

Annual Financial Report 2024

LECTRA

We pioneer. You lead.

General summary

Group's general presentation

Statement from Daniel Harari, Chairman and Chief Executive Officer	3
Key figures in 2024	6
Business Model	8
About Lectra	9

1 Management Discussion 23

1.1 Summary of events and performance in 2024	24
1.2 Assessment of the 2023-2025 strategic roadmap: second progress report	26
1.3 Risk factors - Internal control and risk management procedures	28
1.4 Off-balance sheet items	34
1.5 Research and development	35
1.6 Sustainability Report	35
1.7 Appropriation of Earnings	36
1.8 Share capital - ownership - share price performance	36
1.9 Share repurchase program	40
1.10 Significant post-closing events	41
1.11 Financial calendar 2025	41
1.12 Business trends and outlook	41
1.13 Additional information - Consolidated financial statements	42

2 Sustainability Report 45

2.1 A word from the Chairman and Chief Executive Officer	46
2.2 About this Sustainability Report - ESRS 2	47
2.3 Environment	61
2.4 Social	83
2.5 Business conduct	100
2.6 Appendixes	106
2.7 Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852	125

3 Report on Corporate Governance 129

3.1 Directors and managing bodies	131
3.2 Compensation and benefits of Company Officers and Directors	158
3.3 Market abuse prevention measures	167
3.4 Procedures relative to the preparation and processing of accounting and financial information	168
3.5 Related-party agreements and agreements entered into in the ordinary course of business	169
3.6 Financial authorizations and delegations	170
3.7 Attendance at shareholders' meetings	170
3.8 Information concerning potentially material items in the event of a public tender offer	171

4 Consolidated financial statements 172

4.1 Statement of consolidated financial position	173
4.2 Consolidated income statement	174
4.3 Consolidated statement of cash flows	175
4.4 Statement of change in consolidated equity	176
4.5 Notes to the statement of consolidated financial position	190
4.6 Notes to the consolidated income statement	212
4.7 Notes to the consolidated statement of cash flows	218
4.8 Statutory Auditors' report on the consolidated financial statements	219

5 People responsible for the Annual financial report and auditing the financial statements 223

This 2024 Annual Financial Report is a reproduction in .pdf, translated in English, of the official version of the 2024 annual in European Single Electronic Format (ESEF) and in French filed with the AMF on March 28, 2025 and available on our website www.lectra.com.

This English version of the 2024 Annual Financial Report is provided solely for the convenience of English-speaking readers. Note that it does not include the financial statements of the parent company and disclosures relating to the parent company that appear in the Management Report of the Board of Directors. In all matters of interpretation, the official version ESEF in French shall prevail.



Statement from Daniel Harari

Chairman and Chief Executive Officer

With revenues of 526.7 million euros and EBITDA before non-recurring items of 91.1 million euros, Lectra's 2024 results confirm the Group's strong resilience in the continuing degraded macroeconomic and geopolitical environment.

The right business model, with even stronger fundamentals

2024 marked another substantial improvement in the fundamentals of the Group's business model, as seen in record cash flow of 17.2 million euros. Recurring revenues increased by 18% and accounted for 72% of total revenues, while the gross margin on recurring revenues covered nearly all fixed costs in the year. And following the January 2024 acquisition of a majority stake in Launchmetrics, net financial debt was reduced to 20.6 million euros at year-end.

Extending Lectra's range of solutions for the fashion industry with Launchmetrics

Lectra's position in the fashion market is stronger than ever, as the Launchmetrics acquisition has expanded the Group's offerings beyond its historical business lines. Launchmetrics brings not only its range of solutions, but also its best-in-class SaaS practices which further enhance the customer experience. Successful integration – of teams, processes, and products – means that Lectra now offers a coherent set of SaaS activities for the fashion industry.

Major progress in deploying the 2023–2025 strategic roadmap

The Group is determined to pursue deployment of the Lectra 4.0 strategy, notwithstanding uncertainty regarding the continued degraded macroeconomic and geopolitical environment. Ever since its inception in 2017, Lectra's 4.0 strategy has proven its effectiveness in its aim of positioning the Group as a key Industry 4.0 player in its three strategic market sectors – fashion, automotive and furniture – by 2030.

Moving forward with the 2026–2028 strategic roadmap, the Group's ambition is to take full advantage of its change in dimension to accelerate growth, significantly increase the volume of SaaS in revenues, and seize acquisition opportunities. This ambition is well on the way to being achieved, following the very significant progress made in 2024.

The Group has also maintained its strong investments in R&D, while enriching Lectra's expertise in the key technologies for Industry 4.0 – the Internet of Things, cloud computing, big data and artificial intelligence – with the aim of enhancing current offers and supporting the development of future offers.

Software as a Service: SaaS already represents close to 15% of total revenues

With robust internally generated growth and the acquisition of Launchmetrics, SaaS revenues in 2024 came to 77.4 million euros, more than twice the year before. Continuing the trend, SaaS business should account for over 90 million euros in 2025, based on an even greater value proposition, particularly in the fashion industry. SaaS represents a major growth driver and a source of enhanced profitability for the years to come.

Increasing focus on Corporate Social Responsibility

With the commitment of employees, and recognition by customers, Lectra stands at the forefront in building a more sustainable future. The relevance of our CSR policy, now enshrined as a key pillar of our strategy, has been recognized by independent rating organizations. For the third year running, Lectra received the Deloitte Best Managed Companies award for France.

Over and above the commitment to actively assuming responsibility for the environmental impact of its own activities, Lectra's offer enables customers to significantly reduce waste of fabric and leather -- one of the principal contributors to their carbon footprint-- and to ensure fabric traceability, from fiber to retail. The first formal Sustainability Report, prepared in compliance with the CSRD directive, illustrates the very significant progress achieved in 2024.

Moving into 2025 with confidence and determination

The Group has moved forward into the year 2025 with confidence and will continue to meet customers' needs as closely as possible – through the quality of the offering for Industry 4.0, and through the development of its SaaS activity. The initial signs are positive, but the absence of visibility regarding the macroeconomic and geopolitical situation could continue to adversely affect customers' investment decisions.

Lectra has set the 2025 objective of achieving recurring revenues of over 400 million euros, including 90 million euros of SaaS revenues. Overall, revenues are expected to be between 550 and 600 million euros, with an EBITDA margin before non-recurring items close to 20%.

I hope that you will find this report of interest and trust it provides the information you require.

Daniel Harari
Chairman and Chief Executive Officer

Contribute to the 4.0 revolution
with **boldness and passion** by
providing best-in-class
technologies

At Lectra, we are committed to facilitating digital transformation through our industrial intelligence solutions, where automation and connectivity unlock potential across the fashion, automotive and furniture industries.

**One third of
your wardrobe**

is designed with Lectra software.

**One in every
two vehicle**

features an interior
made with Lectra
equipment.

**A large number
of sofas and
armchairs**

are manufactured with
Lectra solution.



Key figures for 2024^(*)

€526.7m

revenues
10% vs 2023

€77.4m

SaaS revenues
x2,5 vs 2023

€91m

EBITDA before
non-recurring items
+15% vs 2023

12.8% of revenues

is invested in R&D

72%

recurring revenues

17.3% of revenues

EBITDA margin before
non-recurring items

€29.6m

net income

€72.1m

free cash flow

€374.4m

shareholder's equity
at December 31, 2024

(*) see note 2.27 to the consolidated financial statements

Breakdown of revenues⁽¹⁾



50%

Fashion



33%

Automotive



9%

Furniture



8%

Other industries
(signage, marine, aeronautics)

(1) Perpetual software licenses, equipment and accompanying software and non-recurring services

A global presence

+25,000

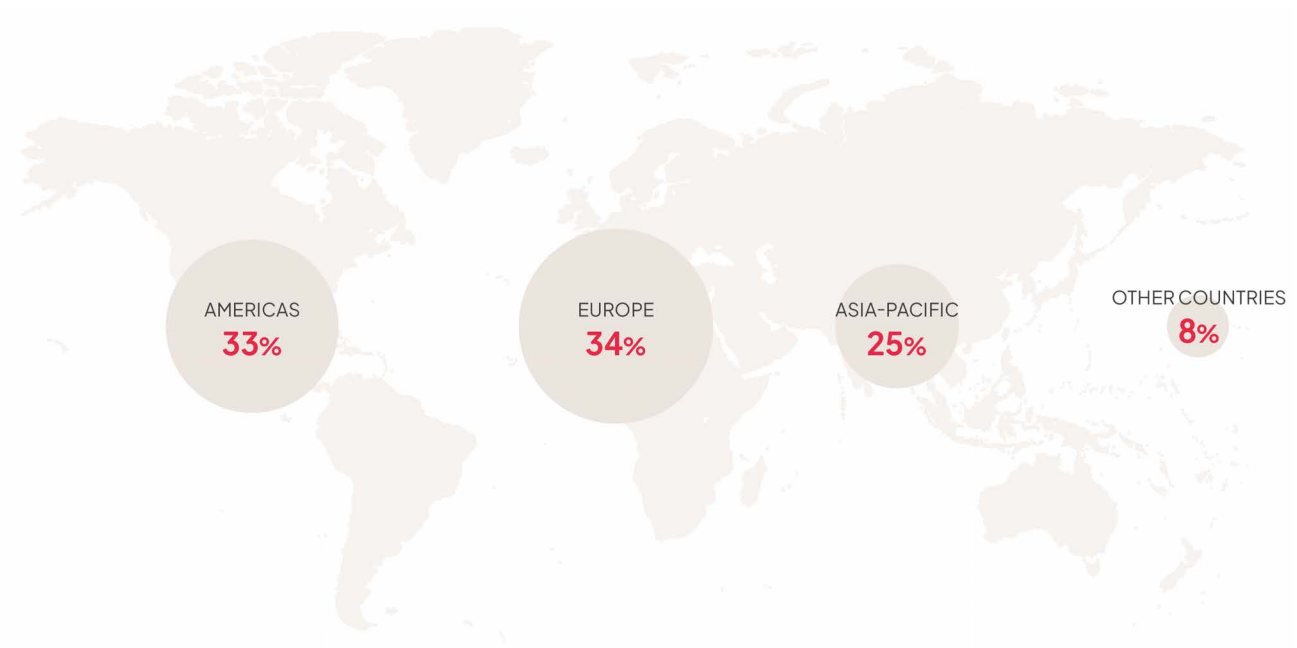
customers

1,800

equipment

94%

of revenues generated
outside of France



100+

countries

82

subsidiaries

3,000

employees

12

Expertise centers
worldwide

5

Customer Experience
centers

- Atlanta
- New-York
- Bordeaux-Cestas
- Milano
- Shanghai

1

Innovation Lab

- Bordeaux-Cestas

3

Production sites

- Bordeaux-Cestas
- Suzhou (China)
- Tolland (USA)

Our purpose and values

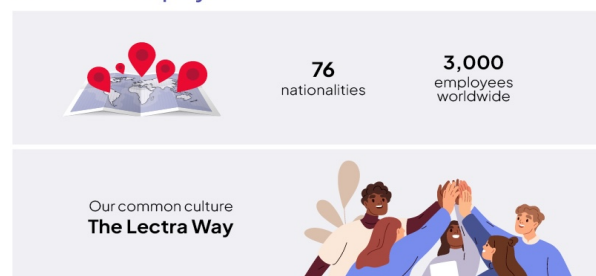
As a major player in the fashion, automotive and furniture markets, Lectra contributes to the Industry 4.0 revolution with boldness and passion by providing best-in-class technologies. The Group is proud to state that its 3,000 employees are driven by three core values: being open-minded thinkers, trusted partners and passionate innovators.

Resources

A solid economic model

- Negative working capital requirement
- More than **72% of recurring revenues**
- **96% security ratio**

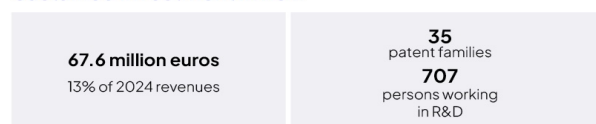
Passionate employees



Well-established governance

- Parity on the Board of Directors

Sustained investment in R&D



An unrivaled global presence



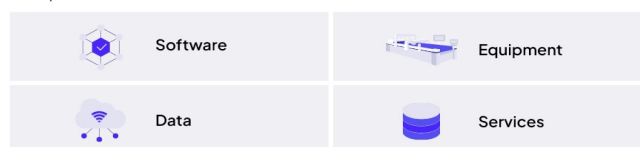
Strategy

The Lectra 4.0 strategy

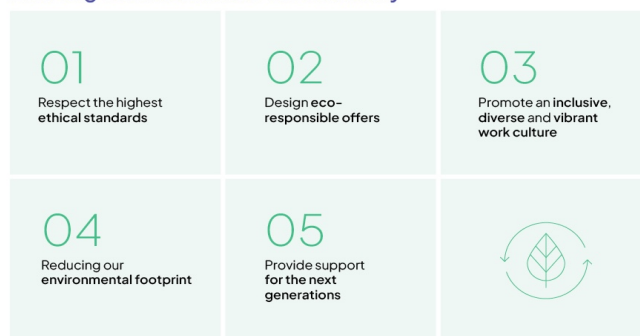


An extensive offer

A unique combination of:

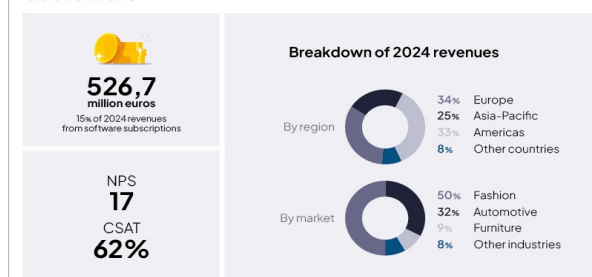


A strong commitment to sustainability



Value creation

Customers



Employees

- **42,704 hours** of training given
- **206.2 million euros** of payroll costs
- **35%** women's representation within the Group's senior management

Suppliers

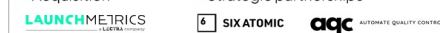
- **94%** of components suppliers for the Bordeaux-Cestas (France) production site are European.

Shareholders

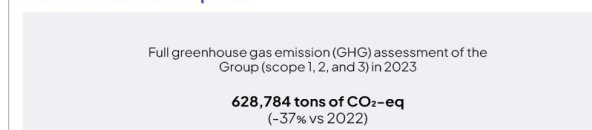
- 2024 dividend (paid in 2025): **€0.40 / share**

External growth

- Acquisition
- Strategic partnerships



Environmental impact

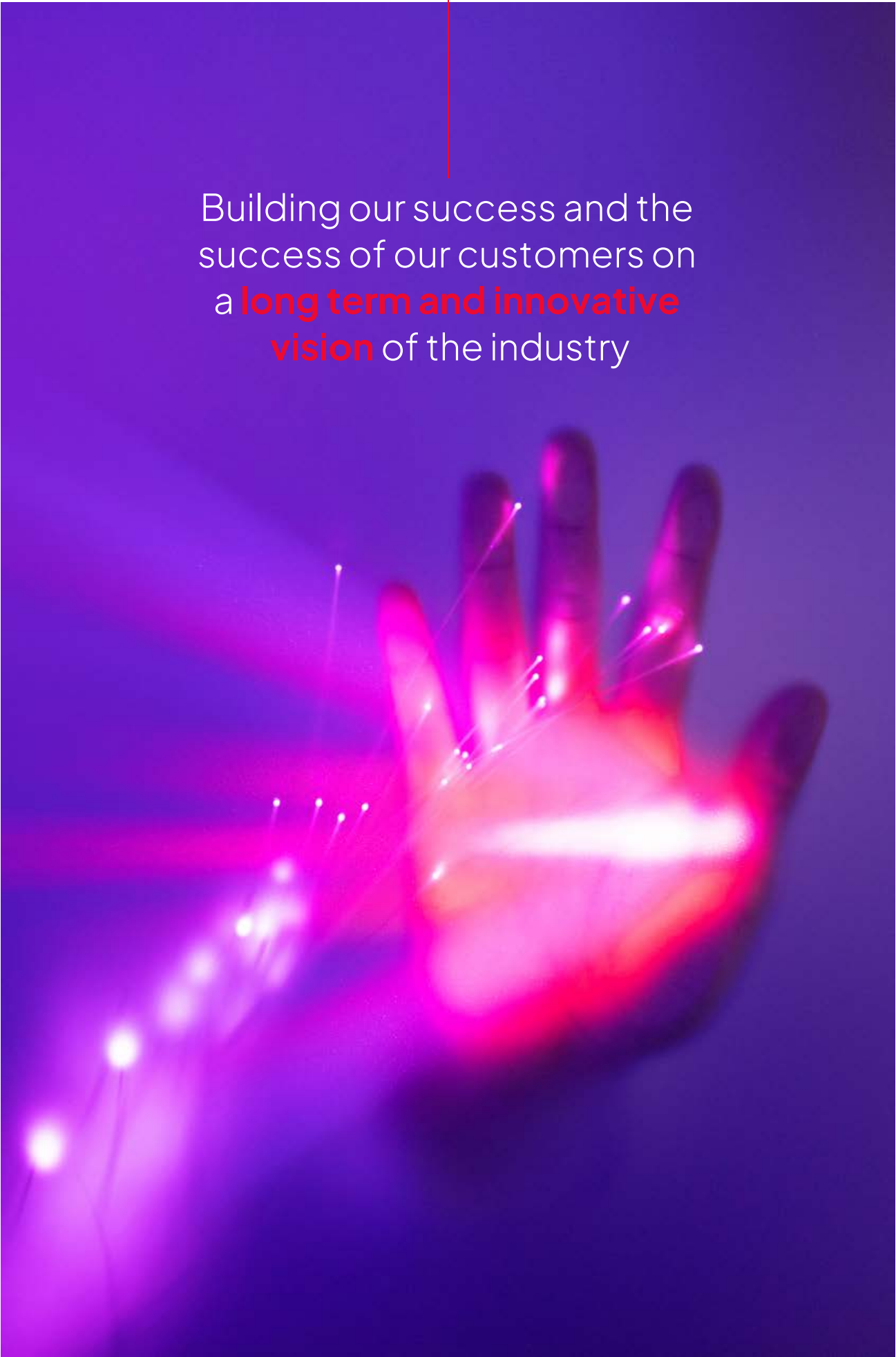


Recognition



Our contribution to the UN Sustainable Development Goals (SDGs)

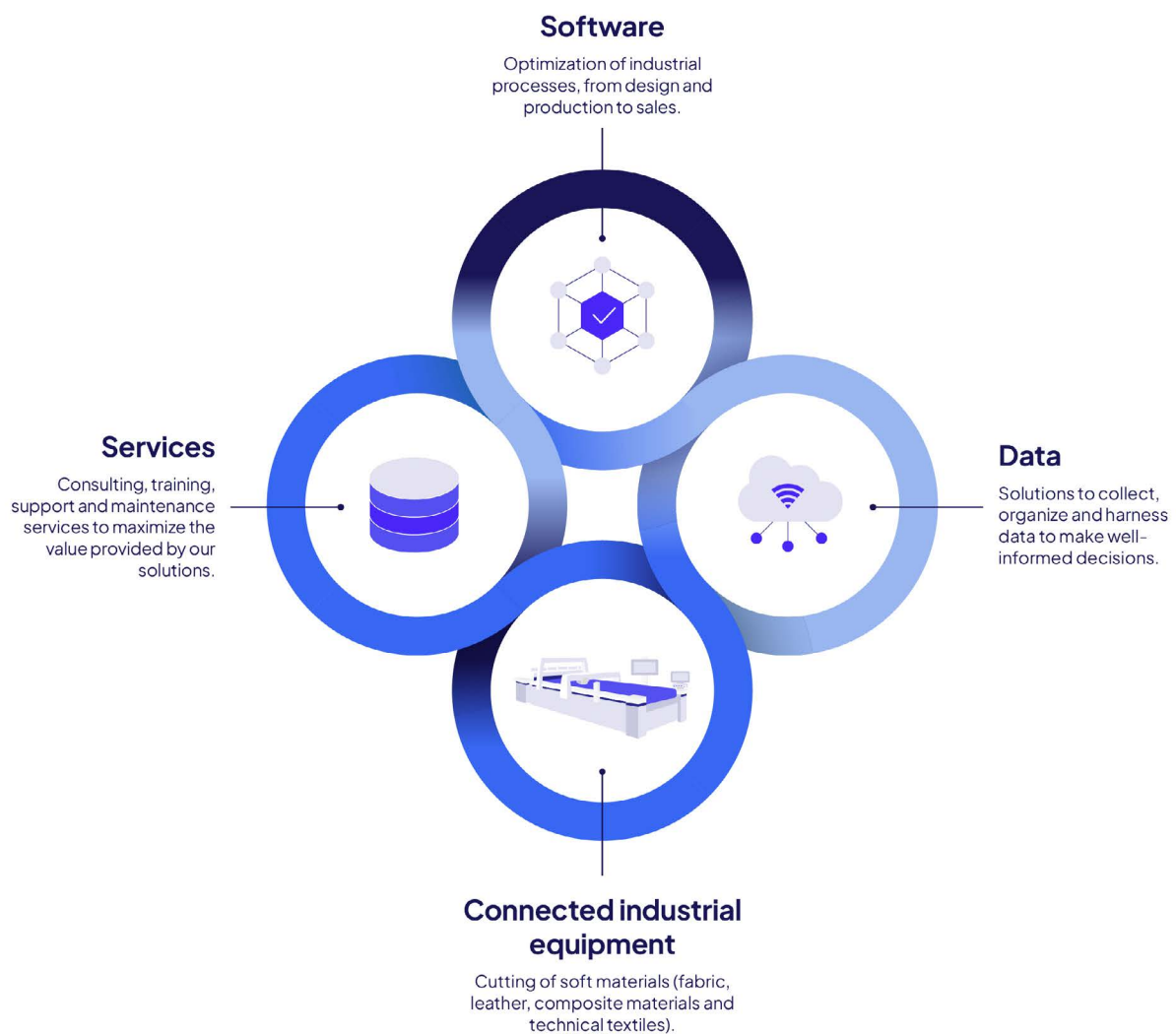


A large, abstract image of a hand reaching out, composed of glowing fiber optic lines. The hand is positioned in the lower half of the frame, with its fingers spread. The background is a deep blue gradient. The fiber optic lines are bright white and yellow, creating a sense of movement and connectivity. The text is overlaid on the upper half of the image.

Building our success and the
success of our customers on
a **long term and innovative**
vision of the industry

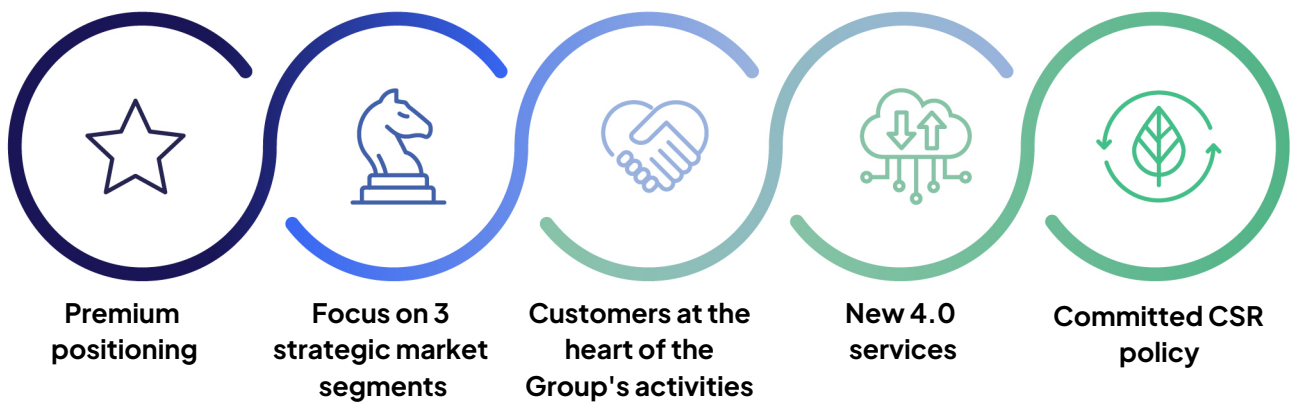
A unique combination

We are a strategic partner to companies in the fashion, automotive and furniture industries. We have an unmatched expertise of our customers' businesses, technological leadership, a global presence, an extensive customer base and a solid business model.



Becoming **a major player** of Industry 4.0 on our strategic market by 2030

The five pillars of the Lectra 4.0 strategy launched in 2017



We implement this strategy by developing three-year roadmaps. The Group's particularly solid financial fundamentals allow us to follow them with confidence.

Spread of business

across various sector-based and geographical markets with different cycles, as well as a large number of customers worldwide

Beneficial distribution

between recurring (72%) and non-recurring revenues (28%). In 2024, Lectra boasts a security ratio of 96%⁽¹⁾

Generating major annual free cash flow

⁽¹⁾ Percentage of overhead fixed costs covered by margin on recurring revenues



Driving innovations that have transformed our markets for **50 years**

Innovation and R&D are at the core of our strategy, with significant investments.

In 2024, **13%** of our revenues and **23%** of our employees were dedicated to these initiatives.

All our new software is now available as SaaS. This model has been widely adopted by our customers, as shown by our SaaS revenues, which were multiplied by 2.5 between 2023 and 2024, reaching €77.4 million.

To improve our solutions even further, we focus on key technologies such as **IoT, cloud computing, big data and artificial intelligence.**

Our **Innovation Lab**, launched in 2018, explores disruptive technologies in partnership with startups, research centers, and universities. Our objective: identify current trends and anticipate change in the fashion, automotive and furniture industries. This laboratory also identifies opportunities for partnerships and acquisitions of strategic technologies, helping us improve our solutions and giving them added value.



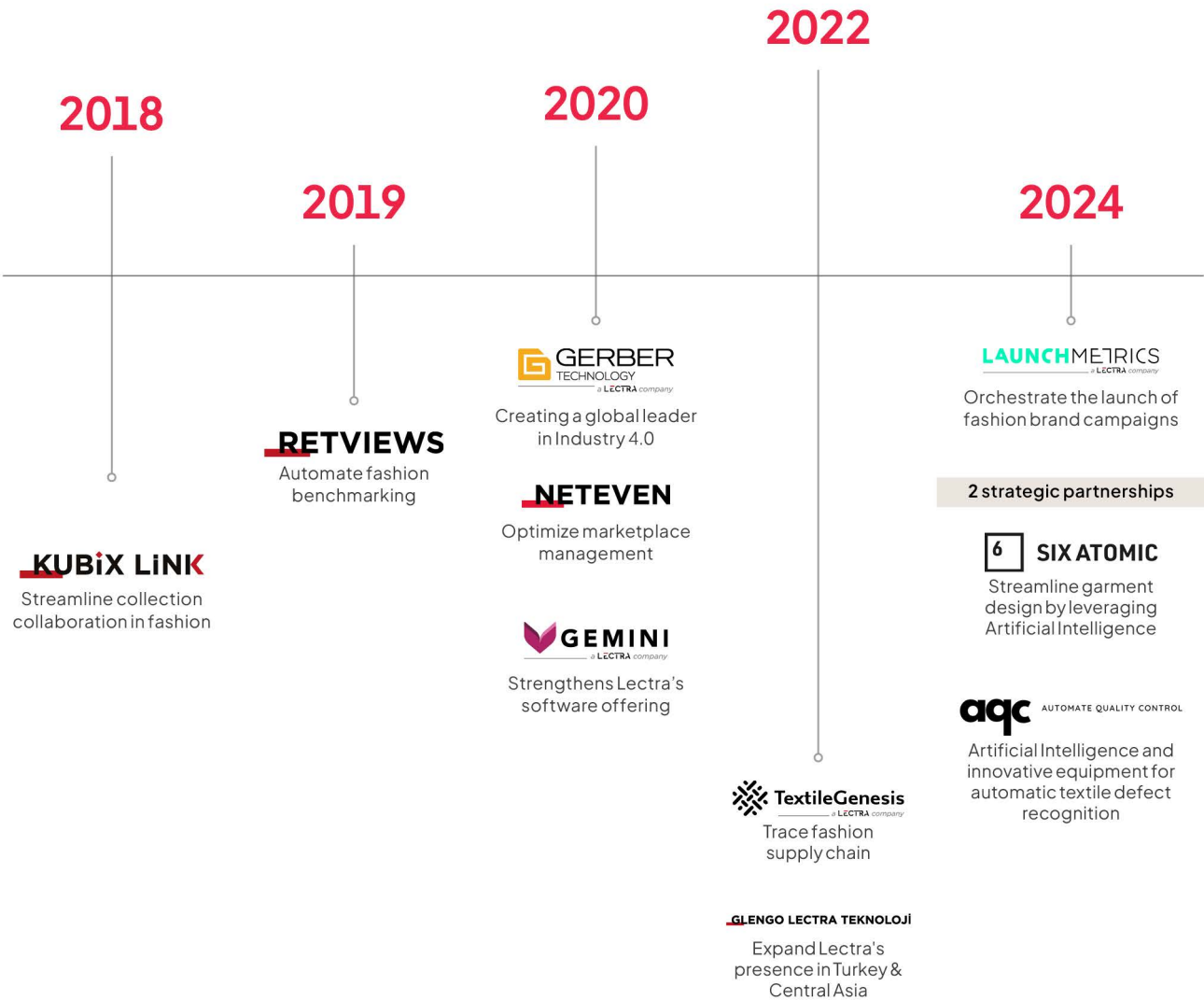
Carrying out **external
growth operations** to
strengthen our leadership



Since 2018, the Lectra Group has made eight acquisitions and two strategic partnerships.

If tactical acquisitions consolidate our market share by integrating companies operating within our industry, the strategic acquisition of startups gives us access to technological building blocks and offers that **round out our own portfolio**.

Additional benefits: we are **joined by new talents** and are able to generate new sources of recurring revenues through SaaS.



Having a **positive impact**
on society



At Lectra, we are committed to sustainability and social responsibility.

Being an integral part of our development, this approach is one of our **strategic pillars** in the long term. We have indeed set high standards in terms of transparency and ethics and are actively involved in contributing to the conservation and

protection of the environment, providing a work environment in which all our employees across the world feel fulfilled and valued, and giving future generations the means to become leaders in their fields.

Respect

the highest ethical standards

Design

eco-responsible offers

Promote

an inclusive, diverse and vibrant work culture

Reduce

our environmental footprint

Provide

support for the next generation

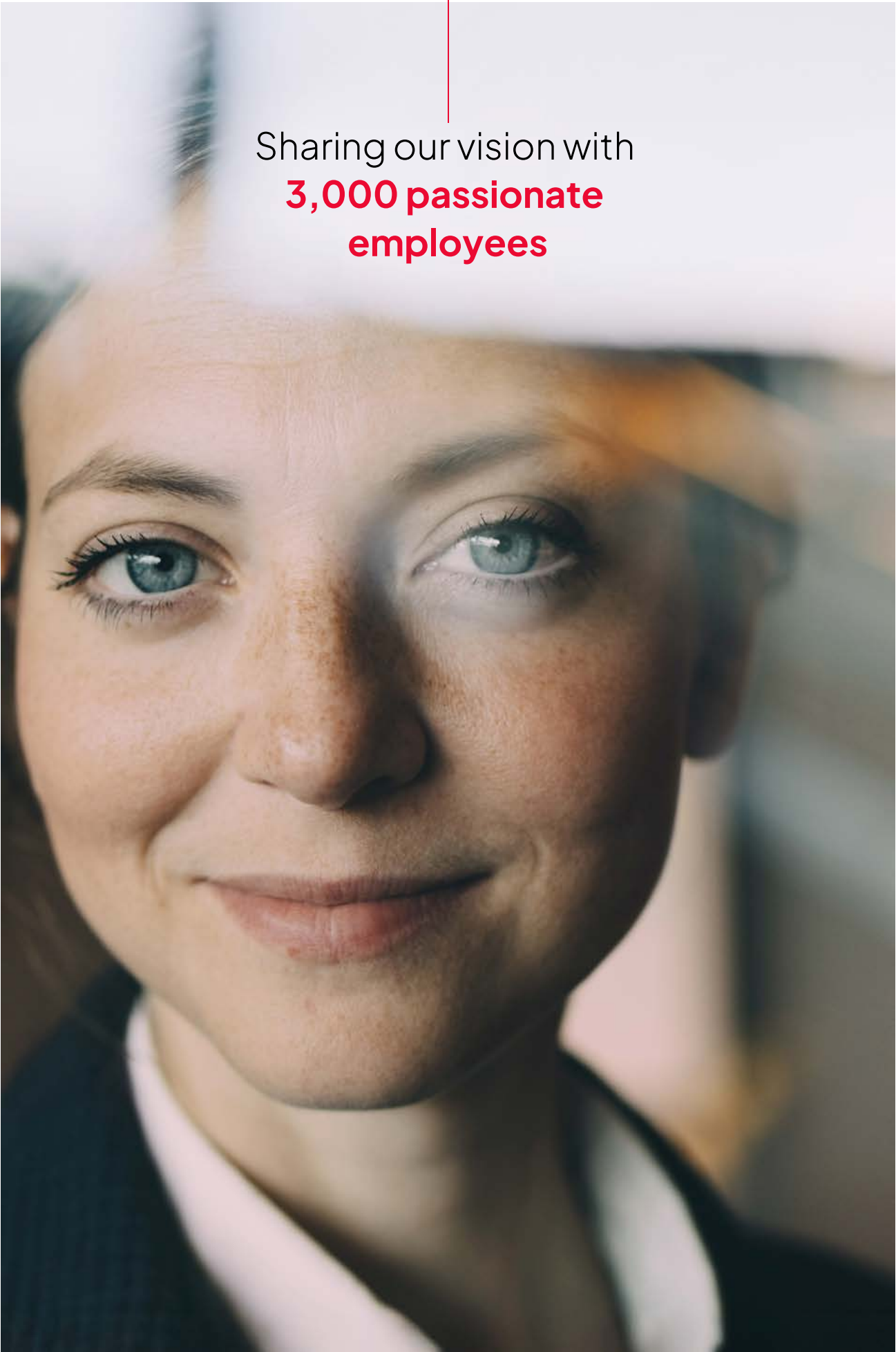
Supporting the success of our **customers**

In line with the objective of our Customer Success approach, our teams make every effort on a daily basis to **help our customers improve their performance**. All stages of our relationship with each of them, from prospecting to ongoing support, are analyzed in detail, complete with regular satisfaction assessments.

Our goal is to ensure optimal use of Lectra solutions. We are notably reinforcing our support to SaaS users by deploying Customer Success Managers. Their mission: to help our customers make the most of these new solutions.

In total, 845 employees, i.e. nearly 28% of our workforce, work daily to promote the success of our customers, support their digital transformation and accelerate their transition to Industry 4.0.





Sharing our vision with
**3,000 passionate
employees**

Working at Lectra is to be part of a unique experience

The Group is proud to state that its employees are driven by three core values: being open-minded thinkers, trusted partners and passionate innovators.

Our collective passion for innovation has largely contributed to our strong growth. **We don't just think about change: we create it.** And it is precisely this mindset, shared by everyone within the company, that has allowed us to become the technological leader that we are today.

Lectra's values and commitments are aimed at retaining talent, developing the Group's attractiveness, and creating a corporate culture of respect for differences and diversity, openness to experimentation, work-life balance, and strict business ethics.



76

nationalities

89/100

Lectra's score on the Professional Equality Index (France)

21%

of positions filled through internal mobility

98%

of our employees have taken part in at least one training program in 2024

Management Discussion

Dear Shareholders,

This Management Discussion and analysis reports on the operations and financial results of the company Lectra (the "Company") and of the group Lectra ("Lectra" or the "Group", i.e., the consolidated entity formed by Lectra SA and all French and foreign subsidiaries under its control within the meaning of article L. 233-16 of the French Commercial Code, including Launchmetrics, which has been consolidated since January 23, 2024.

To facilitate analysis of the Group's results in its new scope of consolidation (the "Lectra 2024 scope"), the accounts of Lectra excluding Launchmetrics (the "Lectra 2023 scope") will be analyzed separately from the Launchmetrics accounts. The detailed 2024 vs

2023 comparisons for the Lectra 2024 scope and are based on actual exchange rates, whereas the comparisons for the Lectra 2023 scope are stated on a like-for-like basis.

Orders are reported using two indicators: on the one hand, orders for "new systems," a category that includes the value of software sold separately under perpetual software licenses, equipment and accompanying software (also sold in the form of perpetual licenses) and non-recurring services; and on the other hand, "new software subscriptions," a category that measures the annual value of new SaaS contracts for Software-as-a-Service.

Summary

1. Summary of events and performance in 2024	24	7. Appropriation of Earnings	36
1.1 2024: Improved financial results in what remains a degraded environment	24	8. Share capital – ownership – share price performance	36
1.2 Consolidated financial statements for 2024	24	8.1 Change in share capital	36
1.3 Acquisitions and strategic partnerships	25	8.2 Main shareholders	36
2. Assessment of the 2023–2025 strategic roadmap: second progress report	26	8.3 Shareholding pacts and agreements	36
2.1 Lectra 4.0: a long term vision	26	8.4 Treasury shares	36
2.2 Strategic roadmap 2023–2025	27	8.5 Granting of stock options – potential capital stock	37
3. Risk factors – Internal control and risk management procedures	28	8.6 Absence of bonus shares	38
3.1 Risks in connection with the 2023–2025 roadmap	28	8.7 Stock exchange Indices	38
3.2 Risks related to market conditions	29	8.8 Share price performance and trading volumes	38
3.3 Risks related to the Group's business	30	8.9 Transactions in shares by directors and similar persons	39
3.4 IT risks	30	8.10 Compliance with the Transparency Directive and the General Regulation ("MAR") – regulated disclosure	40
3.5 Human resources risks	31	9. Share repurchase program	40
3.6 Risks related to legal regulations and compliance	31	9.1 Current share repurchase program	40
3.7 Internal control and risk management procedures	31	9.2 Transactions by the Company on its own shares in 2024	40
3.8 Insurance and risk cover	34	9.3 Description of the share repurchase program submitted to the Shareholders' Meeting for approval	40
4. Off-balance sheet items	34	10. Significant post-closing events	41
4.1 Off-balance sheet commitments relating to the Group's financing	34	11. Financial calendar 2025	41
4.2 Off-balance sheet commitments relation to the Group's operating activities	34	12. Business trends and outlook	41
5. Research and development	35	12.1 Outlook for 2025	41
6. Sustainability Report	35	13. Additional information – Consolidated financial statements	42
		13.1 Orders for new systems – like-for-like(1)	42
		13.2 Breakdown of revenues – like-for-like(1)	43

1. Summary of events and performance in 2024

1.1 2024: Improved financial results in what remains a degraded environment

The year 2024 was marked by a severely degraded macroeconomic and geopolitical environment, prompting the Group's customers to exercise prudence in their investment decisions, though situations varied across geographies and market sectors.

Under these conditions, for the Lectra 2023 scope, orders for new systems were stable, and new SaaS subscriptions grew by 8%, confirming their success and increasing adoption by the Group's customers.

→ 2024 earnings in line with recent estimates

On October 30, the Group reported that revenues and EBITDA before non-recurring items were expected to be near the lower end of the ranges indicated on February 14, i.e., revenues of 480 million euros and EBITDA before non-recurring items of 85 million euros for the Lectra 2023 scope; and 42 million euros in revenues and EBITDA margin before non-recurring items of over 15% for Launchmetrics, i.e., revenues of 522 million and EBITDA margin before non-recurring items of 91.3 million euros for the Lectra 2024 scope.

Overall, full-year 2024 revenues grew 10% to 526.7 million euros and EBITDA before non-recurring items increased 15% to 91.1 million euros.

→ Successful Integration of Launchmetrics

Launchmetrics achieved revenues of 41.2 million euros and an EBITDA before recurring items of 7.0 million euros, and exceeded the Group's profitability expectations with an EBITDA margin before non-recurring items of 16.9%. What's more, this acquisition has considerably expanded Lectra's SaaS activity, providing the basis for a twofold increase in SaaS revenues to 77.4 million euros at end-2024 and strengthening SaaS's future potential.

The integration -- in terms of processes, teams and products -- is already a proven success and enables Lectra to form a coherent set of SaaS activities. Launchmetrics has also contributed its top-level practices in the area of SaaS, thus enriching the customer experience across the Group.

→ Continuing improvement in the fundamentals of the Group's business model

The fundamentals of the Group's business model were substantially improved, notably on the basis of the strict cost control policy implemented since May 2023, and the contribution of Launchmetrics. Recurring revenues increased by 18%, with margins covering nearly all fixed costs, and the EBITDA margin before non-recurring items rose 0.8 percentage point, to 17.3%. Free cash flow before non-recurring items generated in 2024 came to 72.1 million euros (+59%) and the Group's net debt was brought down to 20.6 million euros.

1.2 Consolidated financial statements for 2024

→ Lectra 2024 scope

Full-year 2024 revenues came to 526.7 million euros, up 10% compared to 2023, with the following breakdown: 146.6 million euros in revenues for new systems (28% of total revenues, down 5%) and 380.1 million euros in recurring revenues (72% of total revenues, up 18%). The recurring revenues included SaaS revenues of 77.4 million euros (which accounted for 15% of total revenues and represented 2.5 times 2023 revenues).

Launchmetrics, which has been consolidated since January 23, 2024, contributed 41.2 million euros to 2024 revenues.

Gross profit came to 376.9 million euros, up 13%, and the gross profit margin was 71.6%, up 1.8 percentage points over 2023.

EBITDA before non-recurring items came to 91.1 million euros, up 15%, and the EBITDA margin before non-recurring items rose 0.8 percentage point to 17.3%, reflecting the Group's very effective cost control amid a challenging business environment.

Income from operations before non-recurring items amounted to 49.3 million euros, stable compared to 2023. This included a 22.7 million euros charge for amortization of intangible assets arising from the acquisitions carried out since 2021, including 10.1 million euros for Launchmetrics.

Research and development costs (67.6 million euros), which are fully expensed in the period and included in fixed overhead costs, represented 12.8% of revenues (55.8 million euros and 11.7% of revenues in 2023). After deducting the research tax credit applicable in France and grants received, net research and development costs totaled 62.0 million euros.

Financial income and expenses represented a net charge of 6.0 million euros (2.8 million euros in 2023) due to higher interest rates and the financing of the Launchmetrics acquisition.

Foreign exchange gains and losses generated a net loss of 2.2 million euros.

Taking into account the amortization of intangible assets, the increase in financial expenses, and an income tax expense of 10.9 million euros, net income amounted to 29.6 million euros.

Net earnings per share were €0.82 on basic capital and on diluted capital (€0.90 on basic capital and €0.89 on diluted capital in 2023).

Free cash flow before non-recurring items was significantly higher, at 72.1 million euros (45.3 million euros in 2023). After disbursement of 0.9 million euros in respect of non-recurring charges, free cash flow amounted to 71.2 million euros.

At December 31, 2024, the Group had a particularly robust balance sheet with a consolidated shareholders' equity of 374.4 million euros, a negative working capital requirement of 25.2 million euros and net debt of 20.6 million euros, after paying in full the first tranche of the acquisition of Launchmetrics, i.e. 77.0 million euros. The net debt consisted of financial debt of 102.5 million euros and cash of 81.9 million euros.

→ Lectra 2023 scope

With an average exchange rate of €1/\$1.08 in 2024, the dollar was stable compared to 2023. Due to currency changes, revenues decreased by 1.9 million euros (-0.4%) and EBITDA before non-recurring items by 0.5 million euros (-0.6%), at actual exchange rates compared to like-for-like figures.

→ Orders for new systems

Orders for new systems (144.9 million euros) were stable compared to 2023. Orders for perpetual software licenses (11.4 million euros) fell by 18% — as most new software is now sold in SaaS mode — while orders for equipment and accompanying software (113.0 million euros), and for training and consulting (17.3 million euros) rose by 2% and 9%, respectively.

Geographically, while orders for new systems declined by 12% in the Americas, 16% in Europe, and 24% in the rest of the world (including

South Africa, Turkey, and Tunisia), they increased by 32% in Asia-Pacific.

Orders rose by 1% in the automotive and fashion markets, and decreased by 28% in the furniture market, compared to 2023.

→ Orders for new SaaS (software as a service) subscriptions

The 8% increase in the annual value of orders for new SaaS subscriptions, which came to 11.6 million euros, confirms that the Group's customers are increasingly adopting these new solutions and the strategic shift towards SaaS.

→ Revenues

Revenues came to 485.5 million euros, up 2% compared to 2023, both at actual exchange rates and on a like-for-like basis

Revenues for new systems

Revenues for new systems (144.6 million euros) were down 6%. This item contributed 30% of revenues (32% in 2023), and included mainly:

- perpetual software licenses (12.1 million euros), which decreased by 12% and accounted for 3% of revenues, or the same percentage as in 2023;
- equipment and accompanying software (112.4 million euros), which decreased by 5% and accounted for 23% of revenues (25% in 2023);
- training and consulting (16.9 million euros), which decreased by 2% and accounted for 3% of revenues, or the same percentage as in 2023.

At December 31, 2024, the order backlog for new systems stood at 36.5 million euros; this was stable on a like-for-like basis but increased by 4% at actual exchange rates.

Revenues from recurring contracts, consumables and parts

Recurring revenues, which represented 70% of revenues (68% in 2023), amounted to 340.9 million euros, a 6% increase:

- SaaS subscriptions came to 38.2 million euros, up 26%, representing 8% of revenues (6% in 2023);
- software maintenance contracts (53.1 million euros), down 1% from 2023, represented 11% of revenues, the same percentage as in 2023;
- equipment and accompanying software maintenance contracts (102.6 million euros), up 6%, represented 21% of revenues, the same percentage as in 2023.

In parallel, revenues from consumables and parts (147.0 million euros) increased by 4% and represented 30% of revenues, the same percentage as in 2023.

→ Gross profit

Gross profit amounted to 337.6 million euros, up 2% compared to 2023. The gross profit margin came to 69.5%, down 0.2 percentage point.

Personnel expenses and other operating expenses incurred in the execution of services contracts or in training and consulting are not included in the cost of goods sold but are accounted for in overhead costs.

→ Overhead costs

Overhead costs of 283.9 million euros remained stable relative to the year before, on the strength of the cost containment plan introduced

in May 2023 to restrain the increase in fixed costs. The breakdown is 263.4 million euros in fixed overhead costs and 20.5 million euros in variable costs.

→ EBITDA before non-recurring items

EBITDA before non-recurring items was 84.2 million euros, up 7% and the EBITDA margin before non-recurring items came to 17.3%, up 0.9 percentage point, compared to 2023.

1.3 Acquisitions and strategic partnerships

With one major acquisition and two strategic partnerships concluded in 2024, Lectra has expanded its range of operations and strengthened its position as an essential Industry 4.0 player in the fashion market. These transactions evidence the Group's determination to enrich its solutions portfolio and to further develop key partnerships to meet the current and future challenges of the fashion industry, from both a technological and a business perspective.

→ Acquisition of a majority stake in Launchmetrics

On January 9, 2024, Lectra announced the acquisition of 50.3% of the American company Launchmetrics for about 85 million dollars, with acquisition of the remaining capital and voting rights planned in stages through 2030. With this acquisition, the Group significantly expands its activities into marketing for fashion, strengthening its position as an essential Industry 4.0 player. Founded in 2015, Launchmetrics offers an innovative cloud-based SaaS platform to help marketing and communications professionals measure and optimize brand performance in the Fashion, Lifestyle and Beauty markets.

→ Strategic partnership with Six Atomic, involving the acquisition of a minority stake

Lectra's strategic partnership with the Singapore-based company Six Atomic, announced on September 16, 2024, involves the acquisition of a minority stake of about 18% in the company's capital, through a capital investment of 2.5 million dollars. This partnership demonstrates Lectra's commitment to applying generative artificial intelligence to streamline and accelerate the garment design and development process for the fashion market. Founded in 2020, Six Atomic develops SaaS solutions based on artificial intelligence that automate repetitive tasks while leveraging patternmakers' expertise and underutilized data assets. Lectra has options to gradually increase its stake in Six Atomic.

→ Strategic partnership with AQC, cemented by the acquisition of a minority stake

On October 7, 2024, Lectra announced a strategic partnership with the French company AQC, involving the acquisition of a minority stake of about 30% in the capital, through a capital investment of 1.3 million euros. This partnership evidences Lectra's commitment to applying artificial intelligence to textile quality control in the fashion industry. Founded in 2019, AQC develops SaaS solutions based on artificial intelligence and innovative equipment for automatic textile defect recognition powered by machine learning algorithms, thus optimizing a traditionally manual process that requires expert skills. This strategic partnership contributes to the Group's sustainability objectives while satisfying the demands of Industry 4.0. Lectra has options to gradually increase its stake in AQC.

2. Assessment of the 2023-2025 strategic roadmap: second progress report

Launched in 2017, the Lectra 4.0 strategy aims to position the Group as a key Industry 4.0 player in its three strategic market sectors: fashion, automotive and furniture, before 2030. The strategy has been implemented up to now through three strategic roadmaps.

The first strategic roadmap, which covered the 2017-2019 period, established the key fundamentals for the future of the Group. These included the successful integration into its new offers of the key technologies for Industry 4.0 (cloud computing, the Internet of things, big data, and artificial intelligence), the strengthening of the Executive Committee, the transformation of sales organizations into four main regions, and the launch of the first software offers in SaaS mode.

The second roadmap, which ran from 2020 through 2022, achieved a new dimension for the Group – primarily through the acquisition of Gerber in June 2021 – and opened new perspectives, with a financial position stronger than ever before, an extended worldwide presence, a broader customer base, a powerful product portfolio, a growing number of customers using its new offers for Industry 4.0, and a new brand image.

The Lectra 4.0 strategy and each of the chapters of the 2023-2025 strategic roadmap are summarized below, followed by a second progress report describing the actions taken in this connection in 2024.

2.1 Lectra 4.0: a long term vision

2.1.1. Markets undergoing profound changes

Lectra customers throughout the world continue to be affected by changes in consumer behavior, the macroeconomic and geopolitical events of recent years and the growing importance of ethical and sustainable development stakes.

Fashion industry players must undertake far-reaching transformations in their distribution networks and supply chains, taking into account Corporate Social Responsibility (CSR) issues, and the continuous adjustment of their product range and positioning strategies. The fashion sector's main objective is to produce only the products it can actually sell, at the right price to meet customer demand.

The automotive industry is facing major challenges. The progressive shift from internal combustion to electric vehicles with costly technologies is placing pressure on their cost structure. The emergence of new players, most notably Chinese, in electric vehicles has disrupted the European and American ecosystem. To remain competitive, automotive suppliers must improve the performance of their production tools and reduce their material consumption. Similarly, carmakers seek to optimize spending in areas such as seats and interiors, which account for a significant portion of total costs, in order to preserve their margins.

Finally, furniture industry players are continuing to modernize, digitize and automate their industrial facilities, while also transforming their production methods and processes in a shift towards on-demand production to better meet consumer expectations.

2.1.2. Accelerating adoption of key Industry 4.0 technologies

Industry 4.0 calls for a new approach to organizing production plants, which is now based on communication across a configuration of

increasingly flexible players and production tools, while optimizing the use of available resources.

The COVID-19 crisis, and its impact on consumer habits and ecosystems, are driving ever increasing structural changes in product value chains. These developments have substantially accelerated the digitalization of processes, from creation to point of sale; the introduction of modular, intelligent and communicating production lines; and the adoption of the key technologies for Industry 4.0. These preliminary steps aim to harness the full potential of the fourth industrial revolution to subsequently automate and then continuously optimize all processes.

Ultimately, Industry 4.0 will be a major step forward in interconnecting all participants in the value chain, driving higher performance, making production lines more flexible, more agile and more capable of meeting demand for personalization.

2.1.3. Corporate Social Responsibility: an increasingly central focus

No company going forward can ignore ethical, environmental, social and societal issues in conducting its business. Increasing numbers of consumers are expressing their expectations in terms of ethics, sustainability, and product traceability. More and more countries are introducing regulations to guarantee products' origins and content. And many employees, especially younger people, are more demanding regarding their company's values and working conditions.

To address these issues, organizations must reassess the way they operate and their decision-making processes. Eco-design is increasingly the norm; optimizing production systems a necessity; and transparency an absolute imperative. This is the new environment to which all players in the fashion, automotive and furniture industries will have to adjust.

2.1.4. Lectra's long-term strategy more relevant than ever before

Launched in 2017, the Lectra 4.0 strategy, which aims to position the Group as a key Industry 4.0 player in its three strategic market sectors before 2030, has proven its effectiveness. The changing environment and the new demands of the markets Lectra serves reinforce the relevance of the 5 pillars of the strategy:

- acknowledged premium positioning, further strengthened since the Gerber acquisition in 2021, based on high value-added solutions and services with strong business-line expertise;
- focus on three strategic market sectors – fashion, automotive, and furniture – with a specific approach for each in terms of offers, organization and processes;
- integration of customers into the heart of the Group's activities, with a commitment from its teams to do everything in their power to enable customers to make optimal use of its solutions and accordingly increase customer satisfaction;
- the gradual market introduction of new 4.0 services combining data analysis, Lectra's expertise, and artificial intelligence, empowering customers to continuously improve their operations;
- a committed CSR policy with a firm determination to adhere to increasingly demanding social, societal, ethical and environmental standards in all practices and activities of the Group.

For the Group's customers, Lectra's 4.0 strategy is reflected in the growing integration of key Industry 4.0 technologies in the product portfolio and new offers, particularly in software available exclusively

in SaaS mode, and thus aligned with transformations in customers' business models. These offers have been launched progressively since 2018; they were initially developed in-house by Lectra's R&D teams, or came with the acquisitions of Kubix Lab, Retviews, Neteven, TextileGenesis and Launchmetrics. These offers are only at the start of their lifecycle and have major growth potential ahead.

2.2 Strategic roadmap 2023–2025

2.2.1. Objective: strengthen Lectra's position as a key player in Industry 4.0

Lectra continues to implement the Lectra 4.0 strategy through the strategic roadmap for 2023–2025.

The Group's ambition during this period is to take full advantage of its change in dimension to accelerate growth, to significantly increase the volume of SaaS in revenues, and to seize acquisition opportunities. With the commitment of employees, and recognition by customers, Lectra stands at the forefront in building a more sustainable future.

2.2.2. Six strategic priorities

To achieve these objectives, the Group has set six strategic priorities for 2023–2025.

First, reinforce implementation of ethical, social, societal and environmental best practices internally, and provide customers with tools for them to do this in turn. Formalized in 2021, Lectra's structured CSR policy will enable it to sustain growth while fully integrating the expectations of all stakeholders.

Second, leverage all synergies arising from the Gerber acquisition. With this acquisition, all of Lectra's fundamentals have been strengthened. No competitor can match Lectra's rich, robust, advanced experience in the key technologies of Industry 4.0 – or Lectra's business expertise, worldwide presence, customer base, leadership and business model.

