

ANNUAL REPORT

2025

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1 TO OUR

Shareholders

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

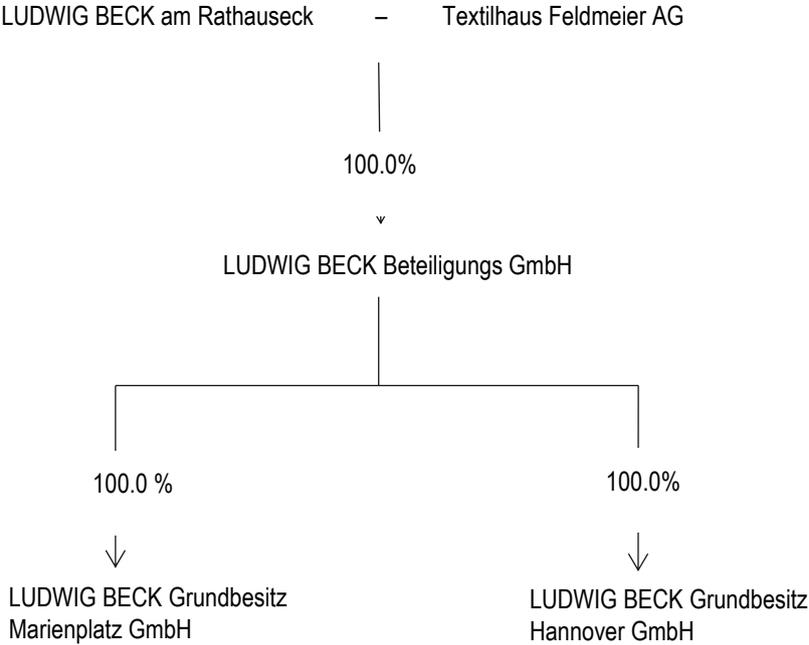
STYLE HAS A HOME.

LUDWIG BECK

Group key figures

		2025	2024	2023	2022	2021
		(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)	(IFRS/IAS)
Result						
Sales (gross)	€m	88.0	87.2	86.5	83.8	66.0
Value added tax	€m	14.0	13.9	13.8	13.4	10.6
Sales (net)	€m	74.0	73.3	72.7	70.4	55.4
	%	100.0	100.0	100.0	100.0	100.0
Gross profit	€m	36.0	35.5	35.3	35.0	25.4
	%	48.6	48.5	48.5	49.8	45.8
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	€m	10.2	10.2	9.9	11.3	13.0
	%	13.8	13.9	13.7	16.0	23.5
Earnings before interest and taxes (EBIT)	€m	3.5	3.4	3.1	4.9	6.7
	%	4.8	4.7	4.3	7.0	12.0
Earnings before taxes (EBT)	€m	0.6	0.5	0.6	2.8	4.3
	%	0.8	0.7	0.8	4.0	7.8
Consolidated net profit	€m	0.1	-2.9	0.4	2.2	3.6
	%	0.2	-3.9	0.6	3.2	6.6
Balance sheet						
Equity	€m	61.9	61.8	65.5	65.3	63.0
Equity ratio	%	38.5	37.5	38.5	38.8	37.4
Return on equity before taxes	%	1.0%	0.8%	0.9%	4.3%	6.9%
Investments	€m	2.0	2.0	3.2	2.4	3.0
Balance sheet total	€m	160.8	164.7	169.8	168.6	168.2
Personnel						
Employees (average)	People	411	412	409	389	373
Employees (weighted, average)	People	265	268	269	266	255
Personnel expenses	€m	16.4	16.6	16.8	15.8	13.2
	%	22.2	22.6	23.1	22.5	23.8
Net sales per employee (weighted, average)	€k	279.2	273.6	270.3	264.6	217.3
Share						
Number of shares	m.	3.70	3.70	3.70	3.70	3.70
Earnings per share undiluted and diluted	€	0.03	-0.78	0.12	0.60	0.98
Dividend	€	0.00	0.00	0.15	0.00	0.00
Other details (as of December 31)						
Sales area	sqm	12,415	12,415	12,415	12,415	12,415
Gross sales per square metre	€/sqm	7,089	7,028	6,971	6,753	5,312

Corporate structure



LUDWIG BECK Executive Board

CHRISTIAN GREINER

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

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

JENS SCHOTT

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

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



From the left: Christian Greiner, Jens Schott

PERSONAL THANKS

The Executive Board of LUDWIG BECK would like to thank all employees, customers, and business partners of the Group for their commitment and trust they placed in the company in 2025.

In dialogue

REVIEW OF A CHALLENGING FINANCIAL YEAR

The past financial year was once again not an easy one for brick-and-mortar fashion retailers. What is your overall conclusion?

Executive Board: Without a doubt, it was a very challenging year. We were operating in a tense environment with subdued consumption, sharply rising costs, and ever-changing customer needs. At the same time, however, we are also seeing some positive signs, particularly the return of international visitors to Munich and an increasing footfall in the city centre in the second half of the year.

Which challenges have had a particularly strong impact on your house?

Executive Board: At the top of the list are the increases in costs, which have been significant across all areas. These burdens can only be partially passed on to customers, as price sensitivity has risen noticeably.

Has purchasing behaviour of your customers changed?

Executive Board: Definitely. Customers are more conscious in their purchase decisions, comparing more and deciding more quickly. Spontaneous purchases have become less common. At the same time, customers now expect a shopping experience that goes beyond the mere product – advice, quality of the in-store experience, and a clear brand position are more important than they were a few years ago.

What is the role of online retail in this context?

Executive Board: Online retail is no longer competition, but an integral part of our business model. The challenge is to intelligently integrate brick-and-mortar retail with digital offerings. For us, our digital customer card is not an experiment anymore, but a standard that customers expect.

Everyone is talking about the skilled labour shortage. Do you feel it too?

Executive Board: Very strongly. Recruiting and retaining qualified sales staff is one of our biggest challenges. At the same time, we are investing strategically in training and development and aiming to make the fashion retail profession more attractive – with more flexible working hours, clearly defined career prospects, and a respectful and appreciative corporate culture. The company is implementing all necessary steps to ensure the qualification and development of its employees are at high standards.

Sustainability is another key issue in the fashion industry. How are you dealing with this?

Executive Board: Sustainability is not a trend, but a fundamental attitude. Our customers are asking more and more about origin, materials, and production conditions of our products. This also poses challenges, for example in terms of product assortment and cooperation with brand partners. Transparency and credibility, therefore, are crucial here.

What is your outlook for the new financial year?

Executive Board: Realistic, but optimistic. The general conditions will remain challenging, but there are opportunities in the continued revitalisation of the city centre, tourism, and the strength of our Munich-based location. In addition, LUDWIG BECK celebrates its 165th anniversary in 2026 and will have the opportunity to attract customers with exciting events and promotions. Flexibility and responsiveness to the needs of our customers remain key.

Thank you very much for the interview.

Report of the Supervisory Board

The Supervisory Board of LUDWIG BECK AG has been composed since the Annual General Meeting on May 9, 2023, of the shareholders' representatives

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

and the two employee representatives

Michael Eckhoff
Martin Paustian.

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

In the 2025 reporting year, the Supervisory Board again dealt intensively and thoroughly with the Group's development and strategic objectives. It exercised its advisory, controlling, and monitoring function vis-à-vis the Executive Board very conscientiously and with the utmost care. In six meetings, the Supervisory Board discussed and advised the Executive Board on issues relating to corporate governance and planning, the risk situation, and risk management. Another topic was the resolution passed at the Annual General Meeting on May 22, 2025, regarding the appointment of a special auditor, which has since been challenged by a shareholder.

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

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

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

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

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

The Supervisory Board and the Executive Board were also in constant dialogue about the assessment of the company's opportunities and risks. In particular, the Executive Board informed the Supervisory Board about potential or actual risk scenarios, and solutions were developed in joint consultations. In addition, opportunities and options that serve the company's objectives and support successful business development were considered and discussed. Finally, the Executive Board and Supervisory Board also discussed the special audit, in particular the related challenge proceedings and the question of whether to issue an audit mandate to the (possibly invalidly) appointed special auditor.

The Executive Board and the Supervisory Board also discussed the factors that had a demonstrable impact on consumer sentiment, such as the national and international political situation, high inflation, erratic weather conditions, and the reachability of Munich Marienplatz. Overall, there has been a change in consumer behaviour, which demonstrably has a strong impact on the retail sector in particular.

In addition to the members of the Supervisory Board, the chairman of the Supervisory Board, in particular, was in constant and intensive communication with the Executive Board. He was kept fully informed by the Executive Board about current business developments in both brick-and-mortar retail and online operations. This communication took place in writing, by telephone, and regularly on site. The chairman of the Supervisory Board was thus able to gain an all-encompassing picture, which was supplemented by site visits and discussions with employees. In addition, the chairman of the Supervisory Board was always reachable to the Executive Board.

Both the Executive Board and the Supervisory Board consider investments to secure the company's location and competitiveness to be essential for its successful future. As in 2024, minor renovations and changes were carried out in 2025. These included a facelift of the third floor and various changes in the beauty area with the introduction of new, exclusive brands. These measures are intended to ensure the company's attractiveness to both long-standing customers and tourists. The investments were approved beforehand by the Supervisory Board as part of the planning process.

There were no changes to the Executive Board of LUDWIG BECK AG in the 2025 financial year.

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

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

SIX MEETINGS IN 2025

Four ordinary meetings and two extraordinary meetings of the Supervisory Board were held in the 2025 reporting year. All acting members of the Supervisory Board and the members of the Executive Board attended the meetings. If necessary or appropriate, the Supervisory Board met without the Executive Board. The meetings of the Supervisory Board took place in person at the premises on Munich Marienplatz, in some cases with guests in attendance. A video conference was convened for each of the two extraordinary meetings. Each ordinary meeting included an agenda item on the report from the committees.

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 addressed at short notice in telephone calls with individual members of the Supervisory Board, in particular the chairman of the Supervisory Board. The discussions also covered the challenged General Meeting resolution on the appointment of a special auditor.

The auditor participated in the balance sheet meeting in accordance with § 171 (1) AktG (German Stock Corporation Act) on March 27, 2025. The annual financial statements prepared by the Executive Board and the consolidated financial statements were unanimously approved at this meeting. The annual financial statements of LUDWIG BECK AG are thus adopted.

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

Furthermore, the proposed resolutions on the agenda items of the Annual General Meeting on May 22, 2025, were adopted. The items "Appropriation of net profit" and "Election of the auditor" were discussed in detail.

Other items on the agenda at this meeting included compliance, the Supervisory Board's regular self-evaluation, and the simplification of the Group structure that was now possible. Due to the difficult industry situation, the sustainable securing of financing was also discussed.

The declaration of conformity with the Deutscher Corporate Governance Kodex was also adopted at this meeting.

On April 24, 2025, an extraordinary meeting of the Supervisory Board was convened at short notice. The topic was a letter from shareholder Karl-Walter Freitag and affiliated companies, in which he requested that two additional items be added to the agenda of the Annual General Meeting. The Supervisory Board decided to issue a statement on the two new items on the agenda of the Annual General Meeting together with the Executive Board.

The entire Supervisory Board attends the Annual General Meeting on site.

Following the virtual Annual General Meeting on May 22, 2025, an ordinary meeting of the Supervisory Board took place, during which the Annual General Meeting was reviewed and questions about the current fiscal year were discussed.

As a result of the challenged resolution of the Annual General Meeting on the appointment of a special auditor, the Supervisory Board held again an extraordinary meeting via video conference on June 12. At the meeting, the further course of action was discussed.

On September 12, 2025, a regular meeting of the Supervisory Board took place. In addition to the ongoing financial year, the financing of the Group was discussed. At this meeting, the Supervisory Board also approved the new, significantly leaner Group structure.

The last meeting of 2025 took place on December 18. At this meeting, the business development in the fourth quarter was discussed. The corporate planning for the 2026 financial year presented by the Executive Board was also discussed and approved. The Executive Board provided an update on financing. The appointment of a special auditor, which had been decided by the Annual General Meeting and was subsequently challenged, was also a topic of discussion at this meeting.

The Annual General Meeting 2025 has been scheduled for May 28, 2026, will be held in virtual form.

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

No conflicts of interest arose in the 2025 reporting year.

AUDIT COMMITTEE

The Supervisory Board has formed two committees, one of which is the Audit Committee. In the 2025 reporting year, the Audit Committee consisted of the members Clarissa Käfer (Committee Chairwoman), Dr Bruno Sälzer and Sebastian Hejnal. The Audit Committee met five times during the financial year. All members attended all Audit Committee meetings.

The chairwoman of the committee held six additional meetings with the auditors for the audit of the 2024 and 2025 annual financial statements. In addition, one further meeting was held with the auditors and committee members during the financial year to review the 2024 annual financial statements.

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

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

The auditor attended the Supervisory Board's meeting to approve the annual financial statements for the 2024 financial year in March 2025.

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

The Audit Committee made a recommendation for the Supervisory Board's proposal to the Annual General Meeting regarding the election of the auditor for the financial year ending December 31, 2025. The committee issued the audit mandate to the auditor and defined the focal points of the audit for the reporting year. The members dealt with the new accounting and reporting regulations, in particular with regard to sustainability.

