

Ludwig Beck

Consolidated Interim Report

2025

for the 2nd Quarter and the 1st Six Months of the Fiscal Year 2025
for the Period from January 1 - June 30, 2025

INTRODUCTION

LUDWIG BECK's financial reporting is based on the International Financial Reporting Standards (IFRS) and complies with Section 37w WpHG. In general, the interim report is prepared as an update of the annual report. Its focus is on the current reporting period. The consolidated financial statements prepared in accordance with IFRS serve as the starting point for LUDWIG BECK's financial reporting in accordance with IFRS as the preferred accounting system. The interim report should therefore be read together with the IFRS consolidated financial statements published for the fiscal year 2024.

GENERAL ECONOMIC AND SECTORAL DEVELOPMENT

Macroeconomic development

The year 2025 is marked by volatile economic development. After a period of economic weakness, current forecasts from leading economic institutes predict a slight upward correction for 2025 and 2026. In the second quarter of 2025, gross domestic product (GDP) recorded growth of 0.4% over the previous quarter. This could be interpreted as a sign that the recession of the past two years has been overcome.

However, Germany's further economic development remains heavily dependent on international conditions. The ongoing trade conflict between the US and the European Union in particular has a direct impact on Germany as an exports-oriented nation – potential tariff increases by the US could hamper the competitiveness of German products.

In addition, geopolitical tensions complicate any reliable assessment of future economic prospects. Aside from the ongoing war in Ukraine, the recent military conflict between Iran and Israel is affecting both the global investment climate and the stability of international markets.

Retail development

Brick-and-mortar fashion retailers in Germany experienced an average 4% sales decline in the first half of 2025. These figures were reported by TextilWirtschaft, citing current market data.

Already the first quarter was marked by strong volatility. Sales performance was mixed, as strong weeks were regularly followed by weaker sales periods. Despite some positive impulses, these were not strong enough to generate a positive trend. The unstable development continued in the second quarter. Negative calendar effects had an additional impact on consumer behavior: Due to the late Easter and Pentecost holidays, important shopping impulses were missed. In addition, there was one regular sales day less in June compared to the previous year. In Bavaria were even two less shopping days. The lack of one Saturday, which is strategically important for retail, had a particularly negative impact.

PRESENTATION OF FIGURES IN THE INTERIM REPORT

All sums and figures in the text and tables were calculated exactly and then rounded to the nearest € million. The percentages in the text and tables were calculated using the exact values (not the rounded values).

GROUP EARNINGS SITUATION

Sales development

In the first half of the 2025 fiscal year, LUDWIG BECK generated gross sales of € 37.8m (previous year: € 37.2m), representing an increase of 1.5%. The first half of 2025 continued to be marked by cautious consumer sentiment due to the general economic environment. In addition, there were some massive restrictions on local public transport, making it difficult to get to Marienplatz quickly, easily, and stress-free. This discouraged many customers from going to the city centre.

In the first half of the 2025 fiscal year, sales in the "textile" segment increased from € 28.3m in the previous year to € 29.0m. Sales in the "non-textile" segment totalled € 8.8m after € 8.9m in the previous year.

The online shop of LUDWIG BECK also developed positively in the first half of the year, recording a 5.4% increase in sales compared to the previous year.

Earnings situation

Based on sales development, gross profit increased from € 15.1m to € 15.5m in the reporting year. The gross profit margin was 48.8% (previous year: 48.1%) due to lower price reductions. The cost of goods sold remained at the previous year's level and amounted to € 16.3m (previous year: € 16.2m).

In the first half of the 2025 fiscal year other operating income amounted to € 1.9m (previous year: € 1.8m). Personnel expenses remained at € 8.1m, as in the previous year. Depreciation amounted € 3.5m (previous year: € 3.3m). Of this, € 1.9m was depreciation on rights of use resulting from the accounting of lease agreements in accordance with IFRS (previous year: € 1.8m). Other

operating expenses amounted to € 6.8m (previous year: € 6.4m).