By leveraging the potential of its expanded customer base, unifying R&D efforts, reorganizing industrial operations around three sites –Bordeaux-Cestas in France, Shanghai in China and Tolland in the United States– and launching new joint offers, Lectra intends to maximize the impact of all these synergies to accelerate growth and improve profitability.

Third, accelerate the transition of software sales to the SaaS model. The Group intends to pursue efforts to strengthen market penetration of its software offers sold in SaaS mode, accelerate R&D investments to upgrade current offers and launch new solutions that will further enhance the product portfolio.

Fourth, reshape the Group's customer engagement model and customer relationship, which will continue to evolve to better sustain the development of solutions for Industry 4.0 and thus deliver growth in recurring revenues. The aim is to increase customer satisfaction and loyalty, optimize and maximize their use of Lectra solutions, and enhance the penetration of new offers.

Fifth, following on from the previous two roadmaps, continue to pursue external growth. Lectra thus privileges companies – mainly start-ups – that have technological building blocks capable of being incorporated into the existing product portfolio or have brought to market offers that could complete Lectra's current range of products. In building expertise in fashion, in areas beyond its core operations, the Group will thus access additional growth drivers in the long-term, enabling it to sell more products to its customers.

Sixth, prepare Lectra for the 2026–2030 period, in order to achieve more rapidly and more efficiently its ambition to become an

indispensable player in Industry 4.0 in all three strategic market sectors.

The Group will continue to dedicate a significant share of R&D investments –roughly 10% of annual revenues – to developing new solutions that will be available starting in 2026.

Furthermore, in order to concentrate its efforts on the most promising activities going forward, the Group will progressively phase out certain non-strategic activities, which accounted for roughly 25 million euros of the Group's 2022 revenues.

Finally, Lectra's governance structure will adjust to meet timely challenges and ensure successful execution of its long-term strategy.

These six strategic priorities provide the Group with a structure for the work required to achieve the ambitions of its strategic roadmap.

2.2.3. Second progress report

Despite the continuing degraded environment and the unstable economic and geopolitical climate, Lectra successfully maintained its long-term strategic orientations. Further, all the fundamentals of the Group's business model improved significantly and customer adoption of the SaaS model accelerated.

The six strategic priorities of Lectra's strategic roadmap for 2023–2025 guided the actions carried out in 2024:

- Major projects connected to Lectra's CSR policy were carried out in 2024 and action continued on projects launched in 2023. An analysis of the environmental impact of the Group's activities was conducted, with many teams involved in awareness-raising initiatives including a training course intended for all employees. Training programs tailored to specific roles will continue to be implemented. Further, based on the Group's comprehensive carbon footprint assessment introduced in 2023, a climate transition plan has been established to map out the path for reducing greenhouse gas emissions through 2030. Moreover, Lectra's contribution to reducing the environmental impact of its customers is another pillar of its CSR policy, and its offers that are constantly evolving in this direction. TextileGenesis, the key solution to fashion industry traceability issues, was further enhanced to ensure the traceability of conventional materials back up the supply chain. The new Valia Fashion and Valia Furniture offers have integrated dashboards for tracking electricity consumption of Lectra brand equipment.
- Deployment of the Lectra Way program was accelerated. The Lectra Way is a set of values and management practices that embody the corporate culture promoted by Lectra. It aims notably to ensure employee well-being, promote the advancement of young talents, raise employee engagement, and enhance career prospects. The impact is measured by employee surveys, which had an 85% response rate in 2024 and identified an employee engagement rate of 60 %;
- Synergies arising from the Gerber acquisition continued to advance, with the replacement of existing contracts by maintenance agreements compatible with Lectra's performance-based maintenance standards. Consumables sales best practices have been aligned across the Group, enabling a significant increase in sales performance, with growth of 6% by 2024, excluding sales of consumables and parts from Gerber's non-strategic Sign & Graphics activity, which is being gradually phased out. Moreover, deployment of all best practices in place at the Bordeaux-Cestas and Tolland sites in France and the United States to the Suzhou industrial site in China has contributed to considerable improvements in quality of service and customer satisfaction for Gerber-branded products, and allowed for the first Vector machine to be assembled in Suzhou at the end of 2024. These three sites will form the foundation of the Group's long-term industrial strategy;

- Industry adoption of new software solutions sold in SaaS mode again accelerated in 2024. SaaS subscriptions accounted for 15% of revenues in 2024, compared with 6% in 2023, and 0% in 2017. Kubix Link, TextileGenesis and Launchmetrics booked record levels of new SaaS subscriptions from prestigious customers, as the three offers accounted for 65% of new subscriptions sold in 2024. The Group is continuing to transform its sales organization to ensure alignment with SaaS best practices;
- The Group has continued to develop its customer relationship model, particularly by reinforcing the Customer Success teams; one of their key missions is to optimize customer performance through the use of Lectra solutions;
- The Group maintained its strong investment in R&D, which amounted to 67.6 million euros in 2024, or 12.8% of revenue. R&D continues to strengthen Lectra's expertise in the Internet of things, cloud computing, big data and artificial intelligence, with the aim of enhancing current offers and supporting the development of future offers. The cloud-based Valia solution was extended in 2024 to the fashion and furniture markets. Embodying Lectra's vision for Industry 4.0 and pioneering Cutting Room 4.0, Valia combines the power of artificial intelligence with Lectra's unique expertise in an intelligent digital platform that connects, automates and streamlines every step of garment and upholstery production —from order processing to fabric cutting, while optimizing material use;
- The external growth policy continued, with the acquisition of a majority stake in Launchmetrics, a major player in digital marketing for the fashion industry, in January 2024;
- Strategic partnerships were concluded in September 2024 with Six Atomic, a start-up that develops solutions based on AI,

particularly generative intelligence, that accelerate the garment design and development process for the fashion market, and in October 2024 with AQC, a start-up that develops AI-based solutions and innovative equipment for automatic recognition of textile defect;

- Changes in the Group's governance bodies were the following: Jérôme Viala retired from his position as Executive Vice President on March 31, 2024, and joined the Board of Directors of Lectra as Director on April 26, 2024. Also during the year, Antonella Capelli, President EMEA, and Michael Jaïs, CEO and CoFounder of Launchmetrics, joined the Executive Committee

2.2.4. Financial objectives

In light of the improved fundamentals of the Group's business model, the acquisition of the majority of the capital of the company Launchmetrics, and the continuing degraded environment, Lectra revised the financial objectives announced in February 2023, and reported in February 2024 its ambition to achieve 2025 revenues of over 600 million euros, including 90 million euros in SaaS revenues, and an EBITDA margin before non-recurring items of over 20% (based on the closing exchange rates on December 29, 2023, in particular €1/\$1.10). The objectives for 2025 are set out in section 12 of this report, "Business trends and outlook".

The Company maintained its attractive shareholder compensation policy with dividends representing a payout ratio of about 40% of net income in 2023 and 50% in 2024. The Company foresees maintaining this policy for the 2025 financial year.

Free cash flow generation will continue to contribute to financing future acquisitions, and to the repayment of debt.

3. Risk factors – Internal control and risk management procedures

Lectra carried out risk mapping exercises in 2019 and again in 2022, with assistance from an external consulting firm. Each risk has been analyzed in terms of gross risk (i.e., inherent risk, before taking mitigating actions into account) and net risk (i.e., residual risk, following those actions). The risk map was brought up to date in 2023.

This chapter describes the main risks to which the Group is exposed with regards to the specific characteristics of its business, structure, organization, strategy and business model. It further describes how the Group manages and prevents these risks, depending on their nature.

3.1 Risks in connection with the 2023–2025 roadmap

The 2023-2025 strategic roadmap is based on the five pillars of the Lectra 4.0 strategy: (i) premium positioning, (ii) focus on three –and only three– strategic market sectors (fashion, automotive and furniture), (iii) customer focus, (iv) the introduction of new 4.0 services, and (v) a committed CSR policy. Deviating from the strategy would carry a risk of dispersion, which would be detrimental to the Group's efficiency and performance, and failure to adhere to any of the pillars could result in inability to deliver the roadmap. Implementation of this roadmap — ambitious in terms of internal and external growth and in terms of transformations — entails risks related to development of new offers, the group's ability to market them, integration of acquired companies, and implementation of CSR commitments in its strategy and action plans.

Lectra has a strategy team to ensure that the action plans resulting from the roadmap are implemented, and a team to oversee the integration of acquired companies into the Group. The Group also has a Sustainability Team that oversees all CSR-related activities (see Section 2.6 of the Sustainability Report).

3.1.1. The fit between new offers and the market

New offers are a potential growth driver for the Group and, in this respect, many investments made in recent years, particularly in R&D and acquisitions, could fail to be profitable. The launch of these new offers, whether they replace existing offers or constitute new product lines, entails risks in terms of time-to-market (as products may arrive on the market too early or too late), risks associated with failing to meet the Group's eco-design targets, as well as risks of misunderstanding the value for customers. These risks could lead to failure to achieve the strategic, financial and commercial objectives of the 2023-2025 strategic roadmap. This could also lead to a loss of confidence on the part of customers, investors, and Lectra's teams, and to a challenge to its strategy.

To address these risks, which are inherent in any technology company, Lectra has defined a strategy structured around a vision for the year 2030, and implemented successive three-year strategic roadmaps. Each roadmap is prepared during the twelve months preceding its launch with the Strategic Committee, the Executive Committee and numerous Group experts. In addition, the Group continuously monitors the competitive environment and conducts market analyses. The 2023-2025 roadmap includes action plans to eco-design all new equipment and software, and specific measures have

been put in place in all teams concerned. These action plans are described in Section 2.2.3 of this report.

Each year, Lectra invests over 10% of revenues in R&D. Every three months, the Chairman and Chief Executive Officer, the Chief Strategy and Product Officer and the Chief Technology Officer review the product and R&D plans with the relevant teams. New offers are launched progressively through the needs analysis and prototyping phases with a small panel of customers, to validate the vision and development stages, before proceeding to a test phase with selected customers. The Group then carries out a pre-launch, with a presentation of the offer to a limited number of customers in order to validate the messages and value. Once these steps are completed, the offer is officially released to the market.

3.1.2. Sales performance

As the Group provides its customers with high value-added technology solutions, its ability to achieve the objectives of its strategic roadmap could be jeopardized by poor sales performance, a risk that is heightened by the fact that these are new solutions for Industry 4.0, which may not yet be fully mastered by all teams and which require rare skills that are difficult to attract and retain. New product lines originating from recent or future acquisitions may not yet be fully mastered by the existing sales teams and require dedicated teams, which would then have to be recruited, although there is no certainty they would be found.

To mitigate that risk, the Group regularly analyzes the performance of its sales teams, specializes its teams by product line, develops its sales engineering teams, and strengthens its relationships with customers by appointing customer success managers, who are responsible for maintaining close contact with users of the Group's solutions.

The Group has also strengthened its Sales Enablement team, establishing relays in each region; and has implemented a 360° training plan for sales and sales engineering teams that covers the skills needed to successfully sell these new solutions. In addition, the Group has enriched the onboarding plan for new employees, introduced a certification plan for all employees involved in sales of new products and services, as well as coaching actions for sales managers and sales teams.

3.1.3. Integration of acquired companies

Newly acquired companies generally operate following their own specific business models, organizations and processes, which could potentially present difficulties for their integration into the Group. This "post-acquisition integration and collaboration" risk is identified as a key topic in the double materiality matrix in section 2.7 of the Sustainability Report. In the case of start-ups or medium-sized companies with innovative technologies, differences in the management of sales, operational and financial processes, and in decision-making procedures, could make it difficult to maintain those processes and ensure retention of existing personnel. The Group must accordingly choose between maintaining existing processes and allowing greater autonomy to the founders, or applying Group processes, which could limit synergies in sales, marketing, products, technology and human resources between the Group and acquired companies.

Each acquisition represents a significant investment and is an important growth driver. Unsuccessful integration could result in delays in implementation, loss of market confidence, financial losses, or a challenge to strategy. To address these risks, Lectra has defined an acquisition policy as part of its Lectra 4.0 strategy, and performs extensive due diligence prior to signing. Appropriate integration plans are prepared before each acquisition; each plan has a specific governance framework and modus operandi, with regularly

scheduled steering committee meetings during one or more integration phases over a twelve- to eighteen-month period, and provides for alignment with the Group's human resources policies and financial, legal, technological and IT standards. The steering committees comprise the Group's Chief strategy and product officer, Executive officers of acquired companies, and both the Group's and acquired companies' key managers involved in the integration plan.

3.1.4. Increasing demands regarding sustainability

Owing to the changing regulatory framework and the increasing demands by all stakeholders regarding social, environmental and societal matters, the Group, in the event of non-compliance, or in the event of failure to meet commitments, could be exposed to damage to its reputation and could become less attractive to customers, shareholders and employees. In addition, certain suppliers could refuse to comply with Lectra's CSR standards, causing the Group to cease working with them, which could then lead to supply difficulties.

Lectra has been integrating sustainability into its strategy and action plans for many years. Given the Group's small environmental footprint, the main challenge relates to difficulties in measuring the impact of its CSR policy. To address this concern, the Group has reinforced its sustainability governance system by putting in place a ten-person-strong sustainability team and a Sustainability Steering Committee that includes members of the Executive Committee. The Steering Committee, and the Sustainability Committee of the Board of Directors, review progress on the action plan described in sections 3.2 (environment), 4.3 (social) and 5.2 (governance) of the Sustainability Report.

3.2 Risks related to market conditions

Market conditions are constantly changing, due to the geopolitical context, macroeconomic uncertainties, currency fluctuations, and changes in competition. The Group could potentially fail to anticipate the consequences of such changes, or even be unable to protect itself against their impact on its business activity and results.

3.2.1. Geopolitical context

In the context of an evolution towards a multipolar world with increasing geopolitical tensions, a new U.S. administration pursuing an "America First" policy, conflicts between nations, Sino-American rivalry, and protectionist policies in certain countries, the Group's activities could be severely impacted, particularly regarding its capacity to produce and sell in certain markets.

This situation is reflected in a climate of uncertainty that has the potential to cause postponement, suspension or cancellation of certain technological investments, which are inherently structural in nature, as the Group's customers await greater visibility before making decisions; this would reduce business activity and adversely affect profitability. To mitigate these risks, the Group has further diversified its presence throughout the world and has decided to regionalize its production, notably through its three production sites located in France, China and the United States.

3.2.2. Macroeconomic uncertainties

The solutions marketed by Lectra represent significant investments for customers, some of whose decisions depend on the state of the industry in which they operate and its macroeconomic environment. Uncertainty related to the economic environment, against a backdrop of inflation and/or recession expectations, has led some customers to reduce or postpone their investment decisions, which would translate into lower business activity and profitability.

The Group nevertheless has inherent protective factors that increase its resilience: a global presence, business activity spread across

several sectors, recurring revenues that account for more than 72% of total revenues, of which the gross margin covers over 95% of fixed overhead costs, a negative working capital requirement, and a particularly strong balance sheet.

Moreover, a weak or recessionary economy may create more opportunities for external growth, on better terms, offsetting any slowdown or absence of internal growth

3.2.3. Credit tensions

The Group's customers' access to credit becomes more complex in periods of economic uncertainty, thus exacerbating pre-existing tensions, as banks apply tighter lending standards to guard against future loan defaults. Market fluctuations and geopolitical uncertainties can also contribute to more conservative lending policies.

Tensions on lending conditions can influence the Group's customers' investment decisions, in particular by prompting them to adopt a more cautious approach to their financial choices. Lectra's global presence thus effectively becomes a risk mitigation strategy, as economic crises and credit tensions do not usually affect all markets simultaneously. In this way, the Group's global reach offers protection against the negative impacts that could arise from lending tensions in specific regions.

3.2.4. Currency fluctuations

The Group is exposed to a decline in the exchange rates of certain currencies against the euro, since a significant portion of its revenues is denominated in non-euro currencies, particularly the U.S. dollar; the impact would be a reduction in the Group's profitability.

Furthermore, the Group hedges almost all its balance sheet positions through forward currency sales and purchases.

3.2.5. Competition

The rise of certain competitors at the regional and/or sector level, and the emergence of a different competitive ecosystem for the Group's new activities, could lead to reduced relevance of its value proposition and result in a loss of leadership, lower market share, and lower revenues and margins.

To mitigate these risks, the Group conducts detailed competitive analyses throughout the year and monitors its markets both globally and regionally. Since the acquisition of Gerber in 2021, the Group has a well-balanced revenue base with tens of thousands of customers across the Americas, Europe and Asia. Premium positioning differentiates the Group from its competitors, particularly those offering low-cost solutions. The Group's annual investment in R&D, equivalent to over 10% of revenues, is multiple times higher than its main competitors' R&D outlays, and the acquisition of innovative start-ups further reduces such risks.

3.3 Risks related to the Group's business

Operating in a complex, multi-industry, multi-country environment with solutions that combine software, equipment, data and services is a daily challenge, with many associated risks.

3.3.1. Business continuity

A major event such as fire, storm, flooding or the collapse of a building, or a cyber-attack, could have a prolonged impact on a site and therefore lead to an interruption of operations, loss of market share and financial loss.

For many years now, the Group has implemented risk prevention plans and business continuity plans, which are reviewed on an ongoing

basis; and the three industrial sites are covered by property, casualty and civil liability insurance. Furthermore, the Group has reinforced its cybersecurity plan and will continue to do so in coming years, to counter growing numbers of attacks.

3.3.2. Dependencies on key suppliers

Lectra may potentially find itself in a position of dependence with respect to certain software solutions, cloud services, key component suppliers or subcontractors for the manufacture of its equipment. Technical, logistical, financial or sustainability-related deficiencies, or a change in strategy by one of those suppliers, could impact the continuity of the Group's operations and as a result its profitability. This could result in disruptions in the production chain, increased delivery times, damage to the Group's reputation and an adverse impact on profitability.

To mitigate such risks, the Group performs a technological, industrial and financial assessment of each supplier through a purchasing risk map and, for each high-risk vendor, implements a plan to secure supply. For the past several years, suppliers have been required to sign and comply with a responsible purchasing charter. The Group also purchases locally from suppliers and subcontractors with whom it has established close relationships. In addition, the Group maintains significant inventories of sensitive parts, purchases from multiple sources whenever possible, and makes advance purchases of end-of-life components.

3.3.3. Technological obsolescence

The risk of obsolescence of certain components, particularly electronic components, and the obligation to maintain solutions for a specified number of years after they are no longer marketed, could result in additional costs, or even make it difficult or impossible to maintain those solutions. Moreover, the use of a technology controlled by a single supplier exposes the Group to the risk of maintenance being halted were that supplier to cease operations.

To mitigate these risks, the Group has set up an Obsolescence Committee that identifies end of life items and manages critical skills in older technologies. The Group has developed a new generation of modular and programmable electronic controls, which allow for easier replacement of components. It has also set up a program to encourage customers to replace their oldest equipment with the latest generation of equipment.

3.4 IT risks

3.4.1. Complex IT systems architecture

Since the acquisition of Gerber in 2021, the Group has added a number of IT systems to its application landscape, including two main ERP systems, as well as stand-alone ERPs used in the other recently acquired companies. Lack of harmonization and/or system obsolescence leads to duplication of operating methods and thus adversely impacts the Group's productivity.

To address this risk, the Group has put in place a plan for the continuous improvement, optimization and transformation of its information systems, and has drawn up a five-year plan to switch progressively to common tools, in particular a new ERP.

3.4.2. Security of internal IT systems and offers

The risk of disruption of internal information systems and/or the infrastructure for cloud offers, whether for technical reasons or as a result of cyber-attacks, could lead to loss of data integrity, disruption of business continuity for the Group or its customers, with financial penalties, and could seriously harm its brand image.

The Group has cybersecurity specialists and has implemented a comprehensive action plan to secure both its internal information systems and its cloud services. This plan includes control of the infrastructure and datacenter, protection of workstations, authentication and access control to information systems, as well as control of cloud risks with suppliers, including in particular system supervision, rapid reaction to incidents, and a guarantee of business continuity.

The Group also conducts bi-annual penetration testing campaigns, on its internal information systems and on its cloud offers, with support from outside companies. The Group has also set up programs for internal and external R&D teams to increase awareness and provide training in best practices for IT development security.

This risk, and the corresponding mitigation measures implemented, are among the major material challenges and are described in the Sustainability Report double materiality matrix – section 2.7.

3.4.3. Protection of personal data

The risk of loss, theft or destruction of personal data in the event of a cyber-attack, particularly data on employees, customers and commercial operations, due to inadequate security, could lead to a loss of trust and legal action, with financial consequences and a reputational impact. However, the Group has very low exposure to the risk involved in protecting its customers' personal data: only first names, last names, addresses and email addresses of a limited number of customers' employees are stored.

To mitigate this risk, in addition to a plan to prevent cyber-attacks and to limit the impact of any attack, the Group has put in place arrangements for the cybersecurity team to assist employees in securing all processes that deal with personal data, and has divided customer data between various servers.

3.5 Human resources risks

3.5.1. Key skills and resources

The Group's performance depends to a large extent on the skills and expertise of its teams and on its ability to unite them around its 2023-2025 strategic roadmap. Tensions in the labor market, particularly in the technology sector, have made it more difficult to recruit and retain talent, given its scarcity. Any departure from the management team or of certain experts could create an impact on business activity and results.

Lectra has launched numerous initiatives to strengthen its employer brand, to improve its procedures for recruiting and for onboarding new employees, and to adjust its compensation structure. The Group has also placed respect for an inclusive, diverse and vibrant work culture at the heart of its CSR strategy.

Lectra has made strong commitments to diversity and inclusion, work/life balance, and to ensuring the health and safety of its teams. Failure to meet those commitments could result in reputational damage, employee turnover, and reduced capacity to attract new talent; this could have an adverse impact on efficiency and leadership, and make it difficult to execute the 2023-2025 strategic roadmap. This risk is among the major material challenges described in section 2.7 of the Sustainability Report double materiality matrix.

3.5.2. Succession of key individuals

In the same way as for the Chairman and Chief Executive Officer, whose name is now inseparable from the name Lectra for investors and employees, the departure of key individuals at the Executive Committee level who have embodied Lectra's DNA for over twenty years could expose the Group to a succession risk if the governance

arrangements put in place were not to operate as expected. This could result in slowing business activity, the departure of certain employees, or lesser confidence by certain investors who would sell their shares, thus affecting the Group's market valuation.

The succession of key individuals is considered to be material information and is included in the double materiality assessment of the Sustainability Report. The policy on "Attracting talents, developing skills and planning the succession of employees" sets out the action plans implemented, in particular the annual review of succession plans for key individuals and positions validated by the members of the Executive Committee with the Chairman and Chief Executive Officer, the General Secretary and the Senior Vice President Human Resources.

New talents are continually recruited or promoted to strengthen the management team. Information on the foreseeable evolution of governance arrangements and the replacement of Executive Committee members is shared with the Board of Directors on a regular basis.

3.6 Risks related to legal regulations and compliance

3.6.1. Ethics and compliance

The Group's operations may present risks relating to fraud and non-compliance with various regulations regarding, e.g., influence peddling, import controls or tax evasion. Financial gain or any other benefits received from activities resulting from such practices may result in financial and reputational loss, fines or expose Lectra and its Officers to civil and/or criminal liability.

To mitigate these risks, for decades, Lectra has incorporated the highest ethical standards and has put in place control systems regarding corruption, influence peddling, import controls, and tax evasion. Starting in 2018, the Group implemented, in accordance with the Sapin II Act, a specific program that includes a code of conduct, a whistleblowing procedure, and training for all employees.

In addition, the current transfer pricing policy ensures compensation for activities in each of the countries where the Group operates. The allocation of profit is therefore managed in consideration of the challenges facing and the functions performed by the subsidiaries, with the Company being considered as the Group's entrepreneurial entity. This policy is consistent with French and international recommendations, and OECD recommendations in particular.

Finally, the corruption risk map that was drawn up in 2022 with assistance from an external consulting firm is integrated into the Group's global risk mapping system.

3.7 Internal control and risk management procedures

The finance division ensures that the risk management and internal control procedures enable the control of risks within the Group while optimizing its operating performance and respecting its strategy, values and ethical standards.

It regularly reviews these procedures in order to identify areas for progress within the framework of its continuous improvement program and regularly reviews its reporting and harmonization of the information system processes.

3.7.1. Group internal control and risk management system

The internal control system designed and implemented by the Group comprises a body of rules, procedures and charters. It also

encompasses reporting obligations and the individual conduct of all the players involved in the internal control system by virtue of their knowledge and understanding of its aims and rules. This system provides reasonable assurance of achieving the objectives described in this chapter.

→ Legal and regulatory compliance

The Company's internal control procedures are designed to provide assurance that the operations carried out in all Group companies comply with the laws and regulations in force in each of the countries concerned for the different areas in question (e.g., corporate law, securities law, customs law, labor law, tax law, and anti-corruption regulations). They also comply with the CSRD Directive regarding corporate sustainability reporting, which is discussed more fully in section 2.2 of the Sustainability Report.

Close attention is paid to the regulatory requirements applicable to the Group's products and solutions, notably laws on the protection and security of personal data, intellectual and industrial property rights, and the regulatory requirements applicable to equipment.

Lectra's anti-corruption system is described in Section 5.2.1 of the Sustainability Report.

→ Oversight of proper application of Executive Committee instructions and orientations

A series of procedures has been put in place to define the scope and the limits to the powers of action and decision of Lectra employees at all levels of responsibility. In particular, these serve to ensure that the Group activities are conducted in accordance with the orientations laid down by the Executive Committee.

→ Proper functioning of the company's internal processes, especially those relating to the protection of its assets

The purpose of the processes in place and procedures to control their application is to optimize financial performance consistently with the Group's short and medium-term financial goals. Internal control procedures contribute to safeguarding Group tangible and intangible assets (such as intellectual and industrial property, Company brands, customer relationships and corporate image, computer data), as well as Group human capital, all of which play a key role in its property, business activity and growth dynamism.

→ Reliability of financial and sustainability information

Among the control mechanisms in place, special attention is paid to procedures for preparing and processing accounting and financial information, as well as information on sustainability. Their aim is to ensure the reliability and quality of data, and to ensure that they present a true and fair view of the Group's activity and situation.

→ Risk management

For each identified risk, a member of the Executive Committee is responsible for the treatment, prevention or management of that risk. For this purpose, he or she validates a plan of action and ensures it is duly implemented.

The risk management procedures aim in particular at creating and preserving the value, assets and reputation of Lectra; ensuring secure decision-making processes and achieving the Company's goals; aligning Lectra's actions with its core values; and involving employees in the management of risks associated with their activity and responsibilities through shared evaluation of the main risk factors.

The cost of implementing the system's performance target for covered risks versus residual risks is adjusted to match the Group's resources, size and the complexity of its organization. While this system provides reasonable assurance of fulfilment of the aforesaid

objectives, it can provide no absolute guarantee of doing so. Many factors independent of the system's quality, in particular human factors or those attributable to the outside environment in which the Group companies operate, could impair its effectiveness.

3.7.2. Components of internal control

→ Organization, decision making process, information systems and procedures

Organization and decision-making process

The Board of Directors is responsible for setting the strategy and direction of the Group's operations, and for overseeing their implementation.

The Audit Committee discusses the internal control system with the Statutory Auditors. It gathers their recommendations and, notably, ensures that their level and quality of coverage are adequate. It reports on its proceedings and opinions to the Board of Directors.

The Chairman and Chief Executive Officer is responsible for overseeing the proper functioning of the Group's managing bodies. He is invested with the fullest powers to act on behalf of the Company in all circumstances and represents the Company in its dealings with third parties.

The Executive Committee implements the strategy and policies defined by the Board of Directors. Its members have each been delegated broad powers and are critical to the effectiveness of the internal control system.

All important decisions relating to the operations of a region are made by a specific committee. These committees, chaired by the Chief Customer Officer, meet two to four times a year, with the region leader and the management teams attending. The latter submit to the committees their detailed action plans drawn up on the basis of Group strategic and budget directives, and they report on the implementation of decisions as well as on their operations and performance.

The powers and limits to the powers of the region leaders and of the directors of the various corporate divisions are laid down by the Chairman and Chief Executive Officer. These powers and their limits are communicated in writing to the leaders or directors concerned, who are then required to account for their utilization of the powers conferred on them.

The internal control process involves a large number of other participants. The corporate divisions are at the center of this organization. They are responsible for formulating rules and procedures, for monitoring their application and, more generally, for approving and authorizing a large number of decisions connected with the operations of each Group entity.

Information systems

Information systems play a structurally critical role in the Group's system of internal control, and act as a key performance-tracking instrument thanks to integrated inter-company financial information, to ensure homogeneity and communicability between the Group's different IT systems, and their continuous adaptation to developments in business processes and modes of operation, together with tighter controls.

Information systems are regularly adapted to the expanded requirements of the Group in terms of the quality, relevance, timeliness and comprehensiveness of information. These systems are contributing to the implementation of harmonized Groupwide management procedures and rules while boosting the effectiveness of controls. Starting at the time of acquisition, companies acquired are progressively integrated into the Group reporting system.

Procedures

The Group has put in place a large number of procedures, which specify the manner in which the different processes are to be performed, together with the roles of the different persons concerned, and the powers delegated to them within the framework of these processes. They further prescribe the method of controlling compliance with rules for the performance of processes. Procedures are adjusted on a regular basis to take into account the integration of acquired companies. The main subjects entailing issues critical to Group objectives are:

→ Sales

Several procedures are in place to cover the entire sales process. In particular, the Sales Rules and Guidelines, which are subject to periodical review, clearly set out rules, delegations of powers, and channels, together with the controls performed at the various stages in the sales process to verify the authenticity and content of orders, shipment and billing thereof, as well as periodic reviews of ongoing business activity by the Executive Committee.

→ Credit management

Credit management procedures are designed to limit the risks of non-collection and shorten account collection times. These procedures include a preventive analysis of its customers' solvency and provide for the strict and systematic application of several measures for dealing with customers in arrears. These means of collection are coordinated by the credit management department in conjunction with the legal department.

Moreover, sales of new systems to countries subject to high economic or political risks are for the most part guaranteed by irrevocable letters of credit confirmed by one of Lectra's banks or by bank guarantees.

Historically, bad debts and customer defaults have been rare.

→ Purchasing

Procedures are in place to ensure that all purchases from third parties are compliant with budgetary authorizations. They further spell out formally the delegations of powers regarding expenditure commitments and signatures, based on the principle of the separation of tasks within the process. The information system now in place reinforces the process of control over the proper application of rules.

→ Personnel

Under the procedures in place all forecasted or actual personnel changes are approved by the Human Resources Department. All recruitments and dismissals must receive the department's prior authorization. Compensation is reviewed and submitted to the Human Resources Department for approval.

Finally, for the members of the Executive Committee, the current compensation formula, benefits in kind, as well as any change in this formula, are submitted to the Compensation Committee to receive their opinion.

→ Treasury

The Group's internal control procedures regarding treasury operations mainly concern bank reconciliations, security of payment means, delegation of signing authority, and monitoring of currency risk.

The Group has implemented secure means of payment. Bank reconciliation procedures are systematic and comprehensive. They entail verification of all entries in the Group's bank accounts made by the banks, together with reconciliation between treasury balances and the cash and bank accounts within the financial statements.

Bank signature authorizations for each Group entity are governed by written procedures laid down by the Group Finance Division and are revocable at all times with immediate effect. Signing powers delegated under these procedures are notified to the banks, which must acknowledge receipt thereof.

Monitoring of the loan and related covenants is managed by the Group Treasurer.

→ Currency risk

The Group seeks to protect its foreign-currency denominated receivables and debts, as well as future cash flows when hedges are available under reasonable economic conditions. Decisions take into account currency risks and trends having a material impact on its financial condition and competitive situation. The Group's statement of financial position exposure is monitored in real time. The Company also hedges balance sheet positions using forward currency contracts.

→ Control activity: participants in risk control and management processes

The internal control and risk management processes are implemented by Executive Management under control of the Audit Committee and the Board of Directors. The Audit Committee monitors the effectiveness of the internal control and risk management systems for the Board of Directors and reports to them thereon.

The risk mapping has been supplemented by the double materiality assessment which was reviewed by the Audit Committee on February 26, 2025 and the Board of Directors on February 27, 2025.

The Group does not have a specific internal audit department as such, but the Group finance division—in particular the treasury and management control teams—and the legal department are central to the internal control and risk management system. Controls are in place at many points throughout the Group's organization. These are adapted to the critical aspects and risks linked to the processes to which they apply. Controls are conducted by means of IT applications, procedures subject to systematic manual control, via ex-post audits, or via a chain of command, in particular by members of the Executive Committee. Spot checks are also performed in the various Group subsidiaries.

In each subsidiary, the person in charge of finance and administration, in coordination with the regional Legal Counsel, plays a major role in the organization and conduct of internal controls. The mission of this person, who reports to the Group finance division, is to ensure that the subsidiary complies with the rules and procedures established by the Executive Committee and the corporate divisions.

The information systems division is responsible for guaranteeing the integrity of data processed by the various software tools in use within the Group. It works with the Group finance division to ensure that all automated processing routines contributing to the preparation of financial information are compliant with accounting rules and procedures. In addition, it verifies the quality and completeness of information transferred between the different software applications and information systems security. Information system application controls are subject to an annual audit by the Statutory Auditors.

The human resources division exercises the control function regarding human resources matters in all subsidiaries. Its role includes verifying that human resources related operations are compliant with the laws and labor regulations in force in the countries concerned. It also intervenes in all contractual relations entered into between Group companies and its employees.

The legal department ensures that the operations of each of the Group's subsidiaries comply with applicable laws and regulations, and with internal policies, particularly in contractual relations between

those subsidiaries and third parties. The legal department calls upon a network of law firms located in the countries concerned and specializing in the subjects at issue, as needed. It supervises and manages potential or pending litigation, in conjunction with the Group's attorneys where appropriate.

A dedicated intellectual and industrial property team functions as part of the legal department. It acts preventively to protect innovations and avert all risks of infringement of the Group's intellectual property rights and, more broadly, all risks associated with innovation and the protection of its intellectual and industrial property.

→ Continuous improvement of the internal control system and procedures

Solutions to incidents observed in the course of controls or in the findings of ex-post audits of compliance with internal control rules and procedures provide information on internal control system quality and contribute to continuous improvement of the system.

Given the nature of its business, the Group is compelled to adapt its organization to market and strategy changes whenever necessary. Each change in its organization or *modus operandi* is preceded by a review process to ensure that the proposed change is consistent with the preservation of an internal control environment complying with the objectives described in section 3.7.1 of this report. Within this context, the scope and distribution of the powers of individuals and teams, reporting lines and rules for the delegation of signing authority, are reviewed and adjusted, if necessary, during all organizational changes.

Oversight of internal controls is underpinned by a continuous improvement process, notably in the areas of the risk prevention plan, formalizing accounting procedures, human resources management, integrating acquired companies, and information systems.

3.8 Insurance and risk cover

The purchasing department and the legal department oversee the insurance programs for the Group and formulate Group policy with respect to risks and their coverage; they coordinate the administration of insurance contracts with respect to legal liability, directors and officers liability, property damage, cybersecurity, travel and transport of goods. They reassess this policy regularly and renegotiate or adjust programs to take into account the evolution of the Group's activity and changes in its scope.

The Group has taken the following insurance coverage: legal liability, directors and officers liability, property damage and consequent business interruption, transported goods, travel, and cybersecurity.

The Group works through international brokers whose network has the capacity to provide assistance in all its activities and throughout its different geographies. A global insurance program supplemented by local programs, provides for complete and effective coverage.

Insurance programs are written with reputable insurers of sufficient size and capacity to provide adequate cover for the risks and to administer claims in all countries.

At regular intervals, when programs come due for renewal, the Group invites competing companies to submit bids in order to secure the best possible terms and conditions. The guarantees provided by these programs are reviewed annually and are calculated on the basis of estimated possible losses, the guarantee terms generally available on the market and depending on insurance companies' proposals.

The Group manages uncertainty with respect to general liability by means of a contractual policy that excludes its liability for indirect damage and limits its liability for direct damage to the extent allowed by applicable regulations.

Given the use made of the equipment commercialized by it, the Group is also exposed to the risk of injury to its customers' employees while operating certain items of equipment supplied by it. It therefore takes all appropriate steps to ensure that these meet the strictest personnel safety standards. For cases in which malfunction could not be avoided, the Group's product liability insurance contract covers it against monetary consequences arising from its liability.

The property damage and subsequent business interruption program provides for payment of claims for material damage to buildings or physical assets in accordance with the declared amount for each of its sites worldwide, which the Group reports annually. The program comprises additional guarantees to finance the continuity or reorganization of activity in case of a loss event, particularly regarding the Bordeaux-Cestas (France), Tolland (United States), and Suzhou (China) sites. The program comprises "business continuity" cover against financial loss in the event of a major accident affecting one of the sites and jeopardizing the continuity of all or part of the Group's business. It is backed up by risk prevention measures, based on the findings of the Group insurers' experts.

4. Off-balance sheet items

4.1 Off-balance sheet commitments relating to the Group's financing

The Company, through its banks, has given a total of 2.9 million euros in guarantees to customers, to lessors in connection with lease contracts, or to suppliers and service providers at December 31, 2024 (3.5 million euros at December 31, 2023).

Exchange risk hedging instruments of balance sheet positions at December 31, 2024 were comprised of forward sales or purchases of foreign currencies (mainly US dollars, pounds sterling and Chinese yuan offshore) for a net total equivalent value (sales minus purchases) of negative 52.7 million euros (negative 25.3 million euros at December 31, 2023).

4.2 Off-balance sheet commitments relation to the Group's operating activities

The only off-balance sheet commitments relating to operating activities concern normal security contracts, catering services, reception desk contracts, office equipment rentals, etc., as well as Group management software subscription contracts used in the Group information system, which may be cancelled in accordance with contract terms. These commitments are discussed in the notes to the consolidated financial statements.

The Group's off-balance sheet commitments relating to operating activities at December 31, 2024 were valued using the same methodology as in previous years.

5. Research and development

The Group invests significantly in research and development (R&D).

At December 31, 2024, the R&D headcount was 707 persons (586 at December 31, 2023, before taking into account TextileGenesis), including 359 in France, 128 in Romania, 60 in the United States, 33 in India, 21 in China, 20 in Italy, 10 in Belgium, 42 in Spain and 2 in the UK (in addition close to 30 subcontractors, as part of Gerber's annual R&D investments were outsourced).

Consisting mainly of trained engineers, they span a wide array of specialties across a broad spectrum from software development and Internet services through electronics, mechanical engineering, as well as expert knowledge of the Group's customers' businesses. The Group also has recourse to specialized subcontractors, accounting for a small proportion of its total R&D spending.

In addition, the Group is investing in advanced research and studies, drawing on areas of excellence across an array of laboratories, universities, schools, competitiveness clusters and technology

centers. Partnership contracts with various actors have been implemented, accelerating and reinforcing Lectra's innovative capabilities.

Research and development costs (67.6 million euros), which are fully expensed in the period and included in fixed overhead costs, represented 12.8% of revenues (55.8 million euros and 11.7% of revenues in 2023). After deducting the research tax credit applicable in France and grants received, net research and development costs totaled 62.0 million euros (51.3 million euros in 2023).

As a result of these substantial R&D efforts (382 million euros invested over the past ten years, only counting outlays by acquired companies once they are integrated into the Group's consolidated financial statements), the Group has a major technological asset that is valued at zero in the statement of financial position. The Group has thus maintained and even strengthened its technology lead over its competitors.

6. Sustainability Report

The Sustainability Report prepared in accordance with article L. 232-6-3 of the French Commercial Code is appended to the Management Discussion and appears on Chapter 2 of the Annual Financial Report.

7. Appropriation of Earnings

The Board of Directors has decided to propose to the shareholders during their meeting on April 25, 2025, the payment of a dividend to €0.40 per share in respect of fiscal year 2024. The gross dividend represents a payout ratio of 51% of 2024 consolidated net income and a yield of 1.5% based on the December 31, 2024, closing share price.

Subject to approval by the Shareholders' Meeting of April 25, 2025, the dividend will be made payable on May 5, 2025.

Pursuant to Article 243 bis of the French General Tax Code, the entire dividend is eligible for the 40% deduction provided under Article 158, section 3, sub-section 2 of the French General Tax Code when paid to individual shareholders domiciled in France for tax purposes and eligible for the deduction.

Therefore, the Board of Directors proposes to appropriate the net income for the financial year ended December 31, 2024, as follows:

Net income for the year	€24,399,430
Retained earnings brought forward from prior years	€131,589,231
Appropriation to the legal reserve	€13,331
Distributable profit	€155,975,330
To the payment of a dividend €0.40 per share ⁽¹⁾	€15,172,322
To retained earnings ⁽¹⁾	€9,213,777
Retained earnings after appropriation	€140,803,008

(1) Calculated on the basis of the shares eligible for dividends, on the basis of the 37,966,274 shares making up the capital stock at December 31, 2024, less the 35,468 shares held in treasury at that date (as treasury shares are not eligible for dividends). The actual amounts of the total dividend payout and the appropriation to retained earnings will depend on the number shares held in treasury by the Company on the dividend payout date.

Dividends paid in respect of the previous three financial years were as follows:

Year	2023	2022	2021
Dividend per share ⁽¹⁾	€0.36	€0.48	€0.36
Number of shares eligible ⁽²⁾	37,847,354	37,762,408	37,745,622
Total Dividend global payout ⁽²⁾	€13,625,047	€18,125,956	€13,588,424

(1) Before deduction and before withholding for tax and social security contributions.

(2) Taking account of shares held in treasury on the dividend payout date.

8. Share capital – ownership – share price performance

8.1 Change in share capital

At December 31, 2024, the share capital came to 37,966,274 euros, divided into 37,966,274 shares with a par value of €1.00. Share capital increased by 133,309 euros (with a total share premium of 2,091,642 euros) due to the creation of 133,309 shares since January 1, 2024, resulting from the exercise of stock options.

8.2 Main shareholders

On February 25, 2024, Daniel Harari, who had held 14.6% of the share capital and 14.5% of the voting rights, reported to the Company that he had sold 700,000 shares of Lectra to repay loans taken out many years before, and did not intend, in the foreseeable future, to sell other shares of the Company.

On February 28, 2024, the Company was informed that on February 21, 2024, AIPCF VI LG Funding LP (United States) had fallen below the 5% thresholds of share capital and voting rights and held as at that date 3.82% of the share capital and 3.80% of the voting rights.

On June 19, 2024, the Company was notified that Alantra EQMC Asset Management SGIC (Spain) had exceeded the 5% thresholds of share capital and of voting rights and held as at that date 5.93% of the share capital and 5.90% of the voting rights.

No other crossing of statutory thresholds has been reported to the Company since January 1, 2025.

At the date of publication of this report, and to the Company's knowledge:

- Daniel Harari holds 12.7% of the capital and 12.6% of the voting rights;
- Alantra EQMC Asset Management SGIC (Spain), Brown Capital Management (United States), Fidelity Management and Research (United States) and Kempen Oranje Participaties (The Netherlands) each hold more than 5% (and less than 10%) of the share capital and voting rights.

No other shareholder has reported holding more than 5% of the share capital and voting rights.

8.3 Shareholding pacts and agreements

At the date of publication of this report, the Company is not bound by any shareholders' agreement or pact.

8.4 Treasury shares

At December 31, 2024, the Company held 0.09% of its own shares in treasury shares, solely within the framework of the liquidity agreement contracted with Natixis ODDO BHF.

8.5 Granting of stock options – potential capital stock

The Shareholders' Meeting of April 29, 2022, renewed the authorization given to the Board of Directors to grant stock options, for a maximum of 1.2 million options for the same number of shares with a par value of €1.00, in accordance with the conditions described in the Report of the Board of Directors to the said meeting and in its thirteenth resolution. This authorization was given for a period of 38 months, expiring on June 28, 2025.

No subsidiary of the Company has opened a stock option or stock purchase plan for Lectra stock.

8.5.1. Stock option granting plan

Lectra has a long-standing policy of employee participation in its capital; this is an essential component of a sound compensation policy, and assures shareholders that the priority of the Group's key employees is the long-term development of the Company. Stock options have proven to be an effective mechanism for retaining employees, for incentivizing them to actively contribute to Lectra's development, and for attracting new talent.

The main features of the Company's stock option plans are as follows:

→ Exercise price

The share exercise price shall not be less than the average opening price of the share listed for the twenty trading sessions prior to the decision by the Board of Directors to grant the options.

→ Beneficiaries

The list of beneficiaries is drawn up by the Board of Directors, on a proposal by the Chairman and Chief Executive Officer and a recommendation by the Compensation Committee.

Option beneficiaries fall into three categories:

- members of the Executive Committee (except for the Chairman and Chief Executive Officer, who receives no stock options)
- the senior Group managers;
- other employees whose contribution is considered significant.

→ Performance conditions

Since 2022, all options granted⁽¹⁾ to members of the Executive Committee are subject to performance conditions based on the year of the grant and the following two years, as per criteria that measure both the results for the year just ended and the more medium- and long-terms effects on results. The final number of options is calculated ex-post with reference to the percentage fulfilment of targets set for the beneficiary and validated by the Board of Directors meeting closing the annual financial statements for the third year after they were granted.

One half of the options granted to senior Group managers, as in years prior to 2022, is subject to performance conditions aligned with the objectives of Lectra's strategic roadmap. The final number of options is calculated with reference to the percentage fulfilment of targets set for the beneficiary for the year of the grant, and validated by the Board of Directors meeting closing the accounts for the year following the year they were granted.

→ Vesting period, absence of lock-up period, employment requirement, and option validity period

Options that have vested can be exercised, in full or in part, from the end of the four-year vesting period, applicable to all beneficiaries.

No lock-up period is applicable.

All plans require that the beneficiary continue to be an employee of the Company, or an employee or company officer (*mandataire social*) of one of the companies in the Group, from the date of the grant to the time the options are vested, it being specified that the right to exercise these options vests on a single occasion at the end of the four-year period starting on January 1 of the year of granting. In the event of the departure of a beneficiary before this date, all options that were granted to the beneficiary cease to be valid.

By way of exception, the right to exercise options shall be maintained in the event of the death of the beneficiary, or retirement at the statutory pensionable age in the beneficiary's country. Provided the death or retirement occurs between January 1 of the year following the grant and the end of the four-year vesting period (that is, for 2024 Plans, between January 1, 2024 and December 31, 2027) the right to exercise options shall be maintained in full for options whose vesting depends solely on presence, up to the maximum number of options calculated on the basis of the beneficiary's performance for options for which the right to exercise is also conditional on actual performance.

The options are valid for eight years from the date they are granted.

8.5.2. 2024 Stock option plan

The Board of Directors at its meetings on June 7 and August 29, 2024, granted, in respect of the 2024 stock option plan, up to 311,270 options to 341 beneficiaries, at an exercise price of €32.50 per share, as follows:

- a maximum of 88,314 stock options to 10 members of the Executive Committee, the right to exercise being conditional on presence at December 31, 2027 and performance over the 2024-2026 period for all options granted
- 46,135 stock options to the 22 most senior managers; for one half of the options granted, the right to exercise is conditional merely on actual presence at December 31, 2027, and, for the other half of the options granted, the right to exercise is conditional on both presence and 2024 performance; and
- 176,821 stock options to 309 other managers and individual contributors, the right to exercise being conditional on solely presence at December 31, 2027.

All of the options granted concerned the Company's employees, or the employees and Company Officers (*mandataires sociaux*) of its subsidiaries. The only Company Officer of the Company (*dirigeant mandataire social exécutif*), Daniel Harari, has held no stock options since 2000.

For individual-performance related options, the final number of options is then calculated on the basis of the percentage of achievement of the objectives set for the reference period (2024 for the most senior manager beneficiaries and 2024-2026 for the Executive Committee beneficiaries), also taking into account departures between the grant date and the end of the year.

On the date of this Report, the 2024 performance calculations have been completed for all the most senior managers on the basis of the Group's consolidated financial statements, and 12,766 options out of the 46,135 options which were initially granted to them have been cancelled. The performance calculations for the members of the Executive Committee for the 2024-2026 period, and the cancellation of options that are unvested due to failure to achieve 2024-2026 objectives, will be done in 2027.

In addition, 1,909 options granted in 2024 have ceased to be valid mainly due to the departure of four beneficiaries. An additional 739 options lapsed due to renunciation by the two beneficiaries concerned.

(1) Prior to 2022, 50% of the options granted to members of the Executive Committee were subject to performance conditions based on the results of the year of the grant.

As a result, at December 31, 2024, the total number of options initially granted (311,270 options to 341 beneficiaries) had been reduced to 295,856 and the number of beneficiaries to 335. The options representing the difference between those initially granted and those actually granted are available to be used again by the Board of Directors.

8.5.3. Options outstanding at December 31, 2024

133,309 options granted under the different stock option plans outstanding at December 31, 2024 were exercised during fiscal year 2024 and 76,434 options granted before 2024 have ceased to be valid due to partial achievement of objectives, the departure of their beneficiaries or the fact that they have not been exercised.

Lectra also has a long-standing policy of selective employee participation in its capital through the granting of stock options as decided by the Board of Directors following the recommendations of the Compensation Committee. At December 31, 2024, 445 people (including 424 active employees and 21 former employees of the Group) benefit from stock options.

At December 31, 2024, the maximum number of shares liable to comprise the capital stock, including all new shares that may be issued following the exercise of stock options outstanding and

eligible for the subscription of new shares, is 39,429,954, consisting of:

- capital stock: 37,966,274 shares ;
- stock options: 1,463,680 shares.

Each stock option gives the beneficiary the right to acquire one new share with a par value of €1.00, at the exercise price decided by the Board of Directors on the date of granting. If all of the options were exercised, regardless of whether these are fully vested or have not yet vested, and regardless of their exercise price relative to the market price of Lectra shares at December 31, 2024, the Company's capital (at par value) would increase by a total of 1,463,680 euros, associated with a total additional paid-in capital of 36,742,573 euros. The potential dilution would thus be 3.71%.

Note 17.5 to the consolidated financial statements contains full details of the vesting conditions, exercise prices, and exercise dates and conditions of all outstanding stock options at December 31, 2024.

The Board of Directors' special report, as mandated under article L.225-184 of the French Commercial Code, will be made available prior to the Shareholders' Meeting of April 25, 2025, on the Company website (<https://www.lectra.com/en/investors/shareholder-information/shareholders-meetings>).

8.5.4. Summary of stock option plans

The following is the historical table of stock options granted:

Plans	2024	2023	2022	2021	2020	2019	2018	2017	2016
Date of the Shareholders' meeting ⁽¹⁾	29/04/2022	29/04/2022	29/04/2022	27/04/2018	27/04/2018	27/04/2018	27/04/2018	30/04/2014	30/04/2014
Date of the Board of Directors' meeting	07/06/2024 29/08/2024	08/06/2023	08/06/2022	08/06/2021	09/06/2020	12/06/2019	12/06/2018	08/06/2017	09/06/2016
Total number of shares available for subscription	311,270	261,865	184,990	208,441	837,236	364,662	370,591	399,794	608,665
Daniel Harari, Chairman and Chief Executive Officer	0	0	0	0	0	0	0	0	0
Starting date for the exercise of options	08/06/2028	08/06/2027	09/06/2026	09/06/2025	10/06/2024	13/06/2023	13/06/2022	09/06/2021	10/06/2020
Expiry date	07/06/2032	07/06/2031	08/06/2030	08/06/2029	09/06/2028	12/06/2027	12/06/2026	09/06/2025	09/06/2024
Subscription price (in euros)	32.50	28.25	38.5	33.5	18.0	22.5	22.25	28.25	14.5
Methods of exercise (when the plan comprises several tranches)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of shares subscribed on December 31, 2024	0	0	0	0	83,597	6,115	12,167	11,645	294,240
Cumulative number of subscription options cancelled or lapsed	15,414	23,845	64,649	39,804	121,433	355,536	354,839	386,125	314,425
Subscription options remaining in force at the end of the fiscal year	295,856	238,020	120,341	168,637	632,206	3,011	3,585	2,024	0

(1) Date of the Shareholders' Meeting that authorized the creation of the stock option plan, used by the Board of Directors when granting stock options each year.

8.6 Absence of bonus shares

The Company has never submitted a plan to grant bonus shares for approval to the Shareholders' Meeting. Consequently, the Board of Directors has not prepared a special report on the granting of bonus shares as provided under article L. 225-197-4 of the French Commercial Code.

8.7 Stock exchange Indices

The Company is included CAC All Shares, CAC Technology, EN Tech Leaders and ENT PEA-PME 150 indices. However, since September 20, 2024, the Company has no longer been included in the SFB 120, CAC Mid & Small et CAC All-Tradable indices because of the low liquidity of the share on Euronext.

The Company's shares are eligible for the Euronext Deferred Settlement Service (SRD), which allows French investors to defer settlement or delivery of shares.

The Company is eligible for inclusion in French SME ("PEA-PME") equity savings plans

8.8 Share price performance and trading volumes

The market capitalization came to 0.99 billion euros at December 31, 2024 (1.18 billion euros at December 31, 2023). According to Bloomberg, 15.1 million shares were traded on all platforms in 2024 (16.1 million in 2023), including 26% on Euronext.

The Company's share price at December 31, 2024 was €26.00, down 17% compared to December 31, 2023 (€31.25). In 2024, it reached a low of €23.35 on October 30 and a high of €35.20 on February 16. In

2024, the CAC Mid 60 and Euronext Tech Leaders indices, to which Lectra belongs, evolved by -6% and -2% respectively.