MANAGEMENT AND PERSONNEL COMMITTEE

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

One meeting of the Management and Personnel Committee was held in 2025. The subject of this meeting was the extension of the contract of Christian Greiner. All members of the committee attended the meeting. In addition, the members of the committee were in regular contact with each other.

DEUTSCHER CORPORATE GOVERNANCE KODEX AND STATEMENT ON CORPORATE GOVERNANCE

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

On March 10, 2026, the statement on corporate governance was issued and an updated declaration of conformity with the Deutscher Corporate Governance Kodex pursuant to § 161 AktG (German Stock Corporation Act) was made publicly available on the company's website by the Executive Board and Supervisory Board.

CONSOLIDATED FINANCIAL STATEMENTS AND ANNUAL FINANCIAL STATEMENTS

The annual financial statements and the consolidated financial statements as of December 31, 2025, as well as the management report and the Group management report, including the accounting records, have been audited by the appointed auditor Rödl & Partner Audit GmbH Wirtschaftsprüfungsgesellschaft and have issued with an unqualified audit opinion.

All members of the Supervisory Board received all financial statements and audit reports in due time prior to the Supervisory Board's balance sheet meeting on March 20, 2026, and reviewed them carefully. The results of the audit were discussed in detail with the auditor by the Audit Committee and the entire Supervisory Board.

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

The Supervisory Board approved the results of the audit by the auditor at its meeting on March 20, 2026. Based on the final results of its own review, there were no objections to the annual financial statements, the consolidated financial statements, the management report, and the Group management report.

The Supervisory Board unanimously approved the 2025 annual financial statements of LUDWIG BECK AG prepared by the Executive Board; the annual financial statements are thus adopted. It also approved the 2025 consolidated financial statements.

PERSONAL THANKS

The Supervisory Board would like to thank the Executive Board, the Works Council, and all employees of LUDWIG BECK AG for their great personal commitment, motivation, and daily collective efforts toward the common goal of maintaining LUDWIG BECK's continued success. The Supervisory Board would also like to express its gratitude for the trust placed in it.

The Supervisory Board would also like to thank LUDWIG BECK's customers for their loyalty and appreciation of the company's uniqueness. Last but not least, we would like to thank all our business partners for their good and trusting cooperation with the company. Without this, the success of the company would not be possible.

Munich, March 2026

Dr Bruno Sälzer

Chairman of the Supervisory Board

Share

THE STOCK MARKET YEAR 2025

During the 2025 calendar year, the global economy was heavily influenced by trade tensions. The new US administration adopted a more protectionist economic policy involving the introduction and extension of higher import tariffs on goods from the European Union, China, and other trading partners. This initially led to temporary pull-forward effects in international trade in the first half of 2025, as companies sought to complete deliveries ahead of the new customs regulations taking effect. Nevertheless, exports to the United States declined noticeably during the year, exerting additional pressure on Germany's export-oriented key industries to adapt, particularly in the mechanical engineering and automotive sectors. Despite the geopolitical challenges, the overall economy in Germany stabilised in the 2025 reporting year after two years of economic weakness and declining output. According to preliminary calculations from the Federal Statistical Office, real gross domestic product was up around 0.2 % in 2025. The macroeconomic stabilisation was supported by a moderately relaxed situation on the energy markets and a continuing slowdown in inflation.

Stabilisation in the labour market, on the other hand, was only gradual and varied across sectors. While employment stagnated after reaching a peak in the year before, both the number of unemployed people in Germany and the unemployment rate rose in 2025 compared with the previous year. This development reflects the typically delayed response of the labour market to economic turning points and structural adjustments in individual industries.

The inflation rate continued to decline over the course of 2025, nearing the European Central Bank's (ECB) medium-term target, which it still slightly exceeded. Forecasts estimate an average inflation rate of around 2.2 % for the overall year, which provided slight relief for both private households and companies. Against this backdrop, the ECB signalled a wait-and-see position at several policy meetings and kept key interest rates largely unchanged to limit the risk of a renewed upturn in inflation.

Supported by expectations of a gradual economic recovery and the prospect of a medium-term normalisation of monetary and fiscal policies, cautious optimism prevailed on the international financial markets in 2025 – similar to the previous year. The German benchmark index DAX posted gains over the course of the year, indicating a sustained, albeit selective, willingness of investors to take risks in anticipation of improved macroeconomic conditions.

Overall, 2025 marked the transition from a recession to moderate growth. Nevertheless, the economic development continues to be shaped by structural challenges – such as industrial transformation and demographic change –, geopolitical risks, and increasing fragmentation in the global economy.

THE LUDWIG BECK SHARE

Share data	
ISIN	DE0005199905
WKN	519990
Ticker symbol	ECK
Industry	Retail trade
Segment	Prime Standard
Number of shares	3,695,000
Market capitalisation as at December 31, 2025	€ 44.3m
Trading centres	Frankfurt/M., Stuttgart, München, Düsseldorf, Berlin/Bremen, Hamburg, XETRA
Price year-end (12/30/2025)	€ 12.00
Price high (04/08/2025)	€ 18.60
Price low (03/14/2025)	€ 11.60
Designated Sponsor	DZ Bank

LUDWIG BECK shares on a downward trend

The LUDWIG BECK AG shares started the 2025 trading year at a XETRA price of € 14.40. The annual high was reached on April 8, 2025, at € 18.60, while the annual low was recorded on March 14, 2025, at € 13.70. The XETRA closing price on December 30, 2025, was € 12.00, which corresponded to a market capitalisation of € 44.3m and, based on the reporting period, a share price performance of -16.7 %.

Overall, the share price performance in 2025 represents a slight stabilisation of the trend from the previous year, which, however, still needs to be viewed in the context of the structural challenges facing the German textile retail sector, including changes in consumer behaviour, competition from pure online retailers and continued cost inflation. These fundamental negative factors continued to have a dampening effect on the share price, even though the trend was less downward than in 2024.

Earnings per share

The LUDWIG BECK share closed the year 2025 with positive earnings per share of € 0.03 (previous year: € -0.78).

Dividend

For the financial year 2025, net profits of € 508k are reported. At the Annual General Meeting in May 2026, the Executive Board and Supervisory Board will propose that the net profit be allocated to other retained earnings.

Shareholder structure (direct and indirect holdings)

According to the latest reports, the shareholder structure (direct and indirect holdings) of LUDWIG BECK AG is as follow:

- Christian Rudolf Greiner Verwaltungs GmbH	25.7 % (direct)
- Mr Christian Greiner	26.3 % (direct & indirect)
- INTRO Verwaltungs GmbH	25,2 % (direct)
- Mr Hans Rudolf Wöhrl	25.2 % (indirect)
- BG Heppenheim Grundstücks GmbH	24.0 % (direct)
- Mr Alfons Doblinger	25.0 % (direct & indirect)
- OST-WEST Beteiligungs- und Grundstücksverwaltungs-AG	5.0 % (direct)
- Rheintex Verwaltungs AG	3.0 % (direct)

As voting rights are only reported when certain thresholds are reached, the company's free float can only as an be given as an estimate. This is therefore 15.5 %.

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.

Die 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 financial 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 2026 can be found on page 69 of this annual report and on the internet in the Investor Relations / Corporate Events / Financial Calendar section.

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Consolidated Balance Sheet

Consolidated balance sheet of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, as of December 31, 2025, in accordance with IASB provisions

Assets		12/31/2025	12/31/2024
	Notes	€k	€k
A. Long-term assets			
I. Intangible assets	(1)	4,760	4,898
II. Property, plant, and equipment	(1)	137,130	139,419
III. Investment property	(2)	2,954	3,002
IV. Other assets	(3)	143	143
V. Deferred taxes	(11)	766	917
Total long-term assets		145,755	148,379
B. Short-term assets			
I. Inventories	(4)	11,692	12,757
II. Receivables and other assets	(5)	2,935	3,011
III. Cash and cash equivalents	(6)	391	596
Total short-term assets		15,018	16,364
		160,773	164,743
Liabilities			
	Notes	€k	€k
A. Equity capital			
I. Subscribed capital	(7)	9,446	9,446
II. Capital reserves	(7)	3,459	3,459
III. Accumulated profit	(7)	49,604	49,485
IV. Other equity components	(7)	-597	-617
Total equity		61,912	61,773
B. Long-term liabilities			
I. Financial liabilities	(10)	71,050	74,167
II. Provisions	(9)	2,436	2,520
III. Deferred taxes	(11)	216	327
Total long-term liabilities		73,702	77,014
C. Short-term liabilities			
I. Financial liabilities	(10)	17,667	19,883
II. Trade liabilities	(10)	1,552	1,609
III. Tax liabilities	(10)	665	16
IV. Other liabilities	(10)	5,276	4,448
Total short-term liabilities		25,160	25,956
Total debt (B. – C.)		98,861	102,970
		160,773	164,743

Consolidated Statement of Comprehensive Income

Consolidated statement of comprehensive income of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2025, to December 31, 2025, in accordance with IASB provisions

	Notes	01/01/2025 – 12/31/2025		01/01/2024 – 12/31/2024	
		€k	€k	€k	€k
1. Sales revenue	(12)				
- Gross sales		88,006		87,248	
- Less value added tax		14,009		13,935	
- Net sales			73,997		73,312
2. Other own work capitalised	(13)		116		467
3. Other operating income	(14)		4,513		4,470
			78,626		78,249
4. Cost of materials	(15)	38,037		37,781	
5. Personnel expenses	(16)	16,406		16,600	
6. Depreciation and amortisation	(17)	6,638		6,766	
7. Other operating expenses	(18)	14,002	75,081	13,656	74,803
8. Earnings before interest and taxes (EBIT)			3,545		3,446
9. Financial result	(19)		-2,941		-2,938
- thereof financing expenses: € 3,013k (previous year: € 3,004k)					
10. Earnings before taxes (EBT)			604		508
11. Income taxes	(20)		484		3,379
12. Earnings after taxes (EAT)			119		-2,871
13. Income and expenses recognised directly in equity	(21)				
13a. Components that cannot be reclassified to the income statement					
Actuarial gains/losses from pension commitments (+/-)			79		24
13b. Deferred taxes on expenses (+) and income (-) recognised directly in equity			-59		-8
Total income and expenses recognised directly in equity			20		16
14. Total comprehensive income			139		-2,855
Diluted and undiluted earnings per share in €	(22)		0.03		-0.78
Average number of shares outstanding in thousands			3,695		3,695

Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2025, to December 31, 2025

	Subscribed capital	Capital reserve	Accumulated profit	Other equity components ^{*)}	Total
Notes	(7)	(7)	(7)	(7)	
	€k	€k	€k	€k	€k
As per 01/01/2025	9,446	3,459	49,485	-617	61,773
Consolidated net income	0	0	119	0	119
Change in income and expenses recognised directly in consolidated shareholders' equity	0	0	0	20	20
As per 12/31/2025	9,446	3,459	49,604	-597	61,912

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

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

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

Consolidated Cash Flow Statement

Consolidated cash flow statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period from January 1, 2025, to December 31, 2025, in accordance with IASB provisions

Notes	01/01/2025 – 12/31/2025	01/01/2024 – 12/31/2024
	(Section E) €k	(Section E) €k
Earnings before income taxes	604	508
Adjustments for:		
- Depreciation and amortisation	6,638	6,766
- Interest income	-72	-66
- Interest expenses	3,013	3,004
- Gains/losses from the disposal of fixed assets (-/+)	5	-40
Operating result before changes in net working capital	10,188	10,172
<i>Increase/decrease (-/+) in assets:</i>		
Inventories	1,065	-367
Trade receivables	173	184
Other assets	-387	-165
<i>Increase/decrease (+/-) in liabilities:</i>		
Trade liabilities	-57	523
Other liabilities	828	41
<i>Increase/decrease (+/-) in accruals:</i>		
Accruals	-5	71
Cash flow from operating activities (before interest and tax payments)	11,803	10,460
Interest paid	-2,928	-2,918
Interest received	0	3
Payments to other shareholders	0	-271
Income taxes paid	-6	-409
A. Cash flow from operating activities	8,869	6,865
Proceeds from the disposal of fixed assets	10	43
Payments for investments in intangible assets and property, plant, and equipment	-2,005	-2,003
B. Cash flow from investing activities	-1,995	-1,960
Dividend payments	0	-554
Increase of financial liabilities	15,000	12,407
Repayment of financial liabilities	-18,734	-13,407
Repayment of other loans	0	-20
Repayment of lease liabilities	-3,346	-3,164
C. Cash flow from financing activities	-7,080	-4,738
Cash-effective change in cash and cash equivalents (A. + B. + C.)	-205	167
Cash and cash equivalents at the beginning of the period	596	429
Cash and cash equivalents at the end of the period	391	596

Notes to the Consolidated Financial Statements

Notes to the IFRS consolidated financial statements for the financial year 2025 of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich

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A. GENERAL INFORMATION

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

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

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

The consolidated financial statements of LUDWIG BECK AG as of December 31, 2025, have been prepared in accordance with the International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS), as applicable in the EU, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) / Standing Interpretations Committee (SIC). All the aforementioned standards and interpretations that are mandatory for the 2025 financial year were complied with. The consolidated financial statements are supplemented by certain disclosures and the consolidated management report in conjunction with § 315e HGB.

The consolidated balance sheet of LUDWIG BECK AG was prepared as of December 31, 2025, and December 31, 2024. The relevant consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes to the consolidated financial statements cover the periods from January 1, 2025, to December 31, 2025, and from January 1, 2024, to December 31, 2024. The balance sheet dates of the consolidated companies are identical.

