions are low due to implemented control mechanisms.

Liquidity risk (class C)
Liquidity risk is the result of insufficient available funds to meet financial obligations in time. LUDWIG BECK has such obligations, particularly for the repayment of financial liabilities. The LUDWIG BECK Group constantly monitors and plans its liquidity. The Group companies regularly have liquid funds available to meet their current payment obligations. Furthermore, short-term lines of credit and overdraft facilities can be called upon. These are based on solid financing. The Group has a strong operative cash flow, considerable liquid funds, and unutilised lines of credit. Because of the effects of the COVID-19 pandemic, operating cash flow was considerably negatively affected in recent years. To cushion the negative consequences of the pandemic and to secure liquidity, LUDWIG BECK AG secured a medium-term LfA loan. Forward-looking liquidity planning ensures LUDWIG BECK is always solvent.

5. Other risks

IT risks (class B)
IT risks mainly concern the requirement of no-fail availability of cash registers and computer systems, including the necessary IT network, as well as the integrity of data in connection with potential external attacks on IT systems. A combination of external and internal services guarantees the quality and security of processes in the field of data processing. Effective IT management ensures the company’s IT systems are permanently available and measures to protect the system from external attacks are taken.

Personnel risks (class B)
Employees are one of the decisive factors for success. In addition to creating a positive working environment, our human resources activities focus on in-company training and development, and the promotion of junior managers. The development of staff, in combination with the application of our management principles reduces the risk of personnel fluctuations and fundamentally ensures the high standard of qualification and service orientation of our employees.

However, the attractiveness of the retail sector has been reduced–especially due to the pandemic. Short-time work due to lockdown measures considerably affected stationary retail. Many businesses were forced to close or at least downsize due to a shift from stationary to online business. This has reduced the number of applicants in the entire sector and thus also at LUDWIG BECK.

LUDWIG BECK was an attractive employer during the pandemic and still is. For it to remain, staff remuneration has been adjusted to current market conditions. The constant expansion of company health management (BGM) is also a focus. A mobile working policy gives all employees with corresponding work areas the opportunity to achieve the best balance between work and free time/family within a "win-win situation."

Recruiting is becoming an even more important issue in human resources work. Not least due to various digitalization projects, successively higher resources are being mobilised for the effort to find the best talents.

There is also a continued strong focus on training and cross-functional development.

Legal and tax risks (class C)
LUDWIG BECK is exposed to legal and tax risks through possible breaches of legal provisions. Therefore, monitoring the current legal position, along with upcoming legislative amendments, is kept within the focus of the companies. The involvement of external advisors helps minimise this risk and regularly make necessary adjustments to the ever-changing legal environment.

To the best of the company's knowledge, it is not currently facing, nor expecting, legal proceedings or arbitration that might have an impact on the economic situation of LUDWIG BECK. As a result, no impact on business development is expected.

The company has sufficient insurance coverage for risks from damages and liability claims where requirements and conditions are subject to continual assessment both internally and externally.

Compliance risks (class C)
For an internationally active business, complying with a multitude of legal systems and regulations requires a high degree of attention and the integrity of employees in every position. Compliance risks can result from corruption when dealing with authorities, breaches of data protection rules, or non-observance of labour laws. To rule out infringements, LUDWIG BECK thoroughly educates its staff and ensures vigilant compliance awareness. To support and minimize risks, LUDWIG BECK has additionally appointed an external compliance officer.

6. Overall risk evaluation

Presently, the management of LUDWIG BECK considers the aforementioned risks to be generally controllable. At present, no risks that could endanger the continued existence of the company can be identified.

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

LUDWIG BECK bears all entrepreneurial risks concerning the company's core and supporting processes but only if they are controllable and the required effort contributes to the group's increase in value. This category includes strategic models, decisions about new areas of enterprise, or the purchasing and selling of products. Apart from this, LUDWIG BECK does not take risks.

The future effects of the wars in Ukraine and Gaza are currently difficult to assess. In addition to the absence of tourists from Russia, Ukraine, and other countries, the uncertainty could cause growing consumer restraint. In addition, the huge increase in inflation and the steep rise in interest rates have a negative impact on earnings.