8.9 Transactions in shares by directors and similar persons

In accordance with article 223-26 of the General Regulation of the AMF, the following is the summary statement of transactions in Lectra shares carried out by company officers, directors, senior executives, or similar persons, during the 2024 fiscal year, as reported to the AMF and to the Company (when the total amount of transactions carried out by the person in question exceeds the threshold of 20,000 euros):

Directors and similar persons ⁽¹⁾	Date	Nature of transaction	Number of shares	Price (in euros)	Value (in euros)
Members of the Executive Committee					
Jérôme Viala ⁽²⁾	January 2, 2024	Acquisition of shares	59,875	0	Na
Maximilien Abadie	January 2, 2024	Acquisition of shares	10,296	0	Na
Olivier du Chesnay	January 2, 2024	Acquisition of shares	16,822	0	Na
Jérôme Viala	March 4, 2024	Exercise of stock options	9,900	€14.50	€143,550
		Sale of shares	9,900	€32.3175	€319,943
Jérôme Viala	March 5, 2024	Exercise of stock options	3,077	€14.50	€44,616
		Sale of shares	3,077	€31.7263	€97,622
Jérôme Viala	March 6, 2024	Exercise of stock options	9,847	€14.50	€142,782
		Sale of Ohares	3,929	€31.6845	€124,488
		Sale of shares	5,918	€32.0319	€189,565
Jérôme Viala	March 7, 2024	Exercise of stock options	453	€14.50	€6,569
		Sale of shares	453	€32.00	€14,496
Jérôme Viala	March 11, 2024	Exercise of stock options	3,685	€14.50	€53,433
Jérôme Viala	March 12, 2024	Sale of shares	4,187	€31.5349	€132,036
Jérôme Viala	March 13, 2024	Sale of shares	6,782	€31.5885	€214,233
Jérôme Viala	March 14, 2024	Sale of shares	281	€31.50	€8,852
Olivier du Chesnay	June 10, 2024	Exercise of stock options	650	€18.00	€11,700
		Sale of shares	650	€29.0972	€18,913
Olivier du Chesnay	June 11, 2024	Exercise of stock options	2,019	€18.00	€36,342
		Sale of shares	2,019	€29.0089	€58,569
Olivier du Chesnay	June 12, 2024	Exercise of stock options	848	€18.00	€15,264
		Sale of shares	848	€29.0161	€24,606
Olivier du Chesnay	June 13, 2024	Exercise of stock options	91	€18.00	€1,638
		Sale of shares	91	€29.00	€2,639
Company Officers					
Daniel Harari	February 21, 2024	Sale of shares	700,000	€30.00	€21,000,000
Hélène Viot-Poirier	March 8, 2024	Acquisition of shares	310	€30.9726	€9,602
Karine Calvet	May 6, 2024	Acquisition of shares	250	€33.3646	€8,341
Pierre-Yves Roussel	July 30, 2024	Acquisition of shares	700	€26.2637	€18,385

(1) The following individuals are required to report their securities transactions:

- Company Officers: the Chairman and Chief Executive Officer and the Directors; and

- the Chief Financial Officer, the Chief Strategy and Product Officer (since November 2, 2020) and the General Secretary (since December 9, 2024); all three are members of the Executive Committee.

(2) Jérôme Viala, a member of the Executive Committee through March 31, 2024, retired before being elected a Director by the Shareholders' Meeting of April 26, 2024..

8.10 Compliance with the Transparency Directive and the General Regulation ("MAR") – regulated disclosure

The Company complies with the financial disclosure obligations of companies listed on Euronext Paris, which took effect on January 20, 2007. These obligations are spelled out in Title 2, Book II of the General Regulation of the AMF concerning periodic and continuous disclosure as supplemented by (i) AMF position-recommendation 2016-05 "Guide to periodic disclosures by listed companies," and (ii) position-recommendation 2016-08 "Guide to

ongoing disclosure and management of inside information," both of which became applicable on October 26, 2016.

The General Regulation defines regulated disclosure in the form of a list of reports and information to be disclosed by companies, together with rules governing its dissemination and storage. The Company uses the services of Nasdaq Corporate Solutions International Limited, a professional information provider approved by the AMF that satisfies the criteria laid down in the General Regulation, to publish and file information with the AMF. At the same time, regulated information is published on the Company's website.

9. Share repurchase program

9.1 Current share repurchase program

The Ordinary Shareholders' Meeting of April 26, 2024, granted authority to the Company to trade in its own shares for a period of eighteen (18) months from the date of the said meeting to maintain a liquid market in the Company's shares, via an authorized investment services provider acting within the framework of a Liquidity Agreement in compliance with regulations and market practice allowed by the AMF.

The purchase, sale or transfer of such shares may be carried out subject to the conditions provided by the AMF, by any and all means, notably on the market or over the counter, including by block trades or by the use of derivative financial instruments, at such times as may be decided by the Board of Directors or any person acting on the authority of the Board of Directors.

However, from the time of filing of an outside public tender offer for Company shares, and until expiration of the offer period, the Board of Directors is barred from implementing its share repurchase program; nor may the Company continue its execution without prior authorization by the Shareholders' Meeting.

The purchase price of the shares shall not exceed €60 per share. The gross maximum amount to be used in the stock repurchase program shall be 10 million euros. Both these amounts are exclusive of transaction-related costs.

This authorization may be used for a number of shares representing up to 2% of the share capital of the Company on the day of the Shareholders' Meeting held on April 26, 2024; this will be adjusted, if required, to take account of subsequent operations affecting the share capital, it being specified that the number of shares counted for the purpose of the above-mentioned 2% threshold shall correspond to the number of these shares purchased, less the number of shares sold under the liquidity agreement during the period of the authorization. At no time whatsoever shall the Company's purchases lead to the Company holding over 10% of the shares comprising the share capital.

9.2 Transactions by the Company on its own shares in 2024

9.2.1. Liquidity Agreement

Since 2012, the liquidity of transactions and the regularity of quotations of Lectra shares have been ensured through a Liquidity Agreement. Since September 2022, this Liquidity Agreement, signed in accordance with regulations and market practices recognized by the AMF, has been awarded to Natixis ODDO BHF.

Under this Liquidity Agreement, in fiscal year 2024, the Company purchased 178,222 shares at an average price of €29.68 and sold 174,163 shares at an average price of €29.82.

Consequently, at December 31, 2024, the Company held 35,468 Lectra shares (or 0.09% of share capital), at a par value of €1.00, with an average purchase price of €26.43, entirely under the Liquidity Agreement, together with 335 thousand euros in cash and cash equivalents.

9.2.2. Share repurchases outside of the Liquidity Agreement

The Company did not repurchase any shares outside of the Liquidity Agreement between January 1, 2024 and the date of this Report.

9.2.3. Share cancellations

The Company did not cancel any shares between January 1, 2024, and the date of this Report.

9.3 Description of the share repurchase program submitted to the Shareholders' Meeting for approval

In accordance with the provisions of article L. 22-10-62 of the French Commercial Code and article 241-6 of the General Regulation of the Autorité des Marchés Financiers (AMF) and AMF Decision 2021-01 of June 22, 2021, it will be proposed at the Shareholders' Meeting of April 25, 2025 to authorize the Board of Directors to cause Lectra's shares to be purchased, on one or more occasions, at such times as it may see fit, by any investment services provider acting on behalf of the Company in accordance with the provisions of the last paragraph of article L. 225-206 of the French Commercial Code for the purpose of maintaining an active market in the Company's shares within the framework of a liquidity contract.

The purchase price of the shares shall not exceed €60 per share (exclusive of acquisition-related costs).

This authorization may be used for a number of shares representing up to 2% of the share capital of the Company on the day of the Shareholders' Meeting held on April 25, 2025, in other words, by way of illustration, 759,325 shares on the basis of the share capital on December 31, 2024, allowing for subtraction of 35,468 shares held in treasury, for a maximum amount of 10 million euros, it being specified that the number of shares counted for the purpose of the above-mentioned 2% threshold shall correspond to the number of shares purchased, less the number of shares sold under the liquidity agreement during the period of the authorization. At no time whatsoever shall the Company's purchases lead to the Company holding over 10% of the shares comprising the share capital.

Such shares may be acquired, sold or transferred in accordance with the conditions set forth by the AMF, by any means, inter alia on the market or over-the-counter, including through the acquisition or sale of blocks of shares, or through the use of derivative financial instruments, at such times as the Board of Directors, or the person acting on behalf of the Board of Directors, shall deem appropriate. It is specified that from the time of filing of an outside public tender offer for Company shares, and until expiration of the offer period, the Board of Directors is barred from implementing its share repurchase program; nor may the Company continue its execution without prior authorization by the Shareholders' Meeting.

The authorization granted to the Board of Directors would be granted for a period of 18 months expiring on October 26, 2026. It would replace and supersede the authorization previously granted by the twelfth resolution of the Combined Shareholders' Meeting of April 26, 2024.

10. Significant post-closing events

No significant event is to be reported.

11. Financial calendar 2025

The Annual Shareholders' Meeting will take place on April 25, 2025.

First, second, and third quarter earnings for 2025 will be published on April 24, July 24, and October 29, 2025, respectively, after the close of trading on Euronext.

Full-year earnings for 2025 will be published on February 11, 2026.

12. Business trends and outlook

In the challenging environment of 2024, Lectra demonstrated its resilience, confirming the relevance of its strategy and the quality of its fundamentals—crucial assets for the Group's continued development.

12.1 Outlook for 2025

While initial positive signs can be detected, the lack of visibility in what remains an uncertain economic and geopolitical context, could continue to weigh on investment decisions by the Group's customers going forward.

In this context, the Group has begun the year 2025 with confidence and will pursue its strategy by meeting the needs of its customers as closely as possible via the quality of its offers for Industry 4.0 and by developing its SaaS activity.

As in the previous two years, visibility regarding orders for new systems remains low—as in the previous two years—with no way of anticipating the timing or magnitude of a possible rebound which could nevertheless occur during the course of the year.

Recurring revenues, which accounted for 72% of total revenues in 2024, are expected to grow further in 2025, notably on the strength of expanding SaaS activity.

Furthermore, the Group will maintain strict cost controls and anticipates a mix of orders that will favorably impact the gross margin.

In light of the above, Lectra has set the 2025 objective of achieving recurring revenues of over 400 million euros, including 90 million euros of SaaS revenues.

Overall, revenues are expected to be between 550 and 600 million euros, with an EBITDA margin before non-recurring items close to 20%, based on exchange rates at December 31st, 2024, particularly of €1/\$1.04.

The Board of Directors

February 27, 2025

13. Additional information - Consolidated financial statements

13.1 Orders for new systems – like-for-like⁽¹⁾

13.1.1. Perpetual software licenses, equipment and accompanying software, and non-recurring services

By product line

Twelve Months Ended December 31	2024			2023		Changes 2024/2023	
	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
(in thousands of euros)							
Perpetual software licenses	11,386	8%	11,422	13,962	10%	-18%	-18%
Equipment and accompanying software	113,031	78%	113,218	111,057	76%	+2%	+2%
Training and consulting services	17,304	12%	17,390	15,921	11%	+9%	+9%
Miscellaneous	3,174	2%	3,179	4,502	3%	-29%	-29%
Total	144,895	100%	145,208	145,442	100%	-0%	-0%
€/\$ average parity	1.08		1.08	1.08			

By region

Twelve Months Ended December 31	2024			2023		Changes 2024/2023	
	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
(in thousands of euros)							
Europe	33,567	23%	33,471	39,819	27%	-16%	-16%
Americas	34,901	24%	35,106	40,006	28%	-13%	-12%
Asia-Pacific	62,753	43%	62,974	47,670	33%	+32%	+32%
Other countries	13,674	9%	13,657	17,947	12%	-24%	-24%
Total	144,895	100%	145,208	145,442	100%	-0%	-0%
€/\$ average parity	1.08		1.08	1.08			

By market

Twelve Months Ended December 31	2024			2023		Changes 2024/2023	
	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
(in thousands of euros)							
Fashion	74,598	51%	74,800	73,705	51%	+1%	+1%
Automotive	47,497	33%	47,617	47,377	33%	+0%	+1%
Furniture	10,911	8%	10,880	15,165	10%	-28%	-28%
Other industries	11,889	8%	11,911	9,194	6%	+29%	+30%
Total	144,895	100%	145,208	145,442	100%	-0%	-0%
€/\$ average parity	1.08		1.08	1.08			

13.1.2. New software subscription (SaaS)

Twelve Months Ended December 31	2024			2023		Changes 2024/2023	
	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
(in thousands of euros)							
Annual value of new software subscriptions (SaaS)	11,633	na	11,658	10,809	na	+8%	+8%
€/\$ average parity	1.08		1.08	1.08			

(1) The share of income in companies accounted for on an equity basis corresponds to the stakes acquired in AQC and Six Atomic in 2024. (See Note 3 in the notes to the consolidated financial statements.)

13.2 Breakdown of revenues – like-for-like⁽¹⁾

Revenue by region

Twelve Months Ended December 31	2024			2023		Changes 2024/2023	
	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
(in thousands of euros)							
Europe, of which:	148,917	31%	148,570	156,202	33%	-5%	-5%
- France	24,876	5%	24,877	25,599	5%	-3%	-3%
Americas	167,858	35%	168,744	171,452	36%	-2%	-2%
Asia-Pacific	127,411	26%	128,889	109,620	23%	+16%	+18%
Other countries	41,303	9%	41,172	40,305	8%	+2%	+2%
Total	485,489	100%	487,375	477,579	100%	+2%	+2%
€/\$ average parity	1.08		1.08	1.08			

Revenue by activity

Twelve Months Ended December 31	2024			2023		Changes 2024/2023	
	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
(in thousands of euros)							
Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services, of which:	144,596	30%	144,998	154,347	32%	-6%	-6%
- Perpetual software licenses	12,149	3%	12,185	13,813	3%	-12%	-12%
- Equipment and accompanying software	112,393	23%	112,646	118,772	25%	-5%	-5%
- Training and consulting services	16,879	3%	16,989	17,260	3%	-2%	-2%
- Miscellaneous	3,174	1%	3,179	4,502	1%	-29%	-29%
Recurring revenues, of which:	340,893	70%	342,376	323,232	68%	+5%	+6%
- Software subscriptions (SaaS)	38,194	8%	38,279	30,381	6%	+26%	+26%
- Software maintenance contracts	53,075	11%	53,196	53,633	11%	-1%	-1%
- Equipment and accompanying software maintenance contracts	102,584	21%	103,094	97,284	21%	+5%	+6%
- Consumables and parts	147,041	30%	147,807	141,934	30%	+4%	+4%
Total	485,489	100%	487,375	477,579	100%	+2%	+2%
€/\$ average parity	1.08		1.08	1.08			

(1) The share of income in companies accounted for on an equity basis corresponds to the stakes acquired in AQC and Six Atomic in 2024. (See Note 3 in the notes to the consolidated financial statements.)

01 – MANAGEMENT DISCUSSION

Consolidated income statement – like-for-like⁽¹⁾

Twelve months ended December 31	2024		2023	Changes 2024/2023	
(in thousands of euros)	Actual	At 2023 exchange rates	Actual	Actual exchange rates	Like-for-like
Revenues	485,489	487,375	477,579	+2%	+2%
Cost of goods sold	(147,914)	(148,363)	(144,402)	+2%	+3%
Gross profit	337,575	339,012	333,177	+1%	+2%
(in % of revenues)	69.5%	69.6%	69.8%	-0.3 points	-0.2 points
Research and development	(56,317)	(56,346)	(51,301)	+10%	+10%
Selling, general and administrative expenses	(227,621)	(228,569)	(232,824)	-2%	-2%
Income from operations before non-recurring items	53,638	54,097	49,052	+9%	+10%
(in % of revenues)	11.0%	11.1%	10.3%	+0.7 points	+0.8 points
Non-recurring income	-	-	5,174	na	na
Non-recurring expenses	(457)	(457)	(5,777)	-92%	-92%
Income from operations	53,181	53,640	48,450	+10%	+11%
(in % of revenues)	11.0%	11.0%	10.1%	+0.9 points	+0.9 points
Income before tax	45,183	45,637	43,968	+3%	+4%
Income tax	(13,081)	na	(11,354)	+15%	na
Share of result from associates(I)	(76)	na	-	na	na
Net income	32,026	na	32,615	-2%	na
of which, Group share	32,366	na	33,904	-5%	na
of which, Non-controlling interests	(340)	na	(1,289)	na	na
Income from operations before non-recurring items	53,638	54,097	49,052	+9%	+10%
+ Net depreciation and amortization of non-current assets	30,526	30,594	29,966	+2%	+2%
EBITDA before non-recurring items	84,163	84,691	79,018	+7%	+7%
(in % of revenues)	17.3%	17.4%	16.5%	+0.8 points	+0.9 points
€/ \$ average parity	1.08	1.08	1.08		

(1) The share of income in companies accounted for on an equity basis corresponds to the stakes acquired in AQC and Six Atomic in 2024. (See Note 3 in the notes to the consolidated financial statements.)

Sustainability Report

Summary

1. A word from the Chairman and Chief Executive Officer	46	4. Social	83
2. About this Sustainability Report – ESRS 2	47	4.1 Material social impacts, risks and opportunities	83
2.1 General presentation of the Group	47	4.2 Own workforce (key figures) – ESRS S1	84
2.2 Methodology and scope of reporting	47	4.3 Human resources policy 2024 – 2028 – ESRS S1	89
2.3 Strategy	49	4.3.1. Attractiveness, skills development and employee succession	90
2.4 2023 – 2025 Roadmap	49	4.3.2. Post-acquisition integration and collaboration	96
2.5 Dialogue with stakeholders	52	4.3.3. Corporate culture at the heart of Lectra's transformation (Lectra Way)	97
2.6 Sustainability governance and management	53	4.4 Consumers and end-users– ESRS S4	98
2.7 Double materiality assessment	55	4.4.1. Equipment users safety policy	98
2.8 Preparing for the 2026–2028 sustainability roadmap ..	60	4.4.2. Dialogue with customers	99
2.9 Commitments and assessment of the Group's non-financial performance	60	5. Business conduct	100
3. Environment	61	5.1 Material impacts, risks and opportunities in terms of business conduct	100
3.1 Material environmental impacts, risks and opportunities	61	5.2 Governance	101
3.2 Environmental policy 2023 – 2025	62	5.2.1. Governance of business conduct	101
3.3 Contribution to climate change – ESRS E1	62	5.2.2. Governance of acquisitions	102
3.3.1. Climate strategy	62	5.2.3. Managing the security of IT systems and solutions	104
3.3.2. Resilience to climate change	64	5.3 Issues specific to Lectra	105
3.3.3. Climate change adaptation plan	64	5.3.1. Transformation of Lectra's sale force	105
3.3.4. Focus: carbon assessment	64	6. Appendixes	106
3.3.5. Energy consumption	68	6.1 Appendix 1 : due diligence	106
3.4 Resource use and circular economy – ESRS E5	69	6.2 Appendix 2 : Lectra Group's material impacts, risks and opportunities	107
3.4.1. Contribution to improving the environmental impact of Lectra solution users	69	6.3 Appendix 3 : Lectra's compliance with the CSRD disclosure requirements	108
3.4.2. Eco-design policy	72	6.4 Appendix 4 : GRI concordance table	112
3.5 Issues specific to Lectra	75	6.5 Appendix 5 : list of datapoints in cross-cutting and topical standards that derive from other EU legislation	118
3.5.1. Environmental regulatory changes strengthening Lectra's presence in the market	75	6.6 Appendix 6 : description of carbon footprint categories	124
3.5.2. Lower demand for Lectra offers due to changes in consumption habits	75	7. Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852	125
3.6 Environmental taxonomy	76		
3.6.1. Proportion of taxonomy-eligible turnover	76		
3.6.2. Proportion of taxonomy-eligible CapEx and OpEx	77		
3.6.3. Summary tables	79		

1. A word from the Chairman and Chief Executive Officer

Dear stakeholders,

In a constantly changing global context, marked by greater awareness of environmental and social issues, the entry into force of the European Corporate Sustainability Reporting Directive (CSRD) marks a major step forward in transparency by companies regarding their sustainability performance.

An important milestone was reached in 2023, when we joined the United Nations Global Compact, through which we are committed to complying with its fundamental principles relating to human rights, labor standards, the environment and the fight against corruption.

The year 2024 marks a further advance in this new environment, as we completed our first double materiality assessment, identifying the material impacts, risks and opportunities on which to focus our efforts, in a process of continuous improvement and the pursuit of excellence.

We are proud to present our very first sustainability report, prepared in compliance with the new reporting standards, and which demonstrates our commitment to addressing the growing expectations of our customers, partners, employees and shareholders, and of society as a whole.

Our commitments to the environment, key points:

Towards a sustainable future

Protecting the environment is an integral part of our ambitions, both for ourselves and for our customers. We continue to support customers' efforts to reduce their environmental footprint through innovative, eco-designed solutions that enable them to significantly reduce their consumption of textile materials through multiple stages of the product life cycle.

The year 2024 marks the launch of our climate strategy for 2030. Following years of continuous reduction of our greenhouse gas emissions, which already positions us among best-in-class industrial companies in this area, the strategy for 2030 calls for:

- 25% reduction between 2022 and 2030 of scope 1 and 2 GHG emissions, which concern our own activities; this follows significant progress in reducing our direct emissions in recent years;
- 20% reduction between 2022 and 2030 of scope 3 GHG emissions, which depend mainly on annual equipment sales; this will be achieved primarily through optimizing electricity consumption in the design of new equipment ranges.

All our teams remain fully focused on successfully delivering on our environmental policy, as described in this report. The climate transition plan will provide an even stronger structure for our actions to address climate change.

Our social commitment, key points:

A strong commitment to our employees

We are convinced that teams with a sense of fulfillment and engagement are the key to our collective success. This is why, year after year, we have developed an ambitious and structured human resources policy that addresses issues with an identified impact on our employees. Our policy aims to support and develop each individual throughout his or her career at Lectra and, in a context of external growth, to provide a positive work environment and corporate culture throughout the organization.

A strong commitment to our customers' operators

The safety of our products is of paramount importance to us. Lectra equipment is designed with advanced safety systems for the protection of users during operation.

Our commitment to business conduct, key points:

Uncompromising ethical standards

Our business conduct has always adhered to uncompromising ethical standards. Over the decades, we have established a robust governance framework to ensure that our business practices meet the highest standards. Our newly revised Code of Ethics reflects our commitment to act with transparency and integrity at all times.

Even stronger cybersecurity

Security has long been integrated into Lectra's software solutions. We remain fully invested in continuously strengthening our efforts to combat the cyber threats that pervade the environments in which we and our customers operate. We accordingly have two priorities: securing our software solutions--particularly Cloud-based solutions--to enable our customers to reduce cybersecurity risks; and securing our own information systems.

In conclusion, this sustainability report illustrates Lectra's determination to fulfill our role as a responsible leader. We are committed to pursuing our path to excellence, to being an agent of positive change for our customers, and to building a sustainable and prosperous future for Lectra and all our stakeholders.

I thank you for your trust and your commitment by our side.

Daniel Harari

Lectra Chairman and Chief Executive Officer

2. About this Sustainability Report – ESRS 2

2.1 General presentation of the Group

The required information on the general presentation of the Group is provided in the Introduction to the Financial Report: group's general presentation.

2.2 Methodology and scope of reporting

Basis for preparation

This report describes Lectra's approach, actions and progress in the area of sustainability.

The method for establishing the sustainability report is based on the CSRD directive, EU 2022/2464, transposed into French law in December 2023 by Order No. 2023-1142 of December 6, 2023 and Decree No. 2023-1394 of December 30, 2023.

The sustainability information has been prepared in the context of first-time application of the legal and regulatory requirements arising from the transposition into French law of the EU Corporate Sustainability Reporting Directive (CSRD). This first year of application of the directive and the double materiality assessment that it requires is characterized by uncertainties regarding the interpretation of the legal provisions, the absence of established practices or comparative data, and difficulties in collecting data, particularly within the value chain.

Under these circumstances, the Group has endeavored to apply ESRS standards, as applicable on the date of preparation of the sustainability declaration, based on the information available at the time of preparation of the sustainability declaration. The following limitations were encountered:

- the reporting scope includes the entire scope of financial consolidation and three additional subsidiaries, without this having a significant impact on the data disclosures (see the following section 2.2.3.);
- despite efforts to collect and estimate data, some data points (7%) have not yet been collected (mainly in ESRS E1): the Group will endeavor to continue working to reduce the percentage of missing information in future reports;
- despite efforts to collect and estimate data, information relating to accidents is presented on a partial scope (see the following section 2.2.5.);
- the Group has launched its climate transition plan, which is ongoing, and presents the status of the works as the date of the sustainability report (see the Environment section 3.3.1.);
- to calculate its carbon footprint, the Group used estimates that may be revised as the quality of data available improves (see the Environment section 3.3.4.).

Finally, as part of a continuous improvement process, in order to take into account best practices, relevant guidelines, and/or clarifications regarding these new regulations and standards, the Group may, if appropriate, modify certain reporting and disclosure practices and/or the internal control system for sustainability reporting.

In addition, this report is aligned with the GRI (Global Reporting Initiative) framework. The table of concordance to the GRI indicators is published in Appendix 4.

In addition to the CSRD, Lectra is also subject to other general and specific standards arising from other instruments of EU law. Those instruments and the data points to which they relate are detailed in Appendix 5.

Reporting period

The reporting period runs from January 1 to December 31.

Scope of consolidation

The reporting scope covers the totality of the Group's activities, encompassing the entire scope of financial consolidation plus three additional subsidiaries not included because their contribution is considered minor⁽²⁾. If the scope is likely to be affected by an event that occurs during the financial year, the following rules apply:

- in the event of the acquisition of an entity included in the scope, or relocation of the offices of an included entity during the financial year, the Group integrates the corresponding data on a pro rata basis, or estimates the data, depending on whether or not it is included in the financial scope.
- in the event of the sale or cessation of activity of an entity included in the scope, the impact of such events is taken into account from the year in which they occur. The data for the entities concerned calculated on a pro rata basis are excluded from the reporting for the current year.

In changes since 2023, the scope now includes Launchmetrics, a company acquired in January 2024, and the new Chinese industrial site, Suzhou Lectra Equipment Manufacturing, acquired on December 1, 2023.

Data collection

The process of collecting, consolidating, processing and analysing social, societal and environmental information is organised in a number of stages, namely:

- initial collection and analysis of data for the first three quarters of the current year;
- second collection of data for the fourth quarter of the current year;
- consolidation of full-year data for the entire Group;
- comparison of data and analysis compared to prior years to identify changes in performance.

All data published in this report, essential for monitoring non-financial performance, has been determined using the Group's IT tools and/or contributions from a network of internal contacts in the entities, in accordance with the reporting protocol. Some of the data is collected directly by the Sustainability Department from the teams concerned. Within each team, validators are responsible for supervising data collection and consolidation and for ensuring the reliability of the indicators. The Sustainability Department coordinates the entire reporting process. The reporting protocol is updated annually to incorporate feedback from contributors and changes in regulatory requirements.

Indicator scopes and calculation rules

Unless otherwise specified, all indicators are for the scope of the Group as a whole.

→ Environment

Only the voluntary indicators concerning waste are limited to the industrial sites ("the industrial scope") of Bordeaux-Cestas (France), Suzhou (China) and Tolland (United States), as the Group does not currently collect information on those points for the tertiary scope of its activities.

(2) Lectra Chile SA, Lectra Singapore Pte Ltd and Lectra Philippines Inc.

→ Social

For all these indicators, only employees on permanent or fixed-term contracts or on work-study programs are taken into account. Interns, temporary (agency) staff and service providers are excluded from the calculations. These indicators are reported for the scope of the Group as a whole.

All indicators relating to the workforce (including non-employees) are stated in headcount.

Accident indicators, inter alia the frequency rate and the severity rate, were monitored in 2024 only for the industrial scope of the Group, which accounts for the greatest portion of risks. The Group will report on the complete scope of operations from 2025 onwards.

Greenhouse gas emissions

The Group's greenhouse gas footprint is stated in CO₂eq and broken down into three scopes of emissions:

- Scope 1 emissions include direct emissions related to energy consumption and fugitive gas emissions;
- Scope 2 emissions include indirect emissions related to electricity consumption;
- Scope 3 emissions include, inter alia, indirect emissions related to the use of sold products, purchased goods and services, business travel, transportation of goods, energy consumption, and production of waste.

The Group's greenhouse gas emissions are calculated using the GHG Protocol method. In this report, data are published using the market-based and location-based method.

Consolidation of indicators

Data are consolidated by the Sustainability Department, which is responsible for supervising the process of producing the quantitative information in this document:

- the raw indicators are consolidated by adding up all the data reported from within the Group;

- the calculated indicators are constructed from several types of data and produced in two stages: (1) consolidation of the raw data collected, followed by (2) calculation of the indicator for the Group.

Restatement of historical data

To ensure data comparability, data from prior or reference years are presented for all indicators. In the event of a change in the methodology for GHG emissions indicators (e.g., a change in emission factors, or the addition of a parameter in a calculation), these changes are also applied to the historical data, which are recalculated accordingly. Such restatements do not adjust for variations related to positive or negative growth in business operations.

Methodological limitations

The reliability of published data may be negatively affected by methodological limitations:

- data collection methods may vary across the Group's regions and entities;
- data may not be equally available in all cases;
- regulatory frameworks may differ.

Any such methodological limitations are stated explicitly in each case.

Internal control

Environmental data are consolidated by the Health, Safety and Environment Director and reviewed by the Sustainability Department. Employee-related data are consolidated by the Human Resources Department and reviewed by the Sustainability Department. In the same manner, each team is responsible for consolidation and review of the data relating to its operations.

Consistency checks are carried out at all reporting levels by the local contributors, then by validators, and finally by the Sustainability Department. These include comparisons with data from prior years, and variances considered to be significant are analyzed systematically.

2.3 Strategy

Sustainability and social responsibility have always been at the heart of Lectra's strategy

Ever since the Company was founded in 1973, Lectra has been a socially responsible company.

This commitment is inherent in the Company's business: for over 50 years, Lectra has been providing customers with products and services that allow them to reduce their environmental impact, mainly by reducing material consumption.

As a pillar of Lectra's corporate strategy, sustainability and social responsibility form a key driver of transformation and sustainable growth. Far from being restricted to disparate initiatives, this approach is embodied in every aspect of the organization. In formally declaring CSR policy a core component of the Group in 2023, Lectra further strengthened sustainability not only as a strategic objective, but also as an intrinsic value that guides its operations at all times.

These considerations provide a clear direction in orienting Lectra's technological development, product offers, and corporate culture towards responsible practices, in line with the growing expectations of consumers and industry professionals.

Lectra thus aims to prove that economic efficiency, respect for the environment and employee well-being are compatible and mutually beneficial.

Lectra's solutions -- both software and industrial systems -- reduce material consumption, waste, and transportation

The Group's solutions for design, development, collaboration and production planning significantly reduce the need for physical prototypes and facilitate remote collaboration, which significantly reduces travel and transportation.

With integrated scanners, state-of-the-art image sensors and long-life consumables, our cutting rooms are designed to optimize material consumption and reduce waste. In addition, preventive maintenance, spacing of revisions and remote intervention are all subjects that we have been reinforcing, every year since 2007, reducing travel and the use of spare parts.

Constant attention to the safety of cutting room operators

Lectra delivers products that are safe, accessible and easy to use. To guarantee user safety, all equipment features high-performance safety systems. To take just one example, since 2018, all new cutters feature a motion detection system that instantly stops cutting in the event of risky user behavior. The latest generation of cutters also incorporates a numerical control system certified for safety by a third-party organization.

Lectra has deliberately chosen to produce in close proximity to its market

Lectra is the only company in the industry to have three manufacturing sites -- in China, the United States and France. These enable to progressively manufacture the majority of the equipments locally. Wherever possible, equipment is co-designed with local suppliers. Today, as a result, 94% of the components for the Bordeaux-Cestas production site in France are sourced from European suppliers. For the other two industrial sites -- Tolland in the United States and Suzhou in China -- over 90% are sourced locally. The Group is also attentive

to transport. To reduce CO₂ emissions, deliveries are grouped together, the most carbon-efficient routes are selected, and maritime shipping is privileged. Lectra's cutters, for instance, are designed to be shipped in a single container, which optimizes the ecological footprint of delivery to fashion customers throughout the world.

Sustainability is a key focus, from the earliest phases of developing solutions

The Group's innovation strategy is fully consistent with its environmental and social commitments.

Sustainability is a core consideration from the earliest phases in developing each new generation of equipment, with a Life Cycle Analysis (LCA) to identify and reduce environmental impacts. This approach allows a focus on elements with the greatest impact on greenhouse gas emissions, e.g., optimizing customers' material consumption (textiles or leather), improving equipment energy efficiency, or reducing the quantity of steel used in manufacturing.

In 2024, Lectra set up a working group to focus on responsible software design. The aims are to fully identify by the end of 2025 the defining characteristics of a responsible digital product in Lectra's areas of activity; to define an indicator that reconciles economic viability with control of sustainability impacts; and to roll out a training and support program for responsible software development.

Acquisition strategy

Through the acquisition of companies and technologies focused on value chain optimization (Kubix Link, Retviews, Neteven, TextileGenesis, and Launchmetrics), Lectra enables its customers to meet the market's emerging expectations in terms of sustainability and waste reduction.

Since the acquisition of its main competitor, Gerber Technology, in 2021, the Group's acquisition strategy has focused on the fashion market and aims to expand its portfolio of technological solutions, while simultaneously integrating tools that facilitate the development and marketing of more sustainable, more eco-responsible garments.

Back in 2021, Lectra's Innovation Lab established a forum to exchange views on sustainability issues with its stakeholders in the fashion sector. This forum comprises over thirty institutions, brands and start-ups, that collaborate on topics such as eco-design, traceability, and decarbonization of the value chain. It also helps to connect customers with start-ups with a view to testing their solutions and identifying potential acquisitions.

Moreover, for the Group's customers, excess inventory often leads to losses, especially when products become obsolete or no longer correspond to market trends. Lectra's innovative technological solutions facilitate a proactive approach to inventory management, enabling customers to align their production with actual demand and thus avoid overproduction, which can lead to considerable textile waste.

Having established its position as a responsible technological leader, Lectra attracts customers concerned about environmental issues, which contributes to both the Company's growth and its sustainability objectives.

2.4 2023 – 2025 Roadmap

In its day-to-day practices, and in its long-term operations, Lectra has always striven to be a responsible business. This is embodied in the firm ambition, shared throughout the Group, of setting the standard when it comes to sustainability issues. This means being exemplary:

- with customers, to make Lectra the privileged partner of their ecological transition;
- with current and future employees, through a shared commitment to areas in which they are increasingly engaged;
- with business partners, by leading the way and setting the standard;
- and finally, as a major economic player in the sectors where it operates.

The Group's CSR policy was formally structured in 2021 and enshrined as a pillar of Lectra strategy in 2022. Continuing this strong momentum, Lectra has announced twelve key commitments for 2025, spread over 5 axes:

- respecting the highest ethical standards;
- designing eco-responsible offers;
- promoting an inclusive, diverse and vibrant work culture;
- reducing the environmental impact of the Group's activities;
- providing support for the next generation.

Lectra intends to meet current and future challenges by maintaining excellence in its areas of expertise, while implementing continuous improvement processes to adapt to developments in its markets.

For several decades, Lectra, like Gerber and Gemini, has partnered with fashion schools, providing software licenses for educational purposes free of charge as well as training for faculty members. At year-end 2024, more than 2,000 schools (representing more than 130,000 licenses) were using the Group's technologies in their educational programs to help students understand the fashion professions, and provide support in the initial stages of their careers.

Lectra's vision for an ever-changing society recognizes that the responsibility for shaping the future of students is shared between educational institutions, fashion industry players, and technology companies. The Group is committed to leveraging its technological leadership to support the development of future fashion professionals as the industry evolves, both now and in the future.



OUR CORPORATE SOCIAL RESPONSIBILITY COMMITMENTS

01

Respecting the highest ethical standards

We lead by example and demonstrate a strong sense of responsibility.

- We are committed to uncompromising business ethics.
- We are committed to a responsible purchasing policy.



02

Designing eco-responsible offers

- We commit to eco-designing our offers
- We commit to providing our customers with products and services that enable them to reduce their impact on the environment.
- We are committed to safe, accessible and easy-to-use offers.



In implementing Industry 4.0 principles, we enable our customers to improve their environmental impact, primarily by reducing their material consumption.



03

Promoting an inclusive, diverse and vibrant work culture

We offer a safe work environment where employees from around the world can achieve their full potential, find fulfillment, and contribute to society.

- We are committed to equal opportunities for all and have zero tolerance towards discrimination and harassment.
- We commit to promoting a work environment that favors employee engagement.
- We commit to promoting a sound balance between work life and personal life.
- We commit to developing talent, team expertise and career paths over the long term.
- We commit to ensuring the health and safety of our employees.



04

Reducing the environmental footprint of our activities

We are committed to a virtuous, resilient industrial model, and are working constantly to limit our environmental impact, including for newly acquired companies.

- We commit to reducing the environmental impact of our activities.



05

Providing support for the next generation

- We commit to sharing our knowledge, our expertise and our solutions to help the next generation of fashion professionals to develop their skills and employability.



We contribute to training the next generation of fashion professionals.



2.5 Dialogue with stakeholders

The Group has identified a panel of stakeholders that are essential for its business activity:

Stakeholders	Principal expectations from Lectra	Forms of communication
Current and potential shareholders	■ Return on investment ■ Governance ■ Identification, management and anticipation of risks and opportunities ■ Business ethics	■ Investor meetings and conferences ■ Regular interviews ■ Responses to rating agency questionnaires ■ Presentations to Shareholders' Meetings
Directors	■ Governance ■ CSR commitments ■ Information transparency ■ Identification, management and anticipation of risks and opportunities	■ Board of Directors ■ Strategic Committee ■ Audit Committee ■ CSR Committee (which became the Sustainability Committee in 2025)
Employees	■ Need for recognition ■ Group's attractiveness ■ Skills development ■ Corporate culture ■ Pride of belonging to the Group ■ Health and safety at work ■ Wellbeing at work	■ Company Social Network ■ In-house competitions between teams ■ In-house conferences ■ Dialogue with social partners ■ YourVoice satisfaction survey ■ Meetings with Human Resources ■ E-learning platform including modules on CSR, cybersecurity, ethics, etc. ■ CSR presentation during induction of new employees ■ Employment forums ■ Internships and work-study contracts ■ Presentation at specialized conferences ■ Presentation at numerous schools and universities
Customers	■ On-going listening and dialogue ■ Business ethics ■ Innovation and adaptability ■ Quality of products and services ■ Compliance with contractual obligations ■ Regulatory compliance ■ Environmental protection ■ Accessibility and safety ■ Data protection and security	■ Partnership relationship ■ Assistance to definition of needs ■ Thematic webinars ■ Regular/periodical dialogue with Customer Success teams ■ Customer satisfaction surveys ■ Think tank on sustainability topics ■ Newsletters ■ Responses to supplier rating bodies : EcoVadis, CDP ■ Trade show demonstrations and presentations ■ Publication of white books on Industry 4.0 and Sustainable fashion ■ Visits to the Experience Centers at Bordeaux-Cestas, Atlanta and Shanghai
Start-ups (future acquisitions or partnerships)	■ Long-term partnership ■ Growth accelerator ■ Transparency	■ Meetings with identified start-ups ■ Workshops for testing start-ups' solutions with selected customers
Suppliers and subcontractors	■ Long-term partnership ■ Profitability ■ Business ethics ■ Compliance with contractual undertakings ■ Loyalty	■ Balanced negotiations ■ Long-term contractual relationships ■ Responsible Purchasing Charter ■ Assessments of suppliers by EcoVadis ■ On-site inspections and audits
Government authorities and local communities, including schools and universities	■ General interest ■ Compliance	■ Meetings with local authorities ■ Meetings with trade associations ■ Supplying software free of charge for fashion students and future professionals
The media	■ Transparency ■ CSR commitments	■ Testimonials in specialist trade press ■ Press releases
Global organizations and associations	■ Transparency ■ CSR commitments	■ Membership in United Nations Global Compact ■ Publication of annual Communication on Progress (COP) ■ Signing of the RFAR (Relation Fournisseurs & Achats Responsables) charter set up by the Médiateur des Entreprises and the Conseil National des Achats (CNA - National Purchasing Council)

2.6 Sustainability governance and management

Regulatory developments relating to sustainability have led the Group to review and specify the role of its governance bodies involved in sustainability related activities and decisions, as follows:

- The Board of Directors and its specialized committees;
- The Executive Committee;
- The Sustainability Steering Committee.

Section 1, in the Report on Corporate Governance, describes the governance structure and composition of the Board of Directors and Executive Committee.

The following table sets out the principal missions and operations of the Board of Directors and its committees to ensure the coordination and interconnection of their work in the area of sustainability:

Sustainability missions	Composition - Membership and sustainability related competency
Board of Directors ■ approves the sustainability strategy, based on an exhaustive assessment of the Group's material Impacts, Risks and Opportunities (IRO); ■ examines the modalities for implementing this strategy with an action plan and time horizons, as well as results obtained and the appropriateness, if applicable, of adapting the action plan or modifying objectives, particularly in light of changes in the company's strategy, technologies, shareholders' expectations and the capability to implement them; ■ validates the content of the sustainability report and ensures that the information provided to shareholders and markets is relevant, balanced and educational with regard to sustainability strategy and issues.	All directors have sustainability related competencies. (See the section 1.4.2. in the Report on Corporate Governance). In addition, all directors participated in a seminar on the CSRD and climate issues in May 2024. Non-executive directors participate in regularly scheduled training on the specifics of the company, particularly with regard to sustainability. The Board of Directors is composed of an equal number of women and men, and six of the eight board members are independent.
Strategic Committee ■ the major strategic orientations and development priorities proposed by the Chairman and Chief Executive Officer to prepare the Group for the economic and sustainable development; challenges and risks to which it is exposed and to strengthen its business model; ■ this committee relies on the material IROs identified by the Group's double materiality assessment	The Strategic Committee includes all directors and therefore has the necessary sustainability related competencies.
Sustainability Committee (formerly the CSR Committee) ■ supervises the entire sustainability plan, including cybersecurity from 2025 onwards, and ensures its alignment with the Group's strategic orientations; ■ oversees the reporting of sustainability-related information, in particular the material issues included in the double materiality matrix (impacts, risks and opportunities), and examines and monitors the implementation of the corresponding action plans; ■ examines the content of the sustainability report and all Group communications relating to sustainability, in conjunction with the Audit Committee; ■ makes recommendations to the Board of Directors.	To facilitate coordination of sustainability activities, the Sustainability Committee includes at least one director who is also a member of the Audit Committee and one director who is also a member of the Compensation Committee.
Compensation Committee ■ develops and proposes criteria for the variable portion of compensation for the management team based on objectives relating to sustainability criteria, at least one of which is linked to the Company's climate objectives.	To coordinate the activities relative to determining the sustainability criteria included in the variable portion of the compensation of the management team, the Compensation Committee includes at least one director who is also a member of the Sustainability Committee.
Nominations Committee ■ ensures the complementarity of competencies among the directors and the existence of sustainability related competencies (See the chapter entitled "Directors and management bodies/Competencies represented on the Board of Directors" in the Corporate Governance Report.)	All candidates nominated to the Board of Directors must have competency in at least one of the sustainability areas.
Audit Committee ■ ensures the fairness of the information in the sustainability report (integrity, monitoring, and auditing); ■ selects the auditors assigned to audit the information on sustainability; ■ ensures that the Sustainability Committee oversees the process for preparing the information on sustainability; ■ reports to the Board of Directors on the results of the audit of the sustainability report; on how this task contributed to the integrity of the information; and on the respective roles played by the other specialized Committees in this process.	To coordinate sustainability related activities, the Audit Committee includes at least one director who is also a member of the Sustainability Committee. At least one member of the Audit Committee must have expertise in the area of cybersecurity.

Sustainability management

The Group's Sustainability Referent (the General Secretary) and the Vice-President Sustainability coordinate the roadmap management

process and the various workshops operating under the responsibility of multidisciplinary teams.

Under the leadership of the Chairman and Chief Executive Officer, the Sustainability Steering Committee meets each quarter. Its members include the General Secretary, the Chief Technology Officer, the Chief Strategy and Product Officer, the Chief Marketing and Communications Officer, the Chief Customer Success Officer, and the Vice President Sustainability. The missions of the Sustainability Steering Committee are:

- to monitor progress of ongoing projects;
- to provide information on the constraints and limitations of each project as identified by the sustainability department;
- to validate the appropriateness of actions undertaken and resource allocation;
- to measure progress towards achieving objectives.

The Vice President Sustainability, working with her team, ensures the implementation of commitments, their alignment with the Group's strategy, and their continuity over time. After each acquisition, she ensures that the Group's approach is understood, shared and applied by the newly-joined teams. She manages and coordinates the Group's non-financial reporting, including preparation of the sustainability report, and provides input to the audit of the Statutory Auditor responsible for sustainability.

After each acquisition, she ensures that the Group's approach is understood, shared and applied by the newly-joined teams.

Governance and management bodies for sustainability



Sustainability-based variable compensation criteria

For members of the Executive Committee (and certain specified positions within the Group), a portion of variable compensation is directly linked to sustainability objectives, as follows:

- 40% linked to improvement in the Ecovadis and Ethifinance ratings;
- 30% linked to improvement in the employee engagement rate (calculated on the basis of the YourVoice survey);
- 30% linked to progress in implementing the multi-year action plan to reduce Lectra's environmental footprint, including development and monitoring of the climate transition plan.

Based on achievement of these objectives, a bonus or penalty factor of positive or negative 25 percent is applied to the total variable compensation of each eligible employee.

2.7 Double materiality assessment

In the framework of its approach to sustainability and the non-financial statement, in the latter part of 2022 the Group carried out a materiality assessment at the end of 2022, with the assistance of Tennaxia. This identified the priority issues to be addressed with regard to the community of stakeholders.

The framework has now been expanded by the entry into force of the European Union's Corporate Sustainability Reporting Directive (CSRD), which introduces the concept of double materiality, enabling an in-depth assessment of the Group's impact on the environment and on society, throughout its value chain, both upstream and downstream from its own operations. Alongside this, the Group has evaluated the risks and opportunities associated with sustainability, in order to better integrate them into its strategy.

Following these analyses, Lectra is now in a position to address the material sustainability issues both for itself and for its value chain, and to satisfy the demands of the radically changing world that requires adaptation by all participants.

Resources

To address the new CSRD requirements, the sustainability team has been reinforced with the creation of a cybersecurity team, a compliance team, a CSR specialist and an ESG analyst.

The Group has also called upon the sustainability teams of the consulting and auditing firm PKF Arsilon, to develop the Group's skills in this area, and ensure an assessment framework compliant with CSRD and ESRS requirements.

Methodology

All the double materiality assessment work was carried out in the first half of 2024.

The studies conducted in this connection drew upon the internal stakeholders' business expertise in their respective areas, and their knowledge of sustainability-related issues. This work also incorporated analyses conducted for the Group by outside consultants at the end of 2022, i.e., an update of the analysis of the major risks facing the Company, including non-financial risks; and the materiality assessment taking into consideration expectations of stakeholders outside the Company. The results of this risk analysis and the internal control procedures are explained in the section entitled "Risk factors-internal control and risk management procedures" of the management discussion.

Value chain

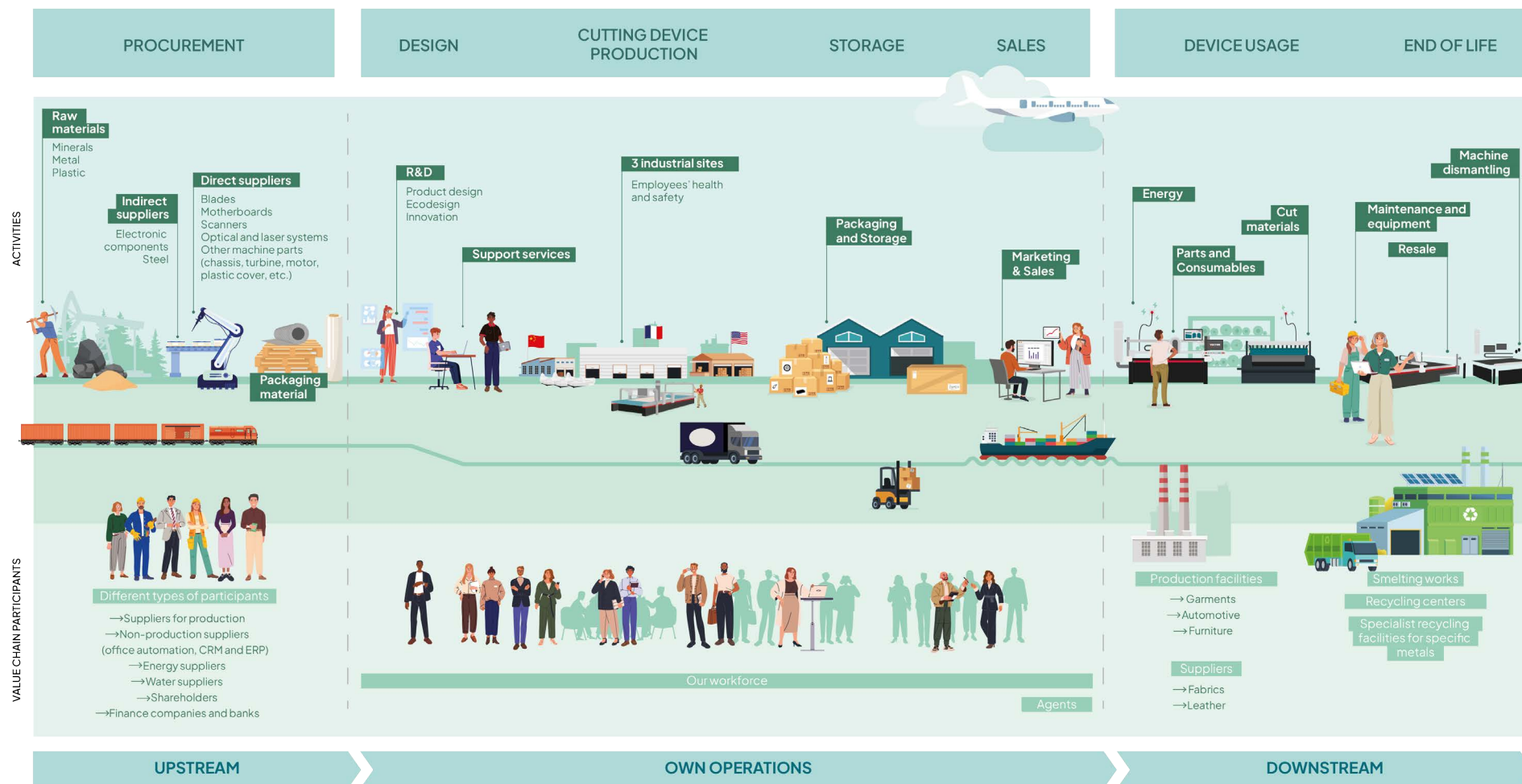
The scope of the double materiality assessment covers the entire Group, along with its value chain:

- upstream: direct and indirect suppliers (of goods and services);
- at the level of the Group's own operations:
 - all Group employees, including employees of companies acquired in recent years;
 - sales agents who operate in certain countries where the Group is established and who sell Lectra solutions on its behalf;
 - service providers.
- downstream: customers and their teams.

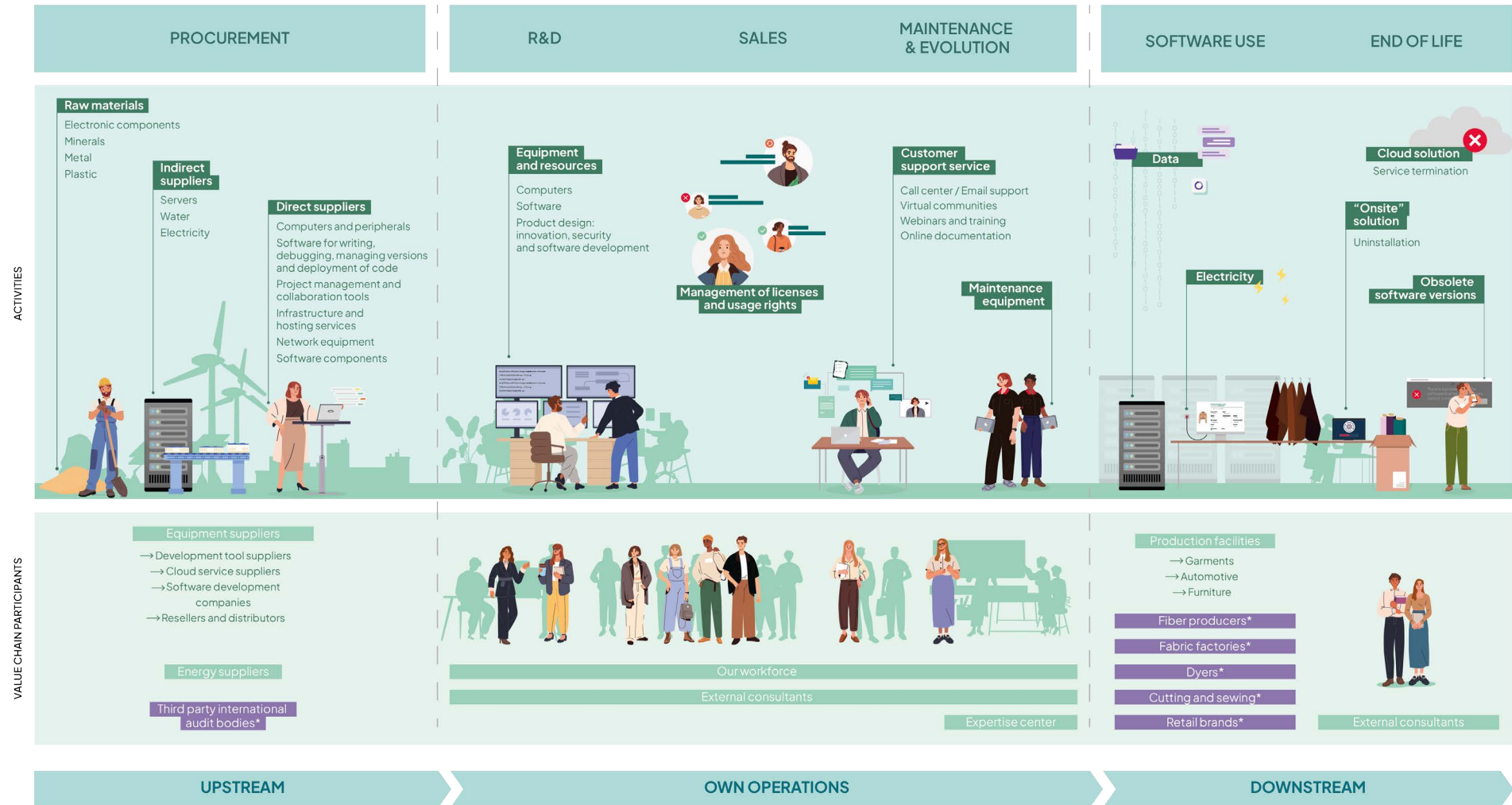
Given the specific characteristics of each of the Group's main activities, two distinct value chains have been identified:

- the "equipment" value chain, which describes the industrial activity, namely cutting machines;
- the "software solutions" value chain, which encompasses the software embedded in the cutting machines, the long-standing solutions, and the solutions recently added to Lectra's offering, or secured through acquisitions.

Value chain for equipments



Value chain for software



*For TextileGenesis only

Identification and assessment of the materiality of Impacts, Risks and Opportunities (IROs)

Some twenty internal contributors were involved in identifying the Group's impacts, risks and opportunities as part of its double materiality assessment. These included the Chairman and Chief Executive Officer, the Chief Strategy and Chief Product Officer, and the General Secretary. The other contributors were selected on the basis of their business expertise (expertise métier) and their experience at Lectra.

This work also drew upon the 2022 consultation of fourteen external stakeholders (customers, investors, suppliers, financial analysts and banks) in a single materiality assessment. Those stakeholders were chosen as a broadly representative sample of parties gravitating around the Group and having a direct or indirect influence on its activities.

For the 2024 exercise, silent stakeholders and far upstream stakeholders (tier 2 and higher suppliers), and downstream stakeholders, could not be consulted. The Group will endeavor to include them in a future assessment.