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

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

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

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

The consolidated financial statements will be submitted to the Supervisory Board for approval at its meeting on March 20, 2026. The Executive Board will afterward release the consolidated financial statements for publication. The Annual General Meeting cannot change the consolidated financial statements approved by the Supervisory Board.

B. ACCOUNTING AND CONSOLIDATION PRINCIPLES

I. Consolidated Group

In addition to the parent company, the following subsidiaries, all domiciled in Germany, are included in the consolidated financial statements as of December 31, 2025:

Name	Shareholding quota (also voting rights quota)	Previous year
Ludwig Beck Beteiligungs GmbH	100.0 %	100.0 %
Ludwig Beck Verwaltungs GmbH (until 01/31/2025)	0.0 %	86.0 %
Ludwig Beck Grundbesitz Marienplatz GmbH (until 12/31/2024) Feldmeier GmbH & Co. Betriebs KG)	100.0 %	85.9 %
Feldmeier GmbH (until 12/31/2024)	0.0 %	100.0 %
Ludwig Beck Grundbesitz Hannover GmbH	100.0 %	100.0 %

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

To simplify the group structure, Feldmeier GmbH was merged with Ludwig Beck Beteiligungs GmbH on January 1, 2025, by a merger agreement dated May 8, 2025, in fulfilment of the bequest of the other shareholder (limited partner) of the former Feldmeier GmbH & Co. Betriebs KG in the 2025 financial year.

Subsequently, Feldmeier GmbH & Co. Betriebs KG was transformed into Ludwig Beck Grundbesitz Marienplatz GmbH on January 1, 2025, by means of a change of legal form agreement dated July 17, 2025.

Finally, Ludwig Beck Verwaltungs GmbH, which acted as general partner of the former Feldmeier GmbH & Co. Betriebs KG, was merged with Ludwig Beck Beteiligungs GmbH on January 31, 2025, by merger agreement dated September 11, 2025. The corporate transactions described above have no impact on the comparability of the previous year's figures.

II. Consolidation methods

1. Capital consolidation

Capital consolidation of fully consolidated companies is carried out using the purchase method. The acquisition costs of the investment are offset against the pro rata equity of the fully consolidated company at the time of acquisition.

The capital consolidation of the former Feldmeier GmbH & Co. Betriebs KG (new: Ludwig Beck Grundbesitz Marienplatz GmbH) was carried out at the time of acquisition and for the remaining subsidiaries and second-tier subsidiaries at the time of foundation or acquisition of the companies.

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

In the consolidated financial statements, capital from other shareholders (limited partners) in Feldmeier GmbH & Co. Betriebs KG was reported in accordance with IAS 32 and IAS 1 until December 31, 2024. As of January 1, 2025, there are no longer any minority interest.

No differences arose from the capital consolidations, as each case involved the acquisition of a group of assets and not a business operation.

2. Consolidation of receivables and liabilities

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

3. Consolidation of income and expenses

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

4. Elimination of intercompany profits

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

III. Principles of currency translation

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

Foreign currency transactions are generally recognised at the exchange rate on the date of the transaction accordance with IAS 21.

Receivables and liabilities in foreign currencies are measured at the closing rates on the Group's balance sheet date. There are no hedging transactions for foreign currencies.

The reporting and functional currency is euros (€k).

IV. Accounting and valuation methods

1. General

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

2. Changes in accounting policies and disclosures

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

After careful examination, the following interpretations and standards, which were mandatory for companies for the first time in the financial year beginning January 1, 2025, had no impact on the consolidated financial statements of LUDWIG BECK.:

- Amendments to IAS 21: Lack of exchangeability

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

- Amendments to IFRS 7 and IFRS 9: Nature-dependent electricity contracts (from January 1, 2026)
- Amendments to IFRS 7 and IFRS 9: Classification and measurement of financial instruments (from January 1, 2026)
- Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10: Annual improvements to IFRS Accounting Standards - Volume 11 (expected from January 1, 2026)
- IFRS 18: Presentation and disclosure in financial statements (from January 1, 2027)
- IFRS 19: Subsidiaries without public accountability: disclosures (expected from January 1, 2027)
- Amendments to IFRS 19: Subsidiaries without public accountability: disclosures (expected from January 1, 2027)

The aforementioned changes may require adjustments to our accounting and valuation methods. The review of the effects of these future changes has not yet been completed.

3. Intangible assets

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

Software, industrial property rights, and similar rights

These are licences and purchases or adaptations of user software, which are amortised over the expected useful life of 3 years, or up to 10 years for essential software programs.

Brand name "LUDWIG BECK"

The brand name "LUDWIG BECK" (€ 2,039k) is reported under "Intangible assets" as it is an identified brand name in accordance with IAS 38. In applying this standard, scheduled amortisation of the brand name was discontinued as of January 1, 2004, as this right is not consumed over time (indefinite useful life). For information on the impairment test performed, please refer to section C.I. (1). According to this, no impairment of the brand name was to be recognised as of December 31, 2025.

4. Property, plant, and equipment

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

The main item here is the property of Ludwig Beck Grundbesitz Marienplatz GmbH at Marienplatz in Munich, which was recognised at fair value in 2001 following its acquisition by LUDWIG BECK Beteiligungs GmbH. The fair value of the land as of the initial consolidation in 2001 was determined based on the acquisition costs and the development of standard land values between 1998 and 2000. The 2001 valuation was retained unchanged until December 31, 2024. The value of the land increased by € 0.9m in financial year 2025 due to retrospective acquisition costs (real estate transfer tax). The building is subject to scheduled depreciation.

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

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

Movable fixed assets up to a value of € 450.00 are recognised in full as an expense in the year of acquisition outside fixed assets.

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

Maintenance expenses are treated as expenses for the period.

5. Leases

LUDWIG BECK as lessee

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

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

Rights of use

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

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

Lease liabilities

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

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement date, as the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of the lease liability is increased to reflect the higher interest expense and reduced to reflect the lease payments made. In addition, the carrying amount of the lease liability is remeasured in the event of changes to the lease, changes in the lease

term, changes in lease payments (e.g. changes in future lease payments resulting from a change in the index used to determine those payments), or a change in the assessment of an extension option for the underlying asset.

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

LUDWIG BECK as lessor

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

Investment property

The property owned by Ludwig Beck Grundbesitz Hannover GmbH is classified as an "investment property" in accordance with IAS 40. The "cost model" in accordance with IAS 16 was applied for accounting purposes. To calculate the residual carrying amount, the accumulated depreciation was deducted from the historical costs.

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

6. Inventories

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

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

7. Receivables and other assets

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

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

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

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

8. Cash and cash equivalents

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

9. Provisions

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

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

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

Pension obligations

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

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

10. Liabilities

Initial recognition and measurement

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as loans, or as liabilities. All financial liabilities are measured at fair value upon initial recognition. In the case of loans and liabilities, less directly attributable transaction costs. The Group's financial liabilities include trade payables, loans including overdraft facilities, and derivative financial instruments. In accordance with IFRS 13, financial liabilities are measured at fair value and recognised at cost. Fair values are determined taking into account changes in the market interest rates for financial liabilities with comparable conditions (maturity, repayment terms, collateral).

Subsequent measurement

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

11. Deferred taxes

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

For the calculation of deferred taxes (corporate tax, solidarity surcharge, trade tax), the corporate tax rate applicable to LUDWIG BECK AG was applied. The rate ranged between 32.975 % and 27.700 %. Under the corporate income tax reform announced in the Federal Law Gazette on July 18, 2025, the corporate income tax rate will be gradually reduced starting in 2028, from 15 % to 10 % in 2032. LUDWIG BECK has therefore applied a tax rate of between 14.825 % and 10.550 % from the 2028 financial year onwards. With a municipal multiplier of 490 % for Munich, a trade tax rate of 17.150 % was calculated. The parent company recognises deferred tax assets only on loss carry forwards arising exclusively from the COVID-19 pandemic in the amount in which it is foreseeable that it will have appropriate taxable profit in a foreseeable planning horizon to make use of the tax loss carry forwards. The loss carry forwards do not expire and cannot be offset against the taxable income of other Group companies.

For temporary differences arising from Ludwig Beck Grundbesitz Marienplatz GmbH, a tax rate between 15.825 % and 10.550 % (corporate tax and solidarity surcharge) was applied to the shares attributable to LUDWIG BECK Beteiligungs GmbH. Trade tax was not considered in these temporary differences due to trade tax reduction regulations at Ludwig Beck Grundbesitz Marienplatz GmbH.

Deferred taxes were netted in accordance with IAS 12.74.

12. Maturities

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

13. Revenue recognition

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

For loyalty points earned by customers as part of our loyalty programme with the LUDWIG BECK CARD, part of the revenue is not realised at the time of purchase, but when the credit points are redeemed. Until the credit points are redeemed, a contract liability for the equivalent value is recognised. The contract liability is measured at the sales value of the credit points on the basis of a portfolio approach. As there are no reliable empirical data on the redemption behaviour of loyalty card holders, it was assumed that 100 % of the credit points would be redeemed as of December 31, 2025. If credits expired without having been redeemed, the revenue is realised, and the liability derecognised.

14. Financial instruments

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

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

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

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

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

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

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

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

In accordance with IAS 32.18 (b), the other shareholder's shares in the former Feldmeier GmbH & Co. Betriebs KG were classified as liabilities until the previous year.

Management of financial risks

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

Liquidity risk

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

Management constantly monitors and plans the necessary liquidity requirements using current cash flow ratios and plans. The company relies on credit lines and loans to ensure sufficient liquid funds. As at the reporting date, short-term credit lines of € 26,000k and bank guarantees of € 4,000k for were available until further notice, around 49 % of which had been utilised (including utilisation of bank guarantees) as at the reporting date.

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

Bad debt risk

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

Interest rate risk

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

An increase in the interest rate of 50 basis points would lead to a reduction in earnings before taxes of € 61k (previous year: € 69k) if the overdraft facilities were utilised as of December 31, 2025. A decrease in the interest rate would lead to an increase in earnings before taxes of € 61k (previous year: € 69k) if the overdraft facilities were utilised as of December 31, 2025.

15. Fair value

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

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

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

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

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

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

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

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

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

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

16. Significant judgements, estimates, and assumptions

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

Discretionary decisions

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

Determining the term of leases with extension and cancellation options - the Group as lessee

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

Estimates and assumptions

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

Taxes

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

Defined benefit pension plans (pension benefits)

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

Inventories

Up to the time of stocktaking, actual inventory differences were taken into account in the inventory determination of goods. For the period between stocktaking and December 31, 2025, the inventories per sales department were reduced by the corresponding deduction for shrinkage, which is based on the average of the past three years.

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

Property, plant, and equipment

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

17. Impairment of non-financial assets

Further details on the impairment of non-financial assets are provided in the following notes:

Intangible assets with indefinite useful lives and property, plant, and equipment (see I.(1)). The Group assesses at each reporting date whether there is any indication that non-financial assets may be impaired. The recoverable amount of an asset is the higher of the fair value of the asset or cash-generating unit less costs to sell and its value in use. The recoverable amount must be determined for each individual asset, unless an asset does not generate cash inflows that are largely independent of those from other assets or other groups of assets. If the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount.

Similar to other assets, an individual right-of-use asset is tested for impairment only when there are indications of impairment. If this is the case, LUDWIG BECK must determine whether the right-of-use asset can be tested separately or whether it must be tested at the level of a cash-generating unit. This depends on whether the right-of-use generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This is not the case for building leases, which is why impairment may only occur at the company level.

To determine the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market expectations of interest rates and the specific risks of the asset. An appropriate valuation model is used to determine the fair value less costs to sell.

The Group uses the most recent budget and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which individual assets are allocated, for its impairment assessment. Such budget and forecast calculations generally cover a period of five years. After the fifth year, a long-term growth rate is determined and applied to forecast future cash flows. Impairment losses on continuing operations are recognised in the expense categories that correspond to the function of the impaired asset within the company.

For non-financial assets, a review is performed at each reporting date to determine whether there is any indication that a previously recognised impairment loss no longer exists or has decreased. If such indication exists, the Group estimates the recoverable amount of the asset or cash-generating unit. A previously recognised impairment loss is only reversed if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognised. The reversal of impairment is limited in that the carrying amount of an asset may not exceed its recoverable amount or the carrying amount that would have determined after deducting planned depreciation and amortisation if no impairment loss had been recognised for the asset in prior years. A reversal of impairment is recognised in profit or loss.

18. Accounting and valuation changes

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

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

I. Consolidated Balance Sheet

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

This term comprises the following items shown in the Consolidated Balance Sheet:

- Intangible assets
- Property, plant, and equipment

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

Intangible assets

Intangible assets exclusively comprise purchased assets including acquisition costs.

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

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

The brand name "LUDWIG BECK" is used for the entire business of LUDWIG BECK AG. The impairment test is carried out annually.

The recoverable amount was determined as "fair value less costs to sell." The impairment test for the brand was performed using a recognised valuation method for brand valuations ("relief-from-royalty" method). The method is classified at level 3 in the fair value hierarchy of IFRS 13. The method was applied for the first time in the current financial year in order to enable a more precise impairment assessment focused on the asset.

Key parameters include the Group's projected sales revenue over a period of 15 years. Sales are expected to grow at a rate of 3 % in the first five years and 1.25 % thereafter.