Earnings before interest and taxes (EBIT) totalled € -1.0m after the first six months of the 2025 fiscal year, as in the previous year.

The financial result amounted to € -1.4m in the reporting year, after € -1.5m in the previous year. Interest expense from the recognition of lease agreements in accordance with IFRS 16 included in the financial result were around € -0.6m (previous year: € -0.7m).

Accordingly, earnings before taxes (EBT) amounted to € -2.4m (previous year: € -2.5m).

Earnings after taxes (EAT) amounted to € -2.7m (previous year: € -1.5m). The previous year included deferred tax income of around € 1.2m, which had been recognized on EBT of € -2.5m. Due to the adjustment of deferred tax assets on loss carry forwards as of December 31, 2024, no deferred tax income was recognized on EBT in the current year.

ASSETS

Asset structure

Total assets of the LUDWIG BECK Group amounted to € 163.1m as of June 30, 2025 (December 31, 2024: € 164.7m).

At € 145.5m (December 31, 2024: € 148.4m), long-term assets made up the largest part of total assets. The biggest items within long-term assets are the property at Munich's Marienplatz, LUDWIG BECK's flagship store, with a book value of around € 70m and the right-of-use assets in accordance with IFRS 16, which were reported at around € 56.5m as of June 30, 2025.

Short-term assets amounted to € 17.6m as at the reporting date (December 31, 2024: € 16.4m). Due to seasonal factors, inventories of merchandise were higher at € 13.9m compared to December 31, 2024, with € 12.8m.

EQUITY AND LIABILITIES

Capital structure

As of June 30, 2025, the LUDWIG BECK Group had equity in the amount of € 59.1m (December 31, 2024: € 61.8m). The equity ratio was 36.2 % after 37.5 % at the end of the 2024 fiscal year.

Long-term liabilities decreased by € 3.0m due to scheduled repayments including lease rights. This was offset by two new medium-term loans amounting to € 15.0m, which were taken out to refinance two loans due for repayment amounting € 13.4m. Long-term liabilities totalled € 75.5m (December 31, 2024: € 77.0m). In addition to bank loans, this item includes around € 48.8m in liabilities from lease agreements.

Short-term liabilities increased from € 26.0m (December 31, 2024) to € 28.5m.

Total liabilities amounted to € 104.0m (December 31, 2024: € 103.0m). Of the total liabilities € 52.0m (December 31, 2024: € 53.6m) were attributable to lease liabilities to be recognized in accordance with IFRS 16.

Cash flows

Cash flows from operating activities amounted to € -0.8m after the first six months of 2025 (previous year: € 0.0m).

Due to investments in the Munich's Marienplatz flagship store and in the Group's digital processes, cash flows from investing activities totalled € -0.5m (previous year: € -1.0m).

Cash flows from financing activities totalled € 1.2m (previous year: € 0.9m).

EMPLOYEES

In the first half of 2025, the number of employees was 415 (excluding apprentices) in accordance with Section 267 (5) HGB (June 30, 2024: 392). Weighted by full-time equivalents, the number of employees was 266 (June 30, 2024: 262). The number of apprentices in the LUDWIG BECK Group was 38 (June 30, 2024: 35).

OPPORTUNITY AND RISK REPORT

As part of its activities in the sales markets, the LUDWIG BECK Group is exposed to various opportunities and risks associated with entrepreneurial activity. These are described in detail in the company's current annual report for the year 2024 starting on page 71.

You can find the report on the company's website at www.kaufhaus.ludwigbeck.de/unternehmen in the "Investor Relations" section under "Financial Publications".

FORECAST REPORT

Economic conditions and developments in the retail sector

The German retail sector faced three main challenges in the first half of 2025: volatile consumer sentiment, declining customer footfall, and continuing cost increases.