For the impact materiality assessment, gross impacts⁽³⁾ were identified by examining the consequences of the Group's own activities and its value chain. This analysis identified potential and/or current environmental, social and governance impacts in the short, medium and long term, without taking into consideration the measures implemented over many years to minimize negative impacts. The analysis was based on functional mapping of the value chains to take into account the direct and indirect stakeholders.

The work was carried out in several steps:

1. **Preliminary identification of impacts, risks and opportunities**, based on the sustainability topics, sub-topics and sub-sub-topics defined by ESRS 1, and drawing on benchmarks for industry peers, Lectra's 2023-2025 CSR roadmap, the Group's risk analysis and the materiality assessment conducted in 2022. This work took into account dependencies on natural resources and human resources, which are considered in relation to Lectra's specific characteristics.
2. **Workshops** involving some fifteen internal contributors representing the main functions concerned by the IROs (including purchasing, marketing, product, R&D and HR), in order to review and supplement the pre-identified impacts, risks and opportunities.
3. **Quantifying the impacts⁽³⁾, risks and opportunities** according to the ESRS 1 criteria. A five-level classification scale with definitions was established to guide contributors. At the conclusion of this stage, a correspondence was established between the most material impacts, risks and opportunities and the issues identified during the simple materiality assessment carried out in 2022.

The impacts were quantified according to their severity⁽⁴⁾, which was itself scored according to three criteria (intensity, extent, irreversibility), and their probability of occurrence⁽⁵⁾, in a scoring method aligned with ESRS requirements. This work was carried out by the internal contributors involved in the process.

The risks and opportunities were quantified using the classification scale established for the 2022 materiality assessment, i.e., by severity (which is in turn scored according to four risk/opportunity categories: financial, business continuity, reputational, and regulatory) and their probability of occurrence. This quantification was validated by the Chairman and Chief Executive Officer, the General Secretary, and the Chief Strategy and Product Officer.

4. **Selection of material impacts, risks and opportunities** based on a materiality threshold set by consensus with the Chairman and Chief Executive Officer, the General Secretary and the Vice President Sustainability. This threshold was established due to a significant difference naturally observed between the impacts, risks and opportunities rated with the highest scores, and the others.

These results were then shared with Lectra's sustainability governance organization (see the previous section 2.6. for the role of the various bodies).

Following these consultations, adjustments were made to the double materiality result: some impacts, risks and opportunities were reformulated in order to identify the issues more specifically and comprehensively, and trade-offs were also made to raise an issue that initially fell just below the materiality threshold but was considered material by consensus of the managing bodies. Conversely, some other impacts were not maintained above the materiality threshold after these consultations.

Links with internal control and risk management

The Group regularly updates its major risk analysis (via interviews with managing bodies and administrators), incorporating ESG risks with the same level of priority as other forms of risk. This analysis was presented to the various bodies responsible for the internal control of sustainability information, as set out above in the previous section 2.6. This working methodology was adopted in 2024, the first year in which the double materiality assessment was prepared.

The key elements of the reasonable vigilance measures are set out in the table in appendix 1.

Double materiality assessment results

An exhaustive description of the material impacts, risks and opportunities identified in this assessment is provided at the beginning of each chapter (environment, social, and business conduct).

The material ESRS topics identified are: E1 "Climate change", E5 "Resource use and circular economy", S1 "Own workforce", S4 "Consumers and end users", and G1 "Business conduct".

These material issues are presented schematically in the diagram below. In addition, a table in Appendix 2 specifies the stakeholders concerned and time horizons for each IRO.

(3) Gross impacts: negative impacts assessed assuming the absence of any mitigation action implemented by the Group

(4) As required by ESRS 1, in the case of a potential adverse impact on human rights, the severity of the impact outweighs its probability

(5) For potential impacts.

Double materiality analysis result



Caption

● Social ● Environment ● Governance

Texts in bold: positive impact or opportunity

2.8 Preparing for the 2026–2028 sustainability roadmap

Taking into account the material issues identified in the double materiality assessment described above, the Group's 2026–2028 sustainability roadmap will focus on material impacts, risks and opportunities (IROs).

With this forward-looking approach, the Group will proactively incorporate environmental, social and governance issues into every aspect of strategy, making these issues central to its decisions and actions from 2026 to 2028. Sustainability initiatives and operational objectives will thus be aligned to generate synergies that will reinforce Lectra's resilience and positive impact on society, while limiting its environmental footprint. Special emphasis will be placed on strengthening cybersecurity to effectively protect Lectra's intellectual property, as well as its customers' intellectual property,

against cyber threats. The roadmap will also commit to support customers in optimizing the reduction of textile waste, leveraging the full range of Lectra solutions.

Emphasis will also be placed on attracting, skills development and succession planning for all employees, thus ensuring sustainability of the Group's expertise in all areas. This approach will also focus on the challenges of post-acquisition integration and collaboration, to ensure a smooth and effective cultural transformation within the organization.

Taking these issues into account, the 2026–2028 sustainability roadmap will be designed not only to meet regulatory and societal requirements, but also to embrace all opportunities for responsible innovation.

2.9 Commitments and assessment of the Group's non-financial performance

Commitment to the UN Global Compact since 2023 and active contribution to the Sustainable Development Goals (SDGs)

A signatory of the UN Global Compact Network France since April 2023, Lectra is committed to reporting annually on its progress in sustainable development and to respecting the Compact's ten principles in the areas of human rights, labor law, the environment and anti-corruption.

With over 20,000 members in 164 countries and 70 country networks, the UN Global Compact, launched in 2000 by then UN Secretary-General Kofi Annan, has now become the largest international initiative for sustainable development and Corporate Social Responsibility (CSR).

Adopted in September 2015 by 193 countries at the United Nations, the 17 SDGs, which constitute an action plan for peace, humanity, the planet and prosperity, require deployment of multi-stakeholder partnerships. The aim is to transform our societies by eradicating poverty and ensuring a just transition to sustainable development by 2030.

As a member of the Global Compact, Lectra has decided to commit to this unique endeavor, and is participating directly or indirectly in joint efforts to achieve the following 8 SDGs:



Assessment of the Group's CSR performance

To ensure objective recognition of its CSR policy, the Group has decided to call upon non-financial rating agencies to conduct regular evaluations of its social, societal, environmental and governance practices, and to be fully transparent in reporting on its results.

Following the evaluations conducted in recent years, Lectra reports constantly improving results:

Year of rating based on previous-year information	2024	2023	2022
EcoVadis	70 Silver Level	57 Bronze Level	55 Bronze Level
Ethifinance ESG	79	76 ⁽⁶⁾	66

For the third year running, Lectra's non-financial performance was recognized by the Deloitte Best Managed Company award.

Number of companies (including Lectra) recognized by the Deloitte Best Managed Company award in France

2024	19
2023	14
2022	11

(6) The rating of 74 obtained in 2023 was reassessed to 76 by Ethifinance analysts this year.

3. Environment

3.1 Material environmental impacts, risks and opportunities

IRO	ESRS/topic	IRO category	Location within the value chain			Time horizon	Description
			Upstream	Own activities	Downstream		
Climate change contribution	E1 Climate change mitigation	Negative impact	✓	✓	✓		The Group's annual GHG emissions assessment (around 1 million tons CO ₂ eq by 2022) identifies the emission sources it intends to improve in order to reduce its and its customers' carbon footprint, particularly through the scope 3, which accounts for the majority of emissions.
Reduction of textile waste with Lectra offers	E5 Waste	Positive impact			✓		The Group's solutions and their synergies enable its customers to reduce the consumption of textiles, which is the part of their value chain with the greatest impact on the environment.
Traceability of materials purchased by the textile industry	E5	Positive impact			✓		Thanks to its TextileGenesis solution, Lectra offers its customers in the fashion industry in particular the possibility of knowing the exact origin of the materials they purchase, from the fibre to the finished item of clothing.
Environmental regulatory changes strengthen Lectra's market presence	Lectra specific	Opportunity		✓	✓		Environmental regulations are becoming increasingly stringent in many countries, and Lectra is positioning itself as the partner of choice for its customers, offering them the best possible support on these issues and providing solutions that comply with many of these regulations.
Declining demand for Lectra offerings due to changing consumer patterns	Lectra specific	Risk		✓	✓		In line with the above opportunity, in the fashion sector in particular, the controversies surrounding fast fashion could have an impact on the production volumes of new garments in the coming years and could reduce demand for Lectra's cutting equipment.

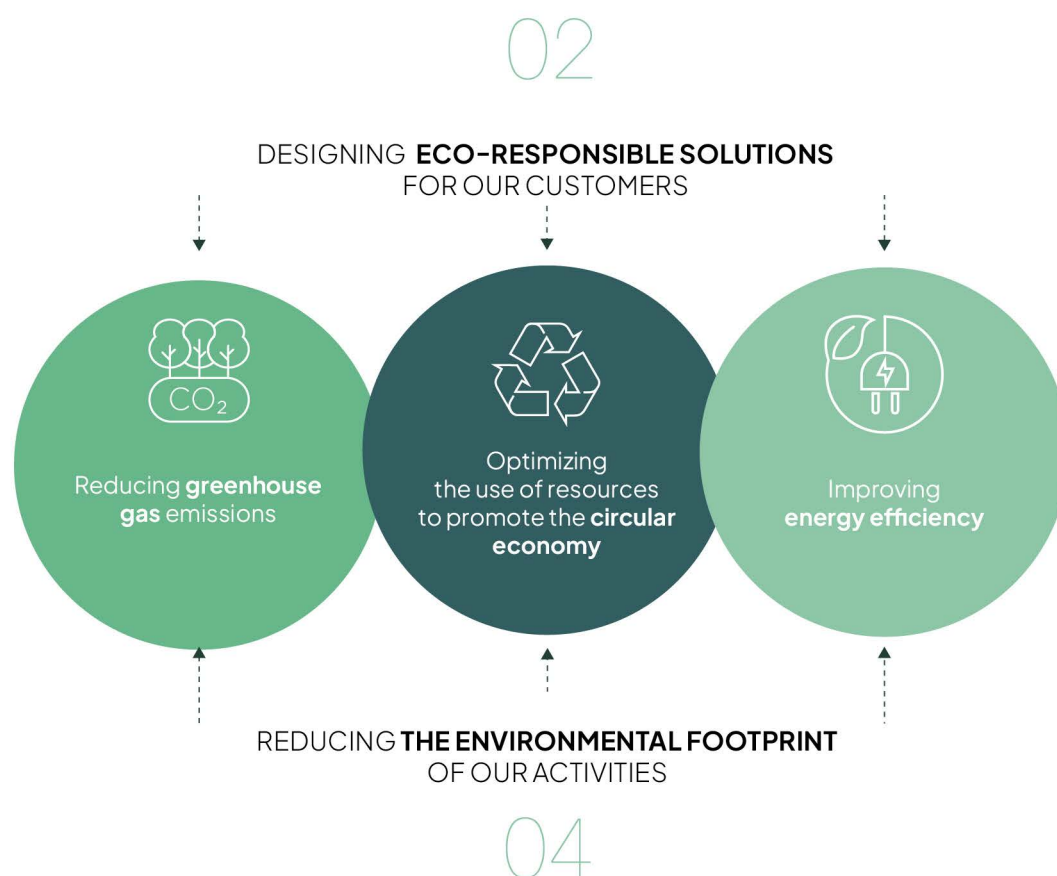
Caption

Short term	
Medium term	
Long term	

3.2 Environmental policy 2023 – 2025

Lectra's environmental policy is based on two pillars of the 2023-2025 CSR roadmap:

- designing eco-responsible offers for its customers;
- reducing the environmental footprint of its own activities.



This policy is managed using an Environmental Management System (EMS), which provides a structured approach to the commitment to compliance with applicable regulations and the achievement of predetermined objectives. This approach is monitored annually and reviewed in the light of current developments and priorities.



3.3 Contribution to climate change – ESRS E1

3.3.1. Climate strategy

At the reporting date, the climate strategy has been approved by the Board of Directors, following the recommendation of the Sustainability Committee. It will be presented for information purposes at the General Shareholders' Meeting on April 25, 2025.

Commitment to the ecological transition

Cognizant of pressing climate issues and the significant impact of the textile industry on greenhouse gas emissions, Lectra is actively engaged in efforts to reduce the industry's environmental impact. Lectra's climate strategy, placed under the responsibility of the General Secretary, accordingly addresses the Group's entire value chain.

Assessment of greenhouse gas emissions for the reference year

Lectra measured its greenhouse gas emissions (GHG) for the reference year 2022, taking into account the entirety of its activities and the three scopes in accordance with the GHG Protocol, which is the standard for these calculations.

2022 was chosen as the reference year for two reasons; it was the first year the assessment of greenhouse gas emissions included scope 3, and the activity was similar to pre-Covid levels.

It will be noted that the Group's carbon footprint is far lower than previous years for scopes 1 and 2, which have already been optimized through considerable efforts and energy optimization measures carried out at its production sites over many years (well before 2022, the reference year).

Moreover, the largest share of scope 3 emissions (81%) is due to the electricity consumption of cutters sold during the year. This means that the Group's emissions are entirely dependent on the number of units sold each year, as well as on R&D in this area for each new product range. Under these circumstances, reducing the Group's scope 3 emissions remains very complicated.

Transition plan for climate change mitigation

In 2024, the Group launched its Climate Transition project plan with assistance from an outside consultant, the same firm that conducted the greenhouse gas emission assessments in 2022, 2023, and 2024.

The project identified:

- the reference year for greenhouse gas emissions, 2022;
- quantified objectives for each scope;
- the target year for achieving the objectives, 2030.

To establish emissions reduction targets and associated action plans, workshops were held with internal business experts (referents) on the four topics that account for significant emissions: use of Lectra products (equipment and software), buildings, travel and goods transportation, and product purchases.

Lectra also joined the UN Global Compact 2024 Climate Ambition Accelerator, which prepares organizations to set emissions reduction targets while promoting the sharing of best practices.

Note that the Group is not excluded from the Paris Agreement benchmarks. After examining several scenarios in the framework of the project, including one based on a trajectory consistent with the Paris Agreement, the following commitments were made:

Scopes	Emissions reduction targets for 2030 (reference year 2022)
1	- 25%
2	- 25%
3	- 20%

For all the reasons outlined above, these do not yet allow us to be in line with the Paris Agreement, but the Group is committed to doing everything in its power to participate in the collective effort to the best of its ability.

→ Action plan and reduction drivers

Lectra's action plan to reduce its greenhouse gas emissions is structured around two main actions:

- support customers in their ecological transition by providing innovative solutions capable of reducing the environmental impact of their products at every stage of their life cycle;
- decarbonize all Lectra's activities throughout its value chain.

The main emissions reduction drivers in the action plan have been identified, as follows:

- scope 1: reduction in gas consumption in buildings and transition of part of the vehicle fleet to fully electric vehicles;
- scope 2: reduction in electricity consumption in buildings and production or purchase of renewable electricity;
- scope 3: reduction in the environmental impact of solutions sold, through eco-design, optimized shipping, and goods purchases.

In 2025, Lectra will endeavor to confirm the quantitative targets to which the Group is committed, as well as the timetable and resources associated with each of the drivers identified.

GHG emissions reduction drivers	Actions	Resources allocated (from 2025)	2022 (reference year)	Reduction (% or tCO ₂ eq)	2030 target (tCO ₂ eq)
GHG emissions (all scopes)	-	-	991,278	- 20%	792,924
Scopes 1 and 2 GHG emissions	-	-	3,544	- 25%	2,658
15% reduction in natural gas consumption in buildings	Energy efficiency plan and infrastructure renovation	CapEx corresponding site renovation work	-	-28 tCO ₂ eq	-
30% conversion of IC vehicles fleet to electric vehicles	Acquisition of 100% electric vehicles	CapEx corresponding to acquisition of electric vehicles	-	-79 tCO ₂ eq	-
20% reduction in electricity consumption in buildings	Energy efficiency plan and infrastructure renovation	CapEx corresponding site renovation work	-	-288 tCO ₂ eq	-
50% increase in purchases of renewable electricity	Including a share of renewable electricity in supply contracts	OpEx corresponding to purchase of renewable electricity	-	-528 tCO ₂ eq	-
15% increase in production of renewable electricity	Installation of solar panels	CapEx corresponding to installation of photovoltaic panels	-	-12 tCO ₂ eq	-
Scope 3 GHG emissions	-	-	987,734	-20%	790,266
Purchases of goods and services	Identification of potential actions to take with Tier 1 suppliers	Focus by industrial purchasing teams on challenging Tier 1 suppliers	-	-2 868 tCO ₂ eq	-
Energy consumption of equipment sold	Commercialization of new, more energy-efficient equipment	Focus by R&D teams on each new project CapEx corresponding to engine/turbine purchase	-	-194 600 tCO ₂ eq	-

At the reporting date, the Group had not identified any locked emissions.

The climate strategy action plan for 2025–2026 is divided into two main areas:

- Scopes 1 & 2: initiatives include optimization of existing sites and investment in infrastructure renovation. Since January 1, 2025, the Bordeaux-Cestas site has been powered 100% by renewable electricity; the aim is to follow this example and encourage the specification of clean energy in supply contracts. At the same time, the Group anticipates that all future vehicle acquisitions will be 100% electric (to the extent appropriate for each country), and to raise employee awareness of sustainable mobility practices. Actions will also be taken to limit gas consumption, particularly at the Tolland industrial site, which accounts for most of the Group's consumption.
- Scope 3: the main driver is the electricity consumption of equipment, with both a better product mix with a greater share of lower-energy-consumption equipment, and the 35% reduction in electricity consumption of new low-ply range. The plan also provides for optimizing transportation, through choosing maritime or road transport over air freight, and through identifying new opportunities to improve logistics.

Regarding climate change mitigation actions, at the time of this report the Group has not detailed or quantified the investments and funding for implementation of the transition plan. No carbon offset project or plan to buy carbon credits is under consideration at this time.

A working group dealing specifically with the climate transition will be formed to monitor progress and identify new opportunities for improvement. This integrated approach aims to strengthen the Group's commitment to a sustainable ecological transition.

→ Alignment of the transition plan with EU taxonomy climate objectives

Lectra's economic activities are eligible only in part under the European Union's green taxonomy, as some activities, particularly equipment manufacturing, are excluded. The Group's software supply activity corresponds primarily to the "Circular Economy" environmental objective, under "Provision of IT/OT data-driven solutions".

In 2024, a portion of OpEx in R&D to decarbonize both equipment sold and solutions hosted, in line with the Group's climate change mitigation plan, is eligible and aligned with categories 7.2, 7.3, 7.4, 7.6 and 9.1 of the "Climate change mitigation" objective.

Similarly, a portion of 2024 CapEx investments, intended for the decarbonization of the Group's own activities in line with the Group's climate mitigation plan, is eligible and aligned with categories 6.5, 7.2 and 7.3 of the "Climate change mitigation" objective.

Nevertheless, an assessment of the future Taxonomy alignment of CapEx and OpEx investments in the decarbonization of these activities is not available at this stage, as a large portion of the investments estimated through 2030 is still in the concept stage.

→ Education

This climate action plan requires the participation of all stakeholders and accordingly includes an educational component. In 2024, several significant actions were implemented in this connection:

- a climate workshop and a digital workshop ("*Fresque du Climat*" and "*Fresque du numérique*") provided training for 138 employees, thus enriching their understanding of climate issues;
- a climate pitch to enhance awareness was presented to all employees during World Environment Day;
- training in responsible purchasing was given to all Group buyers, to incorporate sustainable practices in the procurement process;
- workshops were organized to design a training program on Responsible Digital Products, involving a pilot group of business experts from the product, development, eco-design and CSR teams;
- a broader CSR training program was introduced to provide all employees a foundational understanding of the issues involved, with a participation rate of 70% by the end of 2024.

→ Communication and transparency

Lectra undertakes to disclose its short-term GHG emission reduction targets and its annual GHG assessments each year in its annual report, which will be available on its website, thus ensuring transparency with stakeholders.

3.3.2. Resilience to climate change

Lectra had not conducted a climate change resilience analysis at the time of this report, but plans to do so in 2025. In this analysis, the Group will identify the climate-related physical risks linked to its own activities and its value chain, both upstream and downstream, as well as climate-related transitional risks and opportunities.

3.3.3. Climate change adaptation plan

Lectra has not formulated a climate change adaptation plan at this time. Therefore, not all of the CSRD-required information on this topic will be covered in this publication (in particular, regarding disclosure requirement EI-9 "Anticipated financial effects from material physical and transition risks and potential climate-related opportunities", which is subject to transitional measures.

This topic will be addressed at the conclusion of the analysis of resilience to climate change.

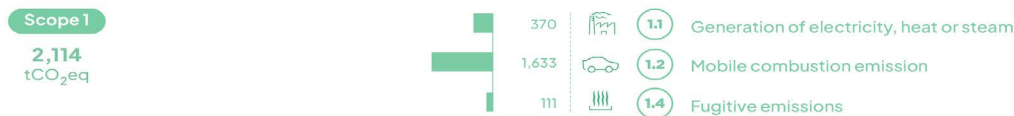
3.3.4. Focus: carbon assessment

Since 2022, Lectra has carried out a comprehensive carbon assessment that covers not only direct emissions (scope 1) and indirect emissions related to energy consumption (scope 2, location and market-based), but also indirect emissions upstream and downstream in the value chain (scope 3). This approach allows for a comprehensive assessment of the environmental impact of the Company's activities. To ensure that the assessment is rigorous, the Group applies the Greenhouse Gas Protocol (GHG Protocol), a recognized standard for measuring and reporting CO₂ emissions.

Greenhouse Gas Emissions Assessment

Year 2023

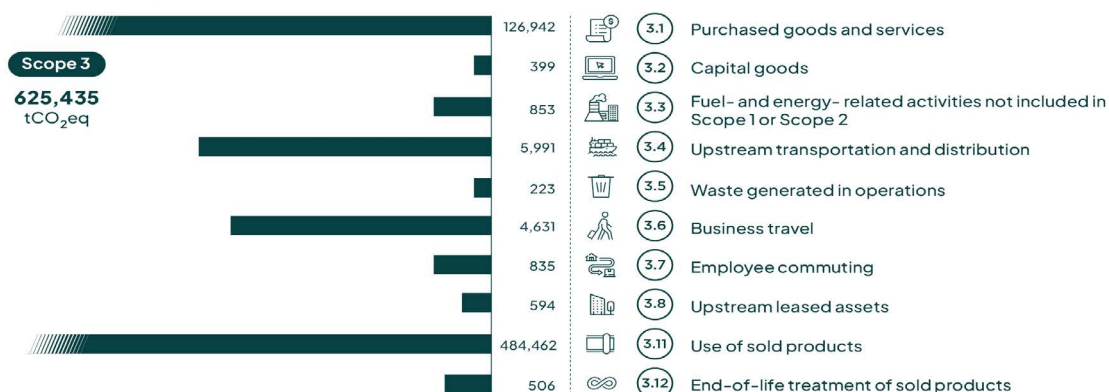
Direct greenhouse (GHG) emissions



Indirect emissions associated with energy



Other indirect greenhouse (GHG) emissions



Total GHG emissions tCO₂eq

628,784

↘ 37%
on 2023
compared to 2022

1. GHG Protocol (PRG 100) – Scope 2 calculated according to the market based method
2. categories of the GHG Protocol Standard

The 2023 carbon footprint for scopes 1 and 2 has been recalculated and differs slightly from the figures reported in the 2023 Non-financial Statement (NFS). The recalculation followed a revision of the emission factors, using more appropriate databases to refine the assessment. In addition, a portion of the vehicle fleet that was not previously included has been added, particularly for operations in Germany,

Japan and Poland. Finally, adjustments were made to energy consumption data, with previously estimated values now replaced by actual values. These adjustments have resulted in improved data accuracy and reliability; the overall carbon footprint for scopes 1 and 2 was revised from 3,449 to 3,349 tonnes of CO₂eq.

02 – SUSTAINABILITY REPORT

GHG emissions (tCO ₂ eq)	2022 (reference year) ⁽⁷⁾	2023 ⁽⁸⁾	2024	% N/N-1	2025	2030	% of reduction vs 2022
Scope 1	1,709	2,114	2,156	+2%	NA	-25%	+26%
1.1 Emissions from production of electricity, heat or steam	376	370	351	-5%	-	-	-7%
1.2 Emissions from transportation of materials, products, waste and employees	1,171	1,633	1,738	+6%	-	-	+48%
1.3 Emissions from physical or chemical processing*	0	0	0	-	-	-	0%
1.4 Fugitive emissions	163	111	46	-59%	-	-	-72%
Scope 2 (location-based)	1,875	1,455	1,613	+11%	NA	-25%	-14%
2.1 Indirect emissions related to electricity	1,875	1,455	1,613	+11%	-	-	-14%
Scope 2 (market-based)	1,835	1,235	1,507	+22%	NA	-25%	-18%
2.1 Indirect emissions related to electricity	1,835	1,235	1,507	+22%	-	-	-18%
Scope 3 (location-based)	987,748	625,497	-	-	NA	-20%	-
3.1 Purchased goods and services	165,289	126,942	-	-	-	-	-
3.2 Capital goods	1,315	399	-	-	-	-	-
3.3 Fuel and energy-related activities not included in Scope 1 or 2	1,023	915	-	-	-	-	-
3.4 Upstream transportation and distribution	11,560	5,991	-	-	-	-	-
3.5 Waste generated in operations	221	223	-	-	-	-	-
3.6 Business travel	4,475	4,631	-	-	-	-	-
3.7 Employee commuting	657	835	-	-	-	-	-
3.8 Upstream leased assets	267	594	-	-	-	-	-
3.9 Downstream transportation and distribution*	0	0	-	-	-	-	-
3.10 Processing of sold products*	0	0	-	-	-	-	-
3.11 Use of sold products	802,109	484,462	-	-	-	-	-
3.12 End-of-life treatment of sold products	831	506	-	-	-	-	-
3.13 Downstream leased assets*	0	0	-	-	-	-	-
3.14 Franchises*	0	0	-	-	-	-	-
3.15 Investments*	0	0	-	-	-	-	-
Scope 3 (market-based)	987,733	625,435	-	-	NA	-20%	-
3.1 Purchased goods and services	165,289	126,942	-	-	-	-	-
3.2 Capital goods	1,315	399	-	-	-	-	-
3.3 Fuel and energy-related activities not included in scope 1 or 2	1,008	853	-	-	-	-	-
3.4 Upstream transportation and distribution	11,560	5,991	-	-	-	-	-
3.5 Waste generated in operations	221	223	-	-	-	-	-
3.6 Business travel	4,475	4,631	-	-	-	-	-
3.7 Employee commuting	657	835	-	-	-	-	-
3.8 Upstream leased assets	267	594	-	-	-	-	-
3.9 Downstream transportation and distribution*	0	0	-	-	-	-	-
3.10 Processing of sold products*	0	0	-	-	-	-	-
3.11 Use of sold products	802,109	484,462	-	-	-	-	-
3.12 End-of-life treatment of sold products	831	506	-	-	-	-	-
3.13 Downstream leased assets*	0	0	-	-	-	-	-
3.14 Franchises*	0	0	-	-	-	-	-
3.15 Investments*	0	0	-	-	-	-	-
Total (location-based)	991,332	629,066	-	-	NA	-20%	-
Total (market-based)	991,277	628,784	-	-	NA	-20%	-

*These GHG Protocol categories are not applicable to the Group's activities.

(7) The 2022 carbon assessment has been recalculated in light of recent life cycle analyses, to make them more accurate and more representative of the actual situation.

(8) The 2023 carbon assessment has been recalculated using more-relevant emission factors and some data have been corrected.

Methodology

Since 2022, Lectra has committed to publishing a comprehensive carbon assessment, and this report sets out the results for 2023. For 2024, only scopes 1 and 2 have been calculated and are available. The assessment of scope 3 is in progress and will be included in the next report.

The carbon assessment takes into all Group activities (production sites, R&D facilities and tertiary sites) and its global scope. To calculate the footprint, Lectra uses physical data whenever possible. When physical data are not available, the Company uses monetary data. In the 2023 carbon assessment, 79% of emissions were calculated using physical data.

→ Scope 1: direct emissions

Scope 1 direct emissions come from buildings (heating and air conditioning), and from vehicles owned or leased by the Group, which are mainly company and service vehicles. To calculate these emissions, Lectra uses emission factors from ADEME (the French Agency for Ecological Transition) and other recognized databases.

Limitations: vehicle-related emissions are calculated on the basis of kilometers traveled by the fleet. Data on refrigerant leaks are estimated for the tertiary sites as a whole.

→ Scope 2: indirect energy-related emissions

Scope 2 indirect emissions are related to the production of electricity consumed by the Group. These emissions come from energy sources purchased from outside the company. To assess these emissions, Lectra uses emission factors from the most recent versions of the International Energy Agency and ADEME databases.

Limitations: in the same way as for scope 1, emissions related to vehicle electricity consumption are calculated on the basis of kilometers traveled.

→ Scope 3: other indirect emissions

Scope 3 encompasses other indirect emissions, inter alia emissions related to the use of products sold. For this category of Scope 3 emissions, Lectra applies specific factors derived from life cycle analyses performed for each range of equipment. Each year, the Group counts the number of units sold and multiplies by the emission factors corresponding to the estimated electricity consumption of the machines during their use by customers. For the other Scope 3

categories, emission factors based on monetary data or recognized databases are used.

Limitations: some data that are not otherwise available are estimated, e.g., the volume of waste generated by tertiary buildings; and home-workplace commuting emissions that are extrapolated from an employee questionnaire.

Additional information on the calculation of the carbon footprint by GHG Protocol category is provided in Appendix 6.

Changes in the carbon footprint

Continuing efforts to further reduce the Group's climate impact are illustrated by changes in the carbon footprint.

Between 2022 and 2024, reported scope 1 emissions increased by 25% due to growth in activities, the incorporation of new acquisitions into the reporting scope, and the gradual inclusion of the Lectra vehicle fleet in the reporting process.

Reported scope 2 emissions were also higher, due to the integration of the Launchmetrics office sites and the Suzhou industrial site into the reporting scope. On a like-for-like basis, however, there is a downward trend resulting from actions to optimize energy consumption.

On the other hand, emissions related to refrigerant leakage have decreased, thanks in particular to better control of data from industrial sites, which were the largest source of those emissions.

Actions to reduce scope 3 emissions, while more difficult to quantify, focus on the eco-design of equipment, supply chain optimization, and greater use of recycled materials. A significant reduction in scope 3 emissions was observed from 2022 to 2023, not only due to slower sales of machines, but also as a result of sustained efforts to optimize the energy consumption of machines.

Carbon intensity

Carbon intensity	2023
2023 net revenue (k euros)	477,579
Total GHG emissions (location-based) (tCO ₂ eq) / Net revenue ⁽⁹⁾ (k euros)	1.32
Total GHG emissions (market-based) (tCO ₂ eq) / Net revenue (k euros)	1.32

(9) The figure for revenues in this calculation is the same as published in the 2023 annual financial report (p. 31).

3.3.5. Energy consumption

Lectra has established an ambitious energy action plan aimed at increasing the proportion of renewable energy and improving energy efficiency at our industrial sites. This plan is an integral part of our global strategy to reduce our carbon footprint and promote sustainable practices.

At the Tolland industrial site, numerous initiatives have been implemented to increase energy efficiency. These include the optimization of workspaces to optimize the utilization of resources. In addition, improved settings for the building's centralized energy management system enable better control of energy consumption. Installation of a bypass to use heat from the compressor for heating purposes is another significant step to improve energy efficiency. Finally, the replacement of conventional lighting by LEDs is continuing, contributing to a substantial reduction in consumption.

For the Bordeaux-Cestas site, installation of photovoltaic panels has covered 10 to 15% of the site's electricity consumption since the second half of 2024. This is coupled with the signing of a contract

guaranteeing 100% of the site's electricity supply from renewable sources starting January 1, 2025. Efforts to improve energy efficiency are continuing, with improvements to centralized energy management in the buildings, renovation work on the thermal insulation of the roofs of several buildings, and the continued replacement of conventional lighting by LEDs in 2,300m² of buildings. These actions reflect the commitment to reduce dependence on fossil fuels and promote more responsible consumption.

Finally, for the Suzhou site, an HSE engineer has been hired to manage the site's energy efficiency plan. Tracking systems have been put in place to monitor electricity consumption, water consumption, and waste.

Actions and best practices optimize energy consumption have also been rolled out across the Group's office locations ; these include increasing use of renewable electricity and raising employee awareness of eco-responsible behavior.

Energy consumption by use (MWh)	2024	2023
Electricity consumption in buildings	7,936	-
Natural gas consumption in buildings	1,959	-
Gasoline consumption by vehicles	5,882	-
Diesel fuel consumption by vehicles	2,796	-
Diesel fuel for generators consumption in buildings	20	-
Electricity consumption by vehicles	17	-
Total energy consumption	18,610	-

Energy consumption by source* (MWh)	2024	2023
Consumption of petroleum-derived fuels	8,698	-
Consumption of electricity, heat or steam derived from fossil sources	4,399	-
Total consumption of energy derived from fossil sources	13,097	-
Percentage of total energy consumption derived from fossil sources	70%	-
Total consumption of energy derived from nuclear sources	2,916	-
Percentage of total energy consumption derived from nuclear sources	16%	-
Consumption of electricity, heat or steam derived from renewable sources	2,517	-
Consumption of self-produced renewable energy**	81	-
Total consumption of energy derived renewable sources	2,598	-
Percentage of total energy consumption derived from renewable sources	14%	-
Total energy consumption	18,610	-

*The breakdown of energy consumption by source is calculated based on the energy mix in each country and taking into account direct purchases and self-produced electricity from renewable sources.

**Installation of photovoltaic canopies in the Bordeaux-Cestas industrial site, operational since September 2024: In the Bordeaux-Cestas site, 1,800m² of solar canopies (power output 475 kWc) were installed in the summer of 2024 to supply 10 to 15 percent of the site's electricity consumption. The reported consumption of self-produced renewable energy corresponds to the total rated output of the solar canopies installed.

Total energy consumption in 2024 came to 18,610 MWh, with the vast majority from electricity and fossil fuels. The trend towards lower electricity consumption, despite the broader scope of reporting compared to 2023 (with the acquisition of Launchmetrics), illustrates

the effectiveness of the actions taken within the Group. Fuel consumption was slightly higher than in 2023 because 2024 reporting covered a larger percentage of vehicles in the Lectra fleet.

Renewable electricity

As part of its energy action plan, Lectra engages in the direct purchase of renewable electricity. Since 2022, 25% of the annual electricity consumption of the Tolland industrial site has been covered by renewable energy certificates. In addition, several tertiary sites have established energy contracts that include a portion of renewable energy. This is the case for the Milan site, where 100% of

electricity consumption is renewable, and for the site in Iasi, Romania, where over 40% of consumption is similarly supplied by renewable electricity.

These purchases account for 3% of the Group's total electricity consumption.

Energy intensity

Energy intensity	2024
Total energy consumption from activities in sectors with high climate impact (MWh) ⁽¹⁰⁾	5,711
Revenues from activities in sectors with high climate impact (k euros) ⁽¹¹⁾	112,393
Energy intensity (MWh /k euros)	0.05

3.4 Resource use and circular economy – ESRs E5

3.4.1. Contribution to improving the environmental impact of Lectra solution users

As detailed in the introduction to the Annual Financial Report, Lectra's business model concentrates on operations in three sectors: fashion, automotive and furniture. However, to facilitate understanding of the Group's added value and its solutions for reducing its customers' environmental impact, this section focuses on customers' impacts identified in the life cycle assessment of a fashion product (see diagram below), because fashion is the sector in which those impacts are greatest.

The fashion value chain is one of the most complex of any industry. The value chain is both globalized and highly fragmented; its activities are divided among a multitude of players with varying processes and differing levels of digitization and automation. Product development, cutting and manufacturing continue to be handled largely by manual processes. This fragmentation of the value chain, combined with the differing levels of digitization, contributes to a lack of transparency and limitations on the control exercised by brands.

Need for transparency and control over the value chain

Operations in the fashion sector are highly labor-intensive, exposing workers to increasingly intense work rates, sometimes jeopardizing their safety and health.

Brands may have little to no visibility regarding working conditions in their supply chain. This lack of control represents a significant risk for brands, not only in terms of continuing production, but also in terms of their brand image. Numerous scandals regarding working conditions

have tarnished reputations in all segments of the market, from luxury to fast fashion. The poor reputation of the manufacturing sector is also a cause of high employee turnover and increasing difficulties in recruiting qualified workers.

Fashion products are extremely complex

Fashion products, and garments in particular, are intrinsically complex. Beyond the brand identity aspect, which encourages brands to constantly renew and diversify their styles to meet the expectations of varying communities and generations of consumers, garments must also adapt to all body types. The variety of materials, their mechanical and technical properties, patterns, designs and components is almost infinite. To satisfy increasingly volatile demand, the pace and volume of work in development and production are accelerating.

As a result, development and cutting operations in the fashion industry must take into account an ever-increasing number of parameters in order to remain efficient, sustainable and profitable. This complexity, combined with the fact that a large part of the manufacturing process is still performed manually, leads to two problems:

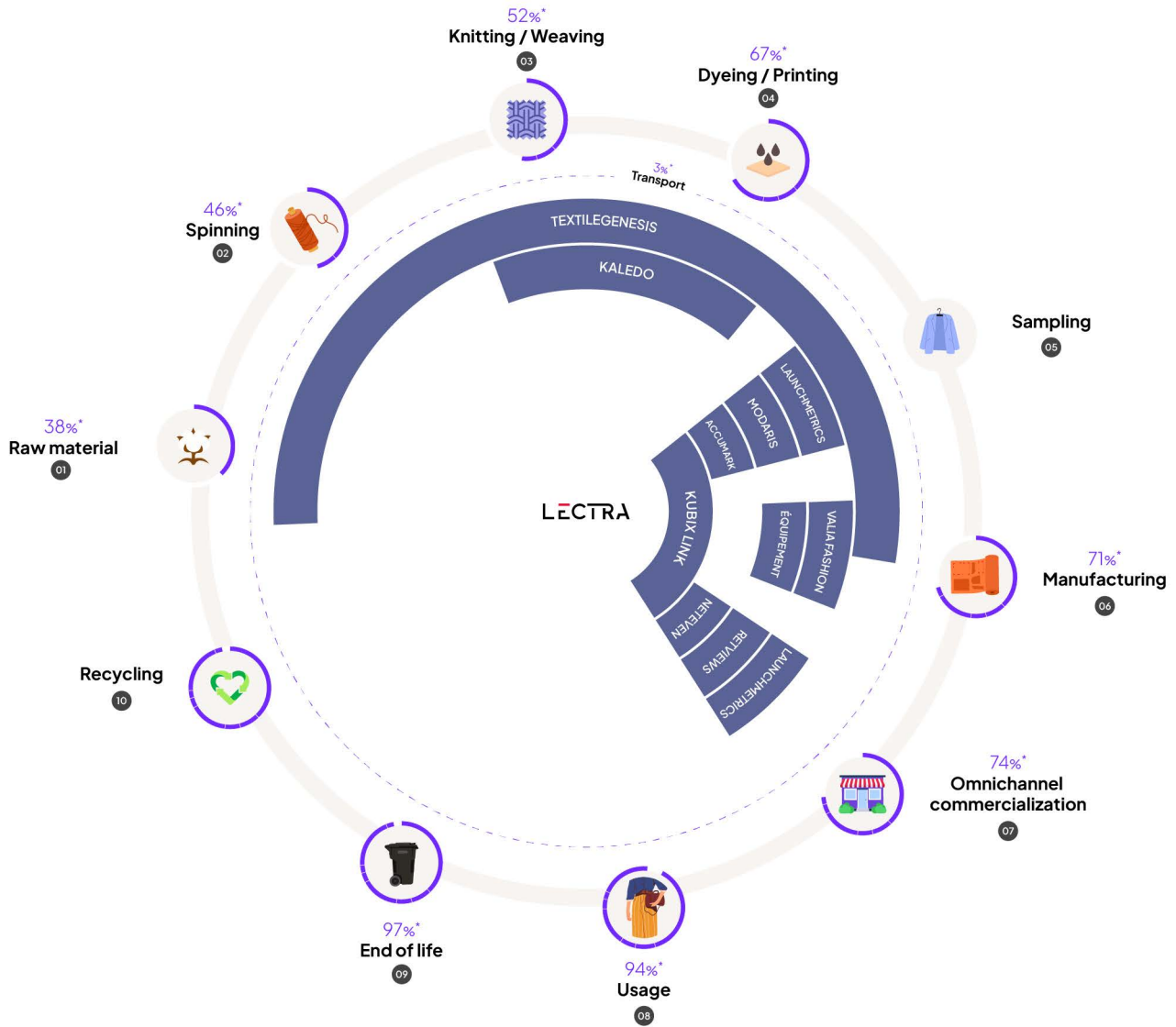
- processes involve multiple iterations and errors, leading to waste of raw materials and wasted labor time, which has a financial cost for brands;
- manual phases do not allow collection of data, which is essential in order to improve performance.

To help its customers meet these major challenges, Lectra focuses on combining software and equipment with 4.0 technologies, enabling customers to digitize and automate their processes.

(10) The consumption used is that of the three industrial sites where Lectra equipment is manufactured, the Group's only activity in a sector with a high climate impact.

(11) The revenues used for this calculation are the same as those published in the financial statements and correspond to Lectra's activities in sectors with a high climate impact.

The different stages of a garment's life cycle and the Lectra solutions that support them



* The figures presented are the result of a study by McKinsey & Company's Fashion. They show the climate impact of each stage of the life cycle.

Reducing textile waste through Lectra's solutions

Through its solutions covering phases with a high impact on material saving, Lectra plays a positive role at multiple stages in the garment life cycle. One example is optimized management of product prototyping and preparation for production, which can reduce the carbon footprint of this process by 70%⁽¹²⁾.

→ Reliable digital decision-making, reducing the need for physical prototypes

Thanks to its highly precise software for design, pattern-making, and product lifecycle management (Kaledo, Modaris and Accumark) specially designed for the fashion industry, Lectra reduces the need for physical prototypes. These tools provide an accurate, comprehensive view of the style and fit of the garment, its ecological impact, its components and their origin, as well as its production cost. This makes it possible to validate the garment digitally on the basis of its economic and ecological characteristics, while ensuring the feasibility of its subsequent production—even before developing the first physical prototype.

Alongside this, Launchmetrics optimizes the use of prototypes for the pre-launch phases (e.g., for fashion weeks and press relations), thus obviating the need for multiple duplicates to ensure their availability during press campaigns, and significantly reducing the carbon impact logistics between fashion presentations and shooting locations.

→ Solutions designed with garment complexity in mind

Production solutions are multimodal and adaptable thanks to the synergy between software for nesting and production management, on the one hand, and equipment appropriate for each type of material, pattern or cutting volume, on the other. Product development processes are designed to manage multiple production formats and cutting specifications, to match the diversity of incoming orders, before producing the physical garments. This reduces overproduction and minimizes the associated ecological and economic impacts, resulting in fewer errors and, above all, less waste during the prototyping and industrialization phases.

(12) Source: McKinsey, Fashion on climate (2020)

→ Harnessing data is a key to more eco-responsible fashion

To ensure more eco-responsible production processes, harnessing data is essential. Today, companies report that they use only 44% of manufacturing data effectively⁽¹³⁾.

By collecting more data, companies can provide their operators with relevant, accurate information to optimize production in real time.

This data collection process also provides the level of traceability necessary to guarantee transparency and production compliance with the most recent eco-responsibility requirements.

Through digitalization of the product development and production stages, Lectra has constructed a digital twin of the cutting room, enabling precise planning and the implementation of immediate corrective actions, resulting in greater efficiency and reduced waste. This is notably the case with Valia, a new cloud solution for fashion customers (Valia Fashion), for automotive customers (Valia Automotive) and for customers in the furniture industry (Valia Furniture). Valia automates generally manual and sequential repetitive operations which, by their very nature, increases the risk of error and therefore the amount of material waste. Valia allows rules to be set according to the various criteria of an order (type of product, type of fabric, cutting parameters, etc.), which can be applied automatically in order to reduce errors and to minimize material waste during cutting. This optimizes material use by taking into account not theoretical situations, but the reality of production and actual developments, such as order grouping, material characteristics (plain or motif fabrics), fabric defects, and even roll width.

Upstream, it is also important to use data to anticipate trends: analyzing social media and evaluating the effectiveness of collection launch campaigns (Launchmetrics), together with benchmarking competing offers (Retviews), enable more accurate identification of actual market opportunities, so that only the best-positioned products (in terms of both price and range) are developed.

Finally, when consumers buy clothing, they expect to find increasingly detailed information to meet their expectations in terms of style and fit, but also in terms of eco-responsibility and brand identification. The interconnection across all Lectra solutions makes it possible to collect maximum information on the product throughout its life cycle: all this information can be centralized in the Kubix Link PLM (Product Lifecycle Management) solution. Access to this information is key to managing sustainability indicators and implementing appropriate action plans. Brands have the option of communicating on some of this information using Neteven, an online sales management platform that allows them to share information with end-consumers.

→ Specific solutions for the automotive and furniture sectors

While many Lectra solutions have been developed to meet the specific needs of customers in the fashion industry, a number are also applicable to the automotive and furniture sectors (e.g., for optimal nesting for cutting).

For cutting leather, which is widely used in both sectors, the Versalis cutting solution, and Digital Marking in particular, provides virtual identification of hide defects. The ideal cutting layout is then calculated based on the defects. Combined with zero buffer cutting, this comprehensive solution allows the customer to maximize hide yield.

In the automotive industry, material -- whether leather or technical textiles -- represents a significant expense. Algotex provides customers with real-time production data (material consumption,

energy, associated CO₂ emissions, etc.) along with tailored advice on how to adjust their practices.

Like Valia Fashion for the garment industry, the Furniture On Demand solution optimizes furniture production through on-demand manufacturing. For example, a sofa will only be produced if it has been ordered by a consumer, thus reducing the risk of unsold items and therefore waste. This makes it easy to customize products, or even to manufacture to measure, for optimal customer experience and satisfaction -- and thus increasing the likelihood they will keep the product as long as possible.

Traceability of materials purchased by the textile industry

→ Traceability, the first step towards greater sustainability

For brands, beyond the need -- mentioned above -- to control their value chain, new sustainability regulations currently or will soon require greater traceability and transparency regarding their textile supply chains. Ninety-five percent of the top 100 fashion brands have no visibility beyond their tier 2 suppliers.

Achieving perfect visibility at every stage of the lifecycle of a garment, from fiber origin to sales, has proven extremely complicated, particularly due to the large number of parties involved. However, with reliable real-time data at every stage of the production chain, brands can proactively meet consumer expectations in terms of sustainability and adjust quickly to ever-changing regulatory requirements.

→ Technology to achieve traceability

The cloud-based TextileGenesis solution helps fashion brands to achieve their sustainability and traceability objectives. Its reliable, secure and fully digital mapping of materials, from fiber to consumer, guarantees material authenticity and origin. Its innovative traceability mechanism addresses both ends of the textile value chain, with a network of partners for material certification and a technology platform to ensure reliable, secure data transmission and monitoring throughout the material's life cycle.

→ Fibercoins™, a technology developed by TextileGenesis to guarantee traceability

Fibercoins™ are unhackable digital tokens that reflect the physical flow of goods and track sustainable materials without double or triple counting. They are used by sustainable fiber producers to certify every kilogram of fiber at the source. The Fibercoins™ then follow the flow of material in the real world: they are tracked in real time in the system, as transactions occur between parties in the supply chain (from fiber producers to spinning mills, dyers, cutting and sewing companies, brands and retailers).

Fibercoin™ creates a zero-sum game: no one can count the same material more than once. This technology guarantees unprecedented robustness for supply chain traceability and transparency.

This digital chain of custody for material cannot be manipulated or falsified; its history is recorded permanently. As a result, for each and every individual purchase, the brand can trace the entire supply chain for each order and for each unit.

→ Strong link with recognized ESG standards

TextileGenesis works closely with the principal standardization and industry organizations in the textile, leather and footwear sectors worldwide. Over 90% of the principal ESG standardization and industry organizations have signed exclusive strategic partnerships with TextileGenesis and have joined the platform. ESG standards require that brands and distributors audit the sustainability accreditations of their suppliers to ensure they comply with social and

(13) Source: Kalypso & Rockwell Automation, "State of smart manufacturing" -- 2024

environmental standards. In addition, consumers must be sure they get what they pay for when they buy a sustainable product.

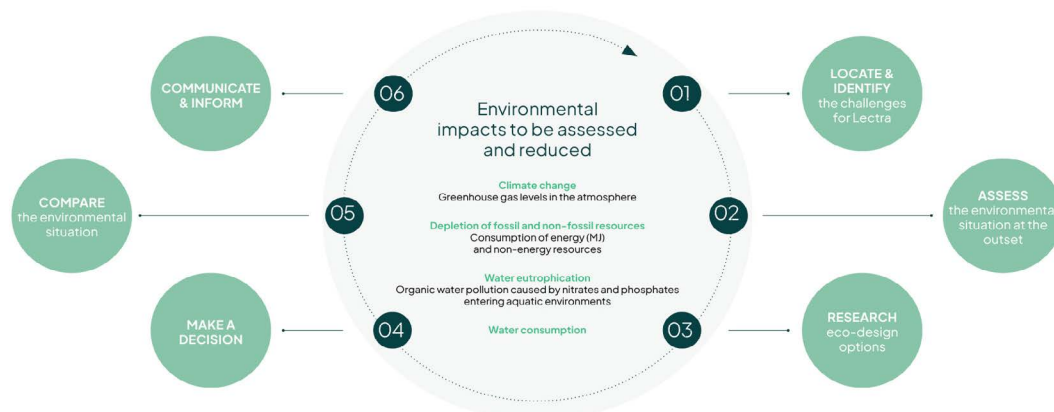
TextileGenesis allows for two types of independent auditing: fiber audits, to confirm fiber origin, and third-party audits, to validate suppliers' ESG accreditations. To audit the accreditations at production sites, third-party auditors have direct access to the platform.

By the end of 2024, close to 2 billion units⁽¹⁴⁾ had been traced in TextileGenesis, the platform used by over one hundred brands worldwide, as the system achieved an unprecedented level of traceability.

3.4.2. Eco-design policy

Sustainability is a key focus of Lectra's reflections, from the earliest phases of developing solutions. Thus, it is only natural that Lectra has committed to offering its customers new eco-friendly solutions as part of its sustainability strategy.

In 2021, Lectra conducted a diagnostic study into eco-design with a specialized consulting company, Apesa, and support from the French government's Agency for Ecological Transition (ADEME). The study sought to quantify all the environmental impacts of Lectra's solutions over their life cycles, to identify the most significant potential eco-design drivers and actions, and to implement actions to reduce their environmental footprint.



At Lectra, eco-design is...

innovative • optimized • collaborative • multidisciplinary • conscious of environmental issues • attentive to users' needs • inspired by Industry 4.0

Responsibility for policy implementation

The Chief Technology Officer and the Chief Strategy and Product Officer are responsible for proper application of this policy, backed by the Group's 2023-2025 strategic roadmap.

Resources

Since 2022, Lectra has included a specialized eco-design team in its R&D organization.

The eco-design team ensures that each new generation of equipment is systematically subject to a Life Cycle Analysis (LCA) based on an average cutting equipment lifetime of 13 years -- a lifetime that will increase with new generations of equipment. The environmental impacts for the Group and its customers are identified, quantified and reduced, in a continuous improvement approach that measures the performance of existing equipment, and improves the performance of each future generation.

By applying this methodology, which is set out in the eco-design charter (published on the Group's website), the R&D teams can focus on aspects with the greatest impact on greenhouse gas emissions, e.g., optimizing customers' material consumption (textiles or leather), improving energy efficiency, or reducing the amount of steel required to manufacture the equipment.

Sustainability-related performance of equipment is measured and improved with each new generation.

The methodology is based on ISO 14040 and ISO 14044, and is broken down into four interdependent phases:

- definition of goals and scope;
- analysis of elementary input and output flows between the equipment and the environment throughout the equipment's life cycle;
- modeling the data and assessing the environmental impact of the life cycle;
- interpretation and communication of the results and indicators that measure the potential impacts on air, water, and other natural resources.

An eco-design approach requires analysis of all impacts, from manufacturing to use of the equipment, that could affect the ecological footprint. Incorporating these principles into all R&D programs made it possible to launch the first eco-designed Lectra products on the market in 2023.

Three key objectives are defined in the eco-design approach:

- reduce the environmental impact of equipment design and manufacturing by optimizing design and minimizing resources used;
- promote sustainable end-of-life equipment management by facilitating recycling or reuse in order to limit waste;
- reduce the impact of customers' utilization of equipment, by developing solutions that improve energy efficiency and reduce greenhouse gas emissions.

(14) Here, "unit" designates a single item, e.g., a shirt, pair of trousers, dress, or shoe.

Our engagements

- 01 Optimize material consumption:** focus our efforts on the most critical aspect of reducing the environmental impact of our activities on their lifecycle.
- 02 Continuous improvement:** embark on a process of continuous improvement of equipment, software and services, questioning and constant innovation. Everyone involved in the process must be trained and informed.
- 03 Systemic approach:** view our work as part of a systemic approach that takes account of multiple criteria and their interactions. Involve customers and suppliers in the design of equipment, software and services.
- 04 Act together:** involve customers and suppliers in this approach to engage them in the long term.
- 05 Social responsibility:** take account of the social impacts of production and use of the equipment, software and services (system conformity and safety).

- 06 Resources:** make sure that material and equipment choices are based on environmental and social criteria throughout their lifecycle.
- 07 Water, Air, Soil:** consider water, air and soil to be common assets of all humanity that need to be preserved and protected from pollution throughout the product or service lifecycle.
- 08 Energy:** minimize energy consumption throughout the lifecycle of equipment, software and services. Prioritize the use of renewable, non-polluting energy sources.
- 09 Waste:** minimize environmental pollution and prioritize the recyclability of products and services, as well as of the related residues and packaging.
- 10 Health:** take account of the health impacts of production and use of the equipment, software and services (reduction of toxic products during manufacture).



In addition to the standards on life cycle assessment, the R&D teams also follow the guidelines of standard NF EN 16524, which sets out sustainability and performance requirements for mechanical equipment, to ensure efficiency and conformity to environmental standards. This standard aims to improve product quality while meeting growing demands in terms of sustainability and environmental responsibility. Moreover, European Directives 2009/125/EC and 2012/19/EU, which apply to Lectra equipment, require taking eco-design criteria into account during development.

Allocated resources

- in 2024, 13% of Group revenues were invested in R&D, with the support of about 707 people;
- 100 % of teams have received eco-design training since 2023;
- the development teams have access to recognized impact assessment tools, including the Ecoinvent database, Simapro simulation software, and a partnership with the French National Eco-design Technology Center (*Pôle Eco-Conception*);
- in other teams, there are about ten ambassadors who propose lower environmental impact solutions, with specific projects in the areas of transportation, packaging, consumables and industrial procurement.