The "royalty rates" are determined using a peer group of retail brands (approx. 2.9 %) minus the expenses for brand maintenance (marketing and advertising costs). LUDWIG BECK assumes savings on license fees after costs for brand maintenance of approx. 0.6 % as "royalty rate".

The annual license fees are discounted using the weighted average cost of capital of a retail peer group. The weighted average cost of capital before taxes was 12.8 %. The tax shield is calculated on the basis of potential depreciation of the asset using a tax rate of between 32.95 % and 27.7 %.

Based on this impairment test, no impairment was recognised. LUDWIG BECK considers the discount rate and the assumptions regarding sales development to be the key assumptions for performing the impairment test. Alternative scenarios were calculated with a deviation of $\pm 1\%$ in the discount rate and a change in sales of $\pm 1\%$. The scenarios revealed that no impairment losses were to be recognised.

In the financial year 2025, advance payments of € 66k were made for intangible assets and property, plant, and equipment (previous year: € 109k).

Development of consolidated fixed assets of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, from January 1, 2025, to December 31, 2025

	As of 01/01/2025 01/01/2024	Addition	Dispos al	Reclas sificati on	As of 12/31/2025 12/31/2024	Cumulativ e depreciati on	Book value 12/31/2025 12/31/2024	Book value 12/31/2024 12/31/2023	Depre ciatio n 2025 2024
	€k	€k	€k	€k	€k	€k	€k	€k	€k
I. Intangible assets									
1. Software, industrial property rights, and similar rights	7,179	500	151	84	7,612	4,921	2,690	2,775	668
<i>Previous year</i>	4,976	1,096	15	1,123	7,179	4,404	2,775	1,382	825
2. Brand name	3,399	0	0	0	3,399	1,359	2,039	2,039	0
<i>Previous year</i>	3,399	0	0	0	3,399	1,359	2,039	2,039	0
3. Advance payments	84	30	0	-84	30	0	30	84	0
<i>Previous year</i>	1,126	80	0	-1,123	84	0	84	1,126	0
	10,662	530	151	0	11,041	6,281	4,760	4,898	825
<i>Previous year</i>	9,501	1,176	15	0	10,662	5,764	4,898	4,547	825
II. Property, plant, and equipment									
1. Land, land rights, and buildings, including buildings on third-party land	101,683	1,136	681	11	102,104	24,902	77,202	77,098	1,033
<i>Previous year</i>	102,307	223	892	0	101,638	24,540	77,098	77,964	1,090
2. Rights of use	79,545	1,747	0	0	81,292	25,096	56,196	58,358	3,909
<i>Previous year</i>	77,363	2,182	0	0	79,545	21,188	58,358	59,943	3,768
3. Other fixtures and fittings, tools, and equipment	12,525	732	434	14	12,837	9,140	3,697	3,938	981
<i>Previous year</i>	13,336	635	1,445	0	12,525	8,587	3,938	4,344	1,037
4. Advance payments and assets under construction	25	36	0	-25	36	0	36	25	0
<i>Previous year</i>	0	25	0	0	25	0	25	0	0
	193,733	3,650	1,114	0	196,269	59,138	137,130	139,419	5,923
<i>Previous year</i>	193,005	3,065	2,337	0	193,733	54,315	139,419	142,251	5,894
III Investment property	3,096	0	0	0	3,096	141	2,954	3,002	47
<i>Previous year</i>	3,096	0	0	0	3,096	94	3,002	3,049	47
	207,491	4,180	1,265	0	210,405	65,560	144,845	147,318	6,638
<i>Previous year</i>	205,603	4,241	2,353	0	207,491	60,173	147,319	149,847	6,766

Property, plant, and equipment

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

Buildings are depreciated on a straight-line basis (pro rata temporis) over their expected useful life of 25 to 40 years. Fixtures and fittings are depreciated on a straight-line basis (pro rata temporis) throughout the Group over their normal useful life of 10 to 20 years or over shorter lease terms, consistently across the Group.

Marienplatz property

The property was valued at € 68,779k as of 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, 2025: € 660k). Hidden reserves totalling € 66,661k were uncovered upon the valuation of land as part of the initial consolidation of Feldmeier GmbH & Co Betriebs KG. For the fair value measurement of land at initial consolidation in 2001, acquisition costs and the development of standard land values between 1998 and 2000 were considered. In 2025, retrospective acquisition costs in the form of real estate transfer tax amounting to € 899k were incurred, as the property only became 100 % owned by LUDWIG BECK in 2025. From a Group perspective, the real estate transfer tax is almost exclusively attributable to land due to the ratio of land value to building value. Therefore, the real estate transfer tax was capitalised exclusively on land.

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

Rights of use from leases

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

Other fixtures and fittings, tools, and equipment

Assets in this item are generally depreciated on a straight-line basis (pro rata temporis) over a useful life of 3 to 10 years.

(2) Investment property

The property is valued according to the cost model with an assumed useful life of 40 years using the straight-line depreciation method. The development of the investment property is shown in the statement of changes in fixed assets (C. I. (1)). No direct operating expenses (including repairs and maintenance) were incurred for the property in the 2025 financial year. The rental income for the property can be found under G. Other information III. Leasing.

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

The fair value of the property was determined by an independent expert based on level 3 of the fair value hierarchy using a capitalised earnings model and amounts to € 3.1m (previous year: € 3.3m). An estimated market rent of between € 3.50/m² for warehouses and up to € 70/m² for retail space was assumed. A discount rate of 3.25 % was applied; a rent loss rate of 5 % and no rent increases were assumed.

(3) Other assets (long-term)

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

(4) Inventories

Inventories break down as follows:

	12/31/2025	12/31/2024
	€k	€k
Raw materials, consumables, and supplies (at cost)	146	234
Merchandise (at cost)	12,528	13,509
Less write-downs of merchandise	-981	-986
	11,692	12,757

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

Inventories were reduced by a deduction for inventory differences between the date of inventory taking and December 31, 2025, in the amount of € 316k (previous year: € 332k).

In the reporting period, merchandise amounting to € 38,041k (previous year: € 37,796k) were recognised as an expense (cost of sales excluding the change in the valuation allowance on the net realisable value).

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

D Receivables and other assets are as follows:

	12/31/2025	12/31/2024
	€k	€k
Trade receivables (financial)	882	1,055
Other assets (financial)	1,738	1,644
Deferred items	315	313
	2,935	3,011

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

Trade receivables (short-term)

Trade receivables are as follows:

	12/31/2025	12/31/2024
	€k	€k
Total receivables (financial)	886	1,065
Less allowances	-4	-10
Receivables	882	1,055

The valuation allowances are general value adjustments.

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

Other assets (short-term)

Other short-term assets are as follows:

	12/31/2025	12/31/2024
	€k	€k
Debit-side creditors (financial)	80	168
Receivables from tax authorities	1,029	815
Claim from bridging assistance III	400	400
Other (financial)	229	261
	1,738	1,644

The claim from bridging aid results from the final claim that has already been prepared internally based on current state of knowledge. Due to requirements of the agency processing the application (IHK), LUDWIG BECK is assessed jointly with another related company. The application is therefore submitted by the related company. The claim for payment is therefore currently against a related company. The final claim may result in a different amount. The financial assets were measured at amortised cost. The fair value corresponds to the carrying amount. The valuation was carried out in accordance with level 2 of the fair value hierarchy.

Prepaid expenses and deferred item

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

(6) Cash and cash equivalents

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

Cash and cash equivalents are as follows:

	12/31/2025	12/31/2024
	€k	€k
Cash in hand	317	437
Cash at banks	74	159
	391	596

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

(7) Equity management

Concerning the presentation of changes in equity in the 2025 financial year, we refer to the consolidated statement of changes in equity.

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

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

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

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

Subscribed capital

The subscribed capital (share capital) of LUDWIG BECK AG is divided into 3,695,000 no-par value shares (ordinary shares) as of December 31, 2025, (December 31, 2024: 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 paid in full. An average of 3,695,000 shares were outstanding in the 2025 financial year. All ordinary shares are entitled to participate in the distribution of profits to be resolved by the Annual General Meeting.

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

Shareholder structure

According to the company's knowledge, the shareholder structure of LUDWIG BECK AG as of December 31, 2025, is as follows:

Christian Greiner	26.3 %
Hans Rudolf Wöhr	25.2 %
Alfons Doblinger	25.0 %
OST-WEST Beteiligungs- und Grundstücksverwaltungs-AG	5.0 %
Rheintex Verwaltungs AG	3.0 %
Retail investors (investors under 3%)	15.5%

Notifications pursuant to §§ 21 (former version) and 33 (1) (new version) WpHG (German Securities Trading Act)

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 % at that date. This corresponds to 111,550 votes.

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

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

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

Capital reserve

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

Accumulated profit

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

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

Furthermore, there were minority interests in Ludwig Beck Verwaltungs GmbH until January 1, 2025. Ludwig Beck Verwaltungs GmbH was merged in the 2025 financial year. As the amounts are immaterial, the minority interests are not disclosed in the Group.

(8) Compensation claim for other shareholders

The compensation claim for other shareholders in Feldmeier GmbH & Co. Betriebs KG (now: Ludwig Beck Grundbesitz Marienplatz GmbH) was based on the provisions of the partnership agreement. The amount of the compensation claim was based on the value of the shares, with the agreement specifying a valuation for the Marienplatz property. The partnership agreement stipulated a valuation approach to determine the value of the Marienplatz property. The agreement also stipulated that the company was entitled at all times to offset payment claims against a withdrawing shareholder with any compensation credit. Due to over-withdrawals by the other shareholder, there were no liabilities as at the balance sheet date of the previous year.

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

With the fulfilment of the legacy of the other shareholder of the former Feldmeier GmbH & Co. Betriebs KG in the 2025 financial year, his shares were transferred to Ludwig Beck Beteiligungs GmbH, which now holds 100 % of the shares in the real estate company Ludwig Beck Grundbesitz Marienplatz GmbH (formerly Feldmeier GmbH & Co. Betriebs KG). Due to provisions in the partnership agreement, there was, on balance, no claim for compensation, so that this claim was eliminated by the bequest without any effect on the balance sheet.

(9) Provisions

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

	As of 01/01/2025	Utilisation	Addition	As of 12/31/2025	As of 01/01/2025
	€k	€k	€k	€k	€k
Restoration obligations	1,942	0	-200	200	1,942
<i>Previous year</i>	1,886	0	0	56	1,942
Pension obligations	578	84	0	0	494
<i>Previous year</i>	579	61	0	60	578
Total provisions	2,520	84	-200	200	2,436
<i>Previous year</i>	2,465	61	0	116	2,520

Restoration obligations

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

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

Pension obligations

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

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

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

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

	12/31/2025	12/31/2024
	€k	€k
Present value of the pension obligations as at 01.01.	2,557	2,605
Interest expenses	86	86
Retirement benefits	-139	-121
Actuarial gains/losses (-/+), recognised directly in equity	-76	-13
Present value of the pension obligations as at 31.12.	2,428	2,557
Carrying amount of the pension obligations before offsetting	2,428	2,557
Present value of plan assets as at 01.01.	-1,979	-2,026
Income from plan assets	-72	-64

	12/31/2025	12/31/2024
	€k	€k
Payments from plan assets	121	121
Actuarial gains/losses (-/+)	-3	-10
Present value of plan assets as at 31.12.	-1,934	-1,979
Remaining difference as at 31.12.	494	578

The present values of the pension obligations amounted to € 2,605k as of December 31, 2023, and to € 2,538k as of December 31, 2022, the present values of the plan assets amounted to € 2.026k and € 2.038k, respectively.

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

	2025	2024
Discount factor	3.95 %	3.45 %
Pension trend	2.1 %	2.1 %

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

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

A change in the discount rate of +0.5 percentage points would result in a reduction in the present value of the benefit obligation to € 2.306k (previous year: € 2.421k), while a change of -0.5 percentage points would result in an increase of the present value of the benefit obligation to € 2.561k (previous year: € 2.707k).

A change in the pension trend to 8.5 % every 5 years would result a reduction in the present value of the benefit obligation to € 2.284k (previous year: € 2.373k), while a change to 8.5 % every 3 years would result in an increase in the present value of the benefit obligation to € 2.544k (previous year: € 2,705k).

The company expects service costs of € 0k (previous year: € 0k) and interest costs of € 86k (previous year: € 86k), as well as an expected return on plan assets of € 72k for the 2025 financial year. No more payments have been made to the plan assets since December 1, 2017. The weighted average term of the benefit obligations is 8,58 years (previous year: 9.58 years).

(10) Liabilities

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

	Residual term			
	Total	up to 1 year	1 - 5 years	over 5 years
	€k	€k	€k	€k
1. Financial liabilities	39,842	15,142	24,700	0
<i>Previous year</i>	43,730	17,180	13,999	12,550
2. Lease liabilities (minimum lease payments)	61,942	4,606	18,317	39,019
<i>Previous year</i>	64,425	4,428	17,712	42,285
3. Trade payables	1,552	1,552	0	0
<i>Previous year</i>	1,609	1,609	0	0
12/31/2025	103,336	21,299	43,017	39,019
<i>Previous year</i>	109,763	23,217	31,711	54,835

The financial liabilities are collateralised as follows:

	€k
Land charges Bayerische Landesbank for property loans	10,000
Land charges DZ Bank	5,000
Land charges UniCredit Bank AG for LfA loans	625
Land charges Commerzbank	5,000
Land charges DZ Bank	5,000

The other financial liabilities are not collateralised as of December 31, 2025.