The HDE consumer barometer recorded a slow but steady rise from 96.10 points in May to 97.35 in June and 97.73 in July. This index is based on indicators such as propensity to buy, propensity to save, income expectations, and interest rates. Consumer propensity to save remains high (13.9 points), particularly in the clothing and footwear segment.

Customer footfall in brick-and-mortar retail was down on average 1% year-on-year in the first half of 2025. Stores in peripheral locations and rural areas were particularly

hard hit. City centres with a broad mix of retailers and good public transport benefited, however. The ongoing shift toward online retailing is evident, and many companies are therefore opting for hybrid retail models to specifically address changing consumer behaviour.

Cost increases are another major issue. Energy and labour costs in particular are weighing on the economic performance of retail businesses.

The general economic situation is also reflected in insolvency statistics: Company insolvencies rose by 9.4% to 11,900 cases in the first half of the year, and consumer insolvencies by 6.6% to 37,700 cases.

OUTLOOK

LUDWIG BECK nevertheless looks confidently to the third quarter of 2025 and is counting on general conditions stabilizing again. Additional momentum is expected from the Munich Oktoberfest, which starts in September and has traditionally been an important sales driver for the company. LUDWIG BECK is well prepared for the second half of the year, both strategically and in terms of its product range. With a carefully curated product range that combines both classic and fashionable elements, the company is able to respond flexibly to different customer demands. Despite the challenging market environment, LUDWIG BECK is therefore confident for the coming months.

Based on what the LUDWIG BECK management sees as opportunities for the second half of the year, management is holding to the forecasts published in March 2025.

APPENDIX

Accounting according to International Financial Reporting Standards (IFRS)

These quarterly financial statements of the LUDWIG BECK AG Group as of June 30, 2025, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Presentation method

The quarterly financial statements are prepared in accordance with IAS 34 (Interim Financial Reporting).

Accounting and valuation methods

The same accounting policies are applied in the quarterly financial statements as in the consolidated financial statements as at December 31, 2024. A comprehensive description of these policies is published in the notes to the IFRS consolidated financial statements as at December 31, 2024.

Confirmations of the legal representative Section 37y WpHG and Section 37 (2) No. 3 WpHG

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group 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 for the remaining months of the financial year.."

Consolidated statement of Comprehensive Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF
LUDWIG BECK AM RATHAUSECK - TEXTILHAUS FELDMEIER AG, MUNICH,
FOR THE PERIOD JANUARY 1, 2025 – JUNE 30, 2025, ACCORDING TO IASB PROVISIONS

	01/01/2025 - 30/06/2025	01/01/2024 - 30/06/2024	01/04/2025 - 30/06/2025	01/04/2024 - 30/06/2024
	€m	€m	€m	€m
1. Sales revenue				
- Gross sales	37.8	37.2	19.5	18.5
- Less VAT	6.0	5.9	3.1	3.0
- Net sales	31.8	31.3	16.4	15.6
2. Other own work capitalized	0.0	0.0	0.0	0.0
3. Other operating income	1.9	1.8	1.0	1.0
	33.7	33.1	17.4	16.6
4. Cost of materials	16.3	16.2	7.9	7.5
5. Personnel expenses	8.1	8.1	4.2	4.2
6. Depreciation	3.5	3.3	1.7	1.7
7. Other operating expenses	6.8	6.4	3.3	3.2
	34.7	34.1	17.2	16.6
8. Earnings before interest and taxes (EBIT)	-1.0	-1.0	0.2	-0.0
9. Financial result	-1.4	-1.5	-0.7	-0.7
-thereof financial expenses:				
as of 30.06: € 1.4m (previous year: € 1.5m)				
2nd quarter: € 0.7m (previous year: € 0.7m)				
10. Earnings before taxes (EBT)	-2.4	-2.5	-0.5	-0.7
11. Income taxes	0.3	-1.0	0.2	-0.3
12. Earnings after taxes	-2.7	-1.5	-0.7	-0.4
Diluted and undiluted earnings per share in €	-0.72	-0.41	-0.20	-0.11
Average number of shares in circulation in million	3.70	3.70	3.70	3.70