2024 actions and indicators tracked

The following indicators provide an integrated framework for assessing and managing the environmental impact of industrial, agricultural and other activities, thus facilitating the transition to more sustainable practices. They are used in the lifecycle analyses carried out by the R&D teams:

- **climate change** is measured in global warming potential over 100 years (GWP 100), stated in kilograms of CO₂ equivalent (kg CO₂eq), to convert all greenhouse gas emissions into the equivalent amount of CO₂, the principal gas responsible for global warming;
- **water eutrophication** quantifies the excessive accumulation of nutrients in aquatic ecosystems, measured in kilograms of phosphate equivalent (kg PO₄eq), which makes it possible to identify the impact of fertilizers and organic discharges on water quality and on ecosystem health;
- **depletion of non-renewable mineral and fossil resources** is converted into equivalents of kilograms of antimony (kg Sb eq), reflecting the pressure exerted on non-renewable natural resources due to their extraction and use.

→ Life cycle assessment⁽¹⁵⁾ of the new Vector Q2 and Vector iX2 cutters

Steps	Impact on climate change GWP100 (kg CO ₂ eq)	Potential impact on water eutrophication (kg PO ₄ eq)	Abiotic depletion potential for fossil and non-fossil resources (kg Sb eq)
A1-A3 – Production	8.67 E+03	3.27 E+01	1.58 E+00
A4-A5 – Construction	9.06 E+02	3.88 E-01	2.92 E-03
B – Use	1.34 E+05	2.81 E+02	2.29 E-01
C – End-of-life	1.64 E+02	5.25 E-01	2.08 E-04

(15) The CML methodology used for these calculations was developed by the Institute of Environmental Sciences (CML) at Leiden University in The Netherlands. It is based on European standards, and includes the most common environmental indicators for life cycle assessment (LCA).

As part of a project focused on the equipment end-of-life (disposal) stage, in 2024 the eco-design teams defined a new indicator: the recyclability rate. For each item of equipment, this indicator was calculated as per standard NF EN 16524. The aim is to evaluate the proportion of a product's materials that can be recycled at the end of its life cycle, based on such factors as ease of separation, the materials used, and the facilities available for collection and processing. The recyclability rate is expressed as a percentage, quantifying the proportion that can be recycled and reused, thus reducing the waste sent to landfill.

→ The new Vector Q2 and Vector iX2 cutters have a theoretical recyclability rate of 84%

The recyclability rate could be incorporated into a composite sustainability indicator (within the meaning of the CSRD), which has not been selected at this time. As part of the project, the teams also developed a disassembly protocol to enable customers to dispose of their cutting equipment at the end of its useful life and recycle its various materials.

The eco-design policy also concerns the consumables used in cutting room operations.

The main efforts since 2023 have focused on the single-use paper employed in each cutting cycle. Lectra France and the subsidiaries in Italy, Spain and Portugal obtained "FSC⁽¹⁶⁾ Chain-of-Custody" (CoC) certification in September 2023. Certification is valid five years, and was confirmed by the certification body in October 2024.

It ensures traceability of FSC certified materials at each stage in the chain of production, from the forest to the finished product, including processing, transformation, manufacturing and distribution.

Quantified objectives

Since implementation of the eco-design policy, 100% of new equipment has been eco-designed.

The Group is still working on establishing quantified objectives for other eco-design indicators.

Communication

Internal communication on sustainability issues was strengthened in 2024, with the aim of informing employees of the Group's progress on a range of issues, including eco-design. The annual employee survey showed that 66% of Lectra employees had a positive and confident opinion of the company's eco-design and CSR initiatives in 2024, a 12% increase over the previous year.

Optimization regarding production of waste and valorization in production stages

In the area of eco-design, and to satisfy the objective of its environmental policy, "optimization of resource use to support the circular economy," the Group has implemented an ambitious action plan to reduce the waste it produces. Up to now, the action has focused on the industrial scope of operations because reducing waste in the production stages is an integral part of eco-design policy. This waste is mainly packaging cardboard and plastic, together with paper used for cutting tests. Data on waste valorization other than recycling, and on disposal circuits, are not available for this report. The Group will endeavor to improve on this point in the coming year.

Waste (tons)	2024*	2023
Non-hazardous waste	490	454
Hazardous waste	1	7
Total	491	461

*The Suzhou, China industrial site was included in the waste reporting scope for the first time 2024.

Percentage of waste recycled	74 %**	66 %
Percentage of waste reused	0 %	0 %

**The methodology for data collection and calculation was improved and made more reliable between 2023 and 2024.

Hazardous waste is disposed of in accordance with current French legislation.

3.5 Issues specific to Lectra

3.5.1. Environmental regulatory changes strengthening Lectra's presence in the market

Lectra strives to closely support its customers in meeting their needs, particularly with regard to environmental regulations. Because the textile sector is subject to ever-increasing, ever more stringent demands, Lectra is proactive in anticipating new standards and trends, with solutions for customers that facilitate compliance.

Traceability and transparency become fundamental consumer demands, and the emerging regulatory framework is moving in the same direction. The impetus came from France's 2017 Law on the Duty of Corporate Vigilance, and was extended in the European Union's Corporate Sustainability Due Diligence Directive (CSDDD). Lectra is strategically positioned in this area, with the 2022 acquisition of TextileGenesis, which allows customers to track the origin of materials used in their products.

Going beyond traceability, the European Union's *Ecodesign for Sustainable Product Regulation*, which entered into force in 2024, introduced the concept of the *Digital Product Passport* (DPP), a digital identity card that will store detailed, transparent information on products throughout their lifecycle. The DPP can include a variety of information:

- origin of materials: details on the sources of raw materials used in manufacturing the product;
- sustainability certifications: information on environmental certification or status achieved by the product;
- environmental impact: assessments of the carbon footprint and other ecological impacts related to the production, use and end of life of the product;
- instructions for recycling and end of life: responsible disposal recommendations for the product.

Kubix Link, designed to manage all stages in the product life cycle in connection with other Lectra solutions or third-party systems, has the capacity to consolidate and organize the wealth of data required to produce the digital product passport for the fashion industry.

Today, Lectra is the only technology company in its sector capable of partnering with its customers to meet these transparency requirements, from product development to production, and from collection management to marketing, e-commerce and traceability.

Furthermore, companies are now required to report on their balance of greenhouse gas emissions and to implement strategies for reducing their carbon footprint, often drastically, with the aim of becoming carbon neutral by 2050.

Lectra offers its customers solutions for collecting valuable information on their raw materials (textiles or leather), which often account for a large share of their scope 3 emissions. Optimizing consumption of these materials using Lectra technologies (precise cutting, on-demand manufacturing, 3D virtual prototyping, etc.) naturally helps to reduce emissions. And because the new generations of cutting-room equipment are more energy-efficient, they directly contribute to reducing users' scope 2 emissions.

3.5.2. Lower demand for Lectra offers due to changes in consumption habits

The trend towards consuming less, but better, is leading consumers in many sectors, particularly fashion, to look for higher quality, more sustainable products that often come with the assurance of long-term durability. Preference is given to products that are designed to last and easy to repair, thus favoring timeless designs.

These new behaviors are also evident in the growing interest in second-hand goods and rental services. Increasing numbers of consumers are choosing refurbished goods or opting for trade-in arrangements that contribute to recycling or reuse.

The transition to these more sustainable practices could reduce demand for new products, thus affecting overall demand for Lectra cutting solutions.

Consequently, to compensate for lost market share due to these changes in consumption, Lectra would have to intensify its sustainability actions, accentuating its differentiation and making sustainability a genuine competitive advantage.

3.6 Environmental taxonomy

Application of the EU Taxonomy Regulation on sustainable activities

The Green Taxonomy was introduced by the EU Commission in 2018 in order to establish a European classification for sustainable activities in light of their contribution to achieving environmental objectives; the initial phase aims to cover activities' contribution to two "climate" objectives, climate change mitigation and climate change adaptation. An economic activity is considered Taxonomy-eligible if it contributes to the achievement of one or more of six environmental objectives below and is included in the list of activities in EU Taxonomy Climate Delegated Regulation 2021/2139 and Environment Delegated Regulation 2023/2486.

The six environmental objectives are: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. For the 2022 Report, only the two "climate" objectives were taken into account. Since 2023, the other four environmental objectives have been added, following publication of the official documents. In 2024, Lectra's analysis took into account the latest FAQs and reports on the Platform for Sustainable Finance.



In 2024, the Group therefore analyzed the activities' eligibility under the six environmental objectives and then proceeded to examine the activities' alignment.

Accordingly, if an eligible activity complies with the technical requirements of making a "substantial contribution" to climate change mitigation or adaptation, does no significant harm per the other environmental objectives, and meets minimum social safeguards, the activity is considered taxonomy-aligned.

As discussed in the Non-financial Statements for earlier years, the Group's direct activities, which are described in detail in the Management Discussion, have only a very limited impact on climate change (see the section on the Climate Transition Plan above). Lectra

then published three key performance indicators namely the ratio of eligible activities turnover to total turnover, the ratio of eligible capital expenditure (CapEx) to total CapEx, and the ratio of eligible operating expenses (OpEx) to total OpEx, eligible within the meaning of the European Taxonomy Regulation and its delegated Regulations.

3.6.1. Proportion of taxonomy-eligible turnover

→ Analysis of Lectra's activities

In 2021, the Group had already analyzed the eligibility of its activities with respect to the first two environmental objectives (climate change mitigation and climate change adaptation), the Group has identified three major categories of activities that correspond to the principal dimensions of its offer: the sale of cutting equipment, software, and the maintenance activity related to those two categories. In 2022, these activities were not eligible under the first two environmental objectives. In 2023, the analysis was extended to the additional four environmental objectives.

The preliminary phase of the analysis eliminated maintenance from the scope of sustainable activity, because it is not included in the activities and sectors described in the Delegated Acts; it is therefore not eligible under the Green Taxonomy for the six climate change objectives.

The activity consisting in the manufacture and sale of cutting equipment was examined in light of the "manufacturing" activity identified in the EU Commission classification. While the Group supplies fabric cutting equipment that enables its customers to optimize material utilization and energy, and thus improve their own environmental impact, the manufacture of equipment is not eligible under the environmental objectives linked to circular economy or pollution prevention and control in the delegated acts covering Lectra's activity.

Through the activity consisting in the sale of software, Lectra supplies customers with solutions that contribute value to three major objectives: material optimization (through design and development), digitalization of collaborative processes; and reliable, secure and fully digitalized chain-of-custody mapping of materials. These offers make a contribution to the environment by allowing customers to avoid or reduce their negative ecological impacts. Accordingly, the following Lectra Group offers that are taxonomy-eligible under activity 4.1. Provision of IT/OT data-driven solutions and software, under the "transition to circular economy" objective are:

- TextileGenesis;
- Diamino;
- Accunest;
- Quick et Flex Offer;
- CA Design Concept 2D3D;
- Kaledo.

The Kubix offering focuses on optimizing production processes in the fashion and textile industry through advanced technological solutions, such as data analysis and artificial intelligence. Enabling customers to better manage their resources, reduce material waste, and optimize their supply chain, Kubix contributes to more sustainable production. The environmental benefits include a significant reduction in textile waste, lower energy consumption and optimized transportation, which contributes to reducing greenhouse gas emissions. This part of the activity is therefore Taxonomy-eligible under Circular Economy activity 4.1 Provision of IT/OT data-driven solutions, and Climate Change Mitigation activity 8.2 Data-driven solutions for GHG emissions reductions.

Proportion of taxonomy-eligible turnover in respect of the environmental objectives

In light of the analysis of the eligibility of its activities under the six environmental objectives, the Group has determined that the proportion of Taxonomy-eligible turnover in respect of the first phase of the Green Taxonomy is 6.8%. The increase over 2023 primarily due to the addition of the Kubix offering to eligible activities in 2024.

Turnover alignment relating to the environmental objectives

→ Analysis of substantial contribution

Lectra's offers fall into several categories; all promote sustainability in the fashion industry. Nesting solutions enable optimization of raw material use, thus reducing waste during production. Collection design solutions enable designers to anticipate market trends, ensuring that the collections match consumer expectations, minimizing waste of resources. Material chain-of-custody mapping solutions ensure total traceability of garments, enabling rigorous verification of the origin and composition of materials used. All Lectra's eligible offers satisfy substantial contribution criterion 1) for circular economy activity 4.1, because they correspond to data-driven IT solutions. They also satisfy criterion 5.a) of activity 4.1. These are design and nesting software solutions that help users to manage the specific circularity of a product and other eco-design objectives, such as design to minimize waste in production, and design to measure in order to avoid overspecification and reduce raw material inputs. For the entire range of hosted SaaS solutions, Lectra endeavors to ensure compliance with criteria 8. a), b) and c) for internally operated systems, and in delegating to partners responsibility for employing sustainable, recyclable solutions, with efficient end-of-life waste management and preparation of products for reuse and recycling. For on-premise software, responsibility is delegated to the customers operating the software. In addition to these criteria, the Textile Genesis offer also satisfies criterion 3.a) for circular economy activity 4.1. TextileGenesis is a traceability software system for monitoring and tracking fabric from fiber to garments, enabling identification and tracking of materials throughout their value chains, to provide the structured data needed for life cycle assessment and for data sharing with partners in the value chain, consumers, and other economic stakeholders. This portion of revenue is thus Taxonomy-aligned.

Lectra's Kubix offer is an innovative solution for the fashion industry, focused on collection management and the optimization of design and production processes. As a product lifecycle management (PLM) system, Kubix manages historical production data enabling companies to track the evolution of their collections and analyze performance. Using data analytics, it helps designers create models adapted to market trends while providing customers with key CSR indicators. Despite its sustainability objectives, this offer was not considered to meet the substantial contribution criteria for Climate Change Mitigation activity 8.2.

On this basis, the portion of eligible turnover that met the substantial contribution criteria came to 28,595 thousand euros in 2024.

→ Analysis of the Do No Significant Harm (DNSH) criteria

For the Lectra offers eligible under circular economy activity 4.1, Lectra warrants that it causes no significant harm relating to adaptation to climate change. In this connection, an analysis of potential climate risks was carried out in-house by the Facility Management teams in 2022 and an action plan has been put in place to mitigate the risks identified. The methodology for the climate risk analysis involves several steps. First, potential climate risks are identified, such as rising temperatures, extreme precipitation, storms, drought and rising sea levels. Then, vulnerability is assessed by

examining the state of the infrastructure, geographic location, and employee preparedness. An impact analysis is then performed to determine the operational, financial and regulatory impacts of the identified risks. Mitigation measures are proposed, e.g., strengthening infrastructure and establishing emergency plans. Finally, a monitoring system has been put in place for risk surveillance and periodic reassessment of the analysis as new climate data become available.

Similarly, an internal impact analysis has ruled out any risk of environmental degradation in relation to preserving water quality and preventing water stress. Lectra therefore warrants that it causes no harm regarding the sustainable use and protection of water and marine resources.

Further, for all solutions hosted in SaaS mode, the Group ensures that servers and data storage products comply with the requirements of Directive 2009/125/EC and do not use any hazardous substances subject to restriction under Annex II of Directive 2011/65/EU, in order cause no harm in terms of pollution prevention and control. All required processes to ensure compliance with Directive 2009/125/EC are implemented in collaboration with specialized partners. These processes include needs analysis, incorporation of eco-design criteria, energy performance testing, documentation on results, training of teams on regulatory requirements, monitoring of regulatory developments, and internal audits.

→ Analysis of compliance with minimum guarantees

In the "Social" and "Business Conduct" chapters, the Group describes the procedures and governance that ensure compliance with minimum guarantees regarding human rights, anti-corruption measures, fair business practices and compliance with tax laws. In its Human Resources Charter, the Group reiterates the general principles and standards that Lectra undertakes to respect, in particular the Universal Declaration of Human Rights. Consistent with its ethics, core values and Code of Conduct, the Group strives to apply all provisions of the fundamental conventions of the International Labour Organization (ILO), to respect the principles of the United Nations Global Compact, particularly with regard to human rights, and ensures that it complies with administrative, tax, labor and social security obligations under the laws and regulations in force in each of the countries in which it operates. The Group is not involved in any ongoing commercial disputes at this time and has never been held liable.

On the basis of these analyses, the CapEx alignment ratio came to 5.4%, an increase over the 0% in 2023 due to the absence of activities considered to be taxonomy aligned.

3.6.2. Proportion of taxonomy-eligible CapEx and OpEx

→ Definition of the ratios under the Green Taxonomy

Taxonomy-eligible CapEx and OpEx are costs incurred in relation to assets or processes associated with eligible activities, CapEx/ OpEx included in a plan aiming to extend a sustainable activity or to make an activity sustainable, or individually eligible CapEx/OpEx.

The capital expenditure (CapEx) to be examined in analyzing the ratio of Taxonomy-eligible CapEx to total CapEx are acquisitions of tangible and intangible assets during the period, the acquisition of rights of use (within the meaning of IFRS 16), and acquisitions related to business combinations in the year. The CapEx taken into account is reconciled with the statement of changes in fixed assets.

The operating expenses to be examined in analyzing the ratio of Taxonomy-eligible OpEx to total OpEx are specific non-capitalized indirect costs including R&D costs and the costs of provision of IT solutions; building renovation, maintenance and repair costs; short-term lease contracts; direct expenses for maintenance of property,

plant and equipment required for them to function properly, and repairs and maintenance costs: installation, maintenance and repair of electric vehicle charging stations inside buildings (and in parking areas adjoining buildings), and maintenance costs for green spaces.

→ Eligible CapEx to total CapEx

The aim is to compute the following ratio for Lectra's capital expenditure:

Eligible CapEx
Total CapEx within the meaning of the Green Taxonomy

The review of CapEx determined eligibility for investments relating to building renovation (CCM activity 7.2⁽¹⁷⁾), improved energy efficiency (CCM activity 7.3), and to long-term vehicle leases (IFRS16), (CCM activity 6.5). In addition to these capital expenditures, there is the renewal and acquisition of leases (IFRS16) (CCM activity 7.7). On this basis, the ratio of eligible CapEx to total CapEx came to 22.2% in 2024. The decrease from 2023 is attributable to a significant reduction in CapEx for site renovation in 2024.

CapEx alignment

→ Analysis of substantial contribution

The values of building leases under IFRS 16 generally correspond to older buildings constructed before December 31, 2020, which do not have a Class A Energy Performance Certificate.

The group has not carried out a study that would ensure that those buildings belong to the top 15% of the national building stock in terms of primary energy demand. Therefore, concluded in 2023 that this portion of CapEx (CCM activity 7.7) is not Taxonomy-aligned.

Regarding capital expenditure on building renovation (CCM activity 7.2) and on energy efficiency improvement (CCM activity 7.3), the Group has not carried out studies needed to affirm that the work performed meet the minimum requirements of Directive 2010/31/EU and therefore satisfy the substantial contribution criterion.

Expenditure on long-term vehicle leases (IFRS 16) (CCM activity 6.5) relates to electric or hybrid vehicles; this falls within the scope of the responsible purchasing policy, but the Group is not in a position to claim that the corresponding emissions are less than 50 g/CO₂ per km and that they comply with all DNSH criteria.

All told, there is no eligible CapEx that satisfies the substantial contribution in 2024.

→ Eligible OpEx to total OpEx

The aim is to compute the following ratio for Lectra's operating expenses:

Eligible OpEx
Total OpEx within the meaning of the Green Taxonomy

Total OpEx within the meaning of the Green Taxonomy came to 6,856 thousand euros. The review of Group OpEx concluded that Taxonomy-eligible OpEx includes operating expenses related to eligible R&D projects, that is, projects that contribute to a reduction in customers' energy consumption (CCM activity 9.1, for example, the development of new generations of turbines, process efficiency, real-time display of consumption for customers, etc.); to optimization and reduction of cut material consumption (CE⁽¹⁸⁾ activity 4.1: for example, development of offers for design and nesting, display of reduction in waste, gains in cut material, etc.); to reliable, secure and fully digitalized chain-of-custody mapping of materials (activity 4.1);

and to site maintenance and improvement (CCM activities 7.2 and 7.3: for example, heating, air conditioning, site rehabilitation, energy audit), maintenance costs for green spaces and beehives at the Bordeaux-Cestas site (BIO⁽¹⁹⁾ activity 1.1), maintenance and repair of electric vehicle charging stations (CCM activity 7.4), and photovoltaic panels (CCM activity 7.6). On this basis, the ratio of eligible OPEX came to 10.9% for 2024.

OpEx alignment

→ Analysis of substantial contribution

Regarding the portion of eligible OpEx relating to research work (CCM activity 9.1), we consider that the substantial contribution criterion has been met for projects that have led to the introduction of equipment that consumes less electricity.

On the other hand, regarding the portion of eligible OpEx related to the maintenance and renovation of our owned premises (CCM activity 7.2), and to the installation and maintenance of energy-efficient equipment (CCM activity 7.3), the Group has not conducted sufficient study to confirm that Directive 2010/31/EU was complied with during the renovation of the buildings, and therefore recognizes that the substantial contribution criterion is not satisfied.

Finally, regarding eligible OpEx relating to the installation, maintenance and repair of electric vehicle charging stations inside buildings (CCM activity 7.4) or the installation of solar photovoltaic panels (CCM activity 7.6), the Group considers that the substantial contribution criterion is satisfied.

After analysis of the technical screening criteria, we have concluded that eligible OpEx that satisfies the substantial contribution criteria comes to 4,539 thousand euros.

→ Analysis of the Do No Significant Harm (DNSH) criteria

Regarding research work (taxonomy activity 9.1), the eligible activities developed did not generate additional risks with regard to the criteria for recycling, pollution, or climate change adaptation. Regarding research and development activities (CE activity 4.1), Lectra warrants that these activities satisfy the criteria for climate change adaptation on the basis of an analysis of potential climate risks carried out in-house in 2022, following which an action plan has been put in place to mitigate the risks identified. The methodology of this analysis is detailed above in the section on turnover.

Similarly, an internal impact analysis has ruled out any risk of environmental degradation in relation to preserving water quality and preventing water stress. Lectra therefore warrants that it causes no harm regarding the sustainable use and protection of water and marine resources.

Regarding expenses relating to the maintenance and repair of electric vehicle charging stations (CCM activity 7.4) and the installation and maintenance of solar photovoltaic panels (CCM activity 7.6), a climate risk analysis has been completed and is the subject of an action plan.

On the other hand, expenses corresponding to renovation work on buildings (CCM activity 7.2) and work on energy efficiency (CCM activity 7.3), the Group has not carried out a study that would justify a claim that all DNSH criteria are satisfied.

→ Analysis of compliance with minimum guarantees

This analysis is detailed below in the section on revenue.

On the basis of these analyses, the CapEx alignment ratio came to 7.2%.

(17) CCM = Climate Change Mitigation

(18) CE = Circular Economy

(19) BIO = Biodiversity and ecosystems

3.6.3. Summary tables

Turnover

Proportion of turnover from products or services associated with economic activities aligned with the taxonomy

2024		Substantial contribution criteria								DNSH criteria ('Does Not Significantly Harm')								Taxonomy aligned proportion of turnover Year 2023	Category (enabling activity)	Category (transitional activity)		
Economic activities	Code(s)	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards						
		thousand of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
A. TAXONOMY – ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Provision of IT/OT data-driven solutions and software	CE 4.1	28,595	5.4%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	–%					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		28,595	5.4%	0%	0%	0%	0%	5.4%	0%	Y	Y	Y	Y	Y	Y	Y	–%					
Of which enabling																	–%					
Of which transitional																	–%					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Data-driven solutions for GHG emissions reductions	CCM 8.2	7,395	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–%					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7,395	1.4%	1.4%	0%	0%	0%	0%	0%								–%					
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		35,990	6.8%	1.4%	0%	0%	0%	5.4%	0%								–%					
B. TAXONOMY – NON-ELIGIBLE ACTIVITIES																						
Turnover of Taxonomy-non-eligible activities (B)		490,684	93.2%																			
TOTAL (A + B)		526,674	100%																			

	Proportion of turnover/Total turnover	
	Aligned per objective	Eligible per objective
Climate change mitigation (CCM)	0%	1.4%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Pollution	0%	0%
Circular economy (CE)	5.4%	6.8%
Biodiversity and ecosystems (BIO)	0%	0%

02 – SUSTAINABILITY REPORT

CapEx

Proportion of CapEx from products or services associated with economic activities aligned with the taxonomy

Economic activities	2024		Substantial contribution criteria								DNSH criteria							Taxonomy aligned proportion of CapEx Year 2023	Category (enabling activity)	Category (transitional activity)
	Code(s)	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards				
	thousand of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%			
A. TAXONOMY – ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned)		-	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	-%			
Of which enabling		-	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.3%			
Of which transitional		-	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3.9%			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Renovation of existing buildings	CCM 7.2	167	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%			
Installation and maintenance of energy efficiency equipment	CCM 7.3	389	0.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%			
Motorcycle, passenger car and light commercial vehicle transport	CCM 6.5	2,328	4.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								3.8%			
Acquisition and ownership of buildings	CCM 7.7	8,536	16.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								6.9%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11,420	22.2%	22.2%	0%	0%	0%	0%	0%								33.9%			
Total CapEx of Taxonomy eligible activities (A.1 + A.2) (A)		11,420	22.2%	22.2%	0%	0%	0%	0%	0%								38.1%			
B. TAXONOMY – NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		40,090	77.8%																	
TOTAL (A + B)		51,510	100%																	

	Proportion of CapEx/Total CapEx	
	Aligned per objective	Eligible per objective
Climate change mitigation (CCM)	0%	22.2%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Pollution	0%	0%
Circular economy (CE)	0%	0%
Biodiversity and ecosystems (BIO)	0%	0%

02 – SUSTAINABILITY REPORT

OpEx

Proportion of OpEx from products or services associated with economic activities aligned with the taxonomy

Economic activities	2024		Substantial contribution criteria										DNSH criteria							Taxonomy aligned proportion of OpEx Year 2023	Category (enabling activity)	Category (transitional activity)
	Code(s)	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards						
	thousand of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
A. TAXONOMY – ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Installation, maintenance and repair of electric vehicle charging stations inside buildings (and in parking areas adjoining buildings)	CCM 7.4	4	0.01%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01%					
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	21	0.03%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	–%					
Close to market research, development and innovation	CCM 9.1	1,732	2.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%					
Provision of IT/OT data-driven solutions and software	CE 4.1	2,782	4.4%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	–%					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4,539	7.2%	2.8%	0%	0%	0%	4.4%	0%	Y	Y	Y	Y	Y	Y	Y	1.5%					
Of which enabling																	–%					
Of which transitional																	–%					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Renovation of existing buildings	CCM 7.2	40	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%					
Installation and maintenance of energy efficiency equipment	CCM 7.3	861	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%					
Conservation of ecosystem habitats and species, including their restoration	BIO 1.1	123	0.2%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								–%					
Data-driven solutions for GHG emissions reductions	CCM 8.2	1,294	2.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–%					
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,317	3.7%	3.5%	0%	0%	0%	0%	0.2%								–%					
Total OpEx of Taxonomy eligible activities (A.1 + A.2) (A)		6,856	10.9%	6.3%	0%	0%	0%	4.4%	0.2%								1.5%					
B. TAXONOMY – NON-ELIGIBLE ACTIVITIES																						
OpEx of Taxonomy-non-eligible activities (B)		56,018	89.1%																			
TOTAL (A + B)		62,874	100%																			

02 – SUSTAINABILITY REPORT

	Proportion of OpEx/Total OpEx	
	Aligned per objective	Eligible per objective
Climate change mitigation	2.8%	6.3%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Pollution	0%	0%
Circular economy	4.4%	4.4%
Biodiversity and ecosystems	0%	0.2%

Line	Nuclear energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO
Fossil-gas-related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

4. Social

4.1 Material social impacts, risks and opportunities

IRO	ESRS/topic	IRO category	Location within the value chain			Time horizon	Description
			Upstream	Own activities	Downstream		
Attracting, developing and retaining talents	S1 Working conditions and equal treatment and opportunities for all	Negative impact Risk		✓			This represents both a negative impact and a risk, since these issues not only concern the well-being of employees, but are also crucial to the Group, whose success depends above all on the men and women who make it up.
Corporate culture at the heart of Lectra's transformation	S1 Working conditions	Negative impact		✓			As a result of the Group's acquisitions policy in recent years, cultural differences and collaboration difficulties may arise, which could have a negative impact on employees.
Integration and collaboration following acquisitions	S1 Working conditions	Risk		✓	✓		This risk is addressed in the "Social" section, with a focus on the proper integration of employees of acquired companies. The "Business management" section describes the governance structure and processes put in place to manage this external growth.
Sales force transformation	Lectra specific	Risk		✓			Represents a risk for the Group, as insufficient mastery of new Industry 4.0-related solutions by company teams could compromise the Group's ability to achieve its objectives. This subject is addressed primarily in the "Business conduct" section. However, skills management and training for these sales teams are covered by the HR policy described in this "Social" section.
Health and safety of Lectra equipment users	S4 Personal safety of consumers and/or end-users	Negative impact			✓		Lectra's equipments are designed for cutting all soft materials: they all work with vibrating blades, which move at high speed, with the exception of the Focus Quantum for airbag cutting, which uses laser sources. This means that, in terms of raw risk, they are likely to have a negative impact on users.

Caption

Short term	
Medium term	
Long term	

4.2 Own workforce (key figures) – ESRS S1

The indicators below relate to the Group's main "social" matters; 2024 figures are stated for the Lectra 2024 and 2023 scopes to allow comparability with the previous year.

Headcount

N°	Indicator	2024	2024, same scope as 2023, excl. Launchmetrics	2023
SE1	Headcount at December 31 (based on payroll data, called "headcount" throughout this document)	2,998	2,565	2,578
SE4	■ women	1,265 (42%)	954 (37%)	934 (36%)
SE5	■ men	1,733 (58%)	1,611 (63%)	1,644 (64%)
SE2	Average headcount	2,998	2,573	2,633
SE6	■ women	1,258	953	973
SE7	■ men	1,740	1,620	1,660
SE3	Headcount by region	See table below	-	See table below
SE8	Headcount by country	See table below	-	See table below
SE9	Average headcount by country	See table below	-	See table below
	Number of employees on permanent contracts	2,951	2,526	2,540
SE10	■ women	1,239	936	920
SE11	■ men	1,712	1,590	1,620
	Number of employees on fixed-term contracts	47	39	38
SE12	■ women	26	18	14
SE13	■ men	21	21	24
SE17	Number of departures	-	304	378
SE18	Number of hirings	-	340	307
SE19	Turnover ⁽²⁰⁾	-	12%	13%
	Number of employees on full-time contracts	2,890	2,489	2,494
SE20	■ women	1,184	902	877
SE21	■ men	1,706	1,587	1,617
	Number of employees on part-time contracts	108	76	84
SE22	■ women	81	52	57
SE23	■ men	27	24	27
SE24	Headcount by region and type of contract	See table below	-	See table below
	Number of employees in Group level management bodies ⁽²¹⁾	92	69	65
SE25	■ women	32	22	19
SE26	■ men	60	47	46
SE27	Age 29 or under	430	320	314
SE28	Percentage of total headcount	14%	12%	12%
SE29	Age 30-50	1,668	1,376	1,385
SE30	Percentage of total headcount	56%	54%	54%
SE31	Age over 50	900	869	879
SE32	Percentage of total headcount	30%	34%	34%
SE33	Percentage of women in Group level management bodies	35%	32%	29%
SE34	Percentage of women in Executive Committee	33%	36%	33%

(20) This indicator is calculated by dividing the number of employees who left the company during the reporting period by the total workforce at December 31 of the previous reporting period.

(21) The employees included in the Group level management bodies are the members of the Executive Committee, Senior Vice Presidents and Vice Presidents.

→ Workforce breakdown by principal countries in the Group (at Dec. 31, 2024)

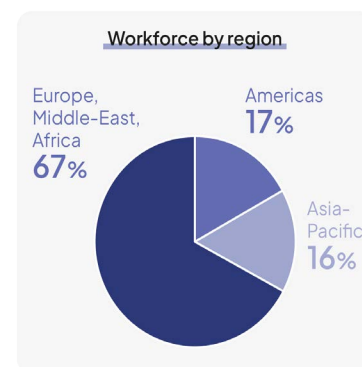
Principal countries	Total workforce SE8	Average workforce SE9
France	995	981
United States	348	352
China	279	274
Italy	251	247
Romania	239	233
Spain	117	115
Turkey	92	100
India	82	78
Portugal	61	67
Mexico	64	65
Vietnam	53	55
United Kingdom	47	51
Other	370	380
Total	2,998	2,998

→ Workforce by region and type of contract (at Dec. 31, 2024) : SE24

	Asia-Pacific	Americas	Europe, Middle East, Africa	Of which France	Total
Workforce	520	461	2,017	995	2,998
Permanent contracts	514	459	1,978	964	2,951
Fixed-term contracts	6	2	39	31	47
Full-time	504	458	1,928	946	2,890
Part-time	16	3	89	49	108

→ Workforce by region (at Dec. 31, 2024) : SE3

Regions	2024 workforce	2023 workforce
Asia-Pacific	520	438
Americas	461	464
Europe, Middle East, Africa of which France	2,017 995	1,676 928



→ Number of non-employees included in the Group's workforce (at Dec. 31, 2024)

Temporary (agency) workers	29
Freelance	29
Total non-employees	58

The Group uses external resources - "workers who are not employees" - both to cope with increased industrial activity and to provide specialist technical expertise that is not available in-house. The number of non-employees has been calculated by counting temporary (agency) workers and freelance workers, taking care to distinguish between temporary (agency) workers and employees on fixed-term contracts. The freelancers included in this indicator are present at least 50% of the year and are specifically named in their contract. This indicator shows a total of 58 non-employees, divided equally between temporary (agency) workers and freelancers.

Compensation

N°	Indicator	2024	2024 same scope as 2023, excl. Launchmetrics	2023
SR3	Pay gap between women and men	20%	14%	15% ⁽²²⁾
SR4	Total remuneration ratio	18	17	17
SR5	Percentage of workforce whose compensation is below adequate wages	0%	-	-

SR3: Any comparison of gross compensation amounts is subject to numerous biases, particularly in relation to the differences in the content of jobs and differences in practices between countries. In this comparison, women's compensation was found to be 20% lower than men's. On a constant scope basis, the gap is reduced to 14%, reflecting efforts by the Group in 2024 to reduce the gap.



SR5: In 2024, the Group conducted a study on the remuneration of all employees to determine whether some were paid less than a living wage⁽²³⁾. For the purposes of the analysis, "adequate wages" was understood as wages above the legal minimum wage in each country. Lectra notes that in the absence of benchmark salaries, the study relied on external sources, most notably Institut Magellan.

Social protection

Disclosure requirement S1-I1 on social protection is subject to transitional measures the first year of publication; the Group has not collected the information needed to respond at this time.

Organization of labor relations

In France, Lectra is active in managing its collective employee relations through employee representative bodies. Two trade unions are present and participate in the collective bargaining negotiations.

The Social and Economic Committee ("CSE") that was created in 2019 and renewed in October 2023 consists of 17 permanent members and 17 alternate members, elected by the employees. It includes the Health, Safety and Working Conditions Committee ("CSSCT") that has four elected members of the CSE. In 2024, Lectra disbursed 0.7 million euros to the CSE, that is, 0.24% of total payroll for the CSE's operating expenses and 1.10% of payroll for its social activities. Once a year, during one of the CSE meetings, management discusses the Group's strategic issues, including sustainability. A full-time position is dedicated to the organization and management of labor relations.

Within each subsidiary, the organization of labor relations complies with local legal obligations and regulations, which are not comparable from one country to another:

- The German subsidiary has a works council, elected every four years, which includes five representatives and meets at least four times a year. It is consulted in the event of major organizational changes and dismissals;
- The Spanish subsidiary has a works council elected for five years that includes four employee representatives. It must be consulted on any decision relating to the organization of work and informed of the main decisions taken with regard to an employee (dismissal, transfer, geographical mobility). The subsidiary's management presents its results to the works council every year;
- The Italian subsidiary has an employee representative, with whom a meeting is held every quarter, and who must also be consulted in the event of a dismissal.

Lectra is committed to ensuring a high standard of employee relations in each country to address employee concerns and aspirations. The Chairman and Chief Executive Officer bears this responsibility and

delegates authority for implementation to the local Human Resources Manager.

Information on collective agreements

39 collective agreements are currently in effect ; they concern employees in France (31 agreements), Brazil (2), Germany, Belgium, Spain, Italy and Tunisia (1), i.e., 48% of workforce.

In France, the 2024 negotiations led to company-wide agreements in the following areas: work time, employee compensation, and an amendment to the profit-sharing (*intéressement*) agreement.

A 2023-2025 profit-sharing agreement (*accord d'intéressement*), which is the result of a deliberate choice made in the past by the Company, allows French employees to share in the Group's performance. The conditions set out in this agreement are identical to those used to calculate the variable portion of the compensation of the management team. The agreement thus aligns all employees with the Company's objectives and contributes to their awareness of the Company's strategy.

Labor negotiations have resulted in the signing of agreements, some of which relate to the organization of working time. They allow greater responsiveness to operational demands and thereby increase the organization's efficiency.

In addition to seeking to achieve an internal consensus, the salary agreements aim to reconcile employee retention and containment of personnel expenses.

Education and training

For almost thirty years, Lectra has invested massively in training for its employees, under a policy that promotes career paths with support to expand their knowledge and knowhow

The creation of the Sales Effectiveness team in 2018, and then the Customer Success Enablement team in 2021, further strengthened the existing system by facilitating targeted high-level training for employees active in sales and customer support. These arrangements have expanded the broad array of training programs available to employees worldwide, whether in person or by e-learning. The Group has expanded technical training for other teams—R&D especially—in the areas of new technologies, Lectra's offer, and customers' businesses.

Lectra also provides a training content platform accessible to all employees. This tool contains awareness training courses, technical courses and even certification programs in a variety of skills areas. Information is posted at regular intervals as new content becomes available, in tune with the Group's activities and needs identified by the teams.

In addition, over the past three years, Lectra has reinforced training and awareness-building for its employees on compliance in areas including the protection of personal data, anti-fraud, anti-corruption and anti-money laundering measures, through a series of training modules dispensed over the course of several annual campaigns.

(22) This figure has been recalculated to include the CEO's compensation and therefore differs from the figure published in the 2023 DPEF.

(23) Wages that take into account both the needs of workers and their families, and economic factors (source: International Labour Organization).

N°	Indicator	2024	2024 same scope as 2023, excl. Launchmetrics	2023
SF1	Percentage of average registered workforce that participated in regular performance and career development reviews ⁽¹⁾	-	84%	77%
SF2	■ Women	-	83%	-
SF3	■ Men	-	84%	-
SF4	Average number of hours training per employee	14.2	-	18.8
SF5	■ Women	11.7	-	-
SF6	■ Men	16.1	-	-
SF7	Percentage of average registered workforce that participated in regular performance and career development reviews, by:			
	■ Individual Contributors	-	84%	-
	■ Manager	-	89%	-
	■ Manager of managers	-	83%	-
SF8	Average number of hours training per:			
	■ Individual Contributor	14.3	-	-
	■ Manager	16.5	-	-
	■ Manager of managers	9.3	-	-
SF9	Percentage of average registered workforce having taken at least one training course	98%	-	100%
SF10	Percentage of average registered workforce having received cyber awareness training	-	73%	89%

(1) Indicators relating to regular performance and career development reviews were calculated excluding Launchmetrics, as the reviews addressed employee performance in 2023.

Health and safety at work



Lectra places great emphasis on maintaining healthy, safe and good working conditions for employees, with a focus on factories and R&D laboratories. Furthermore, the Group places great emphasis on strict compliance with local health and safety laws and regulations in each of its subsidiaries. Regular audits are conducted and local policy is adjusted accordingly whenever required.

The YourVoice 2024 survey reported 80% positive opinions on Lectra's attention to safety (82% in 2023).

Numerous accident prevention campaigns and training programs have been organized on the industrial sites.

At the Bordeaux-Cestas (France), industrial site, the Group calls upon the complementary skills of the HSE⁽²⁴⁾ Director, the Human Resources Department, Facility Management, and the Occupational Health Department. The Health, Safety and Working Conditions Committee ("CSSCT") is consulted on a regular basis, and participates in the Company's actions in the area.

At the industrial sites in Tolland (USA) and Suzhou (China), Lectra has an in-house health and HSE expert to implement preventive measures and oversee performance in occupational health and safety.

The Company has also validated a preventive approach to address psycho-social risk factors, implementation of which began in France in 2023

French employees are covered by a 2014 agreement, as amended in 2016, for supplementary health and disability insurance. An agreement covering workplace health and safety is in effect in Italy.

The two indicators for workplace health and safety (the frequency rate and the severity rate) are consolidated for the industrial scope (the Bordeaux-Cestas, Suzhou and Tolland sites).

They are reported only for the industrial scope, where they could reveal recurring problems (frequency rate) and more or less severe problems (severity rate) in the safety arrangements in place to protect personnel health and safety, but not for other offices or service locations (where accidents were considered less likely to occur).

For example, in France in 2024, only two accidents were recorded, and both were in the industrial scope. The ESRS requires coverage of the full scope of reporting, and the Group undertakes to comply in next year's report.

(24) HSE = Health, Safety and Environment

02 – SUSTAINABILITY REPORT

N°	Indicator ⁽²⁵⁾	2024	2023
SS1	Number of hours worked	1,998,301	1,948,323
SS2	Number of lost-time accidents	4	7
SS3	Frequency rate	2.00	3.59
SS4	Number of working days lost due to occupational accidents	29	334
SS5	Severity rate	0.01	0.17

In 2024, no severe workplace accidents occurred and no occupational diseases were reported.

The Group's frequency and severity rates are 8 times and 150 times lower, respectively, than the average indicators for French companies⁽²⁶⁾, thus demonstrating exemplary quality and maturity in safety and risk prevention.

The frequency and severity rates across the industrial scope show that the objective 2023-2025 of maintaining excellence on the Bordeaux-Cestas industrial site, with the same measures implemented at the Tolland and Suzhou industrial sites, was achieved in 2024.

(25) These indicators cover only the "industrial" scope.

(26) According to the Assurance Maladie des risques professionnels (*French Occupational risks health insurance*) 2023 annual report, published in November 2024



4.3 Human resources policy 2024 – 2028 – ESRS S1

Human resources policy is summarized in a charter communicated to all employees and posted on the Group's website since January 2024. The charter highlights three main priorities identified in the double materiality assessment:

- the Group's attractiveness, developing employees' skills, and succession plans (material impact and material risk);
- integrating employees from acquisitions into the Group (material risk);
- corporate culture at the heart of Lectra's transformation-- international project called the Lectra Way-- (material impact).

To attract and retain top talent, Lectra aims to provide its employees with a superior experience, excellent working conditions and career development opportunities.

In embracing the principles of social, societal and environmental responsibility, Lectra not only improves its overall performance, but also contributes to a sustainable future for its employees and society.

By investing in continuing education and anticipating future leadership needs, Lectra prepares its employees to meet the challenges of tomorrow. Succession plans ensure a smooth transition of skills and continuity in strategic roles, which are essential to the Company's continued growth. These human resources policy priorities are formulated in five principal ambitions, each broken down into specific action areas, with objectives measured by key performance indicators, and their associated action plans. They apply to all Group operations worldwide. Responsibility for implementation lies with the Vice President Human Resources who coordinates actions with the regional HR teams.

When developing this policy, special attention was paid to the interests of the main parties involved: employees, labor organizations, and the management team. For Lectra employees, this includes "YourVoice" an annual employee engagement survey that ensures that employees' concerns and suggestions are taken into account. General objectives were set in conjunction with the Human Resources Department, while objectives specific to certain business areas were set with the relevant teams.

HR chart extract

The charter sets out Lectra's values and commitments, aimed at **retaining talent, developing the company's attractiveness, and creating a company culture of respect for differences and diversity, openness to experimentation, work-life balance, and strict business ethics.**

It also brings the company into line with:

- the Universal Declaration of Human Rights;
- the UN Convention on the Rights of the Child;
- the guidelines of the OECD, of which France, among other countries, is a member;
- the Ten Principles of the UN Global Compact;
- the administrative, social and fiscal obligations of the countries where the Group is established.

And more specifically, **Lectra has committed to apply and respect the provisions in the fundamental conventions of the International Labour Organization (ILO)** namely:

- the effective abolition of child labor;
- the elimination of all forms of forced or compulsory labor;
- a safe and healthy working environment;
- the elimination of discrimination in respect of employment and occupation;
- freedom of association and the effective recognition of the right to collective bargaining.

This charter establishes the general principles underpinning the Group's human resources policy. It applies to all companies within the Group and guarantees fair treatment for all employees.

4.3.1. Attractiveness, skills development and employee succession

Ambition 1: bolster Lectra's attractiveness on the job market

→ Objective	Make Lectra an employer of choice, by offering a stimulating work environment and attractive career opportunities
→ Risks	Difficulty in attracting talent and loss of key employees in a competitive market
→ Opportunities	Talent loyalty building
→ Impacts on employees	Working environment, engagement

→ Axis 1.1. The Lectra employer brand

Objective: develop and strengthen the impact of the Lectra employer brand

Performance indicators	2028 objective
YourVoice score for company image and reputation	Over 75%
Gender pay gap – SR3	Under 10%, with an accurate indicator taking geographical differences and employees' roles into account

→ Axis 1.2. Recruitment

Objective: optimize and strengthen the recruiting process

Performance indicator	2028 objective
Six-month retention rate (for those hired during the year)	Under 5%

→ Axis 1.3. Work environment

Objective: provide an attractive working environment (working conditions and employee experience)

Performance indicator	2028 objective
Employee engagement rate	Over 65%

Ambition 2: anticipate and support employee skill development

→ Objectives	Match employees' skills with the Company's needs and contribute to preparation for internal mobility
→ Risks	Employees' difficulty in keeping up with technological, product, regulatory and organizational developments
→ Opportunities	Improving succession planning, developing corporate culture and expertise within the Group, building employee loyalty and preparing for their career development
→ Impacts on employees	Engagement, career security, employability

→ Axis 2.1. Performance

Objective: develop skills in keeping with Lectra's strategic orientations and projects

Performance indicators	2028 objective
Percentage of integrated global sales employees with at least level 1 certification for the offers they are assigned to sell	95%
Percentage of Customer Success team members certified for the solutions they are assigned to support (several objectives depending on each profile)	FSE⁽²⁷⁾, Customer Support Manufacturing – assigned to support for VECTOR solutions, with level 1 certification: 95% of eligible employees FSE – assigned to support for Atria and Paragon solutions, with level 1 certification: 95% of eligible employees FSE, Customer Support Manufacturing, Customer Support Software, Solution consultants, CSM⁽²⁸⁾ – assigned to support for VALIA solutions, with level 1 certification: 100% of those who have participated in a customer project

(27) FSE = Field Service Engineer

(28) CSM = Customer Success Manager

→ Axis 2.2. Skills

Objectives: enhance employee performance, facilitate development of soft skills, support development of managerial skills

Performance indicators	2028 objective
Percentage of employees having participated in regular performance reviews and career development assessments	Over 95%
Percentage of average headcount having taken at least one training course in the year	Over 95%

Ambition 3: develop succession plans for key positions

→ Objective	Develop internal talent and prepare successors for key positions in the Company
→ Risks	Business continuity affected by failure to anticipate the risk of departures
→ Opportunities	Develop talent focused on the strategic needs of the Group and build employee loyalty
→ Impacts on employees	Engagement, career security, employability

→ Axis 3.1. Key positions and key employees

Objective: define concepts, and identify key positions and key employees

→ Axis 3.2. Scenarios

Objective: validate the succession scenarios

Performance indicator	2028 objective
Percentage of key positions covered by succession plans	100%

→ Axis 3.3. Management

Objective: manage the validated succession plans

Performance indicator	2028 objective
Percentage of formalized plans for identified successors	100%

Actions in progress, future actions, and related results

Bolster Lectra's attractiveness in job markets

Axes	Recurring actions	Principal actions performed (2023/2024)	New actions launched in 2025	Indicators, of which performance indicators								
1.1 Lectra employer brand	▪ Deployment of an employer branding policy ▪ Communications campaigns, especially on LinkedIn ▪ Motivating teams through internal communications campaigns	▪ Production of brand promotion films ▪ Interviews with employees ▪ Revamping the employer website ▪ Creating a recruitment kit for HR teams ▪ Co-optation policy: In 2024, 41 external hires (13%) were made thanks to this programme	▪ Daily posts on recruitment platforms ▪ Development of a network of "Lectra ambassadors" to promote the employer brand	YourVoice « Company image and reputation »								
				<table><tr><th>Dec. 31, 2024</th><th>Dec. 31, 2023</th><th>Dec. 31, 2022</th></tr><tr><td>70%</td><td>76%</td><td>76%</td></tr></table>	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	70%	76%	76%		
				Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022						
				70%	76%	76%						
				The value for the Company's image and reputation is 6% higher than for comparable companies. It was 8% higher in 2023.								
				Gender pay gap: SR3								
				Percentage of employees who received stock options								
				<table><tr><th>Dec. 31, 2024</th><th>Dec. 31, 2023</th><th>Dec. 31, 2022</th></tr><tr><td>14%</td><td>8%</td><td>not calculated</td></tr></table>	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	14%	8%	not calculated		
				Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022						
				14%	8%	not calculated						
Percentage of women among those who received stock options												
<table><tr><th>Dec. 31, 2024</th><th>Dec. 31, 2023</th><th>Dec. 31, 2022</th></tr><tr><td>32%</td><td>29%</td><td>28%</td></tr></table>	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	32%	29%	28%						
Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022										
32%	29%	28%										
Percentage of employees who benefited from profit-sharing agreement based on the Group's performance												
<table><tr><th>Dec. 31, 2024</th><th>Dec. 31, 2023</th><th>Dec. 31, 2022</th></tr><tr><td>35 %</td><td>38 %</td><td>not calculated</td></tr></table>	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	35 %	38 %	not calculated						
Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022										
35 %	38 %	not calculated										
Note: These criteria are aligned with those used to calculate the variable portions of the compensation of Lectra's management team.												
Percentage of employees whose remuneration includes a variable component that depends on achievement of global, regional or individual objectives												
<table><tr><th>Dec. 31, 2024</th><th>Dec. 31, 2023</th><th>Dec. 31, 2022</th></tr><tr><td>20%</td><td>17%</td><td>not calculated</td></tr></table>	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	20%	17%	not calculated						
Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022										
20%	17%	not calculated										
Note: When compensation comprises a fixed component and a variable component, the objectives and rules for calculating the variable component are set at the beginning of each year for the current year, in line with the strategy the challenges and the nature of the tasks assigned to the employee.												

Axes	Recurring actions	Principal actions performed (2023/2024)	New actions launched in 2025	Indicators, of which performance indicators		
1.2 Recruitment	Training for HR teams and various initiatives to promote inclusion, diversity and equal opportunities	- Guide for assessing candidates' behavioral skills according to Lectra Way objectives - Implementation of a faster and more efficient sales force recruitment process - Worldwide deployment of the Human Resources Information System (HRIS) recruitment module, including taking into account internal mobility	- Standard use of the Lectra Way guide - Improving the recruitment process (philosophy, transparency, respect for the candidate, post-process satisfaction questionnaire, etc.)	Percentage departures and terminations within six months (among the year's hires)		
				Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
				5.3%	not calculated	not calculated
				Number of employees hired: SE18		
				Time between start of recruiting and arrival of employee		
				17 weeks (Dec 31, 2024)		
1.3 Work environment	- Providing teams with premises, software and hardware systems of the highest standard, facilitating collaboration between teams - A safe working environment, with particular attention to industrial sites (workstation risk assessment updated annually) - Organizations that promote work-life balance, including the teleworking and part-time work - Regular communication on strategy, action plans and results, by the Chairman and Chief Executive Officer and members of the Executive Committee via video-conferences (Lectra Town Hall meetings) accessible to 100% of employees with interaction via live Q&A sessions - Annual YourVoice engagement survey, allowing employees to express themselves and pass on their ideas, grievances and suggestions - Lectra Together induction seminar, from 2 to 5 days depending on each team, on the Bordeaux-Cestas technology campus..	- First digital onboarding, immediately after joining - Introduction of an induction process for new employees - Definition of a specific induction process for people in sales - Measuring the effectiveness of the induction process via a questionnaire six months after employees join - Deployment of the Lectra Way culture change program - Deployment of employee culture ambassadors across the globe: 112 at end 2024 - Introduction of rules for celebrations, information sharing, and team building - Teleworking extended globally	- Increased communication on the Group's strategy - Creation of a set of documents: Everything you should know about Lectra - Coordination of the community of Lectra Way ambassadors - Leveraging best practices (wherever found) to feed a continuous improvement loop, - Preparation of a "culture book," an authentic collection of employees' experiences and testimonials illustrating Lectra values, behaviors and practices - Introduction of a "job grading" approach to adapt human resources processes to organizational diversity.	Employee engagement rate		
				Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
				60%	65%	64%
				Frequency and severity rates: SS3 et SS5		
				Number of women in Group managing bodies: SE25		
				Proportion of employees earning less than adequate wages: SR5		

Axes	Recurring actions	Principal actions performed (2023/2024)	New actions launched in 2025	Indicators, of which performance indicators	
2.1 Skills	- Training plans managed by local HR - Dedicated teams for training and certification of certain key populations worldwide: - Sales Effectiveness, for sales teams - Customer Success Enablement, for Customer Success teams - Over a hundred online training resources on Lectra offers - Hundreds of educational resources available online	- Systematic matching training actions with the Group's strategic priorities - Development of certification paths in business expertise and the Lectra offers - Reinforced integration path during Lectra Together for sales and Customer Success teams - Climate and digital workshops in France - Training program to accompany testing of artificial intelligence tools - Reinforced cybersecurity awareness program: knowledge tests, phishing tests, awareness-raising on specialized topics - Program to raise Corporate Social Responsibility awareness across all teams - Certification programs on the principal cutting solutions for service teams	- New certification courses for sales teams and Customer Success teams on Corporate Social Responsibility - New certification programs on Industry 4.0 for sales teams and Customer Success teams - New certification programs on new SaaS solutions for sales teams and Customer Success team - Training program to support deployment of artificial intelligence tools	Percentage of sales employees with at least level 1 certification for offers	
				Dec. 31, 2024	Dec. 31, 2023
				97%	not calculated
				Percentage of Customer Success employees certified	
				Dec. 31, 2024	Dec. 31, 2023
76%	not calculated				
Percentage of average registered workforce having received a cyber awareness training: SF10					
2.2 Performance	Employee access to soft skills training to facilitate collaborative and innovative working	- Worldwide rollout of the performance review module of the HRIS for all entities except Gemini, TextileGenesis and Launchmetrics - Training in "The Fundamentals of Lectra Management," including the Lectra Way, intended for French employees moving into management roles - Definition of soft skills training modules for managers	- Performance Review module of the HRIS in all Group entities - Assessment of conduct with regard to the Lectra Way, included in performance assessments - Deployment of "The Fundamentals of Lectra Management" training across Europe	Percentage of employees having participated in regular performance and career development assessments: SF1	
				Percentage of average workforce having taken at least one training course: SF9	
				Percentage of workforce having access to the "performance assessment" module of the HRIS: 80% at Dec. 31, 2024	
				Percentage of workforce having participated in regular performance and career development assessments: SF1	
				Average number of training hours per employee: SF4	

Axes	Recurring actions	Principal actions performed (2023/2024)	New actions launched in 2025	Indicators, of which performance indicators	
3.1 Key positions and key employees		▪ Introduction of a Talent Review process in the HRI ▪ Identification of key positions and top talents	▪ Validation of the definitions of “key position” and “key employee” in the Group ▪ Standardization of the criteria used in the Talent Review ▪ Heightened management of top talents	Percentage of employees covered by Talent review	
				Dec. 31, 2024	Dec. 31, 2023
				77%	not calculated
				Age pyramid: SE27 to SE32	
3.2 Scenarios	▪ Validation of proposed succession plans for key positions by the Executive Committee. ▪ Validation of succession plans by the Human Resources teams, to verify consistency with employees projected career paths	▪ Global deployment of the Succession Plans module of the HRIS ▪ Completion of a pilot project on career development interviews for high-potential employees, to identify their expectations and projected career paths	▪ Better identification of key positions during the Talent Review campaign and pre-identification of potential successors ▪ Definition of priority succession plans requiring action in the next 12 months	Percentage of key positions covered by succession plans	
				Dec. 31, 2024	Dec. 31, 2023
				Calculated starting 2025	Calculated starting 2025
3.3 Management		▪ Identification of initial hypotheses for the succession plans arising from the 2024 Talent Review process	▪ Development plan for employees identified as potential successors ▪ Strengthening the process for oversight of succession plans to render them more robust	Indicators to be introduced in 2025:	
				Percentage of formalized plans for identified successors	

4.3.2. Post-acquisition integration and collaboration

Since 2017, Lectra has accelerated growth through an ambitious policy of acquisitions.