10 a) Financial liabilities (long-term)

Di Long-term financial liabilities are as follows:

	12/31/2025	12/31/2024
	€k	€k
Loan UniCredit Bank AG	0	13,752
Property loan Bayerische Landesbank	9,625	0
Property loan DZ Bank	4,813	0
Loan Commerzbank	4,000	5,000
Loan DZ Bank	4,000	5,000
Leasing	48,612	50,415
	71,050	74,167

Long-term financial liabilities are recognised at amortised cost, which in this case corresponds to the repayment amounts. Interest rates in the reporting year were between 3.75 % und 4.1 % (previous year: 1.1 % and 4.1 %).

The fair value of long-term bank liabilities amounted to € 22,534k (previous year: € 26,730k) as of the balance sheet date. The valuation is based on level 2 of the valuation hierarchy set out in B. IV.15.

10 b) Financial liabilities (short-term)

Short-term financial liabilities are as follows:

	12/31/2025	12/31/2024
	€k	€k
Current account liabilities	11,020	13,574
Loan UniCredit Bank AG	625	3,054
Property loan Bayerische Landesbank	375	0
Property loan DZ Bank	188	0
Loan Commerzbank	1,000	0
Loan DZ Bank	1,000	0
Leasing	3,459	3,255
	17,667	19,883

As of December 31, 2025, there were overdraft facilities (€ 26,000k) and guarantee credit lines (€ 4,000k) granted by banks, which were subject to market interest rates when utilised.

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

Interest rates for short-term financial liabilities were between 1.1 % and 6.3 % in the reporting year (previous year: 1.1 % and 7.4 %).

There are no purchase options with regard to finance leases.

10 c) Trade payables (short-term)

Trade payables amounting to € 1,552k (previous year: € 1,609k) are recognised at the repayment amount. Due to the short-term maturities of these liabilities, this amount corresponds to the fair value of the liabilities.

10 d) Other liabilities (short-term)

	12/31/2025	12/31/2024
	€k	€k
Wage and sales taxes	1,277	1,111
Purchase vouchers (contractual liabilities)	1,587	1,597
Customer card (contractual liabilities)	579	521
Personnel costs	167	237
Annual financial statement and tax declaration costs	148	167
Real estate transfer tax	428	0
Other accrued liabilities	1,090	815
	5,276	4,448

10 e) Tax liabilities (short-term)

Income tax liabilities amounted to € 665k (previous year: € 16k) as of December 31, 2025.

(11) Deferred taxes (assets and liabilities)

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

	12/31/2025		12/31/2024	
	Assets- side	Liabilities- side	Assets- side	Liabilities- side
	€k	€k	€k	€k
Brand name "LUDWIG BECK"		565		673
Land		216		328
Building	18		27	
Provisions	31		94	
Right-of-use assets and lease liabilities	15,167	14,278	17,698	16,721
Loss carry forwards	410		510	
Other		17		17
Total	15,626	15,076	18,330	17,740
Net balance of deferred taxes	-14,860	-14,860	-17,412	-17,412
Total according to the consolidated balance sheet	766	216	917	327

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

For a "quasi-permanent" difference between the valuation of land in the tax balance sheet of Ludwig Beck Grundbesitz Marienplatz GmbH and the IFRS balance sheet, deferred tax liabilities were recognised on "outside basis differences" between the tax carrying amount of the investment and the carrying amount of the property in the IFRS financial statements.

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

Deferred tax assets originally recognised in full in the balance sheet for the tax losses incurred almost exclusively during the COVID-19 pandemic, as the company assumed that sufficient taxable income would be available in the foreseeable future to utilise the tax loss carry forwards. Due to the massive deterioration in Germany's economic environment, the persistently poor consumer sentiment, and increasing political uncertainties, the company has downgraded its medium-term forecasts and de-recognised a large portion of the capitalised taxes on loss carry forwards. The tax loss carry forwards have not expired and can still be utilised 100 %. There is no time limit on the utilisation of tax loss carry forwards. Trade tax losses carried forward for which no deferred taxes were recognised amount to € 8.5m (previous year: € 8.3m) and corporate income tax losses carried forward for which no deferred taxes were recognised amount of € 13.7m (previous year: € 11.8m).

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

The balance sheet item for deferred taxes includes deferred tax assets in the amount of € 245k (previous year: € 304k) that are attributable to expenses and income recognised directly in equity.

II. Consolidated Statement of Comprehensive Income**(12) Sales revenue**

	2025	2024
	€k	€k
Textile	56,753	55,472
Non-textile	17,244	17,840
Total sales	73,997	73,312

The segment reporting provides more detailed information on sales revenues. All but € 336k (previous year: € 347k) of the LUDWIG BECK Group's sales were generated in Germany.

Sales revenues include rental income from operating leases totalling € 76k (previous year: € 104k). It is included in the non-textile item.

(13) Other own work capitalised

Other own work capitalised amounted to € 116k in the financial year 2025 (previous year: € 467k). This item concerns personnel costs in connection with refurbishment work at the Marienplatz store and own work in connection with the logistics outsourcing project

(14) Other operating income

Other operating income breaks down as follows:

	2025	2024
	€k	€k
Rental income	1,845	1,805
Sales proceeds	1,010	1,063
Personnel income	449	451
Cafeteria income	333	334
Aperiodic income	536	385
Other income	339	432
	4,513	4,470

(15) Cost of materials

	2025	2024
	€k	€k
Expenses for purchased goods	38,037	37,781

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

(16) Personnel expenses

	2025	2024
	€k	€k
Wages and salaries	13,451	13,764
Social security contributions (health insurance and other)	1,533	1,506
Statutory pension insurance	1,230	1,208
Expenses for retirement benefits	192	122
	16,406	16,600

Pensions

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

These are divided into the following groups:

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

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

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

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

A total of 221 employees (previous year: 223) participate in the pension schemes.

For employees who joined the company after April 1, 2024, the bAV (company pension scheme) is provided in the form of a salary conversion into a direct insurance plan. LUDWIG BECK supplements the employee's conversion amount by 30 %.

16 b) Pension scheme for members of the Executive Board

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

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

(17) Depreciation and amortisation

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

(18) Other operating expenses

Other operating expenses include the following items:

	2025	2024
	€k	€k
Other leasing expenses	146	676
Other occupancy costs	1,973	2,127
IT-, consulting, and travel expenses	2,176	2,079
Marketing, logistics, sales expenses, and commissions	7,271	6,789
Other personnel costs	1,175	1,254
Insurance/contributions	333	284
Other taxes	41	121
Other	887	326
	14,002	13,656

(19) Financial result

	2025	2024
	€k	€k
Interest income	72	66
Interest expenses	3,013	3,004
Financial result	-2,941	-2,938

Of the interest income, interest income from plan assets amounted to € 72k (previous year: € 64k). The interest portion from pension obligations included in interest expenses amounted to € 86k (previous year: € 86k). The interest on leases included in interest expenses is shown under G. III. Leasing. The remaining interest income and interest expenses are attributable to financial instruments that are recognised at amortised cost.

(20) Taxes on income

	2025	2024
	€k	€k
Taxes on income	503	520
Other deferred tax income/tax expense (-/+)	-19	2,859
	484	3,379

Deferred tax income / tax expense	2025	2024
	€k	€k
From the accounting of loss carry forwards	0	2,989
From the accounting of finance leases in accordance with IFRS 16	87	-141
From temporary differences in the accounting of buildings	14	20
From temporary differences in accounting of pension provisions	-1	-9
From tax rate adjustments from other temporary differences	-120	0
Total deferred tax income/tax expense (-/+)	-19	2,859

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

	2025	2024
	€k	€k
Earnings before income taxes	604	508
Nominal Group tax rate in %	32.975	3.975
Calculated tax expense	199	168
Changes in the calculated tax expense:		
- Tax rate difference from the real estate companies of the LUDWIG BECK Group	-495	-587
- Deviating tax base	347	453
- Adjustment of deferred tax assets on loss carry forwards	500	3,482
- Tax rate adjustments	-120	0
- Other	53	-137
Actual tax expense	484	3,379

(21) Income and expenses recognised directly in equity

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

	2025	2024
	€k	€k
Net pension obligation		
- Income/expenses (+/-)	79	24
- Deferred tax income/tax expense (+/-)	-59	-8
Net income/net expenses (+/-)	20	16
Total income and expenses recognised directly in equity (+/-)	20	16

(22) Notes on earnings per share

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

Earnings per share

	2025	2024
Consolidated net profit in €k	119	-2,855
Weighted number of shares in thousands	3,695	3,695
Earnings per share in € (undiluted and diluted)	0.03	-0.78

Dividend proposal

The Executive Board and Supervisory Board propose that the parent company's net profit for the 2025 financial year be allocated in full to other retained earnings.

D. NOTES ON SEGMENT REPORTING

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

LUDWIG BECK therefore divides the reporting segments into "Textile" (clothing) and "Non-textile" (accessories, paper goods, music, beauty). The Group figures to be segmented are split among the individual segments as follows in the 2025 financial year:

	Textile	Non-textile	Segments total	Adjustment	Group
	€k	€k	€k	€k	€k
Gross sales	67,533	20,473	88,006		88,006
<i>Previous year</i>	66,007	21,242	87,249		87,249
Value added tax	-10,780	-3,229	-14,009		-14,009
<i>Previous year</i>	-10,535	-3,402	-13,936		-13,936
Net sales	56,753	17,244	73,997		73,997
<i>Previous year</i>	55,472	17,840	73,312		73,312
Cost of sales	-28,798	-10,228	-39,026	989	-38,037
<i>Previous year</i>	-28,163	-10,511	-38,674	893	-37,781
Gross profit	27,955	7,016	34,971	989	35,960
<i>Previous year</i>	27,309	7,330	34,639	893	35,531
Personnel costs for sales (personnel expenses)	-4,529	-2,680	-7,209	-9,197	-16,406
<i>Previous year</i>	-4,450	-2,817	-7,267	-9,333	-16,600
Calculatory occupancy costs (other operating expenses)	-9,698	-2,200	-11,898	-2,103	-14,002
<i>Previous year</i>	-9,724	-2,079	-11,803	-1,853	-13,656
Calculatory interests (financial result)	-844	-377	-1,221	-1,650	-2,871
<i>Previous year</i>	-792	-293	-1,085	-1,853	-2,938
Segment result	12,884	1,759	14,644	-11,961	2,682
<i>Previous year</i>	12,343	2,141	14,484	-12,146	2,338
Transition to segment total result	14,644				
<i>Previous year</i>	14,484				
Cost of sales	989				
<i>Previous year</i>	893				
Other operating income	4,629				
<i>Previous year</i>	4,937				
Personnel expenses	-9,197				
<i>Previous year</i>	-9,333				
Other operating expenses	-2,103				
<i>Previous year</i>	-1,853				
Depreciation	-6,638				
<i>Previous year</i>	-6,766				
Financial result	-1,721				
<i>Previous year</i>	-1,853				
Earnings before taxes	604				
<i>Previous year</i>	508				

E. NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

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

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

The rental lease liabilities include non-cash changes from additions of € 1,747k (previous year: € 2,182k).

F. NOTES ON THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

G. OTHER INFORMATION

I. Contingent liabilities, contingent assets

1. Contingent liabilities

In addition to the actual obligations covered by provisions, there are the following probable obligations, the existence of which depend on future events. The Annual General Meeting on May 22, 2025, resolved the appointment of a special auditor under agenda item 10. On June 23, 2025, a shareholder filed a lawsuit against Ludwig Beck am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft against this resolution. After thorough legal assessment and initial court hearings, LUDWIG BECK considers it highly probable that the shareholder will succeed and that the resolution of the Annual General Meeting to appoint a special auditor will most likely be declared invalid.

LUDWIG BECK AG has therefore made an allowance for the costs in the event of an expected legal defeat, while the costs of the special audit in the event of a successful court ruling appear unlikely at present but cannot be ruled out and are therefore classified as a contingent liability.

Should a special audit be conducted, the costs will depend largely on the duration of the audit. LUDWIG BECK estimates the costs of a formal audit at approximately € 100k, based on the special auditor's fees and the estimated hours required. If the special audit results in damage claims, the company would consider pursuing these claims.

2. Contingent assets

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

II. Other financial obligations

As of the balance sheet date, there are purchase commitments for merchandise totalling € 8,580k (previous year: € 13,458k).

III. Leasing

Leases in which LUDWIG BECK acts as lessee

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

	2025	2024
	€k	€k
Interest expense	1,177	1,197
Total payments for finance leases	4,523	4,360

Operating leases in which LUDWIG BECK acts as lessor

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

Maturities of future payments from operating leases:

Maturity in	2026	2027	2028	2029	2030	over 5 years
	€k	€k	€k	€k	€k	€k
Nominal values	24	0	0	0	0	0

The lease agreement for the property in Hanover was terminated by the tenant effective April 30, 2026. The search for a new tenant is underway.

In addition, LUDWIG BECK rents out parts of its sales space to various brand suppliers on a variable sales-based rent under operating lease agreements. The variable rental income amounts to € 1,626k (previous year: € 1,602k). The average terms are between 1-5 year.