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET OF LUDWIG BECK AM RATHAUSECK - TEXTILHAUS
FELDMEIER AG, MUNICH, AS OF JUNE 30, 2025, ACCORDING TO IASB PROVISIONS

Assets	30/06/2025	31/12/2024
	€m	€m
A. Long-term assets		
I. Intangible assets	4.7	4.9
II. Property, plant, and equipment	136.7	139.4
III. Investment property	3.0	3.0
IV. Other assets	0.1	0.1
V. Deferred taxes	1.0	0.9
Total long-term assets	145.5	148.4
B. Short-term assets		
I. Inventories	13.9	12.8
II. Receivables and other assets	3.3	3.0
III. Cash and cash equivalents	0.4	0.6
Total short-term assets	17.6	16.4
	163.1	164.7
Liabilities	30.06.2025	31.12.2024
	€m	€m
A. Shareholders' equity		
I. Subscribed capital	9.4	9.4
II. Capital reserve	3.5	3.5
III. Accumulated profit	46.8	49.5
IV. Other equity components	-0.6	-0.6
Total shareholders' equity	59.1	61.8
B. Long-term liabilities		
I. Financial liabilities	72.6	74.2
II. Accruals	2.5	2.5
III. Deferred taxes	0.3	0.3
Total long-term liabilities	75.5	77.0
C. Short-term liabilities		
I. Financial liabilities	22.7	19.9
II. Trade liabilities	1.2	1.6
III. Tax liabilities	0.2	0.0
IV. Other liabilities	4.5	4.4
Total short-term liabilities	28.5	26.0
Total debt (B. + C.)	104.0	103.0
	163.1	164.7

Segment Reporting

FOR THE PERIOD FROM JANUARY 1, 2025 – JUNE 30, 2025

01/01–30/06/2025	Textile	Non-textile	Segments Total	Adjustments*	Group
	€m	€m	€m	€m	€m
Gross sales	29.0	8.8	37.8		37.8
<i>Previous year</i>	28.3	8.9	37.2		37.2
VAT	-4.6	-1.4	-6.0		-6.0
<i>Previous year</i>	-4.5	-1.4	-5.9		-5.9
Net sales	24.4	7.4	31.8		31.8
<i>Previous year</i>	23.8	7.5	31.3		31.3
Cost of sales	-12.5	-4.3	-16.7	0.5	-16.3
<i>Previous year</i>	-12.4	-4.3	-16.7	0.4	-16.2
Gross profit	11.9	3.1	15.0	0.5	15.5
<i>Previous year</i>	11.4	3.2	14.6	0.4	15.1
Personnel costs of sales (personnel expenses)	-2.3	-1.3	-3.6	-4.5	-8.1
<i>Previous year</i>	-2.2	-1.4	-3.6	-4.6	-8.1
Imputed expenditure on premises (other operating expenses)	-4.9	-1.1	-6.0	-0.8	-6.8
<i>Previous year</i>	-4.9	-1.1	-6.0	-0.4	-6.4
Imputed interest expenses (financial result)	-0.4	-0.2	-0.6	-0.8	-1.4
<i>Previous year</i>	-0.4	-0.2	-0.6	-0.9	-1.5
Segment result	4.4	0.5	4.9	-5.7	-0.8
<i>Previous year</i>	4.0	0.5	4.5	-5.5	-1.0