The Group has integrated companies with differences in geographical origin, size, technology and business expertise. These integrations have been managed by a dedicated corporate development team working in the Strategy Department. The team's mission is to coordinate the contributions of the multiple business lines involved in the integration process.

The actual integration process differs according to the nature and size of each acquired company. For the most significant acquisitions, integrating employees involves the following steps in the first year following the acquisition:

- Day One: press release and circulation of Frequently Asked Questions (FAQ) to employees at Lectra and the newly acquired company;
- Day 1 + 1 week: virtual Town Hall meeting with all the teams in the acquired company, chaired jointly by the management teams in both companies;

- Day 1 + 6 months: special Lectra Together sessions (integration seminars for new hires), either in person (Bordeaux-Cestas site) or online;
- Day 1 + 9 months: rollout of a survey to identify the perceptions and questions of the acquired company's employees;
- Day 1 + 10 months: the second virtual Town Hall meeting with all teams in the acquired company, with a presentation on the survey results and a progress report on the integration plans.

In addition to the size of the acquired company, the integration process takes into account the type of transaction (involving a gradual increase in capital or acquisition of a 100% stake). The process helps employees to understand the strategic reasons behind the acquisition, improves reciprocal knowledge and facilitates the creation of synergies. Providing a clear view of the integration phases and future opportunities, this approach motivates the new employees to engage with the Group and encourages collaboration between teams.

Ambition 4 : maintain loyalty of key employees in the acquired company

→ Objective	Identify and retain employees whose continued presence has a major impact for the success of the integration
→ Risks	Loss of key talents
→ Opportunities	Maximize probability of successful integration
→ Impacts on employees	Engagement, belonging to the Group, new fields of opportunities

→ Axis 4.1. Implementation of retention plans for key employees in acquired companies

Objective: identify and retain employees who are key for a successful integration process

Performance indicator	2028 objective
Retention rate of key employees in acquired companies during the first two years (starting with acquisitions completed 2025)	100%

Ambition 5 : create a shared, sustained corporate culture

→ Objective	Identify differences in culture and governance between the acquired company and the Group, in order to prepare and manage the related transformation plan
→ Risks	Loss of talents, lower engagement or resistance to change
→ Opportunities	Efficient collaboration, developing synergies and innovation
→ Impacts on employees	Skills development, sense of belonging to the Group

→ Axis 5.1. Map of differences in culture and governance between the acquired company and Lectra

Objective: identify the principal differences in culture and governance between the acquired company and Lectra

Performance indicator	2028 objective
Number of cultural and governance audits implemented following the acquisition(s) of the year	At least 1 in the year of the acquisition

→ Axis 5.2. Post-acquisition culture change plan

Objective: define and manage the culture change plan following an acquisition

Performance indicator	2028 objective
Percentage progress on action plan after the initial audit	100% within two years after the initial audit

Actions in progress, future actions, and related results

Axes	Actions planned in 2025	Indicators (of which performance indicators)
4.1 Implementation of retention plans for key employees in acquired companies	■ Talent review during due diligence before the acquisition to define the risks of employees' departure and instruments for retention; and identify key positions and top-talent employees ■ Talent review aligned with Group practices within 12 months following the acquisition ■ Integration of acquired companies into all processes for identifying and building loyalty of key employees within 12 months following the acquisition	Retention rate of key employees in acquired companies during the first two years: ■ Not calculated in 2024 Attrition rate of personnel in acquired companies

Create a shared, sustained corporate culture

Axes	Principal actions performed (2023/2024)	Actions planned in 2025	Indicators (of which performance indicators)
5.1 Mapping cultural and governance differences between the acquired company and Lectra	-	■ Defining the conditions for triggering a culture and governance audit, adapted to the different acquisition configurations ■ If necessary, conduct a culture and governance audit for new acquisitions in 2025	Number of cultural and governance audits performed following acquisition(s) in the year ■ Target: at least 1 for new acquisitions
5.2 Post-acquisition culture change plan	-	■ Creation of an ad hoc steering committee for culture change, with representatives from both companies ■ Deployment of the Lectra Way in new acquisitions, selection and integration of Lectra Way ambassadors from the acquisitions ■ During 24 months following the acquisition, quarterly meetings between the Human Resources Department and the ambassadors ■ Starting in the second year, inclusion of acquired companies in the YourVoice engagement survey	Percentage progress on action plan following the initial audit ■ Target: 100% 2 years after the initial audit Employee turnover in acquired companies during the first 2 years following acquisition: less than 10% YourVoice survey engagement rate over 65%

4.3.3. Corporate culture at the heart of Lectra's transformation (Lectra Way)

Ambition 6 : make cultural transformation the cornerstone of the Group's other transformations

→ Objective	■ Inspire and unite all employees through a shared culture and exemplary behavior in line with Lectra's strategy and values (a framework for conduct); ■ Develop the sense of belonging to the Group.
→ Risks	Heterogeneous practices, cognitive and cultural biases, misalignments in priorities and responsibilities that can slow or even defeat the execution of strategy.
→ Opportunities	To increase the attractiveness of Lectra and its identity, and to motivate teams
→ Impacts on employees	Transparency in communication, efficiency, sense of belonging to the Group, and engagement

Performance indicator	Target
Lectra Way ambassadors	■ Ambassadors: reach 7% of total workforce (election and onboarding of additional ambassadors, including at Launchmetrics, Textile Genesis and future acquisitions) ■ Members of the Executive Committee, HR teams and managers: reach 100% of the members of the Executive Committee, HR teams and managers⁽¹⁾ trained in the Lectra Way. For joiners, training during their first year at Lectra

(1) for the purposes of this section, refers to employees who recruit, promote and/or conduct performance reviews

Through recent strategic acquisitions, Lectra has entered a new phase and expanded its horizons.

The successful integration of the new entities begins with organizational alignment at the Group level. Without a genuine culture change, conducted with and for employees, the achievement of

operational and business objectives would be compromised. A strong, unifying and shared culture must be the basis of all transformation efforts, for both business and operational matters.

The 3,000 Group employees, located in over 100 countries, naturally have different values, frames of reference and approaches to

conduct.

In 2023, the initial work carried out on the target corporate culture, the Lectra Way, led to the creation of an action plan to encourage adoption by the community of managerial practices and principles of conduct. To ensure that the entire community acts effectively, the Lectra Way's shared approach to work and communications contributes to maintain focus and preserve the Group's ambitions in terms of performance and innovation.

In 2024, this plan was implemented based on 90 ambassadors who resolved to embody and promote the new culture, and gained additional insight through integration seminars in China, the United States, France and Portugal. As ambassadors --united, well prepared, with a clear mission and considerable influence --they represent every part of the organization. In addition to promoting experimentation in many areas, their role involves relaying information on irritating factors and overcomplicated processes identified by employees.

Numerous sessions structured around the Lectra Way have been organized with local teams in every region of the world:

- the celebration process has been rethought and tested to strengthen unity and engagement;
- Ambassadors have conducted sessions to explore Germany's feedback culture;
- a Lectra Way wall at the Shanghai site allows all employees to share initiatives by local ambassadors;
- a Lectra Way store was opened in the United States, enabling employees to order Lectra Way merchandise, with the aim of fostering pride in the Lectra brand and a sense of belonging;

4.4.1. Equipment users safety policy

Lectra develops equipment with high performance security features to ensure operator safety and incorporates safety compliance from the earliest machine planning stages in collaboration with the R&D teams.

The innovative capabilities of Lectra's teams were evidenced at the end of 2023 in the EC Type-Examination Certificate (safety components) for the motor control system installed in all future systems. Certification rewards two years' work in collaboration with INERIS, the French public institute for controlling industrial and environmental risks, and provides confirmation that the component was developed in conformity with all safety standards. Lectra is the first equipment manufacturer to achieve this milestone. The new controls including a radar system to detect user motion that immediate triggers an emergency shutdown in the event of inappropriate user behavior. This system marks a further improvement in the performance of previous safety systems and has been available as standard or as an option on most machines sold since 2018.

These integrated safety systems are accompanied by support from Lectra's technical experts, who install, start up and maintain the equipment on customer sites. The initial training for customer operators incorporates all applicable safety rules, both in the production phases and in the remote maintenance carried out by the Group's teams. Further, as part of the service contracts offered to customers, Lectra's technical experts carry out regular audits of their installations, which include all embedded safety systems.

Lectra equipment is certified by multiple organizations for safety and conformity to all relevant standards and can therefore be exported to all continents. All comply to European Machinery Directive 2006/42/EC and are accompanied by their EC Type-Examination Certificate for safety components.

- meetings between Group executives and Ambassadors were held in the United States to enable face-to-face, transparent discussions on key issues;
- training sessions on the theme of trust for managers were organized in the United States.

With each step forward, the ambassadors bring vitality to the Lectra Way. And because successful culture change requires engagement from all members of the organization, management training programs also cover all aspects of the program.

Finally, a Culture Book will be published in 2025; it will describe how values play out in everyday practices, including testimonials, quotations and first-hand accounts that illustrate the growing momentum behind the Lectra Way.

Key indicator:

Number of Lectra Way ambassadors in Group on Dec. 31, 2024: 112

4.4 Consumers and end-users– ESRS S4

The Group is committed to respecting the rights of consumers and end-users by aligning its policies with internationally recognized instruments, such as the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

To date, no cases of failure to comply have been reported.



Lectra's equipment compliance policy, under the supervision of the Vice President Sustainability and a specialized team of two, aims to ensure conformity of all equipment developed by Lectra while monitoring changes in standards.

Based on a risk analysis of each prototype, the compliance and R&D teams work together on each project from the design phase, focusing on technical choices to ensure safety and minimize risk to users.

Design decisions are based on a range of technical tests: electrical safety, consumption values, temperatures, flow rates and pressures, electromagnetic field measurements and noise levels. Laser safety is addressed through specific training for skilled personnel and specially qualified managers.

Objectives:

- 100% of equipment designed in accordance with the European Machinery Directive;
- at least one technical safety improvement incorporated into each new equipment project to continue to achieve excellence in this area.

Customer feedback on safety issues is handled by the compliance team, which recommends improvements to the R&D teams when developing future product lines. These recommendations undergo feasibility studies before being implemented.

The Group also seeks to make its equipment accessible to all categories of users. This is evidenced in work on ergonomics and ease of manipulation, including a user interface in several languages, accessible to the visually impaired, and with pictograms for use by illiterate workers.

4.4.2. Dialogue with customers

Communication with customers regarding the use of products and services

Lectra is committed to providing its customers with relevant information on the use of its products and services through multiple channels, notably through user-friendly technical documentation translated into all languages and through the MyLectra customer portal. The portal gives users centralized access to a wealth of resources, including equipment manuals, video tutorials, and user guides.

→ MyLectra: the one-stop customer portal for access to information

The MyLectra customer portal represents a significant step forward for interactions between Lectra and customers. The Expertise Center provides users with easy access to documentation, user guides and FAQs, providing user training and facilitating rapid problem resolution.

For technical support, the MyLectra portal offers a direct point of contact with the Expertise Center. Users of Lectra solutions can submit support requests and track their progress in real time, resulting in greater transparency and trust. Support is available 24/7, ensuring that help is always at hand.

Operator management tasks are simplified for administrators, particularly regarding access rights, to allow secure, optimal use of systems.

The MyLectra portal also facilitates scheduling of software upgrades (two releases each year), thus minimizing service downtime. The user-friendly interface makes navigation easy, even for the least experienced users.

→ Strengthened Customer Success Managers teams

Customer Success teams play an important role in direct communication with customers. While consultants, trainers and field technicians are essential in the information process, Customer Success Managers (CSMs) now play a key role in building relationships of trust with customers, helping them to understand and maximize adoption of products. CSMs provide proactive advice on using solutions and identify opportunities for improvement.

Lectra trainers and consultants offer training sessions tailored to each customer's specific needs, ensuring they have the right equipment and master the technology to maximize benefits. Sessions can be organized online or on-site, as customers prefer. All these initiatives strengthen customer relationships and help ensure the successful adoption of Lectra technologies.

Lectra also maintains a comprehensive knowledge base on its website (<https://www.lectra.com>), where customers can find product information, user guides and FAQs. This online platform provides easy access to valuable resources for solving common problems or enriching their understanding of the proposed solutions. The platform also provides access to information on product upgrades, to ensure that customers are always up-to-date on the latest functionalities and improvements.

Handling customer feedback and incident reports

To establish lasting relationships based on trust, customer satisfaction is essential.

Excellent service is crucial for Lectra; this explains the special procedure for handling incidents, requests and claims -- a procedure designed to be responsive, structured and transparent, applicable to

all Lectra solutions, whether cutting equipment or software, in SaaS mode or on-site.

To make it as easy as possible for customers to report incidents, there are several points of entry:

- telephone: the Expertise Center is accessible via a single number for each country;
- e-mail: a dedicated e-mail address for contacting the Expertise Center;
- on-field contacts: field teams including trainers, consultants and technicians located in territories where Lectra operates are available for assistance;
- the MyLectra portal: customers can open a case directly on the portal;
- input on cutting room equipment: operators can report incidents directly on their cutting room equipment.

Lectra cutting room equipment is connected online and can generate technical alerts through permanent self-diagnosis of production capacity:

- predictive mode: the equipment automatically detects incidents and generates alerts that are sent directly to the technical centers, which will take over responsibility for incident analysis and resolution;
- preventive mode: the equipment automatically generates maintenance requests, resulting in the automatic opening of work orders for field technicians.

When a customer incident is opened, it is immediately handled by the Customer Success teams, whose technical support is organized on several levels:

- a welcome desk takes incoming calls and provides multilingual assistance;
- all incidents, irrespective of their point of entry, are logged and follow an escalation process;
- the 12 first-level expertise centers located across the world to be near customers, handle about 80% of incoming incidents, with a commitment to provide an initial response within four hours, in the user's language.

For more complex problems, the case is transferred to product experts who work in close collaboration with the R&D teams. Lectra also has teams of field technicians ready to intervene directly in customers' locations if the problem cannot be resolved remotely.

To identify potential improvements in the service provided, customer satisfaction is evaluated through an annual survey and follow-up surveys after incidents are resolved. These surveys measure customer satisfaction using two indicators:

- the Net Promoter Score: 17 (up 11 points over 2023);
- 2024 Customer Satisfaction Score (CSAT): 62% (up 6 points over 2023).

This proactive approach allows working hand in hand with customers to ensure their satisfaction, while also guaranteeing the quality of Lectra solutions, with the aim of optimizing the solutions to match customer needs and requests as closely as possible.

Lectra also has teams dedicated to optimizing the user experience; the teams investigate all possible customer journeys with Lectra solutions, including for users with special needs, and then work iteratively with the product marketing and R&D teams to design and develop offers centered on the needs identified. Lectra's attention to optimizing user experience, for all users of its solutions, contributes to the strong brand image.

5. Business conduct

5.1 Material impacts, risks and opportunities in terms of business conduct

IRO	ESRS/topic	IRO category	Location within the value chain			Time horizon	Description
			Upstream	Own activities	Downstream		
Protecting customers' intellectual property against the risk of cyber attacks	G1	Negative impact			✓		In order to protect customer data, whatever its nature, the various offers must provide the best guarantees in terms of cybersecurity.
Cyberattack on Lectra's information systems	G1	Risk		✓			Cybersecurity is also a risk for the Group, which must also protect its internal information systems from intrusion attempts and data theft.
Integration and collaboration following acquisitions	S1 Working conditions	G1 Risk		✓	✓		This risk is addressed in the "Social" chapter, with a focus on the proper integration of employees of acquired companies. The "Business management" section describes the governance structure and processes put in place to manage this external growth.
Sales force transformation	Lectra specific	Risk		✓			Represents a risk for the Group, as insufficient mastery of new Industry 4.0-related solutions by company teams could compromise the Group's ability to achieve its objectives. This subject is addressed primarily in this "Business conduct" section. However, skills management and training for these sales teams are covered by the HR policy described below.

Caption

Short term	
Medium term	
Long term	

5.2 Governance

5.2.1. Governance of business conduct

Bodies overseeing business conduct

An Ethics Committee, which has the appropriate expertise, includes the Chairman and Chief Executive Officer, the General Secretary (acting as *Compliance Officer*), the Vice President Sustainability, the Compliance manager and, according to the nature of the alert, the member of the Executive Committee concerned. It examines each alert, undertakes investigations and decides on further measures, including sanctions up to and including dismissal or legal action, when required.

Code of ethics

Over the years, the Group has established a strong culture based on fair practices and respect for fundamental values (integrity, probity and transparency) in its interactions with all stakeholders. At Lectra, respect for the highest ethical standards is not negotiable and the Group has never been the subject of any complaint in this area.

The Group has deployed a robust anti-corruption system since 2018. Lectra's commitment to business ethics is evidenced, for instance, in its three anti-corruption instruments:

- the Code of Conduct;
- the whistleblowing program;
- the annual program of internal communication and training in business ethics.

These instruments were developed in parallel with a risk mapping exercise specific to corruption conducted by an outside consultant. A further review of the risk map at the end of 2022 by a consulting company with assistance from a specialized lawyer, identified potential areas for improvement. A further update of this map is planned in 2025.

Because ethics cannot be limited to business ethics alone, the 2023–2025 Sustainability Roadmap included the objective of expanding the scope to other areas with the preparation of a general Code of Ethics, which draws upon the corporate culture promoted by the Lectra Way. The Code was approved at the end of 2024 and will be rolled out across all Group subsidiaries in 2025. The Code of Ethics, with a preface by the Chairman and Chief Executive Officer, formulates Group policy around its core principles, such as integrity and business ethics, which guide its interactions at all times. The Code also incorporates the commitment to respect the environment and assume its social responsibility, including the protection of employees' rights and, more broadly, ensuring that its practices have no negative impact on human rights.

The Code is based on three principles:

- Lectra is committed;
- Lectra asks its employees to commit;
- Lectra asks its partners to commit: this principle ensures compliance with the Code's principles across the entire value chain.

Further, the Code of Ethics formally sets out the role and composition of the Ethics Committee, and preserves the whistleblowing program. Regarding the methodology for preparing the Code, the initial base was provided by the Group's long-established principles and values; this was supplemented by a comparative review of industry standards and partners' expectations. Concrete proposals were submitted to the members of the Sustainability Committee and the Executive Committee, who then established the list of principles in the Code of Ethics.

Whistleblowing program

The whistleblowing program meets the requirement that companies must enable all employees to report illegal conduct. Its scope now exceeds the scope of fighting corruption and influence peddling. It

covers any crime or other offense and any serious violation of the principles and values of the Code of Ethics.

Deloitte has been appointed to manage the whistleblower reporting platform. Any employee having personal knowledge of reportable information is able to make a report confidentially or anonymously.

No whistleblowing alerts were reported in 2024 via the platform. However, an alert was created via an internal (and therefore non-anonymous) channel. An investigation carried out, involving individual interviews with the parties concerned, material evidence such as files or emails, and a final review by the Ethics Committee, did not find any wrongdoing or result in sanctions with regard to the allegations.

Therefore, **Lectra did not register any incidents** of fraud or corruption in 2024.

Annual program of internal communication and training in business ethics

To ensure the effective deployment of this program, Lectra has put in place a dedicated section of the Group's intranet containing all the documents, including the Code of Conduct (through the end of 2024), the whistleblowing procedure and practical information, as well as a compulsory e-learning module, with a test to ensure proper understanding of business ethics.

The main objectives of this training program are for employees to understand what is involved in corruption and influence peddling; the penalties for violations, and each employee's obligations; how to express concerns or report risky situations; how to recognize and avoid them; and how to react when faced with such risks.

96% of the Group's workforce, followed a training course in business ethics between 2021 and 2023. This is followed up each year by an additional program of initial training or refresher course. In 2024, 80% of new employees had completed the program by year-end.

Many issues explicitly addressed in the Code of Ethics (e.g., data protection, cybersecurity, and CSR) are currently covered by training courses that may be revised to fully reflect the Code's principles; additional training courses to deal with other principles of the Code (e.g., prevention of harassment and discrimination) will be introduced.

Strict processes for sales contracts

Lectra has had in place for many years a strict procedure to regulate sales practices, supervise the negotiation and signing of contracts, and has adapted its contractual clauses to reinforce ethical considerations.

The Group's action from 2020 to 2023 to redefine contractual relations with its network of agents has contributed to harmonizing and strengthening its ethical demands, and to standardizing practices throughout the Group. From 2025–2026 onwards, contracts with agents will incorporate the broader dimensions of the Code of Ethics, which supersedes the earlier Code of Conduct.

Responsible purchasing policy

As part of the roll-out of its 4.0 strategy, Lectra is supported by a solid network of suppliers who play an essential role in the success of this

strategy. Lectra and suppliers share fair and equitable practices, while establishing sustainable and balanced relationships. Lectra's purchasing activities are managed by specialized teams with structured processes that ensure a high level of overall performance, from procurement through delivery of products and services.

This responsible purchasing policy has been in place for many years. It aims to bring innovation and ensure premium products and services in line with Lectra's 4.0 strategy, satisfy customer demand, reduce social and environmental risks and impacts, improve business performance, and enhance the quality and efficiency of supplier relations.

The Group first issued a Responsible Purchasing Charter in 2011. The Charter sets out its sustainability policy for suppliers and service providers, with the following commitments:

- to select innovative suppliers taking total costs into account;
- to promote local subcontracting;
- to establish long-term relationships based on trust;
- to ensure financial fairness; and
- to require that suppliers take CSR into account in their organizations and their own subcontracting, particularly with regard to labor practices, working conditions and respect for human rights.

The Group took another step forward in November 2021 by signing the Responsible Supplier Relations Charter put in place by the French National Procurement Council and the "Business Mediator." The Company thus demonstrated its exemplary position by adhering to the Charter's ten commitments and formally confirming its determination to pursue win-win partnerships with suppliers.

The Group has also asked its industrial suppliers to uphold the principles of eliminating illegal, forced or child labor, and to enforce compliance with applicable legal provisions in regard to minimum wages, health and safety.

At the end of 2022, the Charter was superseded by a new document, the Responsible and Sustainable Purchasing Charter, which reinforces and extends the Group's commitments, which it continues to share with suppliers. This new Charter sets out Lectra's objectives vis-à-vis suppliers, together with the level of compliance expected from suppliers and their own partners. Deployment of this charter, which is tracked through a series of indicators, began in 2023 and of 2024, over 90% of suppliers had signed up.



5.2.2. Governance of acquisitions

Lectra made its first major acquisition in 2004 with Investronica, which was a competitor at the time.

External growth, through acquisitions and partnerships, returned to center stage in Lectra's strategy with the 2017-2019 and subsequent strategic roadmaps.

From 2018 with the acquisition of Kubix Link, followed by Retviews, Gerber Technology, Neteven, Gemini, Glengo Teknoloji, TextileGenesis, Lectra Suzhou and Launchmetrics in the years that followed, the ambition was twofold: to extend Lectra's footprint in the fashion and textile value chain, and to build or access expertise and technologies that it did not previously possess. Internal innovation remains at the heart of Lectra's strategy, while external growth has proved an excellent fit across the entire organization.

To provide a framework and support for these acquisitions and partnerships, a methodology and governance structure have been put in place by the Corporate Development team. An acquisition project is divided into several phases:

1. screening;
2. due diligence and negotiation;
3. integration: planning and governance;
4. post-integration.

This approach is based largely on standard rules for mergers and acquisitions, as adapted to the circumstances of the Group, including specific features of the fashion market, the nature and expertise of the teams, geographical coverage, and the obligations incumbent upon listed companies.

Screening

Screening is the selection phase. The objective is to identify potential targets for acquisition or partnership. Their compatibility with Lectra, their positioning in the fashion or textile value chain and, finally, how their activity reflects the challenges faced by customers are then evaluated. This research task is performed by the Innovation team. It identifies and contacts potential targets, carries out an initial analysis and decides whether to pursue the project based on specific criteria such as the size of the target, its business and technological expertise, the market sectors in which it operates, turnover, profitability, and geographical coverage.

A clearly identified list of acquisition and partnership targets is regularly updated; some are presented to the Chairman and Chief Executive Officer and the Chief Strategy and Product Officer. If they wish to pursue the matter further, after discussions with the founders of the target, the next phase -- due diligence -- may begin.

Since 2020, the Innovation team has examined over 370 companies to identify potential acquisition or partnership opportunities for Lectra.

Due diligence and negotiation

In the due diligence phase, in-depth evaluations of the target are conducted to ascertain whether it meets the Group's strategic, financial and operational criteria. To enable these analyses to be carried out without undue pressure, the parties agree to a period of exclusive negotiations. This stage is led by the Corporate Development team, in close collaboration with the finance and legal teams, a law firm appointed for this purpose and, if necessary, a financial advisory firm. A virtual data room (a secure webspace for financial transactions) is then created to assemble and analyze key data on the target.

Lectra may unilaterally decide to terminate the due diligence process at any time. Each company is then relieved of its obligations.

Finally, Lectra's Board of Directors – based on the final negotiated agreements – may grant or withhold final approval to proceed to the signing stage. Following this, the standard legal and financial formalities must generally be performed by both parties. Only upon completion of these formalities the final step, named "closing," officially finalizes the alliance between Lectra and the target company.

Integration : plan et governance

→ Integration plan

When the Group undertakes to acquire a majority stake in a company, the first step is to develop an integration plan that defines and formalizes why and how the company will be integrated into the Group. This plan is developed by the Corporate Development team, then validated by the Chairman and Chief Executive Officer and the Chief Strategy and Product Officer, and finally by the management of the acquired company.

Each integration plan is customized to suit the company, its size, its maturity and the reasons for the alliance, in terms of business, product

and/or technology. For each team, it specifies:

- the objectives pursued by the integration process;
- the scope to be handled by the acquired company versus the scope to be handled by Lectra;
- the activities to be performed by each team;
- the deliverables expected for each activity, with timelines;
- the personnel at the acquired company and at Lectra responsible for achieving the objectives and performing the associated activities;
- the aspects for which integration is mandatory (notably financial and legal) because Lectra is a listed company, and those that remain optional.

Transparency between teams is essential for aligning – when necessary – business processes, systems and technologies to create a unified operational framework, and facilitate business continuity and the creation of commercial, product, financial and other synergies between Lectra and the acquired company.

The actual integration process occurs in a number of phases:

1. the integration kick-off meeting, for all the teams and persons involved in the integration process to discover the details of the plan;
2. the discovery phase: a period generally lasting 3 months during which teams exchange information about their operating methods and processes to improve their understanding, identify all relevant factors, and thus improve how they conduct their business;
3. the first integration phase, with implementation and achievement of the initial objectives of the plan, covering a number of activities to be carried out over a 9- to 12-month period;
4. the second integration phase, also referred to as the build-up phase, with the existing objectives maintained and new objectives defined to be achieved over a 12- to 18-month period.

→ Governance

A governance structure specific to each integration is put in place to ensure that it operates smoothly over time, considering the specific organizational features of the acquired company.

Lectra's governance bodies (listed below) participate in the integration of a medium-sized company (e.g. Launchmetrics). Not all will necessarily play a role in integration of a start-up. Accordingly, the frequency of meetings may vary in each case, as may the participants in the governance structure, which may include:

1. The Board of Directors of the acquired company;
2. An "integration" steering committee, reporting to the Chairman and Chief Executive Officer, the Chief Strategic and Product Officer and the company's management on the progress towards integration, obstacles, corrective actions, and decisions required;
3. A "business" steering committee to ensure that sales and marketing priorities are defined and related decisions taken in light of the product portfolio, geographical zones and the issues for the teams concerned;

4. An "offer" steering committee; including Product Marketing, Product Management, and R&D teams, to handle product and technology priorities, data management, and related decisions consistent with the roadmaps;
5. Streams, i.e., integration channels including those assigned leadership or contributor roles in the acquired company and Lectra. There are ten streams: *business*, *marketing* and *communication*, *customer success*, *product*, *R&D*, *IT*, *cybersecurity/sustainability*, *HR*, *legal*, and *finance*.
6. the "Integration Task Force" is an operational steering committee that meets periodically; participants are all persons involved in the streams to ensure overall alignment and ensure visibility of cross-divisional activities involving two or more streams.

Post-integration phase

During the post-integration phase, the acquired company is merged in Lectra departments and, when necessary, aligned with the Group's processes and standards.

An acquired company is not necessarily intended to be fully integrated. Sometimes, it should preserve the autonomy needed to progress and continue to grow at a pace commensurate with its challenges, with Lectra only integrating in areas where both organizations have common ground (e.g. synergies in terms of offerings and/or products).

During this phase, Lectra's teams in the departments will take over the process, after the Corporate Development provides them with the following information:

1. details on the objectives met and activities carried out since the start of the integration process;
2. the documentation and deliverables structured during the integration process;
3. the next key stages (previously identified as necessary);
4. recommendations for future activities.

Any major decisions that may be required at this stage will be made by Lectra's governing bodies

Acquisitions of minority shareholdings and partnerships

When Lectra acquires a minority stake (as in the case of AQC and Six Atomics in late 2024), the integration does not commence immediately, but is preceded by an acceleration phase. The acceleration phase consists working with the company to confirm the fit between its offer and the market, comparing its solutions and services to customers, setting up full-scale pilots, and exploring possible integrations between its offer and Lectra's solutions in order to enrich the customer value proposition. These actions provide the basis for a decision on whether or not to proceed with a gradual increase in the company's capital.

Only when the Group becomes the majority shareholder will an integration plan and associated governance arrangements be put in place.

5.2.3. Managing the security of IT systems and solutions

The cybersecurity policy describes the governance, roles and responsibilities, bodies monitoring cybersecurity risks, certifications obtained, approaches followed, and specific topics within the scope of the Group. Updated at least once a year, it is supplemented by a body of documentation that is revised wherever necessary. The policy is mandatory for all users of Lectra systems and information, whether internal or external, and is accessible from the Group's intranet site.

Cybersecurity strategy is built on a risk-based approach, drawing on several sources. Every three years, a risk analysis is carried out: this is the central aspect of the approach. The analysis involves interviews with a representative panel of Lectra managers, with the aim of providing an objective, representative picture of Lectra's activities, issues and concerns. Several risk scenarios are addressed, combining functional and operational scenarios:

- The term "functional scenario" refers to concerns by managers or other persons regarding their activity and the data handled. This concern may relate to any of the four pillars of cybersecurity, namely availability, integrity, confidentiality and traceability, for which potential negative impacts must be assessed.
- The term "operational scenario" refers to a path of attack arising from a technical or organizational vulnerability. To become a scenario, each path of attack is evaluated according to its plausibility. Only those paths considered plausible are selected for scenarios.

The impact of a functional scenario associated with at least one plausible operational scenario constitutes a risk scenario with its own level of criticality. These risk scenarios are ranked according to their criticality at the time they are established. They form the basis for an action plan -- the cybersecurity roadmap -- that allows mitigation of the criticality level of the identified risks through one or more actions defined and scaled to reduce their impact or likelihood.

The cybersecurity plan, however, is not set in stone and depends on changes in its environment. In addition, the actual impact on the criticality of a scenario depends on other factors. For instance, the discovery of a complex vulnerability on an asset that needs to be corrected raises its criticality level, which may require revising the planned corrective action.

In this case, the risk analysis is supplemented in several ways:

- the vulnerabilities detected, cybersecurity incidents and events that could affect Lectra, its suppliers and its customers are consolidated to characterize trends in attacks;
- audits and controls provide concrete scenarios regarding threats;
- awareness-raising activities help to measure the plausibility of the paths of attack tested;
- maintaining a cybersecurity surveillance program, which involves specific assignments, participation in seminars and clubs, and monitoring the specialized and general press.

The cybersecurity roadmap is thus based on prioritizing risks as a function of their criticality. Each action is assigned a business sponsor, a cybersecurity expert, and a principal project leader. The business sponsor facilitates implementation by making choices at decision points, providing necessary resources within the business teams, and allocating a budget where necessary. The cybersecurity expert helps to complete each stage with a view towards reducing residual risks. The principal project leader is responsible for overall

management of the action plan. Each action has its own scope and deadlines.

Cyberattack against Lectra information systems

The current cybersecurity roadmap, which runs from 2023 through 2025, is based on a risk analysis conducted in 2022. It includes ten projects consolidated into themes according to whether they involve formal specification actions, operational protection measures, or the improvement of existing procedures. These themes are:

- the body of documentation that sets out the rules for the use of systems and data and defines the procedure for managing security incidents;
- ID and access management, to ensure that the principle of least privilege (POLP) is enforced, and that accounts are managed appropriately as employees evolve in the organization;
- data security, including for personal data, to ensure data is secure from the time of creation and in data handling;
- the security of solutions, equipment and software, to strengthen operational detection and protection of the assets embedded in the solutions;
- the security of IT systems to strengthen the operational detection and protection of the IT assets made available to all employees;
- awareness-raising among personnel with the aim of reducing human error, the primary source of threats according to security benchmarks;
- business continuity to ensure that, in the event of application malfunction, an operational environment can be restored according to pre-determined time frames and procedures.

To facilitate the implementation of the cybersecurity plan and ensure that deadlines are met, Lectra has set up committees to monitor these comprehensive and cross-functional risks.

Starting in 2025, the cybersecurity plan has been incorporated into the sustainability roadmap, and as such is reviewed by the Sustainability Committee, before being validated by the Board of Directors. The results are henceforth included in the sustainability report and as such will be reviewed by the Sustainability Committee, and then by the Audit Committee, before being submitted to the Board of Directors for approval.

In operational terms, three levels allow for coherent and effective monitoring of the cybersecurity plan over time:

- a quarterly Cybersecurity Committee meeting, chaired by the Chairman and Chief Executive Officer and attended by the principal relevant members of the Executive Committee, provides insight into progress and the potential need for decision-making, particularly in relation to the cybersecurity plan;
- from 2025, this committee will be informed by an intermediate body, the Cybersecurity Risk Committee, which will meet quarterly, about ten working days before the Cybersecurity Committee meeting; it includes the principal operational participants in the cybersecurity plan; its work will provide information on incidents, cybersecurity monitoring, and progress on related projects;
- the Cybersecurity Risk Committee receives information from the monthly progress meetings between the dedicated cybersecurity expert and the project manager, with input from the sponsor wherever necessary.

Performance indicator: In the Social section, Percentage of average registered workforce having received cyber awareness training (SF10).

Protecting customers' intellectual property against the risk of cyberattacks

Customers' intellectual property is vital in their competitive environment. Therefore, Lectra's contractual position is never to interfere in the handling of their data, except in specific cases where this is something they expressly request.

The objective is to strictly limit the risk of leaks and damage to intellectual property. Accordingly, logical access to the software modules handling customers' intellectual property is strictly managed within the Group. A selected team has permanent access and all actions are tracked. Limited one-off access can be provided by this team, upon authorization, to analyze malfunctions reported by customers.

The cybersecurity roadmap addresses specific measures relating to cutting equipment on the one hand, and software on the other, from the design stage to end of life, and throughout their operating cycles.

The measures implemented also include monitoring of legal and regulatory developments.

Regarding the most critical points in terms of intellectual property, the cutting equipment has special encryption systems. It is regularly audited by independent third parties, according to a range of operational scenarios including intrusion and reverse engineering. Subcontractors and suppliers are involved in this process through a specialized project in the cybersecurity Roadmap, which involves an in-depth analysis of their level of protection. The system also includes dynamic life-cycle assessment of equipment components to identify obsolescence.

All software, whether connected to or embedded in equipment, is safeguarded at all times by a secure development approach. To minimize potential risks on a daily basis, teams are trained in secure development best practices. Furthermore, all new software

development work, including patches, is analyzed from a cybersecurity viewpoint before going live. The same process is applied at all times during operations. Each vulnerability is rated by severity before being reported to the teams for corrective action, with deadlines set according to the degree of urgency. In addition, each offer is subject to annual audits with penetration testing carried out by outside organizations.

5.3 Issues specific to Lectra

5.3.1. Transformation of Lectra's sale force

In offering its customers high value-added technological solutions, the Group's ability to achieve its objectives could be jeopardized by insufficient commercial mastery of the new Industry 4.0 solutions and underlying technologies, e.g., cloud computing, big data and artificial intelligence. These disciplines, which are currently mastered by some but not all of the teams, require specific competencies that are rare, difficult to attract and difficult to retain.

To mitigate this risk, the Group regularly analyzes the performance of its sales teams, specializes its teams by product line, strengthens its sales engineering teams and deepens its customer relationships by appointing Customer Success Managers charged with maintaining continuous contact with those who use the Group's solutions.

The Group has also strengthened its Sales Enablement team, with relays in each region, and implemented a 360° training plan for the sales and sales engineering teams, covering skills needed to successfully sell these new solutions, Industry 4.0 technologies, and understanding customers' key processes. The Group has also reinforced its onboarding plan for new hires and implemented a certification program for all employees involved in selling the new offers, as well as coaching initiatives for sales managers and teams.

6. Appendixes

6.1 Appendix 1 : due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	2.1. General presentation of the Group (Business model) 2.3. Strategy 2.6. Sustainability governance and management
b) Engaging with affected stakeholders in all key steps of the due diligence	2.5. Dialogue with stakeholders
c) Identifying and assessing adverse impacts	2.7. Double materiality assessment
d) Taking actions to address those adverse impacts	3.3.1. Climate strategy 4.3. Human resources policy 2024 -2028 - ESRS S1 4.4.1. Equipment users safety policy 5.2.3. Managing the security of IT systems and solutions / Protecting customers' intellectual property against the risk of cyberattacks
e) Tracking the effectiveness of these efforts and communicating	3.3.4. Focus : carbon assessment 3.3.4. Focus : carbon assessment / Carbon intensity 3.3.5. Energy consumption 3.3.5. Energy consumption / Renewable electricity 3.3.5. Energy consumption / Energy intensity 4.2. Own workforce (key figures) - ESRS S1 : - Headcount - Compensation - Education and training - Health and safety at work - Non-employees 4.4.1. Equipment users safety policy : - Equipment compliance with EC Machinery Directive - Safety developments in every new equipment range 5.2.3. Managing the security of IT systems and solutions : - Percentage of employees trained - Number of cybersecurity incidents

6.2 Appendix 2 : Lectra Group's material impacts, risks and opportunities

	ESRS / topic	Positive impact	Negative impact	Opportunity	Risk	Stakeholders involved	Time horizon
Climate change contribution	E1 Climate change mitigation		X			Upstream → Suppliers → Transporters of materials used in the manufacturing of Lectra machines Downstream → Lectra's customers → Goods transporters for Lectra machines Own operations Production and own workforce subject to commuting and business travel	Short term Medium term Long term
Reduce textile waste with Lectra offers	E5 Waste	X		■		Lectra's customers	Short term Medium term
Traceability of materials purchased by the textile industry	E5	X		■		Downstream Lectra's customers and their own suppliers	Short term Medium term Long term
Environmental regulatory changes strengthen Lectra's market presence	Lectra specific			X		Downstream → The society, particularly customers in the fashion industry Own workforce	Short term Medium term
Declining demand for Lectra offerings due to changing consumer patterns	Lectra specific				X	Downstream → The society, particularly customers in the fashion industry Own workforce	Long term
Attracting, developing and retaining talents	S1 Working conditions and equal treatment and opportunities for all	■	X	■	X	Own workforce	Short term Medium term
Corporate culture at the heart of Lectra's transformation	S1 Working conditions	■	X			Own workforce	Medium term
Integration and collaboration following acquisitions	S1 Working conditions			■	X	Own workforce → Lectra's customers → Potential target companies	Short term Medium term
Sales force transformation	Lectra specific			■	X	Own workforce Sales teams	Short term Medium term
Health and safety of Lectra equipment users	S4 Personal safety of consumers and/or end-users		X			Lectra's customers	Short term Medium term Long term
Protecting customers' intellectual property against the risk of cyber attacks	G1	■	X	■	■	Lectra's customers	Short term Medium term
Cyberattack on Lectra's information systems	G1				X	Lectra's intellectual property	Short term Medium term

■ Social ■ Environment ■ Governance

X → results of the double materiality analysis

■ → a secondary, non-material angle from which the subject can be considered (for example, a subject initially identified as a risk can subsequently also become an opportunity if it is correctly apprehended; the positive material impacts identified for the offers proposed by the Group are also financial opportunities)

Definitions of time horizons according to the ESRS → **Short term**: corresponds to the period chosen for the financial statements, which is one year in this case
Medium term: between the period defined for the short term (one year in this case) and five years - **Long term**: more than five years

6.3 Appendix 3 : Lectra's compliance with the CSRD disclosure requirements

ESRS	Disclosure requirement	Sustainability report section(s)
ESRS 2	BP-1 – General basis for preparation of sustainability statements	2.2. Methodology and scope of reporting
ESRS 2	BP-2 – Disclosures in relation to specific circumstances	2.1. General presentation of the Group 6.5. Appendix 5
ESRS 2	GOV-1 – The role of the administrative, management and supervisory bodies	2.6. Sustainability governance and management
ESRS 2	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	2.6. Sustainability governance and management 2.7. Double materiality assessment
ESRS 2	GOV-3 – Integration of sustainability-related performance in incentive schemes	2.6. Sustainability governance and management / Sustainability-based variable compensation criteria
ESRS 2	GOV-4 – Statement on due diligence	6.1. Appendix 1
ESRS 2	GOV-5 – Risk management and internal controls over sustainability reporting	2.7. Double materiality assessment / Intern control and risk management
ESRS 2	SBM-1 – Strategy, business model and value chain	2.1. General presentation of the Group 2.3. Strategy 2.7. Double materiality assessment / Value chain
ESRS 2	SBM-2 – Interests and views of stakeholders	2.5. Dialogue with stakeholders
ESRS 2	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2.7. Double materiality assessment / Results of the double materiality assessment
ESRS 2	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	2.7. Double materiality assessment / Identification and assessment of the materiality of Impacts, Risks and Opportunities (IROs)
ESRS 2	IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	6.5. Appendix 5
E1	GOV-3 – Integration of sustainability-related performance in incentive schemes	2.6. Sustainability governance and management / Sustainability-based variable compensation criteria
E1	E1-1 – Transition plan for climate change mitigation	3.3.1. Climate strategy
E1	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Not published this year
E1	IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	3.1. Material environmental impacts, risks and opportunities
E1	E1-2 – Policies related to climate change mitigation and adaptation	3.3.1. Climate strategy
E1	E1-3 – Actions and resources in relation to climate change policies	3.3.1. Climate strategy / Action plan and reduction drivers
E1	E1-4 – Targets related to climate change mitigation and adaptation	3.3.1. Climate strategy / Transition plan for climate mitigation 3.3.1. Climate strategy / Action plan and reduction drivers
E1	E1-5 – Energy consumption and mix	3.3.5. Energy consumption
E1	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	3.3.4. Focus : carbon assessment
E1	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Not relevant
E1	E1-8 – Internal carbon pricing	Not relevant
E1	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in : not published this year
E2	IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Not material for Lectra
E2	E2-1 – Policies related to pollution	
E2	E2-2 – Actions and resources related to pollution	Not material for Lectra
E2	E2-3 – Targets related to pollution	
E2	E2-4 – Pollution of air, water and soil	
E2	E2-5 – Substances of concern and substances of very high concern	Not material for Lectra

02 – SUSTAINABILITY REPORT

ESRS	Disclosure requirement	Sustainability report section(s)
E2	E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	
E3	IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	
E3	E3-1 – Policies related to water and marine resources	
E3	E3-2 – Actions and resources related to water and marine resources	Not material for Lectra
E3	E3-3 – Targets related to water and marine resources	
E3	E3-4 – Water consumption	
E3	E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	
E4	E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	
E4	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	
E4	IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	
E4	E4-2 – Policies related to biodiversity and ecosystems	Not material for Lectra
E4	E4-3 – Actions and resources related to biodiversity and ecosystems	
E4	E4-4 – Targets related to biodiversity and ecosystems	
E4	E4-5 – Impact metrics related to biodiversity and ecosystems change	
E4	E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	
E5	IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	3.1. Material environmental impacts, risks and opportunities
E5	E5-1 – Policies related to resource use and circular economy	3.4.2. Eco-design policy
E5	E5-2 – Actions and resources related to resource use and circular economy	3.4.2. Eco-design policy / Resources allocated, 2024 actions and monitoring indicators
E5	E5-3 – Targets related to resource use and circular economy	3.4.2. Eco-design policy / Target figures
E5	E5-4 – Resource inflows	Not material for Lectra
E5	E5-5 – Resource outflows	3.4.2. Eco-design policy / Optimizing waste production and recycling
E5	E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not material for Lectra
S1	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.1. Material social impacts, risks and opportunities
S1	S1-1 – Policies related to own workforce	4.3. Human resources policy 2024 – 2028 – ESRS S1
S1	S1-2 – Processes for engaging with own workers and workers' representatives about impacts	4.2. Own workforce (key figures) – ESRS S1 / Organization of labor relations
S1	S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	4.2. Own workforce (key figures) – ESRS S1 / Organization of labor relations 4.3.1. Attractiveness, skills development and employee succession 5.2.1. Governance of business conduct / Whistleblowing program
S1	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	4.3. Human resources policy 2024 – 2028 – ESRS S1
S1	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.3. Human resources policy 2024 – 2028 – ESRS S1
S1	S1-6 – Characteristics of the undertaking's employees	4.2. Own workforce (key figures) – ESRS S1

02 – SUSTAINABILITY REPORT

ESRS	Disclosure requirement	Sustainability report section(s)
S1	S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	4.2. Own workforce (key figures) – ESRS S1
S1	S1-8 – Collective bargaining coverage and social dialogue	Not material for Lectra
S1	S1-9 – Diversity metrics	4.2. Own workforce (key figures) – ESRS S1 / Headcount
S1	S1-10 – Adequate wages	4.2. Own workforce (key figures) – ESRS S1 / Compensation
S1	S1-11 – Social protection	Phase-in : not published this year
S1	S1-12 – Persons with disabilities	Not material for Lectra
S1	S1-13 – Training and skills development metrics	4.2. Own workforce (key figures) – ESRS S1 / Education and training
S1	S1-14 – Health and safety metrics	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work
S1	S1-15 – Work-life balance metrics	Not material for Lectra
S1	S1-16 – Compensation metrics (pay gap and total compensation)	4.2. Own workforce (key figures) – ESRS S1 / Compensation
S1	S1-17 – Incidents, complaints and severe human rights impacts	Not material for Lectra
S2	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Not material for Lectra
S2	S2-1 – Policies related to value chain workers	
S2	S2-2 – Processes for engaging with value chain workers about impacts	
S2	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	
S2	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	
S2	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S3	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Not material for Lectra
S3	S3-1 – Policies related to affected communities	
S3	S3-2 – Processes for engaging with affected communities about impacts	
S3	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	
S3	S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	
S3	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S4	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	4.1. Material social impacts, risks and opportunities
S4	S4-1 – Policies related to consumers and end-users	4.4.1. Equipment users safety policy
S4	S4-2 – Processes for engaging with consumers and end-users about impacts	4.4.2. Dialogue with customers
S4	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	4.4.2. Dialogue with customers / Handling customer feedback and incidents
S4	S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	4.4.1. Equipment users safety policy
S4	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.4.1. Equipment users safety policy

02 – SUSTAINABILITY REPORT

ESRS	Disclosure requirement	Sustainability report section(s)
G1	GOV-1 – The role of the administrative, supervisory and management bodies	5.2.1. Governance of business conduct / Bodies overseeing business conduct
G1	G1-1 – Corporate culture and business conduct policies and corporate culture	5.2.1. Governance of business conduct / Code of ethics 5.2.2. Governance of acquisitions 5.2.3. Managing the security of IT systems and solutions 5.3.1. Transformation of Lectra's sale force
G1	G1-2 – Management of relationships with suppliers	5.2.1. Governance of business conduct / Responsible purchasing policy
G1	G1-3 – Prevention and detection of corruption and bribery	Not material for Lectra
G1	G1-4 – Confirmed incidents of corruption or bribery	5.2.1. Governance of business conduct / Whistleblowing program
G1	G1-5 – Political influence and lobbying activities	Not material for Lectra
G1	G1-6 – Payment practices	

6.4 Appendix 4 : GRI concordance table

GRI reference	Description	Report chapters	Sections and subsections
GRI 2			
GRI 2 – ORGANIZATION AND REPORTING PRACTICES			
2-1	Organizational details	Group's general presentation	Group's general presentation
2-2	Entities included in the organization's sustainability reporting	2. Sustainability Report	2.2. Methodology and scope of reporting
2-3	Reporting period, frequency and contact point	2. Sustainability Report	2.2. Methodology and scope of reporting
2-4	Restatements of information	2. Sustainability Report	2.2. Methodology and scope of reporting
2-5	External assurance	2. Sustainability Report	7. Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852
GRI 2 – ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	2. Sustainability Report	2.1. General presentation of the Group 2.7. Double materiality assessment
2-7	Employees	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1
2-8	Workers who are not employees	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1
GRI 2 – GOVERNANCE			
2-9	Governance structure and composition	3. Report on Corporate Governance	1. Directors and managing bodies
2-10	Nomination and selection of the highest governance body	3. Report on Corporate Governance	1. Directors and managing bodies
2-11	Chair of the highest governance body	3. Report on Corporate Governance	1. Directors and managing bodies
2-12	Role of the highest governance body in overseeing the management of impacts	2. Sustainability Report	2.6. Sustainability governance and management
2-13	Delegation of responsibility for managing impacts	2. Sustainability Report	2.6. Sustainability governance and management
2-14	Role of the highest governance body in sustainability reporting	2. Sustainability Report	2.6. Sustainability governance and management
2-15	Conflicts of interest	3. Report on Corporate Governance	1. Directors and managing bodies
2-16	Communication of critical concerns	3. Report on Corporate Governance	1. Directors and managing bodies
2-17	Collective knowledge of the highest governance body	3. Report on Corporate Governance	1. Directors and managing bodies
2-18	Evaluation of the performance of the highest governance body	3. Report on Corporate Governance	1. Directors and managing bodies
2-19	Remuneration policies	3. Report on Corporate Governance	2. Compensation and benefits of Company Officers and Directors
2-20	Process to determine remuneration	3. Report on Corporate Governance	2. Compensation and benefits of Company Officers and Directors
2-21	Annual total compensation ratio	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1
GRI 2 – STRATEGY, POLICIES AND PRACTICES			
2-22	Statement on sustainable development strategy	2. Sustainability Report	2.3. Strategy
2-23	Policy commitments	2. Sustainability Report	3.2. Environmental policy 2023-2025 3.3.1. Climate strategy 3.4.2. Eco-design policy
			4.3. Human resources policy 2024 – 2028 – ESRS S1 4.4.1. Equipment users safety policy 5.2.1. Governance of business conduct / Responsible purchasing policy 5.2.3. Managing the security of IT systems and solutions / Cybersecurity policy

02 – SUSTAINABILITY REPORT

GRI reference	Description	Report chapters	Sections and subsections
2-24	Embedding policy commitments	2. Sustainability Report	3.2. Environmental policy 2023-2025 3.3.1. Climate strategy 3.4.2. Eco-design policy 4.3. Human resources policy 2024 – 2028 – ESR S1 4.4.1. Equipment users safety policy 5.2.1. Governance of business conduct / Responsible purchasing policy 5.2.3. Managing the security of IT systems and solutions / Cybersecurity policy
2-25	Processes to remediate negative impacts	2. Sustainability Report	3.2. Environmental policy 2023-2025 3.3.1. Climate strategy 3.4.2. Eco-design policy 4.3. Human resources policy 2024 – 2028 – ESR S1 4.4.1. Equipment users safety policy 5.2.1. Governance of business conduct / Responsible purchasing policy 5.2.3. Managing the security of IT systems and solutions / Cybersecurity policy
2-26	Mechanisms for seeking advice and raising concerns	2. Sustainability Report	3.2. Environmental policy 2023-2025 3.3.1. Climate strategy 3.4.2. Eco-design policy 4.3. Human resources policy 2024 – 2028 – ESR S1 4.4.1. Equipment users safety policy 5.2.1. Governance of business conduct / Responsible purchasing policy 5.2.3. Managing the security of IT systems and solutions / Cybersecurity policy
2-27	Compliance with laws and regulations	2. Sustainability Report	5.2.1. Governance of business conduct
2-28	Membership associations	2. Sustainability Report	2.9. Commitments and assessment of the Group's non-financial performance
GRI 2 – STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	2. Sustainability Report	2.5. Dialogue with stakeholders
2-30	Collective bargaining agreements	2. Sustainability Report	4.2. Own workforce (key figures) – ESR S1 / Organization of labor relations
GRI 200			
GRI 201 – ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	Group's general presentation	Business model
201-2	Financial implications and other risks and opportunities due to climate change	2. Sustainability Report	2.7. Double materiality assessment
GRI 202 – MARKET PRESENCE			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	2. Sustainability Report	4.2. Own workforce (key figures) – ESR S1
202-2	Proportion of senior management hired from the local community	Information not available (not material for Lectra's business : nm)	-
GRI 203 – INDIRECT ECONOMIC IMPACT			
203-1	Infrastructure investments and services supported	2. Sustainability Report	2.9. Commitments and assessment of the Group's non-financial performance
203-2	Significant indirect economic impacts	2. Sustainability Report	2.9. Commitments and assessment of the Group's non-financial performance
GRI 204 – PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 205 – ANTICORRUPTION			
205-1		2. Sustainability Report	5.2.1. Governance of business conduct