IV. Declaration of conformity in accordance with § 161 AktG (Corporate Governance)

In March 2025, the Executive Board and Supervisory Board of LUDWIG BECK AG issued a declaration of conformity in accordance with § 161 AktG (German Stock Corporation Act).

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

V. Related party disclosures

Transactions with related parties are listed below.

Remuneration of individuals in key management positions:

Executive Board:

Christian Greiner, Chairman, Businessman
Jens Schott, Businessman

The total remuneration of the Executive Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft for activities in the financial year 2025 amounted to € 633k (previous year: € 729k,) as short-term employee benefits.

As of December 31, 2025, the members of the Executive Board held 971,399 shares (previous year: 968,399 shares).

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

Supervisory Board:

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

For the financial year 2025, the members of the Supervisory Board were granted remuneration totalling € 208k (previous year: € 208k).

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

Christian Greiner

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

Dr Bruno Sälzer

Lead Independent Director: Amer Sports Inc., Helsinki
 Board of Directors: Zino Davidoff SA, Basel
 Supervisory Board: Lacoste Holding, Paris
 Advisory Board: Deichmann SE, Essen

Sandra Pabst

Supervisory Board: Curameo AG, Reichenschwand
 Advisory Board: Deutsche Bank AG, Advisory Board Bavaria

Sebastian Hejnal

Chairman of the Supervisory Board: DIBAG Industriebau AG, Munich

Clarissa Käfer

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

As in the previous year, the members of the Supervisory Board held no shares as of December 31, 2025.

The following transactions were conducted at standard market conditions.

Rental income of € 110k (previous year: € 60k) was generated with other related parties from the subletting of space at Marienplatz. Other income amounted to € 37k (previous year: € 36k). Other services amounted to € 51k (previous year: € 42k). There were no resulting trade receivables as of the balance sheet date.

Obligations towards related companies with significant influence:

In the current year, other liabilities amounting to € 400k from the sale of a property exist towards related companies with significant influence.

VI. Supplementary report

At the end of the 2025 financial year, LUDWIG BECK converted its short-term credit lines totalling € 30m (€ 26m overdraft facilities, € 4m bank guarantees) into a medium-term syndicated loan agreement secured by land charges with four banks (term including extension options: maximum 5 years). The credit line now totals € 35m and can be used either as an overdraft facility or bank guarantee. Upon fulfilment of the payout requirements in January 2026, the existing short-term credit lines were repaid, and the bank guarantees were redeemed. There were no other events of particular significance that occurred after the end of the financial year and that are not reflected in the consolidated statement of comprehensive income or the consolidated balance sheet.

At the end of February 2026, the conflict between the US, Israel, and Iran escalated, causing significant increases in oil and gas prices and increased market volatility. Potential impacts include rising energy and transportation costs, an economic slow-down, and negative effects on consumer behaviour. The effects will depend significantly on the duration of the conflict and cannot be reliably quantified as of now. The Executive Board is continuously monitoring the situation and assessing potential risks to business operations.

VII. Auditor's fee

The auditor's fee in the 2025 financial year amounted to € 141k (previous year: € 136k).

Fees for the audit of the consolidated financial statements and the annual financial statements of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG amounted to € 141k (previous year: € 136k). No additional services were provided.

VIII. Employees

	2025	2024
Full-time	124	129
Part-time	180	174
Temporary staff	107	109
	411	412

Apprentices were not included in this calculation.

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

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

Munich, March 18, 2026

The Executive Board

Christian Greiner

Jens Schott

3 CONSOLIDATED

Management Report

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I. Group fundamentals

1. BUSINESS MODEL

Ludwig Beck am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft, Munich (hereinafter also referred to as LUDWIG BECK AG) is a retail company specialising in the sale of textiles in the medium to high-price segment. In addition to a wide selection of textiles, the product range encompasses accessories, cosmetics, paper goods, and audio recordings. The heart of the business activities is the renowned flagship store "Kaufhaus der Sinne" at Munich's Marienplatz. In addition, LUDWIG BECK also presents exclusive beauty products in a branch in the Fünf Höfe in Munich's city centre.

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

2. STRATEGY AND OBJECTIVES

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

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

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

3. INTERNAL CONTROL SYSTEM

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

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

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

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

II. Economic report

1. MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

Geopolitical conflicts and economic developments in 2025

The global situation was exceptionally tense. Geopolitical conflicts such as the war in Ukraine, the situation in the Middle East, China's claim to Taiwan, and controversial political demands from the US were causing uncertainty within the population. The realignment of US foreign policy based on the "America First" motto and the so-called "Liberation Day" on April 2, 2025, which triggered triple-digit percentage tariffs, brought about massive upheavals in global goods flows. Fast-growing Chinese suppliers such as Temu and Shein subsequently pushed even harder into the European market, significantly intensifying competitive pressure.

German economy

The German economy recorded a slight increase in gross domestic product of +0.2 % in 2025 year-on-year, according to the Federal Statistical Office (Destatis). Economic growth had declined in the two preceding years: -0.5 % in 2024 and -0.9 % in 2023. A positive development is expected for the next few years: GDP is expected to grow by around +1 % in 2026, supported by a higher number of working days and increased public investment in equipment and infrastructure. The average annual inflation in 2025 was unchanged at 2.2 % – the same rate as in 2024. Thus, consumer prices remained stable after having fluctuated more strongly in the past.

Stationary textile sector still facing difficult conditions

Brick-and-mortar textile retailers faced a significant sales weakness in 2025. According to TW Testclub, the largest panel in the German textile retail industry, sales declined by 4 % year-on-year. While brick-and-mortar fashion retailers recorded an overall decline, online fashion retailers were able to achieve positive growth despite economic uncertainties and a noticeable subdued consumer confidence. Overall, however, consumers tended to spend less on fashion than year before.

This development was due primarily to widespread consumer restraint. Many people held back on major purchases amid concerns about job security. The GfK consumer climate index showed a volatile sentiment that tended to deteriorate towards the year-end. Major purchases were often postponed; instead, savings came to the fore. The index showing the savings propensity reached its highest level since the 2008 financial and economic crisis.

Although consumer prices were stable at +2.2 % on average for the year, pricing trends had a major impact on spending behaviour. While food and energy prices largely stabilised, prices for services such as train tickets, insurance, and holiday packages rose significantly. These costs directly compete with fashion budgets and significantly reduced the money available for clothing. Fashion prices only rose slightly, by 0.8 %, compared to the previous year.

Added to this were political disappointments. The “autumn of reforms” announced by the newly elected German government failed to materialise, quickly dampening the initial sense of optimism. The Ifo Business Climate Index also turned negative by the year’s end.

Structural change in the fashion retail industry thus continued, leading to an even closer convergence of brick-and-mortar and digital sales channels. Meanwhile, expectations on brick-and-mortar were growing. Customer loyalty driven by events, personalised communication, mailings, and individual advice has become more and more important to stimulate buying. However, this has been accompanied by significantly higher costs.

2. LUDWIG BECK BUSINESS DEVELOPMENT

LUDWIG BECK had a difficult start to 2025, which was marked by cautious consumer sentiment. While the industry suffered a 5 % decline year-on-year in the first quarter, according to TextilWirtschaft, LUDWIG BECK was at least able to maintain previous year levels.

In addition to continued difficult conditions, extensive renovation work on Munich’s public transport system in the second half of the year hampered access to Marienplatz, the central site of LUDWIG BECK. Despite these negative factors, LUDWIG BECK benefited particularly in September from the early onset of cool temperatures, which gave a boost to the autumn/winter business. The Oktoberfest, which every year attracts numerous visitors from Germany and abroad to Munich, also led to increased customer footfall and sales in the company.

Finally, the last quarter posed further challenges. While October and the start of the fall/winter business were still encouraging, November fell well short of expectations. On the one hand, there was one less sales day than in the year before, and on the other hand, many customers were waiting for Black Week in late November, which originated in the online sector. In addition, the Christmas business was marked by aggressive pricing in the retail sector. The whole industry suffered a significant decline in November, with TextilWirtschaft reporting the second-weakest monthly result of the year for fashion retailers. The Christmas business was conciliatory for LUDWIG BECK, even if the losses from November could not be compensated.

Despite these negative influences, sales were increased slightly, as in the previous year.

3. CONSOLIDATED EARNINGS

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

	1/1/2025-12/31/2025		1/1/2024-12/31/2024		Delta
	€m	%	€m	%	€m
Gross sales	88.0	119.0	87.2	119.0	0.8
Value added tax	14.0	19.0	13.9	19.0	0.1
Net sales	74.0	100.0	73.3	100.0	0.7
Other own work capitalised	0.1	0.2	0.5	0.6	-0.4
Other operating income	4.5	6.1	4.5	6.1	0.0
	78.6	106.3	78.2	106.7	0.4
Cost of materials	38.0	51.4	37.8	51.5	0.3
Personnel expenses	16.4	22.2	16.6	22.6	-0.2
Depreciation and amortisation	6.6	9.0	6.8	9.2	-0.1
Occupancy costs	2.2	2.9	2.8	3.8	-0.6
Administrative costs	2.3	3.1	2.1	2.8	0.2
Sales costs	7.3	9.8	6.8	9.3	0.5
Other personnel costs	1.2	1.6	1.2	1.7	-0.1
Insurances/contributions	0.3	0.4	0.3	0.4	0.0
Other expenses	0.8	1.0	0.4	0.6	0.3
Total other operating expenses	14.0	18.9	13.7	18.6	0.3
Earnings before interest and taxes (EBIT)	3.5	4.8	3.4	4.7	0.1
Financial result	-2.9	-4.0	-2.9	-4.0	0.0
Earnings before taxes (EBT)	0.6	0.8	0.5	0.7	0.1
Income taxes	0.5	0.7	3.4	4.6	-2.9
Earnings after taxes (EAT)	0.1	0.2	-2.9	-3.9	3.0
Expenses (-) and income (+) recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.1	0.2	-2.9	-3.9	3.0
Gross profit	36.0	48.6	35.5	48.5	0.4
EBITDA	10.2	13.8	10.2	13.9	0.0
Return on sales (EBT/Net sales) in %	0.8		0.7		

Segment reporting

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

01/01/2025–12/31/2025	Textile	Non-textile	Segments total	Adjustment	Group
	€m	€m	€m	€m	€m
Gross sales	67.5	20.5	88.0		88.0
<i>Previous year</i>	66.0	21.2	87.2		87.2
VAT	-10.8	-3.2	-14.0		-14.0
<i>Previous year</i>	-10.5	-3.4	-13.9		-13.9
Net sales	56.8	17.2	74.0		74.0
<i>Previous year</i>	55.5	17.8	73.3		73.3
Cost of sales (without discounts, rebates etc)	-28.8	-10.2	-39.0	1.0	-38.0
<i>Previous year</i>	-28.2	-10.5	-38.7	0.9	-37.8
Gross profit	28.0	7.0	35.0	1.0	36.0
<i>Previous year</i>	27.3	7.3	34.6	0.9	35.5
Personnel expenses of sales	-4.5	-2.7	-7.2	-9.2	-16.4
<i>Previous year</i>	-4.5	-2.8	-7.3	-9.3	-16.6
Imputed occupancy costs	-9.7	-2.2	-11.9	-2.1	-14.0
<i>Previous year</i>	-9.7	-2.1	-11.8	-1.9	-13.7
Imputed interest costs	-0.8	-0.4	-1.2	-1.7	-2.9
<i>Previous year</i>	-0.8	-0.3	-1.1	-1.9	-2.9
Segment result	12.9	1.8	14.6	-12.0	2.7
<i>Previous year</i>	12.3	2.1	14.5	-12.1	2.3

Sales development

LUDWIG BECK increased gross sales by 0.9 % from € 87.2m to € 88.0m in the 2025 financial year.

Overall, gross sales were at the lower end of the forecast range. As described under Business Development, the financial year was marked by numerous one-off effects. According to TextilWirtschaft, the industry recorded a 4 % sales decline in the same period.

Online business remained at the previous year's level. While the beauty segment recorded another decline in sales year-on-year, the fashion segment continued to develop positively throughout. In the beauty segment, LUDWIG BECK still has to compete with aggressive pricing by major online players, who attract customers with vouchers and high discounts at regular intervals.

The "Textile" segment contributed € 67.5m (previous year: € 66m) to sales, while the "Non-textile" segment contributed € 20.5m (previous year: € 21.2m). This reflects the higher competition in the beauty sector, in the view of the Executive Board.

Earnings situation

As a result of the sales trend, gross profit increased from € 35.5m to € 36.0m, as the percentage cost of goods sold was roughly the same as in the previous year. Accordingly, the gross profit margin remained at the previous year's level of 48.6 %.

Other operating income, consisting of rental, sales, and personnel income, also remained at the previous year's level with € 4.5m. Due to investments in a new logistics solution, own work capitalised amounted to € 0.5m in the previous year. This figure fell to € 0.1m in the reporting year.

Personnel expenses fell to € 16.4m in the 2025 financial year (previous year: € 16.6m) due to structural adjustments in administration. Annual salary increases had an opposite effect.

Depreciation and amortisation amounted to € 6.6m (previous year: € 6.8m). This included amortisation of right-of-use assets from the recognition of rental agreements in accordance with IFRS 16 (finance leases) in the amount of € 3.9m (previous year: € 3.8m).