*Expenses and income that cannot be allocated to the individual segments

Segment Reporting

FOR THE PERIOD FROM APRIL 1, 2025 – JUNE 30, 2025

01/04–30/06/2025	Textile	Non-textile	Segments Total	Adjustments*	Group
	€m	€m	€m	€m	€m
Gross sales	14.9	4.7	19.5		19.5
<i>Previous year</i>	14.1	4.5	18.5		18.5
VAT	-2.4	-0.7	-3.1		-3.1
<i>Previous year</i>	-2.2	-0.7	-3.0		-3.0
Net sales	12.5	3.9	16.4		16.4
<i>Previous year</i>	11.8	3.7	15.6		15.6
Cost of sales	-5.8	-2.3	-8.1	0.2	-7.9
<i>Previous year</i>	-5.5	-2.2	-7.7	0.2	-7.5
Gross profit	6.7	1.6	8.3	0.2	8.5
<i>Previous year</i>	6.3	1.6	7.9	0.2	8.0
Personnel costs of sales (personnel expenses)	-1.2	-0.7	-1.9	-2.3	-4.2
<i>Previous year</i>	-1.2	-0.7	-1.9	-2.3	-4.2
Imputed expenditure on premises (other operating expenses)	-2.3	-0.7	-3.0	-0.4	-3.3
<i>Previous year</i>	-2.4	-0.5	-3.0	-0.2	-3.2
Imputed interest expenses (financial result)	-0.2	-0.1	-0.3	-0.4	-0.7
<i>Previous year</i>	-0.2	-0.1	-0.3	-0.4	-0.7
Segment result	2.9	0.2	3.2	-2.9	0.2
<i>Previous year</i>	2.5	0.3	2.7	-2.9	-0.1

*Expenses and income that cannot be allocated to the individual segments

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT OF LUDWIG BECK AM RATHAUSECK - TEXTILHAUS FELDMEIER AG, MUNICH, FOR THE PERIOD JANUARY 1, 2025 – JUNE 30, 2025, ACCORDING TO IASB PROVISIONS

€m	01/01/2025 – 30/06/2025	01/01/2024 – 30/06/2024
Cash flow from operating activities		
Earnings before taxes	-2.4	-2.5
Adjustments for:		
+ Depreciation on long-term assets	3.5	3.3
- Interest income	-0.0	0.0
+ Interest expense	1.4	1.5
Operating result before changes to net working capital	2.5	2.4
Increase/decrease (-/+) in assets	-1.5	0.1
Increase/decrease (+/-) in liabilities	-0.4	-0.6
Cash flow from operating activities (before interest and tax payments)	0.7	1.9
Interest paid	-1.4	-1.5
Disbursements to other shareholders	0.0	-0.1
Taxes on income paid	-0.1	-0.2
A. Cash flow from operating activities	-0.8	0.0
Payments for investments in fixed assets	-0.5	-1.0
B. Cash flow from investing activities	-0.5	-1.0
Dividend payment	0.0	-0.6
Increase/decrease in bank loans and loans from insurance companies	2.8	3.1
Increase/decrease in finance leases	-1.6	-1.6
C. Cash flow from financing activities	1.2	0.9
D. Net change in cash and cash equivalents (A.+B.+C.)	-0.1	-0.1
Cash and cash equivalents at the beginning of the period	0.6	0.4
Change in D.	-0.1	-0.1
Cash and cash equivalents at the end of the period	0.4	0.4

Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF LUDWIG BECK AM RATHAUSECK
- TEXTILHAUS FELDMEIER AG, MUNICH, FOR THE PERIOD JANUARY 1, 2025 – JUNE 30, 2025,
ACCORDING TO IASB PROVISIONS

€m	Subscribed capital	Capital reserve	Accumulated profit	Other equity components	Total
Status 01/01/2025	9.4	3.5	49.5	-0.6	61.8
Earnings after taxes			-2.7		-2.7
As per 30/06/2025	9.4	3.5	46.8	-0.6	59.1
Status 01/01/2024	9.4	3.5	53.2	-0.6	65.5
Earnings after taxes			-1.5		-1.5
Dividend payment			-0.6		-0.6
Disbursements to other shareholders			-0.1		-0.1
As per 30/06/2024	9.4	3.5	51.0	-0.6	63.2