GRI reference	Description	Report chapters	Sections and subsections
	Operations assessed for risks related to corruption		
205-2	Communication and training about anti-corruption policies and procedures	2. Sustainability Report	5.2.1. Governance of business conduct
205-3	Confirmed incidents of corruption and actions taken	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 206 – ANTI-COMPETITIVE BEHAVIOR			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 207 – TAX			
207-1	Approach to tax	1. Management discussion	3. Risk factors – Internal control and risk management procedures
207-2	Tax governance, control, and risk management	1. Management discussion	3. Risk factors – Internal control and risk management procedures
207-3	Stakeholder engagement and management of concerns related to tax	1. Management discussion	3. Risk factors – Internal control and risk management procedures
207-4	Country-by-country reporting	Information not available	-
GRI 300			
GRI 301 – MATERIALS			
301-1	Materials used by weight or volume	2. Sustainability Report	3.4.2. Eco-design policy
301-2	Recycled input materials used	2. Sustainability Report	3.4.2. Eco-design policy
301-3	Reclaimed products and their packaging materials	2. Sustainability Report	3.4.2. Eco-design policy
GRI 302 – ENERGY			
302-1	Energy consumption within the organization	2. Sustainability Report	3.3.5. Energy consumption
302-2	Energy consumption outside of the organization	2. Sustainability Report	3.3.5. Energy consumption
302-3	Energy intensity	2. Sustainability Report	3.3.5. Energy consumption
302-4	Reduction of energy consumption	2. Sustainability Report	3.3.5. Energy consumption
302-5	Reductions in energy requirements of products and services	2. Sustainability Report	3.3.5. Energy consumption
GRI 303 – WATER AND EFFLUENTS			
303-1	Interactions with water as a shared resource	Information not available (nm)	-
303-2	Management of water discharge-related impacts	Information not available (nm)	-
303-3	Water withdrawal	Information not available (nm)	-
303-4	Water discharge	Information not available (nm)	-
303-5	Water consumption	Information not available (nm)	-
GRI 304 – BIODIVERSITY			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information not available (nm)	-
304-2	Significant impacts of activities, products and services on biodiversity	Information not available (nm)	-
304-3	Habitats protected or restored	Information not available (nm)	-
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information not available (nm)	-
GRI 305 – EMISSIONS			

GRI reference	Description	Report chapters	Sections and subsections
305-1	Direct (Scope 1) GHG emissions	2. Sustainability Report	3.3.4. Focus: carbon assessment
305-2	Energy indirect (Scope 2) GHG emissions	2. Sustainability Report	3.3.4. Focus: carbon assessment
305-3	Other indirect (Scope 3) GHG emissions	2. Sustainability Report	3.3.4. Focus: carbon assessment
305-4	GHG emissions intensity	2. Sustainability Report	3.3.4. Focus: carbon assessment
305-5	Reduction of GHG emissions	2. Sustainability Report	3.3.4. Focus: carbon assessment
305-6	Emissions of ozone-depleting substances (ODS)	Information not available (nm)	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information not available (nm)	-
GRI 306 – WASTE			
306-1	Waste generation and significant waste-related impacts	2. Sustainability Report	3.4.2. Eco-design policy
306-2	Management of significant waste-related impacts	2. Sustainability Report	3.4.2. Eco-design policy
306-3	Waste generated	2. Sustainability Report	3.4.2. Eco-design policy
306-4	Waste diverted from disposal	2. Sustainability Report	3.4.2. Eco-design policy
306-5	Waste directed to disposal	2. Sustainability Report	3.4.2. Eco-design policy
GRI 308 – SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-1	New suppliers that were screened using environmental criteria	2. Sustainability Report	5.2.1. Governance of business conduct
308-2	Negative environmental impacts in the supply chain and actions taken	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 400			
GRI 401 – EMPLOYMENT			
401-1	New employee hires and employee turnover	2. Sustainability Report	4.3. Human resources policy 2024 – 2028 – ESRS S1
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2. Sustainability Report	4.3. Human resources policy 2024 – 2028 – ESRS S1
401-3	Parental leave	2. Sustainability Report	4.3. Human resources policy 2024 – 2028 – ESRS S1
GRI 403 – OCCUPATIONAL HEALTH AND SAFETY			
403-1	Occupational health and safety management system	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work
403-2	Hazard identification, risk assessment, and incident investigation	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work
403-3	Occupational health services	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work
403-4	Worker participation, consultation, and communication on occupational health and safety	2. Sustainability Report	4.3. Human resources policy 2024 – 2028 – ESRS S1
403-5	Worker training on occupational health and safety	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work
403-6	Promotion of worker health	2. Sustainability Report	4.3. Human resources policy 2024 – 2028 – ESRS S1
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2. Sustainability Report	4.3. Human resources policy 2024 – 2028 – ESRS S1
403-8	Workers covered by an occupational health and safety management system	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work
403-9	Work-related injuries	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work
403-10	Work-related ill health	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Health and safety at work

GRI reference	Description	Report chapters	Sections and subsections
GRI 404 – TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Education and training
404-2	Programs for upgrading employee skills and transition assistance programs	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Education and training
404-3	Percentage of employees receiving regular performance and career development reviews	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1 / Education and training
GRI 405 – DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees	2. Sustainability Report	2.6. Sustainability governance and management
405-2	Ratio of basic salary and remuneration of women to men	2. Sustainability Report	4.2. Own workforce (key figures) – ESRS S1
GRI 406 – NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken	Information not available	-
GRI 407 – FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 408 – CHILD LABOR			
408-1	Operations and suppliers at significant risk for incidents of child labor	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 409 – FORCED OR COMPULSORY LABOR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 410 – SECURITY PRACTICES			
410-1	Security personnel trained in human rights policies or procedures	2. Sustainability Report	4.3. Human resources policy 2024 – 2028 – ESRS S1
GRI 411 – RIGHTS OF INDIGENOUS PEOPLES			
411-1	Incidents of violations involving rights of indigenous peoples	Information not available (nm)	-
GRI 413 – LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programs	Information not available (nm)	-
413-2	Operations with significant actual and potential negative impacts on local communities	Information not available (nm)	-
GRI 414 – SUPPLIER SOCIAL ASSESSMENT			
414-1	New suppliers that were screened using social criteria	2. Sustainability Report	5.2.1. Governance of business conduct
414-2	Negative social impacts in the supply chain and actions taken	2. Sustainability Report	5.2.1. Governance of business conduct
GRI 415 – PUBLIC POLICY			
415-1	Political contributions	Information not available (nm)	-
GRI 416 – CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories	2. Sustainability Report	4.4.1. Equipment users safety policy
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2. Sustainability Report	4.4.1. Equipment users safety policy
GRI 417 – MARKETING AND LABELING			

GRI reference	Description	Report chapters	Sections and subsections
417-1	Requirements for product and service information and labeling	Information not available	-
417-2	Incidents of non-compliance concerning product and service information and labeling	Information not available	-
417-3	Incidents of non-compliance concerning marketing communications	Information not available	-
GRI 418 – CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2. Sustainability Report	5.2.3. Managing the security of IT systems and solutions

6.5 Appendix 5 : list of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report section(s)
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		2.6. Sustainability governance and management
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		2.6. Sustainability governance and management
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				2.7. Double materiality assessment 6.1. Appendix 1
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1816, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not relevant
ESRS EI-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	3.3.1. Climate strategy
ESRS EI-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1816, Article 12.1 (d) to (g), and Article 12.2		3.3.1. Climate strategy
ESRS EI-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission	Delegated Regulation (EU) 2020/1816, Article 6		3.3.1. Climate strategy

02 – SUSTAINABILITY REPORT

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report section(s)
		Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics			
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not relevant
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				3.3.5. Energy consumption
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				3.3.5. Energy consumption / Energy intensity
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		3.3.4. Focus : carbon assessment
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		3.3.4. Focus : carbon assessment / Carbon intensity
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not relevant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not published – phase-in for E1-9
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk:			Not published – phase-in for E1-9

02 – SUSTAINABILITY REPORT

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report section(s)
		Exposures subject to physical risk			
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not published – phase-in for E1-9
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not published – phase-in for E1-9
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRT Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material for Lectra
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material for Lectra
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material for Lectra
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material for Lectra
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material for Lectra
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material for Lectra
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material for Lectra
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material for Lectra
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material for Lectra
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material for Lectra
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Sustainable oceans / seas practices or policies paragraph 24 (c)				Not material for Lectra
ESRS E4-2 Policies to address deforestation paragraph 24	Indicator number 15 Table #2 of Annex 1				Not material for Lectra

02 – SUSTAINABILITY REPORT

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report section(s)
(d)					
ESRS E5-5 Non recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				3.4.2. Eco-design policy / Optimization regarding production of waste and valorization in production stages
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				Hazardous waste: 3.4.2. Eco-design policy / Optimization regarding production of waste and valorization in production stages Radioactive waste: not applicable
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				4.3. Human resources policy 2024-2028 - ESRS S1 HR charter available
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				4.3. Human resources policy 2024-2028 - ESRS S1 HR charter available
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				4.3. Human resources policy 2024-2028 - ESRS S1 HR charter available
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		4.3. Human resources policy 2024-2028 - ESRS S1 HR charter available
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material for Lectra
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				4.2. Own workforce (key figures) - ESRS S1/ Health and safety at work
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				4.2. Own workforce (key figures) - ESRS S1/ Organization of labor relations 4.3. Human resources policy 2024-2028 - ESRS S1
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		4.2. Own workforce (key figures) - ESRS S1/ Health and safety at work
ESRS S1-14 Number of days lost to injuries, accidents, fatalities	Indicator number 3 Table #3 of Annex I				4.2. Own workforce (key figures) - ESRS S1/ Health and safety at work

02 – SUSTAINABILITY REPORT

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report section(s)
or illness paragraph 88 (e)					
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		4.2. Own workforce (key figures) - ESRS S1/ Compensation
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				4.2. Own workforce (key figures) - ESRS S1/ Compensation
ESRS S1-17 ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material for Lectra
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (I)		Not material for Lectra
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material for Lectra
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Not material for Lectra
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex I				Not material for Lectra
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (I)		Not material for Lectra
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material for Lectra
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Not material for Lectra
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Not material for Lectra
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (I)		Not material for Lectra
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material for Lectra
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				4.4.1. Equipment users safety policy

02 – SUSTAINABILITY REPORT

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report section(s)
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (I)		4.4. Consumers and end-users - ESRS S4
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				4.4. Consumers and end-users - ESRS S4
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material for Lectra
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not material for Lectra
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		5.2.1. Governance of business conduct / Whistleblowing program
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Not material for Lectra

6.6 Appendix 6 : description of carbon footprint categories

GHG Protocol categories	Within the Group	Data sources
1.1 Generation of electricity, heat or steam	Emissions from gas consumption for heating buildings.	Physical data collected on industrial and tertiary sites. Calculation: Greenly platform
1.2 Transportation of materials, products, waste, and employees	Emissions linked to the use of fuel by the vehicle fleet.	Data estimated from km driven and vehicle types. Calculation: Greenly platform
1.3 Physical or chemical processing*	Not applicable	Not applicable
1.4 Fugitive emissions	Emissions from refrigerant leaks from building air-conditioning systems.	Physical data collected on industrial sites. Data estimated based on surface areas of air-conditioned buildings. Calculation: Greenly platform
2.1 Electricity related indirect emissions	Emissions linked to the production of electricity consumed by buildings.	Physical data collected on industrial and tertiary sites. Calculation: Greenly platform
3.1 Purchased goods and services	Emissions from all goods (and services) purchased by Lectra. The main purchase is steel for equipment production.	Financial data. Calculation: Greenly platform
3.2 Capital goods	Emissions linked to fixed assets (IT equipment, furniture, etc.).	Financial data. Calculation: Greenly platform
3.3 Fuel- and energy- related activities not included in Scope 1 or Scope 2	Emissions corresponding to the upstream energy consumed by buildings and vehicles .	Physical data collected on industrial and tertiary sites. Calculation: Greenly platform
3.4 Upstream transportation and distribution	Emissions from freight transport.	Calculated data from a TMS. Financial data. Calculation: Greenly platform
3.5 Waste generated in operations	Emissions generated by the treatment of waste.	Physical data collected on industrial sites (volume and treatment). Estimated data on tertiary sites. Calculation: Greenly platform
3.6 Business travel	Emissions from business travel (car, train, plane and hotels).	Data calculated and transmitted by Egencia, the Group's travel agency.
3.7 Employee commuting	Emissions corresponding to the travel of all employees between home and workplace.	Data extrapolated from a questionnaire completed by employees. Calculation: Greenly platform
3.8 Upstream leased assets	Emissions from leased assets (vehicles and storage space).	Financial data Calculation: Greenly platform
3.9 Downstream transportation and distribution*	Not applicable	Not applicable
3.10 Processing of sold products*	Not applicable	Not applicable
3.11 Use of sold products	Emissions resulting from the electricity consumption of equipment sold throughout its use by the customer.	Data estimated on the basis of life-cycle analyses carried out on each range of equipment sold.
3.12 End-of-life treatment of sold products	Emissions linked to the treatment of equipment sold at end-of-life.	Data estimated on the basis of life-cycle analyses carried out on each range of equipment sold.
3.13 Downstream leased assets*	Not applicable	Not applicable
3.14 Franchises*	Not applicable	Not applicable
3.15 Investments*	Not applicable	Not applicable

7. Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 (For the year ended December 31, 2024)

This is a translation into English of the Statutory Auditor's report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement – Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

To the Shareholders

LECTRA S.A.

16-18, rue Chalgrin

75016 Paris, France

This report is issued in our capacity as Statutory Auditor of Lectra. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the financial year ended December 31, 2024 and included in section 6 of the group management report.

Pursuant to Article L. 233-28-4 of the French Commercial Code (*Code de commerce*), Lectra is required to include the above mentioned information in a separate section of the Group's management report. This information has been prepared in the context of the first-time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the legal texts, the use of significant estimates, the absence of established practices and frameworks, in particular for the double materiality assessment, and an evolving internal control system. It provides an understanding of the impact of the Group's activity on sustainability matters, as well as the way in which these matters influence the development of its business, performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to II of Article L. 821-54 of the aforementioned Code, our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29ter of Directive (EU) 2013/34 of the European Parliament and of the Council of December 14, 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by Lectra to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code (*Code du travail*);
- compliance of the sustainability information included in section 6 of the group management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including with the ESRS; and
- compliance with the requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including those on independence, and quality control, prescribed by the French Commercial Code.

It is also governed by the H2A (*Haute Autorité de l'Audit*) guidelines on limited assurance engagements on the certification of sustainability

information and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

In the three separate parts of the report that follow, we present, for each of the parts covered by our engagement, the nature of the procedures we carried out, the conclusions we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken in isolation and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three parts of our engagement.

Finally, where it was deemed necessary to draw your attention to one or more items of sustainability information provided by Lectra in the group management report, we have included an emphasis of matter paragraph hereafter.

The limits of our engagement

As the purpose of our engagement is to provide limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide a guarantee regarding the viability or the quality of the management of Lectra; in particular, it does not provide an assessment of the relevance of the choices made by Lectra in terms of action plans, targets, policies, scenario analyses and transition plans, that extends beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Our engagement does not cover any comparative data.

Compliance with the ESRS of the process implemented by Lectra to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code

Nature of the procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by Lectra has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities that are disclosed in section 6 of the group management report; and
- the information provided on this process also complies with the ESRS.

We also checked compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Lectra with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code, we inform you that at the date of this report this consultation has not yet taken place.

Elements that received particular attention

The elements to which we paid particular attention concerning the compliance with the ESRS of the process implemented by Lectra to determine the information reported are presented below.

▪ Concerning the identification of stakeholders

Information concerning the identification of stakeholders is mentioned in "Stakeholder engagement" and "Identification and assessment of the materiality of Impacts, Risks and Opportunities (IROs)" in the "Double materiality assessment" section of the "About this sustainability report" chapter of the sustainability report in section 6 of the management report.

We reviewed the assessment carried out by Lectra to identify:

- stakeholders, who may affect or be affected by the entities within the scope of the disclosures, through their activities and direct or indirect business relationships in the value chain;
- the primary users of the sustainability statements (including the primary users of the financial statements).

We spoke to management and other persons we deemed appropriate and inspected the documentation available.

Our verification procedures mainly consisted in:

- assessing the consistency of the main stakeholders identified by Lectra with the nature of its activities and its geographical location, taking into account its business relationships and value chain;
- critically assessing the representative nature of the stakeholders identified by Lectra;
- assessing the appropriateness of the description given in the "Stakeholder engagement" section of the "About this sustainability report" chapter of the sustainability report in section 6 of the management report, in particular with regard to the procedures put in place by Lectra for gathering information on the interests and views of stakeholders.

Concerning the identification of impacts, risks and opportunities (IROs)

Information concerning the identification of impacts, risks and opportunities can be found under "Identification and assessment of the materiality of Impacts, Risks and Opportunities (IROs)" in the "Double materiality assessment" section of the "About this sustainability report" chapter of the sustainability report in section 6 of the management report.

We have reviewed Lectra's process for identifying actual and potential impacts (positive and negative), risks and opportunities in relation to the sustainability matters set out in paragraph AR 16 of ESRS 1 "Application requirements" and those specific to Lectra, as presented in "Identification and assessment of the materiality of Impacts, Risks and Opportunities (IROs)" in the "Double materiality assessment" section of the "About this sustainability report" chapter of the sustainability report in section 6 of the management report.

In particular, we assessed the approach taken by Lectra to determine its impacts and dependencies, which may be a source of risks or opportunities, including any stakeholder engagement undertaken.

We also assessed the completeness of the Group's legal entities and activities ("Equipment" and "Software solutions") included in the scope used to identify IROs, as presented respectively in the "Scope of consolidation" subsection of the "Reporting methodology and scope" section, and in the "Value chain" subsection of the "Double materiality assessment" section of the "About this sustainability report" chapter of the sustainability report in section 6 of the management report.

We reviewed the mapping carried out by Lectra of the IROs identified, including in particular a description of their distribution in the Group's own operations and value chain, as well as their time horizon (short, medium or long term), presented in the "Results of the double materiality assessment" subsection of the "Double materiality assessment" section in the "About this sustainability report" chapter, and in the "Material impacts, risks and opportunities" sections of the "Environment", "Social" and "Business conduct" chapters of the sustainability report in section 6 of the management report. We also assessed the consistency of this mapping with our knowledge of the Group.

We assessed:

- the top-down approach used by Lectra to gather information on subsidiaries;
- the way in which Lectra considered the list of sustainability topics listed in ESRS 1 (AR 16) in its assessment;
- the consistency of the actual and potential impacts, risks and opportunities identified by Lectra, in particular those that are specific to it, because they are not covered or insufficiently covered by the ESRS, with our knowledge of the Group;
- how Lectra has taken different time horizons into consideration;
- whether Lectra has taken into account the risks and opportunities that may arise from both past and future events as a result of its own operations or business relationships, including the actions undertaken to manage certain impacts or risks;
- whether Lectra has taken account of its dependencies on natural, human and/or social resources in identifying risks and opportunities.

Concerning the assessment of impact materiality and financial materiality

Information concerning the assessment of impact materiality and financial materiality is provided in the subsection on "Identification and assessment of the materiality of Impacts, Risks and Opportunities (IROs)" in the "Double materiality assessment" section of the "About this sustainability report" chapter of the sustainability report in section 6 of the management report.

Through interviews with management and inspection of the available documentation, we obtained an understanding of the impact

materiality and financial materiality assessment process implemented by Lectra, and assessed its compliance with the criteria defined by ESRS 1.

In particular, we assessed the way in which Lectra has established and applied the materiality criteria defined by ESRS 1, including those relating to the setting of thresholds, in order to determine the material information disclosed:

- in respect of indicators relating to material IROs identified in accordance with the relevant topical ESRS;
- in respect of information that is specific to Lectra.

Compliance of the sustainability information included in section 6 of the group management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided provide an understanding of the general basis for the preparation and governance of the sustainability information included in section 6 of the group management report, including the general basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by Lectra for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, this information does not contain any material errors, omissions or inconsistencies, i.e., that are likely to influence the judgment or decisions of the users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section 6 of the group management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided in the "Basis of preparation" in the "Reporting methodology and scope" section of the sustainability report in section 6 of the management report, describing the methodological limitations resulting from the uncertainties inherent in the first year of application of Article L. 233-28-4 of the French Commercial Code, in particular those relating to carbon footprint and to the draft transition plan.

Elements that received particular attention

The elements to which we paid particular attention concerning the compliance of the sustainability information included in section 6 of the group management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS, are presented below.

Information provided in application of environmental standards (ESRS E1 to E5)

Information disclosed relating to carbon footprint can be found in the "Environment" chapter of the sustainability report in section 6 of the management report.

- With regard to the information reported on Lectra's carbon footprint:

- we assessed the consistency of the scope used to assess greenhouse gas emissions with the scope of the consolidated financial statements and the upstream and downstream value chain;
- we reviewed the greenhouse gas emissions inventory protocol used by Lectra to draw up its greenhouse gas emissions statement, and we assessed how it was applied to a selection of emissions categories and sites, for Scopes 1 and 2.
- With regard to Scope 3 emissions, we assessed:
 - the justification for the inclusions and exclusions of the various categories and the transparency of the information provided in this respect,
 - the process for gathering information;
- we assessed the appropriateness of the emission factors used and the calculation of the relevant conversions, as well as the calculation and extrapolation assumptions, taking into account the inherent uncertainty related to the state of scientific or economic knowledge and the quality of the external data used;
- we spoke to management to understand the main changes in activities during the year that could have an impact on the greenhouse gas emissions statement;
- for physical data (such as energy consumption), we reconciled the underlying data used to draw up the greenhouse gas emissions statement, together with the supporting documents, using sampling techniques;
- we performed analytical procedures;
- we checked the mathematical accuracy of the calculations used to establish this information.

Information provided in application of social standards (ESRS S1 to S4)

Disclosures on workforce, remuneration and training (ESRS S1) is mentioned in the "Social" chapter of the sustainability report in section 6 of the management report.

The elements to which we paid particular attention concerning the compliance of this information with the ESRS are presented below.

Our verification procedures mainly consisted in:

- gaining an understanding of the process for gathering and compiling the reported information, based on interviews with management or relevant persons, in particular the Human Resources Department;
- evaluating the process for collecting and compiling social data in order to assess the completeness and accuracy of the information gathered, and carrying out procedures to verify the correct consolidation of these data;
- conducting analytical procedures to identify unusual variations, and asking, if necessary, management for explanations of any unusual items identified.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by Lectra to determine the eligible and aligned nature of the activities of the entities included in the scope of consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- compliance with the rules governing the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e., information likely to influence the judgment or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies in relation to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We established that there were no such elements to address in our report.

Neuilly-sur-Seine, February 27th, 2025

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Flora Camp
Partner

Aurélié Castellino
Partner

Report on Corporate Governance

Dear Shareholders,

This Report on Corporate Governance (the “**Report**”), prepared in accordance with articles L.225-37 et seq. of the French Commercial Code and appended to the Management Discussion, reports mainly on:

- compliance by the company Lectra (the “**Company**”) with the corporate governance code to which it refers;
- restrictions placed on the powers of the Chairman and Chief Executive Officer;
- the composition of the Board of Directors and the diversity policy applied to Directors and in the managing bodies;
- the manner in which the Board of Directors’ proceedings are prepared and organized;
- the compensation policy applicable to the Chairman and Chief Executive Officer and to the Company’s Directors, as well as the compensation paid or granted in respect of fiscal year ended December 31, 2024;

- related-parties agreements and commitments, as well as the monitoring of current operations concluded under normal conditions;
- financial authorizations and delegations conferred upon the Board of Directors by the Shareholders’ Meeting;
- the conditions for shareholder participation in Shareholders’ Meetings; and
- items that may have an impact in the event of a public tender offer.

This Report was prepared under the supervision of the Chairman and Chief Executive Officer and the General Secretary, with the contribution of the Legal, Finance, and Human Resources Departments. After examination by the Audit Committee, the Compensation Committee, the Sustainability Committee and the Nominations Committee of the chapters falling under their respective areas of responsibility, this Report was approved by the Board of Directors at their meeting of February 27, 2025 and given to the Company’s Statutory Auditors.

Summary

Implementation of the AFEF-MEDEF Code	130	5. Related-party agreements and agreements entered into in the ordinary course of business	169
1. Directors and managing bodies	131	5.1 Procedure for evaluation and control of related-party agreements and agreements entered into in the ordinary course of business	169
1.1 Governance: combination of the roles of Chairman and Chief Executive Officer	131	5.2 Agreements entered into in the ordinary course of business	169
1.2 Missions of the Chairman and Chief Executive Officer	131	5.3 Related-party agreements and commitments	169
1.3 Executive Committee	131		
1.4 Board of Directors	132	6. Financial authorizations and delegations	170
2. Compensation and benefits of Company Officers and Directors	158	7. Attendance at shareholders' meetings	170
2.1 Compensation policy for Company Officers and Directors	158	7.1 Conditions for participation at shareholders' meetings	170
2.2 Components of compensation paid or granted to the Company Officers in respect of fiscal year 2024	161	7.2 Voting rights: one share, one vote	171
2.3 Yearly evolution of the Chairman and Chief Executive Officer's compensation over the past five years	166	8. Information concerning potentially material items in the event of a public tender offer	171
3. Market abuse prevention measures	167		
4. Procedures relative to the preparation and processing of accounting and financial information.	168		
4.1 Reporting and budget procedures	168		
4.2 Financial statements preparation and verification procedures	168		

Implementation of the AFEP-MEDEF Code

The Company aims to apply best practices in corporate governance.

In this respect, it refers to the Corporate Governance Code of listed companies written by the *Association Française des Entreprises Privées (AFEP)* and the *Mouvement des Entreprises de France (MEDEF)* (hereinafter referred to as the “**AFEP-MEDEF Code**”) in December 2008 and revised in December 2022.

The AFEP-MEDEF Code can be consulted on the websites www.afep.com and www.medef.com. The Company is committed to implementing the recommendations of the AFEP-MEDEF Code or, should any of them be deemed inappropriate with respect to its organization and its specific circumstances, to explain the reasons for not complying with them, in keeping with the “comply or explain” rule set out in article L.22-10-10 of the French Commercial Code and in article 28.1 of the AFEP-MEDEF Code.

The internal rules and procedures of Lectra’s Board of Directors (the “**Internal Rules and Procedures**”), which sets out the composition, the functioning and the missions of the Board of Directors and its specialized committees, and the ethical rules applicable to all Directors, reflect the recommendations of the AFEP-MEDEF Code. The current version of these Internal Rules and Procedures is available on the Company website (<https://www.lectra.com/en/investors/corporate-governance/bylaws-and-rules>).

On the date of this Report, Lectra considers it complies with all the recommendations of the AFEP-MEDEF Code with the exception of (i) recommendations 5.3 and 5.4 concerning the determination of strategic objectives on climate-related issues, and presentation of the climate strategy to the Shareholders’ Meeting, and of (ii) recommendation 17.2 concerning the Audit Committee’s hearing of the Head of Internal Audit and Risk Control, which will be fully implemented as from the 2025 financial year.

Divergence from a recommendation of the AFEP-MEDEF code

Lectra’s practice and explanation

Article 5.3 – Determination of strategic objectives on climate-related issues	Fiscal year 2024	From Fiscal year 2025 onwards
	In 2024, the Company determined its strategic objectives on climate-related issues and drew up an action plan for 2030, covering scopes 1, 2 and 3 of the carbon footprint	In accordance with the CSR strategy defined in the 2023-2025 strategic roadmap, the climate trajectory was validated by the Board of Directors on February 27, 2025 (for further details, refer to the Sustainability report)
Article 5.4 – Presentation of the climate strategy and the main actions undertaken to this end to the Annual Shareholders’ Meeting at least every three years, or in the event of a significant change in the strategy	2024 Shareholders’ Meeting	From the 2025 Shareholders’ Meeting
	As work on determining the strategic directions for climate change was still underway in 2024, the presentation of the climate change strategy and key current and future actions has been postponed until the 2025 Shareholders’ Meeting.	Each year, starting in 2025, Lectra will present to the Shareholder’s Meeting its climate strategy, its annual climate assessment, and the major actions undertaken.
Article 17.2 – Hearing of the Head of Internal Audit and Risk Control before the Audit Committee	Fiscal year 2024	As of Fiscal year 2025
	Until recently, regular reviews were conducted within the various departments of the Company, without centralized responsibility. The action plans and conclusions of these reviews were presented to the Audit Committee by the Chairman and Chief Executive Officer and/or the Chief Financial Officer.	Creation of an Internal Audit and Risk Control function, reporting to the General Secretary’s Office, to oversee all Group internal audit missions and to manage the risks identified in the Management Discussion and Analysis and the Sustainability Report. The company’s Internal Audit and Risk Control Manager will report their action plans and conclusions to the Audit Committee, with which they will be in regular contact.

1. Directors and managing bodies

1.1 Governance: combination of the roles of Chairman and Chief Executive Officer

The Board of Directors, at its meeting on July 27, 2017, decided to combine the roles of Chairman and of Chief Executive Officer, which have been fulfilled since that date by Daniel Harari. This form of governance appears to be the most appropriate in light of the organization and size of the Company, the experience of Daniel Harari, and his role in the implementation of the strategic roadmap.

In accordance with the recommendations of article 3.2 of the AFEF-MEDEF Code, the mission of monitoring and managing possible conflicts of interest in connection with the Chairman and Chief Executive Officer is conferred upon the Lead Director⁽²⁹⁾.

The Chairman and Chief Executive Officer exercises his powers within the limits of the corporate purpose and subject to the powers explicitly attributed by law to the Shareholders' Meeting and to the Board of Directors. The Board of Directors may place limits on the powers of the Chairman and Chief Executive Officer; however, such limitations are not enforceable against third parties. These limitations are set out in article 3 of the Internal Rules and Procedures, available on the Company's website (<https://www.lectra.com/en/investors/corporate-governance/bylaws-and-rules>), and are noted in paragraph 1.4.1 of this Report.

The Chairman and Chief Executive Officer may be assisted by one or more deputy chief executive officers (*directeurs généraux délégués*), it being noted that no such positions exist on the date of this Report.

Balance of powers

The Board of Directors considers that the governance measures implemented within the Company ensure a satisfactory balance of powers, in line with best practices, and provide the guarantees needed for the combined roles to operate, especially in light of the following:

- the presence of a majority of Independent Directors on the Board of Directors (see chapter 1.4.2 of this Report regarding the composition of the Board of Directors);
- the presence of a Lead Director, who is an Independent Director invested with specific missions and prerogatives (see chapter 1.4.5 of this Report regarding the role and missions of the Lead Director);
- the existence of five specialized committees of the Board of Directors, with separate missions and prerogatives in strategy, audit, sustainability, compensation and nominations (see chapter 1.4.4 of this Report regarding the role and composition of the committees);
- the chairing by Independent Directors of the Audit Committee, Sustainability Committee, Compensation Committee and Nominations Committee;
- a meeting of Non-Executive Directors, in the absence of the Chairman and Chief Executive Officer, at least once a year (see chapter 1.4.3 of this Report regarding the functioning of the Board of Directors); and
- the limits imposed by the Internal Rules and Procedures on the powers of the Chairman and Chief Executive Officer, providing for prior approval by the Board of Directors of certain major strategic decisions or decisions that could have a significant impact on the Company (see paragraph 1.4.1 of this Report on decisions requiring prior approval).

The Board of Directors has recognized the effectiveness of combining the functions of Chairman and Chief Executive Officer and

indicated its satisfaction with the balance of powers between the Chairman and Chief Executive Officer and the Directors.

This organization of Executive Management recently proved its effectiveness in the difficult international situation of the last years (major health crisis, deteriorating macroeconomic and geopolitical environment), where the involvement and responsiveness of the Directors and the Executive Management came to the fore.

1.2 Missions of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer, elected by the Board of Directors, has the following duties and responsibilities:

- he organizes and leads the work of the Board of Directors and reports to the Shareholders' Meeting, and, more generally, oversees the proper functioning of the Company's Board and Committees;
- he acts as guardian of good corporate governance of the Company, of abidance by the Board of Directors and its members for the rules of conduct, together with the demands of good faith and transparency in the Company's financial and corporate publications;
- he oversees the proper functioning of the Company's managing bodies and especially the committees of the Board of Directors;
- he chairs and runs the Strategic Committee;
- he represents the Board of Directors and, unless otherwise decided by the latter, has sole authority to act and speak in its name; and
- he oversees the general management of the Company. In this capacity, he is invested with full powers to act in the Company's name in all circumstances and represent it in its dealings with third parties, and he assumes all operational and executive responsibilities; and all teams in the Lectra group (the "Group") report to him; and
- he oversees the proper functioning of the Company's managing bodies and especially the Executive Committee.

The Chairman and Chief Executive Officer ensures abidance by and promotes the Group's core values and ethical standards in the conduct of its business.

1.3 Executive Committee

The Chairman and Chief Executive Officer relies on the Executive Committee and defines its composition; its members comprise the Group's principal operational and functional managers. The Executive Committee's mission is to provide leadership in the conduct of Lectra's operations. Each member is further invested with specific missions pertaining to execution of the strategic roadmap.

On the date of this Report, the Executive Committee has twelve members, four women and eight men:

- Daniel Harari, Chairman and Chief Executive Officer, Chairman of the Executive Committee;
- Maximilien Abadie, Chief Strategy Officer, Chief Product Officer;
- Anne Borfiga, General Secretary;
- Antonella Capelli, President, Europe, Middle East & Africa;
- Thierry Caye, Chief Technology Officer;
- Olivier du Chesnay, Chief Financial Officer;
- Javier Garcia, Chief Customer Officer;
- Laurence Jacquot, Chief Customer Success Officer;

(29) The missions and powers of the Lead Director are further described in paragraph 1.4.5 of this Report.

- Michael Jaïs, Chief Executive Officer & Co-founder, Launchmetrics (Company of the group Lectra);
- Leonard Marano, President, Americas;
- Maria Modrono, Chief Marketing and Communications Officer;
- Frédéric Morel, President, Asia Pacific.

The biographies of the Executive Committee members are available in the “Corporate Governance” and “Executive Committee” sections of the Company’s website (<https://www.lectra.com/en/investors/corporate-governance/executive-committee>).

Policy on gender balance in managing bodies

In compliance with Recommendation 8 of the AFEP-MEDEF Code, on a proposal by the Executive Management and a recommendation by the Compensation Committee, the Board of Directors, at its meeting on February 24, 2021, established the diversity policy applicable to the Group’s managing bodies (members of the Executive Committee, Senior Vice Presidents, Vice Presidents).

The managing bodies of the Group comprise the members of the Executive Committee plus the management team, that is 92 persons (69 persons excluding Launchmetrics). Women account for 35% and 32% excluding Launchmetrics (29% in 2023). As for the Group Executive Committee, on December 31, 2024, it had 12 members, including four women, improving the rate of feminization to 33% of the Committee’s membership (31% in 2023). Lectra aims to raise the gender mix in its managing bodies to the same level as in the Group as a whole (42%), by the end of 2025.

1.4 Board of Directors

1.4.1. Roles and powers of the Board of Directors

The Board performs the duties assigned to it by law and the Company’s by-laws. Subject to powers expressly invested in the Shareholders’ Meeting and within the limits of the corporate purpose, the Board of Directors may consider all matters relating to the proper functioning of the Group and decide on all relevant affairs. It acts in the best interests of the Company, with a focus on long-term value creation, in all circumstances. The Board of Directors is responsible for setting out the strategic orientations of the Group and ensures their execution, while integrating in particular social, societal and environmental issues.

The members of the Board of Directors are informed of any important event concerning the operation of the Company, and more generally of market developments, the competitive environment and the most important issues the Group may face, including sustainability issues.

The Board of Directors conducts an analysis of the major financial operations and economic matters or questions relating to human capital and decides on important operations, after their review by the Strategic Committee or/and the Audit Committee. The Board of Directors performs controls and verifications as it deems appropriate.

Under the Internal Rules and Procedures, the following items require prior approval by the Board of Directors:

- Any transaction exceeding 10 million euros not related to the Group’s stated strategy or liable to have a significant impact on its financial results, balance sheet structure, or risk profile;
- all creations of subsidiaries, all acquisitions of companies or activities, together with all disposals of a subsidiary, activity or item of Group intellectual property; and
- all financial or stock market transactions having an immediate or future impact on the share capital, together with all borrowings exceeding 10 million euros.

The Board of Directors:

- determines the desired composition of the Board of Directors and the diversity policy;
- proposes to elect and re-elect Independent Directors as recommended by the Nominations Committee;
- chooses the form of organization (separation of the positions of chairman and of chief executive officer, or combination of these offices), and oversees their management;
- appoints the company officers⁽³⁰⁾ (*dirigeants mandataires sociaux*) entrusted with the management of the Company;
- establishes, upon the recommendation of the Nominations Committee or an ad hoc committee, a succession plan for Directors and company officers;
- decides on the principles and criteria for compensation for Directors and company officers (*ex-ante*), and sets their remuneration for the previous year (*ex-post*) on the recommendation of the Compensation Committee.

After review by the Audit Committee and Sustainability Committee, and in line with the strategy it has defined, the Board of Directors periodically reviews financial, legal, operational, labor-related and environmental risks and opportunities, as well as the measures taken. All information required to perform this task is provided to the Board of Directors, and in particular by the Chairman and Chief Executive Officer.

The Board of Directors ensures that a system for the prevention and detection of corruption and influence peddling is in place and receives all necessary information in this respect.

It also verifies that the Chairman and Chief Executive Officer implements a policy of non-discrimination and diversity, particularly with respect to the balanced representation of women and men in managing bodies.

The Board of Directors formulates the Company’s policy on financial disclosure and ensures that shareholders and investors receive relevant, balanced and instructive information about the strategy, development model, considerations regarding non-financial issues that are of significance to the Group, and its long-term outlook. It establishes the financial communication policy of the Company, in consultation with the Audit Committee.

(30) As defined in the preamble and article 3.2 of the AFEP-MEDEF Code, the company officers consist of (i) the chairman of the board of directors (non-executive officer) and the chief executive officer in the case of a separation of the roles or (ii) the chairman and chief executive officer in the case of a combination of the roles.

1.4.2. Membership of the Board of Directors

On the date of this Report, the Board of Directors has eight⁽³¹⁾ members:



Daniel Harari

- Chairman and Chief Executive Officer
- Chairman of the Strategic Committee



Ross McInnes

- Lead Independent Director
- Chairman of the Nominations Committee
- Member of the Strategic Committee and Audit Committee



Céline Abecassis-Moedas

- Independent Director
- Chairwoman of the Compensation Committee
- Member of the Strategic Committee and Sustainability Committee



Karine Calvet

- Independent Director
- Member of the Strategic Committee and Sustainability Committee



Nathalie Rossiensky

- Independent Director
- Chairwoman of the Audit Committee
- Member of the Strategic Committee, Compensation Committee and Nominations Committee



Pierre-Yves Roussel

- Independent Director
- Member of the Strategic Committee



Jérôme Viala

- Non-independent Director
- Member of the Strategic Committee, Audit Committee, and Compensation Committee



Hélène Viot-Poirier

- Independent Director
- Chairwoman of the Sustainability Committee
- Member of the Strategic Committee, Audit Committee and Nominations Committee

Directors

8

of which 6 are independent

Gender parity

4/4

Lead Director

1

Term of Office

4 years

Specialized Committees

5

Rate of attendance in 2024

98% (board)

100% (committees)

The Board of Directors includes no director representing employee shareholders and no director representing the employees, as the Company does not exceed any of the thresholds prescribed by articles L.225-23 and L.225-27-1 of the French Commercial Code⁽³²⁾.

(31) The Board of Directors will consist of 7 members as of April 25, 2025, Ross McInnes having decided to resign from his position as Director, effective April 24, at the close of the Board meeting. For more information on changes in the composition of the Board of Directors, see chapter 1.4.2. "Membership of the Board of Directors", paragraph "Proposed change in the composition of the Board of Directors submitted to the 2025 Annual Shareholders' Meeting."

(32) Under articles L. 225-23 and L. 225-27-1 of the French Commercial Code and article 9 of the AFEP-MEDEF Code, in the event that (i) the share ownership by the employees of the company and by employees of affiliated companies within the meaning of article L. 225-180 of the French Commercial Code exceeds the threshold of 3% of the share capital of the company, and/or in the event that (ii) the company employs at least 1,000 permanent employees in France or at least 5,000 worldwide, counting direct and indirect subsidiaries, for at least two consecutive fiscal years, then the board of directors must include (i) one or more directors representing employee

03 – REPORT ON CORPORATE GOVERNANCE

Summary table of changes in Board of Directors membership in 2024

Re-elected	Daniel Harari (Chairman and Chief Executive Officer) Nathalie Rossiensky (Independent Director)
Elected	Jérôme Viala (Non-independent Director)
End of Term of Office	Jean Marie Canan (Non-independent Director)

Board of Directors and Board of Directors' committees overview

	Personal Information				Experience	Position on the Board of Directors				Participation in the Board of Directors' Committees				
	Age	Gender	Nationality	Number of shares	Number of Directorships in other listed companies	Independence	Initial date of appointment	Term of office expires	Length of service on Board of Directors (years)	Strategic Committee	Audit Committee	Sustainability Committee	Compensation Committee	Nominations Committee
Daniel Harari Chairman and Chief Executive Officer	70	M	FR	4 807 560	0	No	1991	SM 2028	34	■				
Ross McInnes Lead Independent Director	71	M	FR AUS	750	2	Yes	29/04/2022 ⁽¹⁾	SM 2026 ⁽²⁾	3	■	■			■
Céline Abecassis-Moedas Independent Director	53	F	FR	750	1	Yes	30/04/2021	SM 2025 ⁽³⁾	4	■		■	■	
Karine Calvet Independent Director	57	F	FR	253	0	Yes	28/04/2023	SM 2027	2	■		■		
Nathalie Rossiensky Independent Director	55	F	FR	1500	0	Yes	29/04/2016	SM 2028	9	■	■		■	■
Pierre-Yves Roussel Independent Director	59	M	FR	701	0	Yes	28/04/2023	SM 2027	2	■				
Jérôme Viala Non-independent Director	63	M	FR	120 931	0	No	26/04/2024	SM 2028	1	■	■		■	
Hélène Viot-Poirier Independent Director	52	F	FR	311	0	Yes	29/04/2022	SM 2026	3	■	■	■		■

(1) As a reminder, Ross McInnes was a Director of the Company from January 1, 2018 to April 30, 2020.

(2) The term of office of Ross McInnes as a member of the Board will expire at the close of the Board of Directors' meeting on April 24, 2025. For more information on changes in the composition of the Board of Directors, see chapter 1.4.2. "Membership of the Board of Directors", paragraph "Proposed change in the composition of the Board of Directors submitted to the 2025 Annual Shareholders' Meeting".

(3) A proposal will be made at the Annual Shareholders' Meeting of April 25, 2025, to reelect Céline Abecassis-Moedas as a Director.

The members of the Board of Directors of Lectra



Daniel Harari

Chairman and Chief Executive Officer
Chairman of the Strategic Committee

Biography – Experience and expertise

Age	Daniel Harari is a graduate of École Polytechnique and holds an MBA from HEC in Paris. He began his career as Vice President of Société d'Études et de Gestion Financière Meeschaert, an asset management company (1980-1983). He was then Chairman and Chief Executive Officer of La Solution Informatique (1984-1990), a PC distribution and services company, and of Interleaf France (1986-1989), a subsidiary of the US software publisher, both of which he founded.	After the takeover of Lectra by Compagnie Financière du Scribe at the end of 1990, Daniel Harari became Chairman and Chief Executive Officer of Lectra and served in that capacity from 1991 to 2002. Following the separation of the role of Chairman from that of Chief Executive Officer in May 2002, Daniel Harari became Chief Executive Officer.
70		
Nationality		
French		
Term of office began		
1991		
Term of Office began		
April 26, 2024		
Term of office ends	In 1986, Daniel Harari became Chief Executive Officer of Compagnie Financière du Scribe (Paris), a venture capital firm specialized in technology companies, where he was, together with his brother André Harari, the main shareholder until its merger with Lectra on April 30, 1998.	Since the decision by the Board of Directors on July 27, 2017, to again combine the roles, Daniel Harari serves again as Chairman and Chief Executive Officer of Lectra.
at end of the Shareholders' meeting called to approve the financial statements for the fiscal year ended December 31, 2027		
Number Lectra shares held		
4,807,560		
Directorships expired in the past five years	Other current positions and directorships	
■ None	■ None	



Ross McInnes

Lead Independent Director
Chairman of the Nominations Committee
Member of the Strategic Committee and the Audit Committee

Biography – Experience and expertise

Age	71	Ross McInnes is a graduate of Oxford University. He started his career in 1977 with Kleinwort Benson, first working in London then in Rio de Janeiro. In 1980, he joined Continental Bank (now Bank of America), holding several positions in the corporate finance arm, first in Chicago and then in Paris.	Ross McInnes joined Safran in March 2009, and was named Executive Vice President, Economic and Financial Affairs in June. From July 2009 to April 2011 he was a member of the Executive Board, and then from April 2011 to April 2015 he was Deputy Chief Executive Officer.
Nationality	Australian French		
Director since	April 29, 2022 ⁽³³⁾		
Term of office began	April 29, 2022	He joined Eridania Beghin-Say in 1989, being named Chief Financial Officer in 1991, then a member of the Board of Directors in 1999. The following year, Ross McInnes joined Thomson-CSF (now Thales) as Executive Vice President and Chief Financial Officer, assisting in the group's transformation. In 2005 he moved to PPR (now Kering) as Executive Vice President for Finance and Strategy. He was appointed to the Supervisory Board of Générale de Santé in 2006, serving as acting Chairman of the Management Board from March to June 2007. He was also Vice Chairman of Macquarie Capital Europe, specialized in infrastructure investments.	On April 23, 2015 he was named Chairman of the Board of Safran.
Term of office ends	at end of the Shareholders' meeting called to approve the financial statements for fiscal year ended December 31, 2025 ⁽³⁴⁾		Ross McInnes is also a Director of Engie.
Number Lectra shares held	750		

Directorships expired in the past five years

- Director, Chairman of the Appointments and Governance Committee,
 - member of the Audit, Risks and Compliance Committee, Eutelsat Communications* to November 2022;
 - Director, member of the Audit, Compensation and Strategic Committees, Lectra from January 2018 to April 2020;
 - Trustee and Director of the IFRS Foundation (United States, United Kingdom) from January 2018 to January 2024.

Other current positions and directorships

- Chairman of the Board of Directors, Safran*
- Director, Chairman of the Audit Committee, member of the Ethics, Environment and Sustainable Development Committee, and member of the Strategy, Investment and Technology Committee, Engie*

*Listed company

(33) As a reminder, Ross McInnes was a Director of the Company from January 1, 2018 to April 30, 2020.

(34) The term of office of Ross McInnes as a member of the Board will expire at the close of the Board of Directors' meeting on April 24, 2025. For more information on changes in the composition of the Board of Directors, see chapter 1.4.2. "Membership of the Board of Directors", paragraph "Proposed change in the composition of the Board of Directors submitted to the 2025 Annual Shareholders' Meeting".



Céline Abecassis-Moedas

Independent Director

Chairwoman of the Compensation Committee

Member of the Strategic Committee and Sustainability Committee

Biography – Experience and expertise

Age	53
Nationality	French
Director since	April 30, 2021
Term of office began	April 30, 2021
Term of office ends	At end of the Shareholders' meeting called to approve the financial statements for fiscal year ended December 31, 2024 ⁽³⁵⁾
Number Lectra shares held	750

Céline Abecassis-Moedas is a graduate of the École Normale Supérieure de Cachan, of the Université Paris Dauphine (with a Masters in Scientific Management Methods) and holds a PhD in Management Science from Ecole Polytechnique. She began her career in research at France Télécom R&D before joining Lectra as E-Business Product Manager in 1999. She then worked at AT Kearney as a consultant in 2000. From 2002 to 2005, she was Assistant Professor of Strategy at Queen Mary University of London, and then joined Católica-Lisbon as Assistant Professor in Strategic and Innovation Management. While at Católica-Lisbon she held the position of Director of the Masters Program, and taught and developed executive education programs before becoming Dean for Executive Education in 2019. Céline Abecassis-Moedas was an International Faculty Fellow at Massachusetts Institute of Technology (MIT) (United States) in 2011-2012 and published research papers in prestigious journals on the role of innovation and design in creative industries (including fashion).

From 2014 to 2020, Céline Abecassis-Moedas was Affiliate Professor at ESCP and co-scientific director of the Lectra-ESCP Chair's "Fashion and Technology."

From 2012 to 2019 Céline Abecassis-Moedas was an Independent Director at Europac (Papeles y Cartones de Europa, SA) and Lead Independent Director from 2015 to 2019. She was an Independent Director at CTT (CTT Correios de Portugal, S.A.) from 2016 to 2020 and at GreenVolt SA from 2021 to 2023. She is an Independent Director and Chairperson of the Innovation and Sustainable Development Committee at CUF SA (since 2016) and Independent Director at Vista Alegre Atlantis (since 2020).

Céline Abecassis-Moedas is IDP-C certified in Corporate Governance from INSEAD (2017).

Directorships expired in the past five years

- Independent Director, member of the Corporate Governance, Evaluation and Nominations Committee at CTT* (CTT Correios de Portugal, SA), (Portugal from 2016 to 2020);
- Independent Director of GreenVolt, SA* (Portugal, from 2021 to 2023);
 - Director of Executive Education at Católica-Lisbon (Portugal, from 2019 to 2024)

Other current positions and directorships

- Pro-rector for innovation and entrepreneurship at the Catholic University of Portugal (since 2024);
- Independent Director and Chairperson of the Innovation and Sustainable Development Committee at CUF, SA (Portugal, since 2016);
- Independent Director of Vista Alegre Atlantis,* SA (Portugal, since 2020).

*Listed company

(35) A proposal will be made at the Annual Shareholders' Meeting of April 25, 2025, to re-elect Céline Abecassis-Moedas as a Director.



Karine Calvet

Independent Director
Member of the Strategic Committee and Sustainability Committee

Biography – Experience and expertise

Age	Karine Calvet is a graduate of Sciences Po and of Université Paris 1 Panthéon-Sorbonne. She has devoted most of her career to information technology; sixteen years in services companies, seven years in telecommunications, and six years in software. She has had leadership roles in telecommunications environments for leading global companies (CGI, Capgemini, Alcatel-Lucent, Verizon, Microsoft and currently Schneider-Aveva), focusing on digital transformation.		In the last two years, as Vice President, Southern Europe then Vice President, EMEA in charge of Partners and Alliances at AVEVA (Schneider group), Karine Calvet has worked closely with industrial companies to help them meet the challenges of operational efficiency, safety, cost management, sustainability and decarbonization by taking advantage of digitalization.
57			
Nationality	French		
Director since	April 28, 2023		
Term of office began	April 28, 2023		
Term of office ends	at end of the Shareholders' meeting called to approve the financial statements for fiscal year ended December 31, 2026		
Number Lectra shares held	253		
Directorships expired in the past five years	■ None		
Other current positions and directorships	■ Vice President, EMEA in charge of Partners and Alliances at AVEVA (Schneider group)		



Nathalie Rossiensky

Independent Director⁽³⁶⁾
Chairwoman of the Audit Committee
Member of the Strategic Committee, the Compensation Committee and the Nominations Committee

Biography – Experience and expertise

Age	Nathalie Rossiensky graduated from University Paris-Dauphine (Master of Applied Mathematics and D.E.A. of Financial Economics) and holds a Ph.D. in Finance from London Business School.	Nathalie Rossiensky is currently Associate Capital Partner of the group Lombard Odier.
Nationality	French	
Director Since	April 29, 2016	
Term of office began	April 30, 2020	
Term of office ends	at end of the Shareholders' meeting called to approve the financial statements for fiscal year ended December 31, 2027	Based in Paris, she is responsible for management of financial assets in all asset classes, including unlisted assets, with a pronounced focus on sustainability.
Number Lectra shares held	1,500	
	She started her career in 2000 with JP Morgan Private Bank in Paris, before joining the Investment Management Division of Goldman Sachs International, first in London in 2005, and then in Paris, where she served through 2013 as Executive Director in charge of asset allocation and investment in all asset classes for family offices and family-owned corporates.	
	From 1998 to 2000, Nathalie Rossiensky was Assistant Professor of Finance at the Fuqua School of Business, Duke University (USA); her research focused on asset management, financial intermediation and game theory. She has spoken at conferences including at Stanford University, NYU Stern School of Business (USA), and INSEAD (France).	

Directorships expired in the past five years

■ None

Other current positions and directorships

■ Associate Capital Partner, group Lombard Odier

(36) Nathalie Rossiensky will assume the role of Lead Director with effect from April 25, 2025 (see chapter 1.4.2. Membership of the Board of Directors, paragraph "Proposed change in the composition of the Board of Directors submitted to the 2025 Annual Shareholders' Meeting").



Pierre-Yves Roussel

Independent Director
Member of the Strategic Committee

Biography – Experience and expertise

Age	Pierre-Yves Roussel graduated from the University of Brussels and of London Chamber of Commerce and holds an MBA from the Wharton School (University of Pennsylvania). He began his career in investment banking with HSBC in Brussels, before moving to Morgan Stanley in London.	
59	From 2006 to 2018, he was Chairman of the Board of the brands Céline, Givenchy, Loewe, Kenzo, Pucci, Rossimoda, Marc Jacobs, Donna Karan, Berluti, JW Anderson and Nicolas Kirkwood. The Fashion Group tripled in size under his tenure as Chairman and CEO. He has also been a member on several prestigious fashion juries including Andam, CFDA Fashion Incubator, and the LVMH Fashion Prize. He was a member of the management committee of the Chambre Syndicale de la Mode et de la Couture from 2010 to 2018.	
Nationality	French	
Term of office began	April 28, 2023	
Term of office ends	April 28 2023	
Term of office ends	at end of the Shareholders' meeting called to approve the financial statements for fiscal year ended December 31, 2026	
NumberLectra shares held	701	
	In 1990, he joined management consulting firm McKinsey & Company in France, where he led numerous consultancy assignments in the fashion, luxury, retail and media sectors in Europe and Asia (Hong Kong, China, Japan). He was elected Partner in 1998 and Global Senior Partner (Director) six years later.	
	In 2004, he joined the LVMH Group Executive Committee as Executive Vice President, Strategy and Operations, reporting directly to Bernard Arnault. In 2006, he was appointed Chairman and CEO of LVMH Fashion Group, one of the LVMH Group's five branches of operational activity, which assembles all of LVMH's fashion brands, except Louis Vuitton.	
	He left the LVMH Group in 2018 to assume the position of CEO – based in New York – of Tory Burch, the private family-run company founded by his wife in 2004 that now has over 350 stores worldwide, 13 retail websites, and nearly 5,000 employees.	