Other operating expenses increased from € 13.7m to € 14.0m, mainly due to higher sales and administrative costs. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 10.2m as in the previous year. This corresponds to an EBITDA margin of 13.8 % (previous year: 13.9 %).

Earnings before interest and taxes (EBIT) improved slightly from € 3.4m in the previous year to € 3.5m in the financial year.

The financial result showed two opposing effects. Interest expenses increased due to the refinancing of a real estate loan at a higher interest rate, while interest expenses decreased due to the repayment of financial liabilities and the reduction in current account interest in the financial year. As in the previous year, the financial result amounted to € -2.9m. The financial result included € 1.2m interest from lease accounting in accordance with IFRS 16 (previous year: € 1.2m).

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

Earnings after taxes (EAT) amounted to € 0.1m (previous year: € -2.9m). The change is mainly attributable to the derecognition of deferred tax assets on loss carry forwards in the amount of € 2.9m in the previous year.

4. CONSOLIDATED ASSETS

Assets	2025		2024	
	€m	%	€m	%
Long-term assets				
Intangible assets	4.8	3.0	4.9	3.0
Property, plant, and equipment	137.1	85.3	139.4	84.6
Investment property	3.0	1.8	3.0	1.8
Other assets	0.1	0.1	0.1	0.1
Deferred taxes	0.8	0.5	0.9	0.6
	145.8	90.7	148.4	90.1
Short-term assets				
Inventories	11.7	7.3	12.8	7.7
Receivables and other assets	2.9	1.8	3.0	1.8
Cash and cash equivalents	0.4	0.2	0.6	0.4
	15.0	9.3	16.4	9.9
Balance sheet total	160.8	100.0	164.7	100.0

The LUDWIG BECK Group's total assets amounted to € 160.8m as of the balance sheet date December 31, 2025 (December 31, 2024: € 164.7m).

Intangible assets totalled € 4.8m (previous year: € 4.9m). As in previous years, LUDWIG BECK continued to invest in digitalisation and the realignment of logistics.

Property, plant, and equipment amounted to € 137.1m and was the largest item in the balance sheet (December 31, 2024: € 139.4m). The main asset within this item was company-owned flagship store, including the property at Munich's Marienplatz, with a carrying amount of around € 70m. The value of the land increased by € 0.9m in the financial year due to retrospective acquisition costs (real estate transfer tax).

The rights of use from lease agreements included in property, plant, and equipment amounted to € 56.2m (December 31, 2024: € 58.4m). Amortisation on rental rights amounted to € 3.9m (previous year: € 3.8m). These amortisations were offset by additions due to rent increases in the reporting year totalling € 1.7m (previous year: € 2.2m).

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

Short-term assets amounted to € 15.0m (previous year: € 16.4m). One of the main items in short-term assets is inventories of merchandise which amounted to € 11.7m (December 31, 2024: € 12.8m). Due to the consolidation of LUDWIG BECK's logistics locations, an inventory optimisation in the beauty sector led to reduced stock levels. Receivables and other assets totalled € 2.9m (previous year: € 3.0m).

Cash and cash equivalents amounted to € 0.4m as at the balance sheet date (December 31, 2024: € 0.6m). These are cash on hand at LUDWIG BECK AG and bank balances at the subsidiaries. As a matter of principle, LUDWIG BECK AG always uses the free liquidity within the Group to balance current account lines.

5. FINANCIAL POSITION

Liabilities	2025		2024	
	€m	%	€m	%
Shareholder's equity	61.9	38.5	61.8	37.5
Long-term liabilities				
Financial liabilities	71.1	44.2	74.2	45.0
Provisions	2.4	1.5	2.5	1.5
Deferred taxes	0.2	0.1	0.3	0.2
	73.7	45.8	77.0	46.7
Short-term liabilities				
Financial liabilities	17.7	11.0	19.9	12.1
Accounts payable	1.6	1.0	1.6	1.0
Tax liabilities	0.7	0.4	0.0	0.0
Other liabilities	5.3	3.3	4.4	2.7
	25.2	15.6	26.0	15.8
Balance sheet total	98.9	61.5	103.0	62.5
Liabilities	160.8	100.0	164.7	100.0

The LUDWIG BECK Group had shareholder's equity of € 61.9m as of the balance sheet date (December 31, 2024: € 61.8m). Due to the reduction in total assets from € 164.7m to € 160.8m, the equity ratio at Group level was 38.5 % (December 31, 2024: 37.5 %).

The Group's total liabilities amounted to € 98.9m (December 31, 2024: € 103.0m).

Short-term and long-term financial liabilities were reduced by € 5.3m from € 94.1m to € 88.8m. To refinance two real estate loans, LUDWIG BECK took out two new real estate loans totalling € 15 million in April of the financial year. The free liquidity exceeding the scheduled loan repayments was used to reduce the utilisation of the overdraft facility.

Finance lease liabilities amounted to € 52.1m at the end of the financial year (previous year: € 53.7m). The decline was due to the automatic reduction in the remaining term of the leases.

Accounts payable remained unchanged at € 1.6m as of the balance sheet date.

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

Cashflow

Cash flow from operating activities amounted to € 8.9m in the reporting year (previous year: € 6.9m). The increase is mainly due to inventory reduction resulting from the consolidation of logistics locations in the 2025 financial year.

As in the previous year, cash flow from investing activities amounted to € -2.0m. In addition to space modernisations at the flagship store and retrospective ancillary acquisition costs for the flagship store, investments focused on IT and logistics.

Cash flow from financing activities amounted to € -7.1m (previous year: € -4.7m). In addition to changes in bank liabilities, cash flow from financing activities also includes changes in finance lease liabilities. The higher operating cash flow was used to repay current account lines, which correspondingly led to higher negative cash flows from financing activities.

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

6. SUMMARY STATEMENT ON BUSINESS PERFORMANCE

Despite persistently challenging market conditions in the retail sector, LUDWIG BECK achieved a modest increase in gross sales of € 0.8m. Earnings before taxes (EBT) improved slightly to € 0.6m (previous year: € 0.5m). Gross profit developed slightly positive. Other operating expenses evolved in the opposite direction, driven by higher sales and administrative costs. In addition to its operating business, LUDWIG BECK further strengthened its asset base by accepting the legacy of Feldmeier GmbH & Co. Betriebs KG, which gave it full ownership of the company's flagship store property. As the property was already fully recognised in the Group, the transaction is not reflected in the financial statements except for retrospective acquisition costs due to real estate transfer tax. Overall, the Executive Board assesses the equity base of € 61.9m and an equity ratio of 38.5 % as good.

7. NON-FINANCIAL PERFORMANCE INDICATORS

Employees

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

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

In 2025, LUDWIG BECK employed an average of 411 people (previous year: 412). The number of apprentices was 43 (previous year: 39). Weighted by full-time equivalents, the number of employees was 265 (previous year: 268).

III. Risk and opportunity report

RISK REPORT

Evaluation as a core task

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

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

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

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

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

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

Continuous evaluation provides an early opportunity to prevent problems, avert them or utilise untapped potential to create value. Due to their size alone, DAX companies have the human and technical resources to reassess and evaluate opportunities

and risks on a daily basis. LUDWIG BECK, on the other hand, relies on communication structures. In order to make the analysis process as efficient as possible, the Group's employees are in constant dialogue with the Executive Board, which pursues an "open door policy". At a further level, the Executive Board and Supervisory Board communicate about potential risks and opportunities, discuss solutions, and define courses of action.

1. Risks from the environment

Macroeconomic risks (class B)

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

Social and socio-political risks (class B)

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

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

Risks from catastrophic events such as terrorism, wars, epidemics, and pandemics (class B)

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

Weather risk (class B)

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

Accessibility risk (class B)

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

2. Industry risks

Online competition risks (class B)

Possible additional online vendors in the same sector can entail the risk of exacerbated competition in the segments in which LUDWIG BECK operates. A broader range of online vendors could create a situation of multiple choices for stationary customers regarding identical or similar products, due to the rising appeal, higher service quality, and, if nothing else, the enticing pricing of web portals. The Group recognises this risk and is countering it with its own online shop. In its brick-and-mortar stores, the group offers its customers a unique shopping experience with its unparalleled product presentation.

Consumer behaviour risks (class C)

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

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

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

3. Performance risks

Supplier risks (class C)

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

Logistics risks (class B)

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

4. Financial risks

Financial risks (class B)

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

Interest rate risks are minimised by maturity and interest rate structure management, and retail-typical payment flow fluctuations are controlled by cash management. As of the reporting date, short-term credit lines of € 26,000k and bank guarantees of € 4,000k were available until further notice, of which approximately 49 % (including utilisation for bank guarantees) had been utilised as of the reporting date.

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

5. Other risks

IT risks (class B)

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

Personnel risks (class B)

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

Legal and tax risks (class B)

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

The company is currently involved in legal proceedings due to a shareholder challenging a resolution passed at the last Annual General Meeting on May 22, 2025, to appoint a special auditor. Depending on the outcome of the proceedings, this could result in costs for the company that could have an impact on LUDWIG BECK's financial position. Further information on this matter can be found under contingent liabilities in the notes to the consolidated financial statements.

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

Compliance risks (class C)

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

6. Overall risk evaluation

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

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

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

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

OPPORTUNITIES REPORT

LUDWIG BECK is optimistically looking ahead to the forthcoming financial year. The flagship store on Munich's Marienplatz – one of Europe's most prestigious addresses – provides an ideal stage for further growth. Furthermore, LUDWIG BECK celebrates its 165th anniversary in 2026 and can attract customers with exciting events and promotions.

In a time of change, the company is focusing on customer proximity. The LUDWIG BECK CARD offers customers exclusive benefits that go beyond pure shopping – from personalised offers to extended return periods. At the same time, the in-store experience is being increasingly linked to the continuously optimised online shop for fashion and beauty. By offering local dining options, like at the KÄFER Tagesbar, LUDWIG BECK creates a relaxed atmosphere for customers to spend their time in the store.

Special attention is also paid to the growing demand for sustainable and ethical products, which enables LUDWIG BECK to differentiate its brand from other retailers. The company is increasingly working with suppliers who guarantee high standards in the origin and manufacture of their products. Important certifications such as Amfori's BSCI (Business Social Compliance Initiative) ensure compliance with these high standards. The BCI (Better Cotton Initiative), a non-profit organisation of environmental and human rights groups and companies in the textile industry, is playing a key role. Their goal is to produce 30 % of the world's cotton sustainably. In this context, LUDWIG BECK is strengthening its cooperation with certified producers, to keep pushing the idea of sustainability.

IV. Internal control and risk management system

LUDWIG BECK carries out internal audits to ensure that its accounting complies with legal requirements. The Group accounting process is managed by standardised guidelines and regulations, as well as clearly defined processes. A uniform accounts

system and booking instructions apply to the various business transactions. Control is also exercised through a clear attribution of functions to the various accounting processes. Accounting relevant items are mainly recorded on automated basis.

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

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

V. Forecast report

THE WORLD IN CHANGE: ECONOMIC AND GEOPOLITICAL CHALLENGES IN 2026

Global trade

The International Monetary Fund (IMF) projects moderate growth for the global economy in 2026. For Germany, it forecasts growth of +1.1 %, and for the eurozone +1.3 %. In the US, the IMF expects growth of +2.4 %, while China is projected to grow by +4.5 %. Overall, growth of +3.3 % is forecasted globally.

At the same time, there are still some big risks. These include a possible escalation of international trade conflicts, growing geopolitical tensions, and domestic political uncertainties in several countries. Particularly, the ongoing trade conflict between the US and China continues to impact global trade. US punitive tariffs have already caused a noticeable shift in global trade flows – a trend that is likely to continue in 2026. The EU-India free trade agreement could have a positive impact on Germany and its fashion industry.

German economy

The German economy will face several headwinds in 2026. A weak global economy will have a dampening effect. In addition, unsure trade relations due to geopolitical tensions complicate planning and weigh on export prospects. At the same time, there is still a high demand for government investment in infrastructure, defence, and digitalisation. Private investment is stagnating as many companies are cautious following announced job cuts and subdued demand.

German textile retail

The German textile retail industry is continuing to undergo change. Online retail is becoming more and more important: already 36.6 % of global clothing expenditure is made online, and the trend is still rising. The market for second-hand fashion and fair fashion is also growing steadily.

Consumer behaviour in Germany remains subdued. A high savings propensity and a general slump in consumption have a noticeable impact on the industry.

Brick-and-mortar retailers must differentiate their offerings with experiences and personal service. Individual advice from trained personnel, events, promotions, and a pleasant store atmosphere strengthen customer loyalty. Brick-and-mortar and digital offerings are becoming increasingly intertwined. Hybrid models combine the strengths of both channels: online reservations, click & collect, digital customer accounts, and mobile services create a personalised shopping experience.

Despite all the challenges, LUDWIG BECK is cautiously optimistic about the 2026 financial year and continues to believe in the relevance of brick-and-mortar retail. Based on the economic environment outlined above, LUDWIG BECK's management expects gross sales at Group level of between € 88m and € 93m for the 2026 financial year, as well as earnings before taxes (EBT) of between € 0.5m and € 1.9m.