OPPORTUNITIES REPORT

The new fiscal year offers LUDWIG BECK promising opportunities for a flourishing business development. The Group's property at Munich's Marienplatz, one of the most exclusive shopping locations in Europe, is an ideal basis for generating further sales growth.

In a changing retail landscape, customer loyalty programs are becoming increasingly important and offer companies a wide range of opportunities. LUDWIG BECK has successfully positioned itself with the LUDWIG BECK CARD, a customer loyalty program that enables customers to benefit from personal and attractive offers. This initiative not only considerably strengthens customer loyalty, but also increases LUDWIG BECK CARD holders' spending propensity. In addition to brick-and-mortar retail, LUDWIG BECK seizes the opportunities in the online sector and is constantly optimizing and developing its online shop for fashion and beauty.

Increasing consumer awareness of sustainable and ethical practices gives LUDWIG BECK the opportunity to differentiate itself as a pioneer from other textile retailers. The company is focusing on suppliers who attach particular importance to the origin and production of the products. For example, LUDWIG BECK sells products with the label "zum fairlieben" (to love fairly), which are characterized by their high fairness towards the environment, people, and animals. Several certificates, including the BSCI (Business Social Compliance Initiative) by amfori, ensure that these high standards are constantly monitored and complied with. Another important certificate is the BCI (Better Cotton Initiative), a non-profit initiative of environmental and human rights organizations and companies in the textile industry. The aim of the BCI is to ensure that 30% of global cotton production is from sustainable sources. LUDWIG BECK places strong emphasis on cooperation with certified producers.

In addition, LUDWIG BECK sees promising opportunities in the UEFA European Football Championship 2024, which will take place in Germany. Munich will be hosting six matches. The company expects positive effects from this event. Firstly, an increase in tourism is expected, which offers LUDWIG BECK the opportunity to address potential customers and present the attractiveness of its products. Secondly, the European Championship is renowned for its rousing atmosphere, which often boosts consumers' spending propensity. Therefore, the European Championship 2024 is not only a sporting event, but also an opportunity for the company to strengthen its presence in the retail market and benefit from the positive economic impact.

IV. Internal Control and Risk Management System

LUDWIG BECK has established a system of internal controls to secure proper accounting in compliance with legal requirements. Standardised guidelines and rules, as well as a clearly defined course of action, govern LUDWIG BECK's accounting procedures. To this effect, uniform accounting parameters and booking directions for various business transactions were established. Another control tool is the clear allocation of functions regarding various accounting processes. Accounting-relevant items are mainly recorded on an automated basis.

For group accounting purposes, all bookkeeping data of the consolidated companies can be assessed. To survey compliance with applicable rules, LUDWIG BECK relies on process-integrated monitoring systems. LUDWIG BECK divided these systems into ongoing automated control mechanisms, like separation of functions and restricted access to certain sets of books for unauthorized personnel, and controls integrated into work processes that are secured through automated bookings, permanently stored codes, automated booking procedures, and the recording of the entire sales process (cash register systems).

LUDWIG BECK's accounting-related risk management system is established in a way that the risks of misrepresentation, which mainly ensue from new business processes or amendments to legal provisions, are constantly monitored. These risks are contained by transferring decisions on accounting-related data resulting from unusual business transactions to the management level. Ongoing training about changes to the applicable accounting provisions is provided to management. External providers conduct up-to-date training in the basic principles described in the literature. In case of doubt, external consultants are called in to implement changes and integrate them into existing processes.

V. Forecast Report

CHANGING GLOBAL ECONOMY – GROWTH FORECASTS, POLITICAL INFLUENCES, AND CHALLENGES FOR GERMAN RETAIL & LUDWIG BECK

The global economy is expected to grow moderately in 2024. The International Monetary Fund (IMF) forecasts global economic growth of 2.9%. Meanwhile, the Organization for Economic Cooperation and Development (OECD) expects growth of 2.7%, and the European Central Bank (ECB) forecasts 3% growth. Despite this positive outlook, geopolitical conflicts, and restrictive monetary policies—characterized by high key interest rates—will dampen global economic growth and result in subdued development. There are regional differences, with stronger growth anticipated in the USA compared to China and Europe. China's economic development remains crucial importance, with a cooling economy posing a risk. Geopolitical events, such as the conflict between China and Taiwan or the war between Ukraine and Russia, contribute to uncertainty and may impair global economic growth. Wars, like the recent conflict in Gaza, threaten global trade and could slow it down. The 2024 elections in the United States, with the potential re-election of Donald Trump, may significantly impact international relations again. His protectionist trade policy could lead to renewed tensions and trade conflicts with important partners such as China and/or the EU.

The forecasts for 2024 are characterized by considerable uncertainties and imponderables. Themes like war, economic concerns, artificial intelligence (AI), and climate change will all influence the global economy.

In Germany, the gross domestic product (GDP) declined by 0.3% in 2023. However, the Institute for the World Economy (IfW) assumes that the situation will improve in 2024, with an expected growth of 0.9%, followed by 1.2% in 2025. This positive development is attributed to falling inflation. The inflation rate, which averaged 5.9% in 2023, is expected to decline to 2.3% in

2024 and 1.8% in 2025. An increase in private household income (1.8% in 2024 and 1% in 2025) will also positively impact the German economy, as higher wages and declining inflation will stimulate consumption.

The European Central Bank's (ECB) key interest rate remains unchanged at 4.5% for the time being. However, economists expect a first cut in the key interest rate within this year. Interest rates have been raised ten times and left unchanged twice. This could have a positive effect on consumer spending and investment and stimulate the German economy.

The year 2024 will therefore be another challenging time for the German retail sector.

LUDWIG BECK is cautiously optimistic about the upcoming fiscal year and continuously believes in the relevance of stationary retail. The company is planning further investments in the department store at Marienplatz in 2024 to create new fascinating shopping worlds through new designs and new brands. Despite challenging economic conditions, the management of LUDWIG BECK AG expects gross sales of between € 90m and € 93m and earnings before taxes (EBT) of between € 0.5m and € 1.8m for the 2024 fiscal year.

VI Supplementary Details

1. DISCLOSURES ACCORDING TO SECTION 315A (1) COMMERCIAL CODE (HGB)

Composition of 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)

Legal provisions and terms of the articles of association concerning the appointment and removal of members of the Executive Board as well as amendments to the articles of association

According to the Articles of Association and the relevant legal provisions, the Supervisory Board appoints and dismisses members of the Executive Board. The number of members is determined by the Supervisory Board. According to the resolution of the Annual General Meeting of June 3, 2019, the Executive Board consists of at least one person. Any amendment to the Articles of Association requires a resolution of the Annual General Meeting (Section 179 (1) Stock Corporation Act (AktG)).

According to 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. According to 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 according to Section 315a (1) Commercial Code (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 ACCORDING TO SECTION 289F AND 315D COMMERCIAL CODE (HGB)

The Declaration on Corporate Governance, according to § 289f HGB and § 315d HGB, has been made publicly available on the company's website in the section Corporate Governance under the menu item Declaration on Corporate Governance.

Munich, February 29, 2024

The Executive Board

Christian Greiner Jens Schott

4 Additional *Information*

Corporate Affidavit

"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 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 29, 2024

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 Aktiengesellschaft and its subsidiaries (the Group) – comprising the Consolidated Balance Sheet as per December 31, 2023, the Consolidated Statement of Comprehensive Income, the Consolidated Equity Statement and the Consolidated Cash Flow Statement for the Fiscal Year from January 1 to December 31, 2023 together with the Consolidated Notes, including a summary of significant accounting methods. Furthermore, we have audited the Consolidated Management Report of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft for the Fiscal Year from January 1 to December 31, 2023.

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, 2023 and the Group's earnings position for the Fiscal Year from January 1 to December 31, 2023 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 section 322 par. 3, sentence 1 Commercial Code (HGB) we declare that our audit has not revealed any grounds for objections against the regularity of the Consolidated Financial Statements or the Consolidated Management Report.

GROUNDS FOR OUR AUDIT OPINIONS

We conducted our audit of the Consolidated Financial Statements and the Consolidated Management Report pursuant to section 317 Commercial Code (HGB) and the EU Audit Regulations (No. 537/2014; hereinafter referred to as "EU AudReg") and with due regard to the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility according to these provisions and principles is set out in more detail in the "Responsibility of the auditor for the audit of the Consolidated Financial Statements and the Consolidated Management Report" section of our Auditor's Report. We are independent of the Group companies within the meaning of European and German provisions of commercial and professional law and have complied with our other professional duties under German law and the foregoing requirements. Furthermore, we declare in accordance with article 10 par. 2 lit. f) EU AudReg that we didn't render any prohibited non-audit services according to article 5 par. 1 EU AudReg. We believe that the audit evidence obtained forms a sufficient and appropriate basis for our audit opinions on the Consolidated Financial Statements and the Consolidated Management Report.