VI. Supplementary details

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

Composition of the subscribed capital

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

Direct and indirect holdings

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

- Christian Rudolf Greiner Verwaltungs GmbH, Reichenschwand, 25.72 % (direct)
- Christian Greiner, Germany, 26.29 % (direct and indirect)
- INTRO-Verwaltungs GmbH, Reichenschwand, 25.19 % (direct)
- Hans Rudolf Wöhr, Germany, 25.19 % (indirect)
- BG Heppenheim Grundstücks GmbH, Grasbrunn, 24.00 % (direct)
- Alfons Doblinger, Germany, 25.00 % (direct and indirect)

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

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

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

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

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

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

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

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

Munich, March 18, 2026

The Executive Board

Christian Greiner

Jens Schott

4 ADDITIONAL

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Balance sheet oath

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

Munich, March 18, 2026

Christian Greiner

Jens Schott

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT

To Ludwig Beck am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft, Munich

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, Munich, and its subsidiaries (the Group)—comprising the consolidated balance sheet as of December 31, 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from January 1 to December 31, 2025, as well as the notes to the consolidated financial statements, including significant information on accounting policies—have been audited. In addition, we have audited the Group Management Report of Ludwig Beck am Rathauseck - Textilhaus Feldmeier Aktiengesellschaft, Munich, for the fiscal year from January 1 to December 31, 2025. We have not audited the content of the information referred to in the cross-reference in Section VI. “2. Group Corporate Governance Statement pursuant to Section 289f HGB and Section 315d HGB” of the Group Management Report in accordance with German legal requirements.

In our opinion, based on the findings of our audit,

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (hereinafter “IFRS Accounting Standards”), as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to Section 315e (1) of the German Commercial Code (HGB), and, in compliance with these provisions, present a true and fair view of the Group's net assets and financial position as of December 31, 2025, as well as its results of operations for the fiscal year from January 1 to December 31, 2025, and
- the accompanying Group Management Report as a whole presents a true and fair view of the Group's position. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German statutory requirements, and accurately presents the opportunities and risks of future development. Our opinion on the Group Management Report does not extend to the aforementioned components of the Group Management Report that were not audited for content.

Pursuant to Section 322 (3), first sentence, of the German Commercial Code (HGB), we declare that our audit has not led to any objections regarding the regularity of the consolidated financial statements and the Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the Group management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; hereinafter “EU Audit Regulation”), in compliance with the German standards on the due performance of audits established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in more detail in the section “Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report” of our auditor's report. We are independent of the Group companies in accordance with European Union law as well as German commercial and professional regulations, and we have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not provided any prohibited non-audit services as defined in Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the group management report.

Key Audit Matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of the greatest significance in our audit of the consolidated financial statements for the fiscal year from January 1 to December 31, 2025. These matters were considered in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not issue a separate audit opinion on these matters.

Impairment of Inventories

Reasons for identification as a key audit matter

As of December 31, 2025, inventory assets amount to €11,692 thousand. Allowances for obsolescence and slow-moving inventory risks totaling €981 thousand were made. Merchandise is accounted for at cost, less allowances for obsolescence and slow-moving inventory (fashion risk, subdued consumer sentiment) as well as the discount granted. In our view, this valuation approach is a particularly significant audit matter, as the determination of these allowances requires judgment, estimates, and assumptions regarding the price reductions actually to be granted on inventory in the following year, as well as the selling costs expected to be incurred until the goods are sold.

Our Audit Approach

Based on our understanding of the process for testing the recoverability of inventory, we assessed the design and implementation of, and subsequently the effectiveness of, identified internal controls, particularly with regard to the determination of expected net realizable values. We reviewed the calculations for determining the net realizable value and the need for impairment based on a deliberate selection of inventory items, taking into account both risk-oriented and value-based aspects, to verify their mathematical accuracy. We reviewed the appropriateness of the expected net realizable values and the impairment allowances applied for obsolescence, damage, and shrinkage for consistency, based, among other things, on historical consistency.

Reference to related disclosures

The accounting principles applied by LUDWIG BECK in the accounting for merchandise are presented in the Notes to the Consolidated Financial Statements in sections B.IV (6) "Inventories" and C.I (4) "Inventories."

Other Information

The legal representatives and the Supervisory Board are responsible for the other information. The other information includes

- the representations pursuant to Sections 297 (2) sentence 4 and 315 (1) sentence 5 of the German Commercial Code (HGB) regarding the consolidated financial statements and the Group management report in the annual report
- the corporate governance statement pursuant to Section 289f HGB and Section 315d HGB, to which reference is made in the Group Management Report in Section VI. 2. "Group Corporate Governance Statement pursuant to Section 289f HGB and Section 315d HGB"
- the statement pursuant to § 161 AktG, to which reference is made in the section "G. Other Information" in subsection "IV. Declaration of Conformity pursuant to § 161 AktG (Corporate Governance)" of the consolidated notes
- the financial calendar
- the Executive Board's foreword and the Supervisory Board's report, which are expected to be provided to us after the date of this auditor's report
- but not the consolidated financial statements, not the information in the Group management report that has been reviewed for content, and not our accompanying audit report

The Supervisory Board is responsible for the Supervisory Board's report. The legal representatives and the Supervisory Board are responsible for the statement pursuant to Section 161 of the German Stock Corporation Act (AktG) regarding the German Corporate Governance Code, to which reference is made in the Notes to the Consolidated Financial Statements in Section "G. Other Disclosures," Subsection "IV. Declaration of Compliance pursuant to Section 161 AktG (Corporate Governance)." In all other respects, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and the Group management report do not extend to the other information, and accordingly, we do not express an audit opinion or any other form of audit conclusion on this matter.

In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information mentioned above and to assess whether the other information

- contain material inconsistencies with the consolidated financial statements, with the information in the Group management report that was reviewed for content, or with our knowledge obtained during the audit, or
- otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report this fact. We have nothing to report in this regard.

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

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with the IFRS accounting standards as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to Section 315e (1) of the German Commercial Code (HGB) in all material respects, and for ensuring that the consolidated financial statements, in compliance with these provisions, present a true and fair view of the Group's net assets, financial position, and results of operations. Furthermore, the legal representatives are responsible for the internal controls they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements resulting from fraudulent acts (i.e., accounting manipulation and financial losses) or errors.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters related to the Group's ability to continue as a going concern, where relevant. In addition, they are responsible for preparing the financial statements on a going concern basis, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

In addition, the legal representatives are responsible for preparing the Group management report, which as a whole provides a true and fair view of the Group's financial position, is consistent with the consolidated financial statements in all material respects, complies with German legal requirements, and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) they deemed necessary to enable the preparation of a Group Management Report in accordance with applicable German legal requirements and to provide sufficient and appropriate evidence for the statements in the Group Management Report.

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

The auditor's responsibility for the audit of the consolidated financial statements and the Group management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements due to fraud or error, and whether the Group Management Report as a whole presents a fair view of the financial position of the Group, is consistent in all material respects with the consolidated financial statements and with the findings of our audit, complies with German legal requirements, and accurately presents the opportunities and risks of future development, and to issue an audit report containing our opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation, in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could reasonably be expected that, individually or in the aggregate, they would influence the economic decisions of users made on the basis of these consolidated financial statements and the Group management report.

During the audit, we exercise professional judgment and maintain a critical attitude. In addition,

- we identify and assess the risks of material misstatements in the consolidated financial statements and the consolidated management report due to fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- we obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the consolidated management report in order to plan audit procedures that are appropriate in the circumstances, but not with the objective of expressing an audit opinion on the effectiveness of the Group's internal controls or these arrangements and measures.
- We evaluate the appropriateness of the accounting policies applied by the legal representatives, as well as the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- we draw conclusions regarding the appropriateness of the going concern accounting principle applied by the legal representatives and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the consolidated management report or, if such disclosures are inadequate, to modify our audit opinion accordingly. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Group being unable to continue as a going concern.
- We evaluate the presentation, structure, and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in accordance with IFRS as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to Section 315e (1) of the German Commercial Code (HGB), the consolidated financial statements present a true and fair view of the Group's financial position, results of operations, and cash flows.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business segments within the Group as a basis for forming our audit opinions on the consolidated financial statements and the Group management report. We are responsible for directing, supervising, and reviewing the audit procedures performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- We assess the consistency of the Group management report with the consolidated financial statements, its compliance with applicable laws, and the picture it conveys of the Group's financial position.
- We perform audit procedures regarding the forward-looking statements presented by the legal representatives in the Group Management Report. Based on sufficient and appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent audit opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss with those responsible for oversight, among other things, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide a statement to those responsible for oversight that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that could reasonably be expected to affect our independence, and, where applicable, the actions taken or safeguards implemented to address independence threats.

We identify, from among the matters discussed with those responsible for oversight, those matters that were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in the auditor's report, unless laws or other regulations preclude public disclosure of the matter.

OTHER STATUTORY AND REGULATORY REQUIREMENTS

Note on the audit of the electronic representations of the consolidated financial statements and the group management report prepared for disclosure purposes pursuant to Section 317(3a) of the German Commercial Code (HGB)

Audit Opinion

In accordance with Section 317(3a) of the German Commercial Code (HGB), we have conducted an audit to obtain reasonable assurance as to whether the electronic representations of the consolidated financial statements and the consolidated management report prepared for disclosure purposes, contained in the file LudwigBeckAG_KA_2025.zip (SHA 256 hash value: ece8c2a1f01522401b49efbde48277e8e9160a852aeeddd3c823f3203f659f5e) and prepared for disclosure purposes (hereinafter also referred to as "ESEF documents") comply in all material respects with the requirements of Section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this review is limited to the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore does not extend to the information contained in these representations or to any other information contained in the aforementioned file.

In our opinion, the representations of the consolidated financial statements and the group management report contained in the file provided above and prepared for disclosure purposes comply in all material respects with the requirements of Section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format. This audit opinion, as well as the audit opinions on the attached consolidated financial statements and the attached group management report for the fiscal year from January 1 to December 31, contained in the preceding “Report on the Audit of the Consolidated Financial Statements and the Group Management Report” regarding the accompanying consolidated financial statements and the accompanying Group management report for the fiscal year from January 1 to December 31, 2025, we do not express any audit opinion on the information contained in these representations or on the other information contained in the aforementioned file.

Basis for the Audit Opinion

We conducted our audit of the representations of the consolidated financial statements and the group management report contained in the file provided above in accordance with Section 317(3a) of the German Commercial Code (HGB) and in accordance with IDW Auditing Standard: Audit of Electronic Representations of Financial Statements and Management Reports Prepared for Disclosure Purposes Pursuant to Section 317(3a) of the German Commercial Code (HGB) (IDW PS 410 (06.2022)). Our responsibility in this regard is described in more detail in the section “Responsibility of the Auditor for the Audit of the ESEF Documents.” Our audit firm has applied the requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibility of the Legal Representatives and the Supervisory Board for the ESEF Documents

The legal representatives of the company are responsible for preparing the ESEF documents, including the electronic versions of the consolidated financial statements and the group management report, in accordance with Section 328(1), sentence 4, no. 1 of the German Commercial Code (HGB), and for labeling the consolidated financial statements in accordance with Section 328(1), sentence 4, no. 2 of the German Commercial Code (HGB).

Furthermore, the company’s legal representatives are responsible for the internal controls they deem necessary to enable the preparation of the ESEF documents, which must be free from material—intentional or unintentional—violations of the requirements of Section 328 (1) of the German Commercial Code (HGB) regarding the electronic reporting format.

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

Responsibility of the auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material—intentional or unintentional—non-compliance with the requirements of Section 328(1) of the German Commercial Code (HGB). During the audit, we exercise due professional judgment and maintain a critical mindset. Furthermore,

- we identify and assess the risks of material—intentional or unintentional—non-compliance with the requirements of Section 328(1) of the German Commercial Code (HGB), plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinion.
- we gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate under the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these controls.
- We assess the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815, as in effect on the balance sheet date, regarding the technical specifications for this file.
- We assess whether the ESEF documents enable an XHTML reproduction of the audited consolidated financial statements and the audited consolidated management report with identical content.
- We assess whether the tagging of the ESEF documents using Inline XBRL (iXBRL) technology, in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 as in force on the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML representation.

Other disclosures pursuant to Article 10 of the EU-APrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on May 22, 2025. We were appointed by the Supervisory Board on June 2, 2025. We have served continuously as auditors of the consolidated financial statements of Ludwig Beck am Rathauseck - Textilhaus Feldmeier Aktiengesellschaft, Munich, since the 2024 fiscal year.

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

OTHER MATTERS - USE OF THE AUDITOR'S REPORT

Our audit report must always be read in conjunction with the audited consolidated financial statements and the audited consolidated management report, as well as the audited ESEF documents. The consolidated financial statements and the consolidated management report converted into the ESEF format—including the versions to be filed with the commercial register—are merely electronic representations of the audited consolidated financial statements and the audited consolidated management report and do not replace them. In particular, the ESEF statement and our audit opinion contained therein are only applicable in conjunction with the audited ESEF documents provided in electronic form.

AUDITOR IN CHARGE

The auditor responsible for the audit is Mr. Felix Haendel.

Munich, March 19, 2026

Financial calendar

Publication of the Annual Report 2025	March 20, 2026
Analyst conference on the Annual Report 2025 (virtual, Munich)	March 23, 2026
Quarterly Statement for the first quarter of 2026	April 23, 2026
Annual General Meeting 2026 (virtual, Munich)	May 28, 2026
Half-Year Report for the second quarter and first six months of 2026	July 28, 2026
Quarterly Statement for the third quarter and first nine months of 2026	October 22, 2026

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!