PARTICULARLY SIGNIFICANT FACTUAL MATTERS RELEVANT FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particularly significant factual matters relevant to the audit are factual matters that, at our reasonable discretion, have been the most important ones for the audit of the Consolidated Financial Statements for the Fiscal Year from January 1 to December 31, 2023. These factual matters were taken into consideration in connection with our audit of the overall Consolidated Financial Statements and the formation of our relevant audit opinion. We do not provide any separate opinion on these factual matters.

Revenue Recognition

Reasons for consideration as particularly significant factual matter: ISA [DE] 240 para 27 requires the auditor, in identifying and assessing risks of material misstatement due to fraud, to presume that risks of fraud exist in revenue recognition and to assess which types of revenue, revenue-generating transactions or statements give rise to such risks. According to ISA [EN] 240 para 28, the auditor has to treat the assessed risks of material misstatement due to fraud as significant risks.

Audit approach: Within the scope of our audit, we have assessed the design of the accounting-related internal controls in the area of sales/revenue from sales of goods and examined their effectiveness on a test basis. In particular, we have examined the interface between the cash register system and the financial accounting system and have understood the system for recording incoming payments and their reconciliation with the sales of goods. Furthermore, we reviewed the sales revenue accounts for possible manual sales revenue postings.

Due to LUDWIG BECK's business model, which involves the sale of merchandise against cash or card payment via a POS system connected to the financial accounting system, and the internal processes and controls established in the area of sales/revenue of goods, we do not consider the risk of material misstatement of revenue recognition to be significant after our audit. Our audit did not give rise to any objections with regard to revenue recognition.

Reference to pertinent information: The revenue recognition principles applied by LUDWIG BECK are described in the Notes to the Consolidated Financial Statements in section B. IV. 13. "Accounting principles and valuation methods - Revenue recognition". The internal control system is explained in section IV. "Internal Control and Risk Management System" of the Consolidated Management Report.

Valuation of merchandise

Reasons for consideration as particularly significant factual matter: Merchandise is accounted for at cost, reduced by discounts for age and slow-moving items (fashion risk, restrained consumer sentiment) as well as the cash discount granted. In our view, this valuation approach is a particularly important audit matter, as the measurement of these discounts requires discretionary decisions, estimates and assumptions with regard to the price reductions actually to be granted on the inventories in the following year as well as the sales costs that are expected to be incurred until the sale of the goods.

Audit approach: Within the scope of our audit we assessed the structuring of the accounting-related internal control system in the merchandise management area and valued its efficiency by random checking. Building on that, we retraced the deductions made using risk-oriented, selected samples for retrograde valuation. Furthermore, we reviewed the deductions for plausibility on the basis of the price reductions granted in the time after the reporting date.

Our audit activities did not give rise to any objections regarding the valuation of merchandise.

Reference to pertinent information: As regards the accounting principles applied by LUDWIG BECK to the reporting of merchandise we refer to “Accounting and valuation methods – inventories” in chapter B. IV. 6., and to “Explanations to individual items of the Consolidated Balance Sheet and the Consolidated Statement of Comprehensive Income – Consolidated Balance Sheet – inventories“ in chapter C. I. (3) of the Consolidated Notes.

OTHER INFORMATION

The legal representatives are responsible for the following other information we expect to be submitted to us after the date of our Auditor's Report:

- Corporate Governance Report according to Section F. of the German Corporate Governance Code,
- Group Statement on Corporate Governance pursuant section 315d par. 1 Commercial Code (HGB); LUDWIG BECK prepares a combined Declaration and Group Declaration on Corporate Governance, that according to section 315d sentence 2 together with section 289f par. 1 sentence 2 Commercial Code (HGB) will be published on the corporate website,
- Declaration according to sections 297 par. 2, sentence 4 and 315 par. 1, sentence 5 Commercial Code (HGB) and
- The remaining parts of the Annual Report for the Fiscal Year 2023 with the exception of the audited Consolidated Financial Statements, the Consolidated Management Report and our pertinent Auditor's Report.

The Supervisory Board is responsible for the following information we expect to be provided to us after the date of this Auditor's Report:

- Supervisory Board's Report.

Our audit opinions regarding the Consolidated Financial Statements and the Consolidated Management Report do not extend to other information. Accordingly, we neither give any audit opinion nor draw any other audit conclusion with regard thereto.

In the context of our audit, it is our responsibility to read the other information and to assess whether the other information

- contains significant inconsistencies regarding the Consolidated Financial Statements, the Consolidated Management Report or our audit findings or
- was otherwise gravely misrepresented.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the Consolidated Financial Statements in compliance 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 for ensuring that, with due regard to these provisions, they convey an accurate and fair picture of the Group's assets, financial and earnings situation. Furthermore, the legal representatives are answerable for the internal controls they consider essential in order to facilitate the preparation of the Consolidated Financial Statements free of significant misrepresentations due to fraudulent acts (i.e. manipulation of accounts and damage to property) or errors.

With regard to compiling the Consolidated Financial Statements, the legal representatives are also obligated to assess the Group's ability to continue as a going concern. The legal representatives are also requested to present factual matters that are relevant to the continuation as a going concern. Furthermore, it is their responsibility to base their accounting on the accounting principle of going concern unless they intend to liquidate the Group or discontinue operations or have no viable alternative.

The legal representatives are also responsible for ensuring that the Consolidated Management Report prepared by them basically conveys an accurate picture of the Group's situation, is consistent with the Consolidated Financial Statements in all major aspects, complies with the provisions of German law and correctly represents the opportunities and risks of future development. Furthermore, the legal representatives are answerable for all precautions and measures (systems) they consider essential in order to facilitate the preparation of the Consolidated Management Report in compliance with the applicable provisions of German law and to provide sufficient and appropriate evidence for the statements contained in the Consolidated Management Report.

The Supervisory Board is responsible for monitoring the Group's financial reporting process as applied to the preparation of the Consolidated Financial Statements and the Consolidated Management Report.

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

It is our objective to attain a sufficient level of assurance as to whether the Consolidated Financial Statements as a whole are free of misrepresentations due to fraudulent acts or errors and the Consolidated Management Report basically gives an accurate view of the Group's situation, is consistent with the Consolidated Financial Statements and the audit findings in all major aspects, complies with the provisions of German law and correctly represents the opportunities and risks of future development, and to provide an Auditor's Report that reflects our audit opinions concerning the Consolidated Financial Statements and the Consolidated Management Report.

Sufficient assurance means a high level of assurance, yet no guarantee that an audit carried out in accordance with section 317 Commercial Code (HGB) and EU AudReg, with due regard to the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW), will always detect significant misrepresentations. Misrepresentations may result from fraudulent acts or errors. They are considered significant if they can be reasonably expected to influence the economic decisions, individually or generally, taken by the recipients on the basis of these Consolidated Financial Statements and this Consolidated Management Report.

With regard to our audit we exercise due discretion and maintain a critical stance. Furthermore, we

- identify and assess the risks of significant misrepresentations due to fraudulent acts o errors in the Consolidated Financial Statements and the Consolidated Management Report, plan and carry out audit procedures in response to such risks and obtain audit evidence that is sufficient and appropriate to form the basis for our audit opinions. The risk of not detecting material misstatements resulting from fraud is higher than the risk of not detecting material misstatements resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misleading representations or override of internal controls.
- gain an understanding of the internal control systems relevant to the audit of the Consolidated Financial Statements and the precautions and measures relevant to the audit of the Consolidated Management Report in order to be able to plan audit actions that are appropriate under the given circumstances while at the same time refraining from giving an audit opinion on the efficiency of the company's systems.
- evaluate the appropriateness of the accounting processes applied by the legal representatives as well as the tenability of the estimated values and pertinent information provided by the legal representatives.
- draw conclusions on the adequateness of the accounting principle of going concern as applied by the legal representatives, as well as on the question as to whether, based on the audit evidence obtained, there is any significant uncertainty in connection with events or circumstances that give rise to reasonable doubt about the Group's ability to continue as a going concern. If we arrive at the conclusion that there is a significant uncertainty, we are obligated to draw attention to the pertinent information contained in the Consolidated Financial Statements and the Consolidated Management Report in our Auditor's Report, or if this information is inappropriate, to qualify our audit opinion. We draw our conclusions based on the audit evidence obtained until the date of our Auditor's Report. Future events or circumstances may, however, lead to a situation where the Group is no longer able to continue as a going concern.
- assess representation, layout and contents of the Consolidated Financial Statements as a whole including pertinent information, and evaluate whether the Consolidated Financial Statements reflect the transactions and events they are based on in a way that the Consolidated Financial Statements convey a fair and accurate picture of the Group's assets, financial and earnings situation, in compliance 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.
- obtain sufficient and appropriate audit evidence for the companies' accounting details and intergroup transactions in order to give audit opinions on the Consolidated Financial Statements and the Consolidated Management Report. We are responsible for the derivation, monitoring and performance of the audit of the Consolidated Financial Statements. We have sole responsibility for our audit opinions.
- evaluate the Consolidated Management Report's consistency with the Consolidated Financial Statements, its legality and the picture of the Group's situation it conveys.
- perform audit activities with regard to the future-oriented information given by the legal representatives in the Consolidated Management Report. On the basis of sufficient and appropriate audit evidence we particularly retrace the significant assumptions the legal representatives based their future-oriented information on, and evaluate the proper derivation of the future-oriented information from these basic assumptions. We do not give any separate audit opinion on this future-oriented

information or these basic assumptions. There is a considerable risk that future events may differ materially from this future-oriented information.

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 STATUTORY AND OTHER LEGAL 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 PAR. 3A HGB

Audit opinion

Pursuant to section 317 par. 3a HGB, we have performed an audit with a sufficient level of assurance as to whether the reproductions of the consolidated financial statements and the consolidated management report (hereinafter also referred to as "ESEF documents") contained in the attached file 5299008RI8NGQL3F3J12-2023-12-31-de.zip (hash value SHA256 ADF6C807AE0C6632613BCE78969D4B3640C5C0E9D50ACA6FA58028894964BA5B) and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 par. 1 HGB on the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only covers the conversion of the information in the consolidated financial statements and the consolidated management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the consolidated management report contained in the aforementioned file and prepared for the purpose of disclosure comply in all material respects with the electronic reporting format requirements of section 328 par. 1 HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying consolidated management report for the financial year from January 1 to December 31, 2023 contained in the preceding "Report on the audit of the consolidated financial statements and the consolidated management report", we do not express any audit opinion on the information contained in these reproductions or on the 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)].*

Responsibility of the legal representatives and the supervisory board for the ESEF documents

The legal representatives of the Company are responsible for the preparation of the ESEF documents with the electronic 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 Responsibility 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 appointed as auditors by the Annual General Meeting held on May 9, 2023. We were engaged by the Supervisory Board on January 19, 2024. We have acted as auditors for the Consolidated Financial Statements of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft, Munich, since the Fiscal Year 2009 without interruptions.

We declare that the audit opinions contained in our Auditor’s Report are consistent with the Supplementary Report to the Supervisory Board pursuant to article 11 EU AudReg (Auditor’s Report).

We have not performed any services, other than those disclosed in the consolidated financial statements or the group management report of the audited entity, in addition to the audit of the financial statements of the audited entity or the entities controlled by it.

OTHER MATTERS - 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 Ms. Claudia Weinhold.

Munich, March 19, 2024

BTU TREUHAND GmbH

Wirtschaftsprüfungsgesellschaft

sign Clemens Dornseifer

Public Auditor

sign Claudia Weinhold

Public Auditor

Financial Calendar

Publication of the Annual Report 2023	**March 21, 2024**
Analyst Conference for the Annual Report 2023 (virtual, Munich)	**March 22, 2024**
Interim Notification for the First Quarter 2024	**April 18, 2024**
Annual General Meeting 2024 (virtual, Munich)	**May 15, 2024**
Interim Report for the Second Quarter and the Six Months 2024	**July 18, 2024**
Interim Notification for the Third Quarter and the Nine Months 2024	**October 17, 2024**

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.