Directorships expired in the past five years

- Director of Salvatore Ferragamo Finanziaria between 2020 and 2021

Other current positions and directorships

- Chief Executive Officer of Tory Burch since January 2019 (USA)
- Non-executive Director of McLaren Group (since 2024)



Jérôme Viala

Non independent Director
Member of the Strategic Committee, Audit Committee and
Compensation Committee

Biography – Experience and expertise

Age
63

Nationality
French

Director since
April 26, 2024

Term of office began
April 26, 2024

Term of office ends
at end of the Shareholders' meeting called to
approve the financial statements for fiscal
year ended December 31, 2026

Number Lectra
shares held
120,931

Directorships expired in the past five years

Outside the Lectra Group

■ None

With the Lectra Group

- Director of Gerber Technology NV/SA (Belgium) until February 2024
 - Director of Lectra Benelux NV (Belgium) until December 2023;
 - Director of Lectra Canada Inc (Canada) until January 2024
 - Director of Lectra Systems (Shanghai) Co Ltd (China) until February 2024
 - Director of Gerber Scientific International A/S (Denmark) until January 2024;
 - Director and Chairman, Lectra Danmark CHECK FRENCH A/S (Denmark) until February 2024
 - Director, Lectra Baltic Oü (Estonia) until December 2023
 - Director of Lectra USA Inc (United States) until January 2024
 - President of Knife Holding Corporation
- Current offices and positions Outside the Lectra Group

A graduate of KEDGE Business School (France), Jérôme Viala began his career as a credit analyst at Esso (France) before joining Lectra's finance department in 1985. He then held the positions of Financial Controller for Europe and North America (1988-1991), Administrative and Financial Director for the France Division (1992-1993) and then for the Products Division (1993-1994). He was Group CFO from 1994 to 2016.

Jérôme Viala was Executive Vice President of Lectra from January 1, 2017 to March 31, 2024. He served as Vice Chairman of the Executive Committee from January 15, 2019, to March 31, 2024, having been appointed to the Executive Committee since its creation in 2005. For several years and until March 31, 2024, he has also served as Secretary to Lectra's Board of Directors.

Other current positions and directorships

Outside the Lectra Group

■ None

With the Lectra Group

■ None

- Managing Director of Gerber Technology GmbH (Germany)
- Director of Lectra South Africa (Pty) Ltd (South Africa)
 - Director, Gerber Technology Pty Ltd (Australia)
 - Director, Lectra Australia Pty Ltd (Australia)
- Director, Gerber Scientific International (Cambodia) Co Ltd (Cambodia)
 - Director, Lectra Chile SA (Chile)
- Director, Gerber Scientific (Shanghai) Co Ltd (China)
- Director of Lectra Korea Ltd (South Korea)
- Director and Chairman of Lectra Sistemas Española S.A.U. (Spain)
 - Chief Executive Officer, Gerber Technology SAS (France)
- Director, Gerber Scientific International Ltd (Hong Kong)
 - Chairman of Lectra Vietnam (Vietnam)
- Director of Gerber Technology s.r.l. (Italy)
 - President, Lectra Italia SpA (Italy)
 - Director, Lectra Japan Ltd (Japan)
- Chief Executive Officer, Gerbertec Maroc SARL (Morocco)
- Chief Executive Officer of Lectra Maroc SARL (Morocco)
- President of AG Finco LLC (United States) until January 2024
- President of Holding Mexico LLC (United States) until January 2024
- President of Gerber Scientific LLC (United States) until January 2024
- President of Gerber Technology LLC (United States) until January 2024
- Director and Chairman, Lectra Suomi Oy (Finland) until November 2023
- Director and President, AG UK Acquireco Ltd (Great Britain) until January 2024
- Director, Gerber Technology Ltd (Great Britain) until January 2024
- Director, Lectra UK Ltd (Great Britain) until January 2024
- Director, Lectra Hong Kong Ltd (Hong Kong) until January 2024
- Chairman of Lectra Sverige AB (Sweden) until November 2023
- Member of the Board of Managers of Gerber Technology S. de RL de CV (Mexico)
- President of Lectra Systèmes SA de CV (Mexico)
- President of Lectra Systèmes SA de CV (Mexico)
- Director and Chairman of Lectra Philippines Inc (Philippines)
- Director, Gerber Scientific International Sistemas Computorizados Lda (Portugal)
- Managing Director, Lectra Portugal Lda (Portugal)
- Director, Lectra Singapore Pte Ltd (Singapore)
- Director, Lectra Taiwan Co Ltd (Taiwan)
- Director and Chairman of the Board of Directors of Lectra Tunisie SA (Tunisia)
- Chief Executive Officer, Lectra Tunisie CP Sarl (Tunisia)
- Vice-Chairman of the Board of Directors of Glengo Lectra Teknoloji Anonim Sirketi (Turkey)
- Director and legal representative of Gerber Scientific International (Vietnam) Co Ltd (Vietnam)



Hélène Viot-Poirier

Independent Director
Chairwoman of the Sustainability Committee
Member of the Strategic Committee, Audit Committee and
Nominations Committee

Biography – Experience and expertise

Age	Hélène Viot-Poirier is a graduate of HEC Paris. She began her career in the Internet sector in 1997 in start-ups with Club Internet (Lagardère group), then worked for Kertel (Kering group). In 2001, she joined the Orange group, where, as Business Unit Director, she developed the ADSL market in France, then the mobile multimedia services market. She then took on the overall management of Orange's digital activities in France in 2010 as Vice President of Portal and Digital Services (over 300 million euros in revenues, and managing a division with 1000 employees).		In 2017, she became Chairwoman and Chief Executive Officer of Chevignon, part of the Vivarte group, turned around the company and brand, and launched the first environmentally responsible collection. As part of a strategic restructuring of Vivarte, the shareholder of Chevignon, she led the process of selling Chevignon.
52			Since 2020, as an Independent Senior Advisor, she has supported strategic internal and external growth projects in the fashion, digital and consumer goods sectors.
Nationality	French		
Director since	April 29, 2022		
Term of office began	April 29, 2022		
Term of office ends	at end of the Shareholders' meeting called to approve the financial statements for fiscal year ended December 31, 2025		Hélène Viot-Poirier was a Board Advisor of ConsoFlash, part of the Mediaperformances group (unlisted), from 2018 until september 2024. She has been an Independent Director on the Board of Selinko (unlisted) since 2021.
Number Lectra shares held	311		

Directorships expired in the past five years

- Board Advisor of CF group, until 2023
- Board Advisor of ConsoFlash, Mediaperformances Group, until September 2024

Other current positions and directorships

- Independent Director of Selinko (Belgium) since 2021

Diversity in the Board of Directors

The Board of Directors examines annually the desirable balance in its membership, notably regarding gender balance, the diversity of competencies, the independence of its members and, in light of the

various challenges facing Lectra, its geographical situation and the Company's shareholder base.

The following table summarizes the objectives, the implementation of the diversity policy as it applies to the members of the Board of Directors, and the resulting situation.

Criterion	Objective	Implementation and resulting situation
Gender balance on the Board of Directors	When the Board of Directors is composed of up to eight members, the difference between the number of Directors of each gender must not exceed two. (Articles L.22-10-3 and L.225-18-1 of the French Commercial Code)	4 men and 4 women.
Diversity of competencies, and complementary profiles	Complementary profiles in terms of areas of expertise.	Competencies represented: strategy, management, industry, knowledge of Lectra markets, finance, audit and risks, acquisitions, governance, corporate social responsibility, information systems and cybersecurity.
International profiles	Profiles with international experience and/or foreign profiles in light of Lectra's geographical reach.	All the Directors have vast international experience. Ross McInnes is Australian French. Céline Abecassis-Moedas is a resident of Portugal. Pierre-Yves Roussel is a resident of the United-States.
Directors' independence	At least half the members of the Board of Directors should be independent. (Article 10.3 of the AFEF-MEDEF Code)	75% of the Directors are independent.
Age of directors	At least half of the members of the Board of Directors must be under 72 years of age. (Article 11 of the Company's by-laws)	None of the Directors are older than the 72-year-old age limit. The average age is 60, and the range is from 52 to 71.

Competencies represented within the Board of Directors

	Strategy	Management	Industry	Lectra markets	Finance, audit and risks	Acquisitions	Governance	Social responsibility	Societal responsibility	Environmental responsibility	Information systems / cybersecurity	International Experience
Daniel Harari	X	X	X	X	X	X	X	X	X	X	X	X
Ross McInnes	X	X	X	X	X	X	X	X	X	X		X
Céline Abecassis-Moedas	X	X		X			X	X	X	X		X
Karine Calvet	X	X	X				X	X	X	X	X	X
Nathalie Rossiensky	X	X			X		X	X	X	X		X
Pierre-Yves Roussel	X	X		X	X	X	X	X	X	X		X
Jérôme Viala	X	X	X	X	X	X	X	X	X			X
Hélène Viot-Poirier	X	X		X	X	X	X	X	X	X	X	X
% of Directors	100%	100%	50%	75%	75%	63%	100%	100%	100%	88%	38%	100%

Training of Directors

Non-Executive Directors receive training on the specific characteristics of the Company, its businesses, sectors of activity, products and services, operational, social and environmental issues, as well as its organization and operating mode, in order to gain a thorough understanding thereof.

Directors have received a CSR training course covering developments arising from the new *CSRD (Corporate Sustainability Reporting Directive)* and climate-related issues (global warming, Paris Agreement, climate trajectory).

Meetings with the Company's key executives were organized for all Directors at the Bordeaux-Cestas Technology Campus in December 2024. This was an opportunity for them to deepen their knowledge of our products and services and to discover the new professions contributing to the Group's transformation.

Directors' Independence

In general, a director is deemed to be independent when there is no relationship of any kind whatsoever with the company, its group or its management liable to compromise the director's freedom of judgment. To comply with the rules of corporate governance as set out in article 10.3 of the AFEP-MEDEF Code, in widely held corporations without controlling shareholders, independent directors must make up at least 50% of the membership of the board of directors.

The Company's use of the term "Independent Director" is consistent with the recommendations of the AFEP-MEDEF Code, which stipulates that independence must be discussed by the Nominations Committee and determined by the Board of Directors when appointing a Director, as well as annually for all Directors.

On February 27, 2025, the Board of Directors discussed the qualifications of each Director and concluded that:

- Céline Abecassis-Moedas, Karine Calvet, Nathalie Rossiensky, Hélène Viot-Poirier, Ross McInnes and Pierre-Yves Roussel satisfy all the criteria for independence set out in the AFEP-MEDEF Code;
- Daniel Harari is not deemed to be independent, because he has been the Company Officer since 1991, and holds, on the date of this Report, roughly 12.7% of the capital and 12.6% of the voting rights of the Company;
- Jérôme Viala qualifies as non-independent because he was an employee of Lectra between 1985 and March 2024.

In particular, there are no significant business relationships or vested interests between Céline Abecassis-Moedas, Karine Calvet, Nathalie Rossiensky, Hélène Viot-Poirier, Daniel Harari and Jérôme Viala and Lectra or any of its subsidiaries.

In addition, the business relationships between the Group (i) and the companies of the Safran Group, of which Ross McInnes is Chairman of the Board of Directors, (ii) and the companies of the Tory Burch Group, of which Pierre-Yves Roussel is Chief Executive Officer, were established prior to the appointment of the Directors under normal market conditions and are not of any material significance in view of the amounts involved. Consequently, they are not of a nature to compromise their independence.

The following table sets out the status of each Director with regard to the criteria for independence set out in article 10.5, 10.6 and 10.7 of the AFEP-MEDEF Code:

Criteria of independence	Daniel Harari	Ross McInnes	Céline Abecassis-Moedas	Karine Calvet	Nathalie Rossiensky	Pierre – Yves Roussel	Jérôme Viala	Hélène Viot – Poirier
Criterion 1: Employee or company officer within the previous 5 years	yes	no	no	no	no	no	yes	no
Criterion 2: Cross-Directorships	no	no	no	no	no	no	no	no
Criterion 3: Significant business relationships	no	no	no	no	no	no	no	no
Criterion 4: Family ties to a company officer	no	no	no	no	no	no	no	no
Criterion 5: Auditor within the previous 5 years	no	no	no	no	no	no	no	no
Criterion 6: Period of office exceeding 12 years	yes	no	no	no	no	no	no	no
Criterion 7: Status of non-executive officer (receives variable compensation or any compensation linked to the performance of the company or group)	n/a	no	no	no	no	no	no	no
Criterion 8: Status of the major shareholder (holds over 10% of the capital or voting rights in the company)	yes	no	no	no	no	no	no	no

Gender balance on the Board of Directors

In accordance with articles L.225-18-1 and L.22-10-3 of the French Commercial Code, in companies with a board of directors consisting of up to eight members, the difference between the number of members of each gender may not exceed two.

The Board of Directors of Lectra has complied with this gender balance rule ever since it went into effect. On the date of this Report, the Board of Directors is composed of eight members, four women and four men.

Age limit for Directors and for the Chairman of the Board of Directors

Under article 11 of the Company by-laws, the proportion of Directors aged over 72 is restricted to one-half of the total number of Directors in office. If the threshold of one half of the Directors is exceeded, the Director who is the oldest shall automatically be deemed to have resigned, his or her appointment expiring at the end of the next annual ordinary shareholders' meeting, in order to ensure the continuity of terms of office and of the Board of Directors' work in the course of a given fiscal year.

Under article 13 of the Company's by-laws, the age limit for the position of Chairman of the Board of Directors is 76.

On the date of this Report, no Director, nor the Chairman of the Board of Directors is older than the age limit.

Duration of Directors' appointments

In accordance with the recommendations of article 15.1 of the AFEP-MEDEF Code, since the Shareholders' Meeting of April 27, 2012, the statutory term of office of the members of the Board of Directors is set at four years.

In order to favor the smooth replacement of the Directors and to comply with the recommendations of article 15.2 of the AFEP-MEDEF Code, a staggering of terms of office and the renewal of the Board of Directors by quarters has been gradually put in place through the early reelection of certain Directors in 2019 and the election of new Directors in 2021 and in 2022.

The following table indicates when the Directors' terms of office end:

Directors whose term of office ends at the close of the 2025 Shareholders' Meeting called to approve the financial statements for fiscal year 2024	Directors whose term of office ends at the close of the 2026 Shareholders' Meeting called to approve the financial statements for fiscal year 2025	Directors whose term of office ends at the close of the 2027 Shareholders' Meeting called to approve the financial statements for fiscal year 2026	Directors whose term of office ends at the close of the 2028 Shareholders' Meeting called to approve the financial statements for fiscal year 2027
Céline Abecassis-Moedas (Independent Director) ⁽¹⁾	Hélène Viot-Poirier (Independent Director)	Karine Calvet (Independent Director)	Daniel Harari (Chairman and Chief Executive Officer)
	Ross McInnes (Independent Director) ⁽²⁾	Pierre-Yves Roussel (Independent Director)	Nathalie Rossiensky (Independent Director)
			Jérôme Viala (Non-independent Director)

(1) A proposal will be made at the Annual Shareholders' Meeting of April 25, 2024, to reelect Céline Abecassis-Moedas as Director.

(2) The term of office of Ross McInnes as a member of the Board will expire at the close of the Board of Directors' meeting on April 24, 2025. See chapter 1.4.2. Membership of the Board of Directors, paragraph "Proposed change in the composition of the Board of Directors submitted to the Annual 2025 Shareholders' Meeting".

Directors' and Chairman and Chief Executive Officer's shareholdings

Article 21 of the AFEP-MEDEF Code on ethical rules for directors recommends that each director should be a shareholder in a personal capacity and should hold a minimum number of shares that is significant in relation to the directors' compensation. If the director does not own these shares at the time of joining the board of directors, he or she should use a portion of his or her compensation to purchase shares.

The director is required to notify the company of his or her compliance, this information being provided in the Report on Corporate Governance.

Article 12 of the By-laws stipulates that each Director must own at least one share of stock throughout his or her term of office. In addition to this requirement, Article 4.5 of the Internal Rules and Procedures, as amended by the Board of Directors on February 27, 2025, stipulates that all Directors must own at least 750 of the Company's shares. Directors who do not hold these shares at the time of joining the Board of Directors are required to invest the equivalent of 25% of his or her annual directors' compensation (i.e. approximately half of the net amount received by them after deduction of social security contributions and personal income tax) until they have acquired the requisite number of shares. Such investment must be made within twelve months following payment of such directors' compensation.

As of today, Daniel Harari, Ross McInnes, Jérôme Viala, Céline Abecassis-Moedas and Nathalie Rossiensky each hold at least 750 Lectra shares.

Hélène Viot-Poirier (elected in 2022 and holds 311 Lectra shares), Karine Calvet (elected in 2023 and holds 253 Lectra shares) and Pierre-Yves Roussel (elected in 2023 and holds 701 Lectra shares) undertake to invest 25% of their gross annual compensation to gradually acquire Lectra shares, as provided in the Internal Rules and Procedures.

Number of Directorships held by the Chairman and Chief Executive Committee and the Directors

Article 20.2 of the AFEP-MEDEF Code recommends that an executive officer does not hold more than two other directorships in listed corporations, including foreign corporations, outside of his or her group and that he or she must also seek the opinion of the board of directors before accepting a new directorship in a listed corporation.

Article 4.2 of the Company's Internal Rules and Procedures goes beyond the recommendations of the AFEP-MEDEF Code and prohibits the Chairman and Chief Executive Officer from holding directorships in any French or foreign company, listed or unlisted, outside the Group.

In compliance with this rule, Daniel Harari holds no office within or outside the Group.

Article 20.4 of the AFEP-MEDEF Code also recommends that a director should not hold more than four other directorships in listed companies outside the group, including foreign companies. Article 4.2 of the Internal Rules and Procedure goes even further than the recommendation of the AFEP-MEDEF Code and provides that Directors must limit the number of directorships they hold in other companies so as to ensure that they remain available to fulfill their duties as members of the Lectra Board of Directors. They must inform the Chairman and Chief Executive Officer prior to acceptance of any new director position in a French or foreign company, whether listed or unlisted, including membership on board committees, or of any change in their professional responsibilities.

In keeping with these rules, no Lectra Director holds more than four other positions in listed companies.

Selection procedure for Directors

Under article 18.2.1 of the AFEP-MEDEF Code and in accordance with the recommendations of the *Autorité des Marchés Financiers (AMF)* and the *Haut Comité de Gouvernement d'Entreprise (HCGE)*, the Board of Directors adopted, at its meeting on July 29, 2021, and then updated, at its meeting on February 27, 2025, a formal written procedure setting out the selection procedure for Independent Directors. This procedure is published on the Lectra website (<https://www.lectra.com/en/investors/corporate-governance/bylaws-and-rules>) and describes the role of the Nominations Committee in the selection of future Independent Directors, the principles underlying the selection procedure, and the various stages in the selection process.

The selection procedure for future Independent Directors comprises the six stages described below:

1. identification of sought-after profiles, which begins with the assessment by the Nominations Committee of the needs for competencies and approval by the Board of Directors of the recruitment policy and time schedule proposed by the Nominations Committee;
2. the search for profiles by the Nominations Committee, which is responsible for the preparation and continuous management of a list of at least 3 potential candidates;
3. preselection of candidates by the Nominations Committee, in light of needs (vacant seats or expansion of the Board of Directors);
4. contacts with candidates by the Chairperson of the Nominations Committee and arrangements for interviews, initially with the members of the Nominations Committee, and then with the other remaining Directors and the Chairman and Chief Executive Officer;
5. reporting to the Board of Directors on the work performed by the Nominations Committee;
6. submission of nominations or proposed re-elections of candidates to the approval of the shareholders at the next Shareholders' Meeting.

Since 2021, consideration has been given to the appropriate composition of the Board of Directors and Board committees, taking into account the Company's strategic orientations, emerging requirements regarding expertise and experience, and the expiry dates of Directors' terms of office. Drawing on the work and recommendations of the Nominations Committee and the conclusions of the annual self-evaluations performed since 2021, the Board of Directors has established a director diversity policy that aims to maintain gender balance and ensure diverse, complementary profiles in terms of age, seniority, independence, areas of expertise, and experience, including international experience.

The selection procedure for Directors was first implemented in 2021 and has been applied each year since then.

In view of the Annual Shareholders' Meeting of April 25, 2025, the Board of Directors meeting on February 27, 2025 proposed to renew the term of office of Céline Abecassis-Moedas. It discussed the merits and complementarity of her profile in relation to the current composition of the Board of Directors.

Proposed change in the composition of the Board of Directors submitted to the 2025 Annual Shareholders' Meeting

→ Proposal to re-elect Céline Abecassis-Moedas as Independent Director

On April 25, 2025, the Board of Directors will propose to Shareholders her re-election for a further four-year term expiring at the end of the Shareholders' Meeting called to approve the financial statements for fiscal year ending December 31, 2028.

Céline Abecassis-Moedas' contribution to the Board of Directors, to the Strategic Committee and to the Sustainability Committee was very much appreciated by the other Directors. She constructively challenged the strategic roadmaps and contributed new ideas. Above all, under her chairmanship, the Compensation Committee worked with the Executive Committee to develop a stock option and compensation policy to better reflect the new challenges facing the Group (CSR criteria of variable compensation in particular).

Subject to a favourable vote by the shareholders, Céline Abecassis-Moedas will continue to chair the Compensation Committee and will remain a member of the Strategic and Sustainability Committees.

→ Resignation of Ross McInnes

Following a disagreement with the Chairman and Chief Executive Officer regarding the role of Lead Director, Ross McInnes has decided to resign from the Board of Directors effective at the close of the Board meeting on April 24, 2025.

On February 12, 2025, the Board of Directors took note of Ross McInnes' resignation and decided not to propose to elect a successor to the annual Shareholders' Meeting on April 25. At the same meeting, the Board of Directors decided to appoint Nathalie Rossiensky (Independent Director) as the new Lead Director with effect from April 25, 2025.

→ Composition of the Board of Directors after the annual Shareholders' Meeting

At the close of the annual Shareholders' Meeting on April 25, 2025, subject to a favorable vote for the re-election of Céline Abecassis-Moedas, and taking into account the resignation of Ross McInnes, the Board of Directors would comprise seven members: four women and three men, including five Independent Directors:

		Elected / Re-elected	Term expired
Daniel Harari	Director, Non-independent, Chairman and Chief Executive Officer	Shareholders' Meeting 2024	Shareholders' Meeting 2028
Nathalie Rossiensky	Lead Director, Independent	Shareholders' Meeting 2024	Shareholders' Meeting 2028
Céline Abecassis-Moedas	Director, Independent	Shareholders' Meeting 2025	Shareholders' Meeting 2029
Karine Calvet	Director, Independent	Shareholders' Meeting 2023	Shareholders' Meeting 2027
Pierre-Yves Roussel	Director, Independent	Shareholders' Meeting 2023	Shareholders' Meeting 2027
Jérôme Viala	Director, Non-independent	Shareholders' Meeting 2024	Shareholders' Meeting 2028
Hélène Viot-Poirier	Director, Independent	Shareholders' Meeting 2022	Shareholders' Meeting 2026

The Board of Directors will determine the new composition of the Specialized Committees at its meeting following the annual Shareholders' Meeting of April 25, 2025.

1.4.3. Organization and operation of the Board of Directors

Internal Rules and Procedures of the Board of Directors and Board of Directors' committees

Articles 2.2 and 16.3 of the AFEP-MEDEF Code recommend the establishment of internal rules to govern the procedures of the board of directors and its committees.

The Internal Rules and Procedures specify:

- the composition, operating rules and responsibilities of the Board of Directors and its Committees;
- the duties of Directors and the ethical rules, notably regarding the prevention of conflicts of interest, holding of shares in the Company, loyalty, diligence and confidentiality;
- transactions that require prior approval by the Board of Directors, listed in paragraph 1.4.1 above; and
- the procedures for informing the Board of Directors regarding the Company's financial situation and cash position.

The Board of Directors regularly reviews its Internal Rules and Procedures, notably to ensure compliance with any new legal and regulatory provisions and new recommendations of the AFEP-MEDEF Code. The Internal Rules and Procedures were updated on February 27, 2025 and are available on the Company's website (<https://www.lectra.com/en/investors/corporate-governance/bylaws-and-rules>).

Prevention of conflicts of interest

The Board of Directors has also long had in place a procedure for managing conflicts of interest, if any. This procedure is formalized in article 4.3 of the Internal Rules and Procedures.

Pursuant to articles 1.3, 3 and 4.3 of the Internal Rules and Procedures, the Board of Directors has tasked the Chairman and Chief Executive Officer and the Lead Director with monitoring and managing possible conflicts of interest in connection with the company officers.

Furthermore, each Director (i) must ensure at all times that their personal situation avoids all conflicts of interest with the Company or any of its subsidiaries, (ii) has a duty spontaneously to inform the Board of Directors of any situation or risk of conflict of interest, real or potential, and (iii) must abstain from taking part in the corresponding discussions, votes or deliberations.

Furthermore, and without prejudice to the formalities pertaining to authorizations and control prescribed by law and the Company By-laws, Directors are required to notify the Chairman and Chief Executive Officer without delay of any related-party transaction into which the Company or one of the companies of the Group may enter and in which they have a direct or indirect interest, regardless of its nature. The Chairman and Chief Executive Officer notifies the Board of Directors of any conflicts of interest or potential conflicts he may have identified.

The Chairman and Chief Executive Officer abstains from participating in deliberations and votes on motions regarding his compensation.

In the event of a conflict of interest, including potential, the Board of Directors must decide on this question and, if necessary, call upon the Director concerned to rectify his/her position.

Timetable, meetings and activity of the Board of Directors

In accordance with the recommendation of the AMF set out in its guide to periodic information by listed companies (Position-recommendation DOC-2016-05), the Company's financial calendar setting out the dates for the publication of annual, half-year and quarterly financial results, those of the Annual Shareholders' Meeting and the two annual analysts' meetings is drawn up prior to the last day of the current year for the following year. The calendar is published in the Annual Financial Report on the Company's website and communicated to Euronext before the start of the fiscal year.

The timetable of meetings of the committees, Board of Directors and Annual Shareholders' Meetings for fiscal years ended December 31, 2024 and December 31, 2025 was finalized by the Board of Directors at its meetings on April 28, 2023 and October 30, 2024, respectively. The dates of seven meetings of the Board of Directors are decided on the basis of this calendar. These comprise the annual, half-year and quarterly financial results publication dates, between forty-five and sixty days prior to the Annual Shareholders' Meeting in order to review the documents and decisions to be presented, after the Shareholders' Meeting, and approximately twenty trading days after the dividend approved by the Shareholders' Meeting is made payable for the granting of the annual stock option plan.

In addition, the Board of Directors also meets outside of these dates to discuss other subjects falling within its responsibilities (including all planned acquisitions or the review of the Company's strategic plan) or those that the Chairman wishes to submit to the Directors.

The Statutory Auditors are invited to, and systematically attend, all meetings of the Board of Directors which examine and approve the annual and interim accounts. They may also be invited to any other meeting, if this seems appropriate. In addition, representatives of the Social and Economic Committee are invited to all meetings of the Board of Directors and receive the same documents and information as the members of the Board.

Both the Secretary of the Board of Directors⁽³⁷⁾ and the Chief Financial Officer take part in all Board of Directors meetings, except when prevented from doing so. The Secretary's duties include, in coordination with and under the supervision of the Chairman and Chief Executive Officer, drafting the minutes of the Board of Directors' meetings and assisting the Directors regarding material and regulatory issues, particularly the payment of Directors' compensation, and filings on any securities transactions by Directors.

In addition, one or more third parties may attend all or part of any meeting of the Board of Directors with the approval of a majority of the Directors present. However, the Chairman and Chief Executive Officer may veto such participation, stating the reasons for doing so. The Board of Directors may engage outside experts to conduct technical studies at the Company's expense and, if appropriate, present their findings to the Board of Directors at a meeting. Invited third parties are bound by confidentiality obligations regarding information provided before, during or after Board Meetings.

In accordance with article L.225-37, paragraph 3 of the French Commercial Code, article 14(I) of the Company's By-laws and Article 5.3 of the Internal Rules and Procedures, decisions within the powers

of the Board of Directors may be made by means of a written consultation of the Directors.

In the event of a written consultation, the consultation notice including the text of the proposed proceedings, together with all documents necessary for the information of the Board of Directors, shall be sent to each Director by simple letter, or by electronic mail or via a secure document-sharing platform. The period of time for responding shall be specified in the notice of consultation and must be reasonable, according to the subject of consultation. Voting shall be based on the text of the proposed proceedings and for each resolution shall be expressed by the words "yes," "no," or "abstain." Any Director may object to a decision by written consultation. They must inform the Chairman and Chief Executive Officer as soon as possible after receipt of the notice of consultation, stating the reasons for their objection. The quorum and majority shall be calculated on the basis of Directors casting their votes. Decisions shall be adopted by a majority of votes. The consultation shall be recorded in the form of minutes of the proceedings of the Board of Directors by means of a written consultation, which shall be submitted to the Directors for approval.

The Board of Directors met nine times in 2024, with an effective attendance rate of 98%; no written consultations were held.

Work performed in 2024

The Board of Directors addressed, inter alia, the following matters in 2024:

- the parent company and consolidated financial statements for the fiscal year ended December 31, 2023 and the notes thereto;
- the budget and the related scenarios for fiscal year 2024;
- strategic orientations and first progress report on the 2023-2025 strategic roadmap;
- the 2024 half-year and quarterly financial statements and management reports;
- press releases;
- implementation of CSR strategy, including the establishment of a double materiality matrix within the CSRD framework;
- appointment of PricewaterhouseCoopers as auditor of the sustainability report;
- the reports of the Board of Directors to the Annual Shareholders' Meeting of April 26, 2024 (the Management Discussion, the Non-financial Statement, the Report on Corporate Governance, the Reports on Proposed Resolutions and the Special Report on the Granting of Stock Options);
- the exercise of stock options during the fiscal year ended December 31, 2023, and the corresponding capital increase;
- authorization of commitments, guarantees and sureties;
- ordinary agreements entered into or continued during the fiscal year ended December 31, 2023;
- the compensation of company officers in respect of fiscal years 2023 and 2024, it being specified that in compliance with article 19.3 of the AFEP-MEDEF Code, the Board of Directors' deliberations and vote relating to the compensation of the Chairman and Chief Executive Officer took place in his absence;
- the composition of the Board of Directors and its committees, and the selection of a new Director;
- the financial forecast documents;
- the share buyback program and the liquidity agreement;
- the 2024 stock option plan;
- the self-evaluation of the functioning of the Board of Directors and its committees;
- Directors' independence;
- the policy for professional and pay equality and the policy on gender balance in managing bodies;

(37) This position was held by the Executive Vice President, Jérôme Viala, until his retirement on 31 March 2024 and his appointment as a Director by the Annual General Meeting of 26 April 2024. Since 1 April 2024, this position has been held by the Company General Secretary, Anne Borfiga.

03 – REPORT ON CORPORATE GOVERNANCE

- update of the procedure for the selection of independent Directors; and
- the financial calendar for the 2025 and 2026 fiscal years (through the Shareholders' Meeting of 2026).

Attendance of members of the Board of Directors

In accordance with article 12.1 of the AFEP-MEDEF Code, the following table reports on the individual attendance of each Director at meetings of the Board of Directors and its committees during fiscal year ended December 31, 2024:

	Board of Directors		Strategic Committee		Audit Committee		Sustainability Committee		Compensation Committee		Nominations Committee	
	Number of meetings ⁽¹⁾	%	Number of meetings	%	Number of meetings	%	Number of meetings	%	Number of meetings	%	Number of meetings	%
Daniel Harari Chairman and Chief Executive Officer	9/9	100 %	4/4	100 %	Not a member		Not a member		Not a member		Not a member	
Ross McInnes Lead Independent Director	9/9	100 %	4/4	100 %	7/7	100 %	Not a member		Not a member		3/3	100 %
Céline Abecassis-Moedas Independent Director	9/9	100 %	4/4	100 %	Not a member		6/6	100 %	4/4	100 %	Not a member	
Karine Calvet Independent Director	9/9	100 %	4/4	100 %	Not a member		6/6	100 %	Not a member		Not a member	
Jean Marie Canan ⁽²⁾ Director	3/9	100 %	1/4	100 %	3/7	100 %	Not a member		3/4	100 %	Not a member	
Nathalie Rossiensky Independent Director	9/9	100 %	4/4	100 %	7/7	100 %	Not a member		4/4	100 %	3/3	100 %
Pierre-Yves Roussel Independent Director	8/9	89 %	4/4	100 %	Not a member		Not a member		Not a member		Not a member	
Jérôme Viala ⁽³⁾ Non-independent Director	6/9	100 %	3/4	100 %	4/7	100 %	Not a member		1/4	100 %	Not a member	
Hélène Viot-Poirier Independent Director	9/9	100 %	4/4	100 %	7/7	100 %	6/6	100 %	Not a member		3/3	100 %
Average attendance rate	98 %		100 %		100 %		100 %		100 %		100 %	

(1) Meetings of the Non-Executive Directors in the absence of the Chairman and Chief Executive Officer are not counted when calculating the attendance rate or the compensation paid to the Directors.

(2) For the period from January 1, 2024, to April 24, 2024, Jean Marie Canan's term of office having expired at the close of the Board of Directors' meeting of April 24, 2024.

(3) For the period from April 26, 2024, to December 31, 2024, Jérôme Viala having been appointed Director by the Annual General Meeting of April 26, 2024.

Organization of Board of Directors proceedings – communication of information to Directors

The agenda is set by the Chairman and Chief Executive Officer after consulting, when appropriate, with the Lead Director and the Chairpersons of the specialized committees.

The specialized committees prepare the work of the Board of Directors and assist it in the examination of technical matters. When an item on the agenda of the Board of Directors requires prior discussion by one of the committees, the Chairperson of this committee communicates his committee's observations, if any, and recommendations to the full session of the Board of Directors. The Board of Directors is thus kept fully informed, facilitating its decisions.

At least three days before each Board of Directors' meeting, a set of documents is systematically addressed by the Secretary of the Board of Directors to each Director, to the employees' Social and Economic Committee representatives and to the Statutory Auditors for the four meetings called to review the financial statements and for the meeting to prepare for the Annual Shareholders' Meeting. Details of each item on the agenda are provided in a written document, as required, or are presented during the meeting itself.

As in previous years, in 2024 all documents to be communicated to the Directors were made available to them in a timely manner, in compliance with regulations. Furthermore, the Chairman and Chief Executive Officer regularly asks the Directors if they require additional documents or reports in order to complete their information.

Detailed minutes are produced for each meeting and submitted to the Board of Directors for approval at a subsequent meeting.

Periodic meetings of the Non-Executive Directors in the absence of the Chairman and Chief Executive Officer

Article 12.3 of the AFEP-MEDEF Code recommends that the Directors meet periodically in the absence of the executive officers.

In accordance with article 5.9 of the Internal Rules and Procedures, Non-Executive Directors meet at least once a year prior to the meeting of the Board of Directors dedicated to the evaluation of its operational practices. These executive sessions are held in the absence of the Chairman and Chief Executive Officer, Statutory Auditors, the representatives of the Social and Economic Committee and any other Group employee.

In executive sessions, Non-Executive Directors discuss the composition, organization and functioning of the Board of Directors and its Committees. They evaluate the performance of the Chairman and Chief Executive Officer and freely discuss any matters they wish to raise.

These meetings are organized and chaired by the Lead Director, who then reports to the Chairman and Chief Executive Officer in a face-to-face meeting and to the full Board of Directors as appropriate.

On December 10, 2024, at the initiative of the Lead Director, a meeting of the Independent Directors was held, in place of the meeting of Non-Executive Directors.

They discussed a number of governance issues, took stock of the annual review of the Chairman and Chief Executive Officer's performance, and discussed his succession plan.

Attendance of the Directors at Shareholders' meetings

Article 21 of the AFEP-MEDEF Code recommends that directors attend not only all meetings of the board of directors and of the committees to which they belong, but also attend shareholders' meetings.

All Directors, current and future, were physically present at the Annual Shareholder's Meeting of April 26, 2024, with the exception of Ross McInnes, Pierre-Yves Roussel and Hélène Viot-Poirier.

Evaluation of the Board of Directors

Under article 11 of the AFEP-MEDEF Code and article 5.10 of the Internal Rules and Procedures, the Board of Directors should, at least once a year, devote an item on its agenda to a discussion of its membership, organization and functioning. The Board of Directors also verifies that important questions are thoroughly prepared and discussed, and assesses the effective contribution of each Director to its work in light of their expertise and involvement in the discussions. Prior to this Board of Directors' meeting, a simplified evaluation is conducted at the annual executive session of the Non-Executive Directors. In addition, the Company's compliance with good governance practices is monitored on a regular basis throughout the year.

Under article 11 of the AFEP-MEDEF Code and articles 1.3 and 5.10 of the Internal Rules and Procedures, a formal evaluation of the Board of Directors is carried out once every three years under the supervision of the Lead Director on the basis of a questionnaire, which relates in particular to the appreciation of each Director's effective contribution to the work of the Board of Directors. This triennial assessment may be conducted by an external consultant, should the need arise.

The last triennial assessment was carried out at the end of 2021, followed by a simplified annual assessment in 2022 and 2023.

In 2024, upon the Lead Director's recommendation, the Board of Directors decided to engage the services of an external firm to conduct the new triennial evaluation, following a call for tenders in September 2024.

The evaluation was carried out with a preliminary survey of all members of the Board of Directors on the functioning of the Board and Committees on which they serve, followed by an individual meeting with the consultant. The evaluation process ran from October to December 2024, and a report was presented to the Directors at an ad hoc meeting on January 14, 2025.

The evaluation took into account the contextual factors specific to Lectra, due to the recent changes in the composition of the Board of Directors and in the operating procedures of its Committees, changing how the Board operates from having all Directors serve on all Committees to having a limited number.

On the whole, the functioning of the Board of Directors was assessed as being of a good quality. The Directors highlighted several key areas of satisfaction: the commitment of the Board members, the transparency of the Chairman and Chief Executive Officer and his Executive Committee, the quality of the information shared, the improvement of teamwork, the diversity and complementarity of skills, the efficiency of the Committee's work and the effectiveness of the strategic process. The participation of each member of the Board of Directors in the various Committees and in the full Board of Directors was considered to be particularly satisfactory.

The topics discussed led to the following areas for improvement: preparing Mr. Daniel Harari's succession as Chief Executive Officer, offering more opportunities for the Board of Directors to meet with Executive Committee members, increasing flexibility in managing the

duration of Board meetings, and encouraging more non-formal occasions.

1.4.4. Specialized Committees

Composition of Specialized Committees

In accordance with the provisions of the law, the recommendations of the AFEP-MEDEF Code and article 6.1.1 of the Internal Rules and Procedures, the Board of Directors has set up five specialized committees:

- the Strategic Committee;
- the Audit Committee;
- the Sustainability Committee⁽³⁸⁾;
- the Compensation Committee; and
- the Nominations Committee.

The members of the Committees are appointed by the Board of Directors, upon the recommendation of the Chairman and Chief Executive Officer and the Nominations Committee, for the remaining term of their directorship. A Committee membership may be renewed at the same time as a Director's term of office; it may be revoked at any time and without justification, by the Board of Directors acting by a majority of its members. Members are appointed in a personal capacity and may not be represented in the performance of their duties.

In addition to the five permanent committees listed above, the Board may at any time decide to establish other temporary or ad hoc committees to review, control and monitor specific matters.

Missions of Specialized Committees

The responsibilities and operating rules of each committee are set out in the Internal Rules and Procedures. The Committees conduct in-depth analysis of the topics and issues within their remit. They prepare the work and resolutions of the Board of Directors. Within its area of responsibility, each Committee makes proposals, recommendations and opinions, and reports regularly to the Board of Directors on their missions and activities. Since the Board of Directors alone has the legal authority to make decisions, the committees may not, under any circumstances, diminish, limit or relinquish the powers of the Board of Directors, nor may they lead to division within the Board of Directors, which is and remains collectively responsible for the fulfilment of its duties.

Operations and resources of Specialized Committees

Committees meet at the invitation of their Chairperson, whenever the Chairperson deems it appropriate and in accordance with the rules specific to each committee as set forth below. Notice of a meeting may be given by any means, including oral notice.

To identify participants and ensure their effective participation, meetings can be held in person and/or via teleconferencing. Regardless of the means of participation, at least half of the members of a committee must be present for its discussions and deliberations to be valid.

The opinions, proposals and recommendations of the Committee shall be adopted by a simple majority of votes. In the event of a tie vote, the Chairperson of the Committee shall have the casting vote.

Topics requested by the Chairman and Chief Executive Officer or by the Chairpersons are included on the agendas of the Committees. When a matter on the Board's agenda requires prior examination by a Committee, the Chairperson of the said Committee reports to the plenary session of the Board of Directors on any observations and recommendations made by the Committee. These reports keep the Board fully informed and facilitate its deliberations.

(38) On February 27, 2025, the CSR Committee was renamed the Sustainability Committee by the Board of Directors.

The Chairperson of a committee may invite any person of their choice, who has signed a confidentiality agreement, to attend a committee meeting in order to provide specific information and facilitate the committee's work, unless the Chairman and Chief Executive Officer has made a reasoned objection. In addition, any Specialized Committee may engage outside experts to conduct technical studies at the Company's expense and, if appropriate, present their findings

to the Specialized Committee or the Board of Directors. In both cases, the Committee reports to the Board of Directors.

Between Committee meetings, Committee members exchange information by e-mail with the Chairman and Chief Executive Officer and/or Executive Committee members, who are regularly invited to attend Committee meetings, in particular to discuss certain subjects in greater depth.

Strategic Committee

→ Membership

Former membership (before April 26, 2024)	Current membership (from April 26, 2024)
Daniel Harari (Chairman) Chairman and Chief Executive Officer	Daniel Harari (Chairman) Chairman and Chief Executive Officer
Ross McInnes Lead Independent Director	Ross McInnes Lead Independent Director
Céline Abecassis-Moedas Independent Director	Céline Abecassis-Moedas Independent Director
Karine Calvet Independent Director	Karine Calvet Independent Director
Jean Marie Canan Non-independent Director	Nathalie Rossiensky Independent Director
Nathalie Rossiensky Independent Director	Pierre-Yves Roussel Independent Director
Pierre-Yves Roussel Independent Director	Jérôme Viala Non-independent Director
Hélène Viot-Poirier Independent Director	Hélène Viot-Poirier Independent Director

In accordance with article 6.2 of the Internal Rules and Regulations, the Strategic Committee comprises at least three Directors appointed by the Board of Directors, including the Chairman and Chief Executive Officer and two Independent Directors. The Committee is chaired by the Chairman and Chief Executive Officer.

→ Missions

The mission of the Strategic Committee is to:

- review and discuss, inter alia, the major strategic directions and development themes proposed by the Chairman and Chief Executive Officer and the Chief Strategy and Product Officer, in order to prepare the Group for the worldwide economic and sustainable development challenges and key risks to which it is exposed, reinforce its business model and its operating and financial ratios, as well as the consistency of the Group's strategic plan with the main orientations of the annual and multiyear action plans;
- review internal and external growth drivers, and the optimization of their development in the medium term;
- review external growth operations, financial or stock market transactions having a significant immediate or future impact on the share capital and more generally on equity of the shareholders and monitor their implementation; and
- make recommendations and express opinions to the Board of Directors.

→ Meetings

The Strategic Committee organizes its work as it sees fit. It meets as often as the interests of the Company demand and at least four times a year.

The Strategic Committee met four times in 2024, with an effective attendance rate of 100%.

The Executive Vice President (until 31 March 2024) and the Strategy Director are permanent guests. Other members of the Executive Committee may be invited to participate in certain work and discussions of the Strategic Committee, depending on the subjects examined.

→ Work performed in 2024

The Strategic Committee addressed, inter alia, the following matters in 2024:

- assessment of the strategic roadmap's second year 2023-2025;
- the 2024 budget and related scenarios;
- the integration of Launchmetrics;
- the acquisition of minority stakes in Six Atomic and AQC;
- development of Lectra's offers, and the offer strategy, mainly for the fashion market; and
- the impact on the Group's activities of developments in the macroeconomic and competitive environment.

Audit Committee

→ Membership

Former membership (before April 26, 2024)	Current membership (from April 26, 2024)
Nathalie Rossiensky (Chairwoman) Independent Director	Nathalie Rossiensky (Chairwoman) Independent Director
Ross McInnes Lead Independent Director	Ross McInnes Lead Independent Director
Jean Marie Canan Non-independent Director	Monsieur Jérôme Viala Non-independent Director
Hélène Viot-Poirier Independent Director	Madame Hélène Viot-Poirier⁽¹⁾ Independent Director

(1) Hélène Viot-Poirier is a member of the Audit Committee and Chairwoman of the Sustainability Committee, which facilitates the coordination of sustainability work between the Audit Committee and the Sustainability Committee and ensures that sustainability issues are addressed in the financial communications.

In accordance with the recommendations of article 17.1 of the AFEP-MEDEF Code and article 6.3 of the Internal Rules and Regulations, the Audit Committee comprises at least two-thirds Independent Directors, and may not include any Company Officers. To facilitate the coordination of works related to sustainability, at least one member of the Audit Committee shall also be a member of the Sustainability Committee.

The Audit Committee is chaired by an Independent Director and does not include the Chairman and Chief Executive Officer. Three members of the Audit Committee are Independent Directors and one member is a Non-Independent Director.

In accordance with the recommendations of article 17.1 of the AFEP-MEDEF Code, all members of the Audit Committee are competent in financial or accounting matters, as a result of their academic qualifications and professional career (see their biographies above). In addition, under article 14.2 of the AFEP-MEDEF Code, the members of the Audit Committee are provided, at the time of their appointment, with information relating to the Lectra group's specific accounting, financial and operational features.

→ Mission

As prescribed by law and as recommended by article 17.2 of the AFEP-MEDEF Code, the mission of the Audit Committee is to:

- review the financial statements, and in particular ensure the relevance and continuity of the Company's accounting methods used to prepare the consolidated and statutory financial statements; oversee the process for preparing financial and sustainability information, including in digital format, and make recommendations to ensure the integrity of these processes;
- review the scope of consolidation and, where appropriate, examine reasons for the exclusion of companies;
- monitor the effectiveness of internal control and risk management;
- review significant risks and off-balance sheet liabilities, assess the importance of malfunctions or shortcomings brought to its attention, and inform the Board of Directors thereof where appropriate;
- prior to meetings of the Board of Directors, review press releases and annual, half-year and quarterly financial announcements as well as reports to the Annual Shareholders' Meeting;
- scrutinize important transactions liable to give rise to conflicts of interest;
- oversee the rules governing the independence and objectivity of the Statutory Auditors in charge of auditing financial and sustainability information, manage the procedure for their selection when their current term of office expires, and make its recommendation to the Board of Directors. To this end, the Audit Committee receives an annual report from the Statutory Auditors on the services related to the certification of the financial statements and sustainability information, together with fees paid

by Group companies to members of their network in respect of services not directly related to this mission;

- approve the provision of services other than the certification of financial statements by the Statutory Auditors;
- ensure that the Sustainability Committee oversees the process of preparing and reviewing sustainability information as well as the identification and management of social, societal and environmental risks. In particular, it ascertains the existence of appropriate systems and procedures, and compliance with legal and regulatory provisions, and examines the information communicated annually in the Sustainability Report accompanying the Management Discussion; and
- make recommendations and express its opinions to the Board of Directors.

More generally, the Audit Committee may consider all questions brought to its attention and pertaining to the areas mentioned above.

→ Meetings

The Audit Committee meets as often as the interests of the Company require, and at least four times a year prior to the meetings of the Board of Directors called to review the annual, half-year and quarterly financial statements. The Audit Committee systematically meets before the Board of Directors' meeting, in order to shorten the time between the closing of consolidated and statutory financial statements and market disclosure. However, members of the Audit Committee and those of the Board of Directors are given sufficient time for consideration, the relevant documents being communicated to them three to six days before their meetings.

The Statutory Auditors, the Chairman and Chief Executive Officer and the Chief Financial Officer attend all of these meetings.

The review of the financial statements is accompanied by a presentation by the Chief Financial Officer of the Company's financial results, accounting methods chosen, exposure to risks, including social, environmental and societal risks, as well as significant off-balance sheet commitments. It also ensures that the Statutory Auditors present the key features and the accounting choices made, together with an account of their auditing work and observations, if any, including any reservations or observations they wish to make in their reports.

The Audit Committee continuously oversees the preparation of the Company's parent-company and consolidated accounts, internal audits and financial and sustainability reporting practices, together with the quality and fairness of the Company's financial report. The Chief Financial Officer assists the Audit Committee in carrying out its duties, and the Audit Committee periodically reviews with him areas of potential risk that need to be brought to its attention or that require closer attention. The Audit Committee also works with the Chief Financial Officer in reviewing and approving guidelines for the work program on management control and internal control for the year in

progress. It reviews the annual budget prepared by the Executive Committee and the sales and earnings scenarios for the year, as well as their quarterly review, prior to their consideration by the Board of Directors.

At the Audit Committee meeting held prior to the Annual General Meeting, the Audit Committee reviews and makes recommendations on the Management Discussion, the Sustainability Report and the Report on Corporate Governance for the previous year, as well as any other reports required by law.

The Audit Committee is required to report regularly to the Board of Directors on the performance of its duties, on the results of its certification of the financial statements and review of the sustainability information, the contribution of this mission to the integrity of financial and sustainability information, and the role of the committee in this process. The Audit Committee must inform the Board of Directors without delay of any difficulties that may arise.

The Audit Committee held seven meetings in 2024, with an effective attendance rate of 100%.

→ Work performed in 2024

The Audit Committee addressed, inter alia, the following matters in 2024:

- the parent company and consolidated financial statements for fiscal year 2023, and the notes thereto;
- the goodwill impairment tests at December 31, 2023 and changes between 2022 and 2023;
- the deferred tax assets at December 31, 2023 and changes between 2022 and 2023;
- the Group budget, the revenue and financial results scenarios for fiscal year 2024;
- the reports to the Ordinary Shareholders' Meeting of April 26, 2024;
- review of the overall audits performed by the Statutory Auditors;
- the agreements entered into in the ordinary course of business and related-party agreements, entered into or during the fiscal year ended December 31, 2023;
- the half-year and quarterly consolidated financial statements and management reports for 2024;
- the press releases;
- appointment of PricewaterhouseCoopers as the external auditor responsible for certifying the Sustainability Report;
- the interim summary of the audit of the double materiality assessment (methodology and results);
- the integration of Launchmetrics in the Group's financial statements;
- the impact on the financial statements of the acquisition of minority stakes in Six Atomic and AQC;

- the services provided by the Statutory Auditors, other than certification of the financial statements;
- the Statutory Auditors' fees;
- the preparation of the invitation to tender for the selection of the Statutory Auditors;
- update of the information system and data security plan and examination of the actions put in place; and
- ongoing tax audits.

In 2024, the Audit Committee did not identify any operation liable to give rise to a conflict of interest. In addition, it did not see fit to call upon outside experts.

→ Statutory Auditors

The Audit Committee reviews and discusses with the Statutory Auditors the scope of their mandate and the budget for their fees in relation to their statutory audit and review of the sustainability information, and ensures that they provide a satisfactory level of control: the Group's major companies are audited annually, in most cases by local firms belonging to the networks of Statutory Auditors, and the major subsidiaries are subject to a limited review of their half-yearly financial statements. Once a year, the Audit Committee receives from the Statutory Auditors a report prepared exclusively for its attention on the findings of their audit of the parent company and consolidated financial statements, and of the Sustainability Report for the financial year ended, confirming the independence of their firms in accordance with applicable regulations.

The Audit Committee annually reviews with the Statutory Auditors the risks to their independence. Given the size of the Group, it is not deemed necessary to envisage precautionary measures in order to attenuate these risks. The amount of the fees paid by the Company and its subsidiaries, and their share of total revenues of the audit firms and their networks, are not material and therefore not such as to impair the independence of the Statutory Auditors.

The Audit Committee assures itself each year that the mission of the Statutory Auditors is exclusive of all other services unrelated to their legally mandated audit, and in particular exclusive of all legal, tax, IT, etc. consulting work performed either directly or indirectly for the benefit of the Company or its subsidiaries. However, additional work or work directly complementing the audit of the financial statements is performed at the Audit Committee's recommendation; the corresponding fees are immaterial. In this respect, on October 30, 2017 the Audit Committee approved a charter setting forth the authority of the Chairman and Chief Executive Officer, and Chief Financial Officer regarding contracting for the provision of services with the Statutory Auditors and their networks.

Sustainability Committee (former CSR Committee)

→ Membership

Membership (from April 28, 2023)
Hélène Viot-Poirier (Chairwoman)⁽¹⁾ Independent Director
Céline Abecassis-Moedas Independent Director
Karine Calvet Independent Director

(1) Hélène Viot-Poirier chairs the Sustainability Committee and is a member of the Audit Committee, which facilitates the coordination of sustainability work between the Audit Committee and the Sustainability Committee and ensures that sustainability issues are addressed in financial communications.

In accordance with article 6.4 of the Internal Rules and Regulations, the majority of the members of the Sustainability Committee are Independent Directors. It includes at least one Director who is also a member of the Audit Committee, and one Director who is also a member of the Compensation Committee, to facilitate the coordination of sustainability-related work. The Sustainability Committee is chaired by an Independent Director.

Chaired by an Independent Director, the Sustainability Committee currently comprises three Independent Directors.

→ Missions

The missions of the Sustainability Committee are to:

- examine and propose to the Board of Directors the Group's strategic orientations in terms of sustainability, including climate awareness and cybersecurity, and ensure they are consistent with the Group's overall strategy and with stakeholders' expectations;
- manage Sustainability reporting;
- examine the associated action plans and monitor their implementation;
- examine the material issues listed in the double materiality matrix (impacts, risks and opportunities) of social, societal and environmental nature across the Group's entire value chain;

- review the Group's sustainability communications;
- examine the draft versions of the Company's reports in relation with sustainability, and in particular the annual Sustainability Report, and ensure the preparation of all information required by the applicable regulations in this area, in consultation with the Audit Committee; and
- make recommendations and express its opinions to the Board of Directors.

→ Meetings

The Sustainability Committee organizes its work as it sees fit. It meets as often as the interests of the Company demand and at least twice a year. The Sustainability Committee reports on its work to the Board of Directors at least once a year and whenever it wishes to present its recommendations.

The Sustainability Committee met six times in 2024 with an effective attendance rate of 100%.

The Chairman and Chief Executive Officer, the General Secretary and the Group's Vice President Sustainability were invited to attend all meetings, and some members of the Executive Committee were associated with some of the Committee's work that dealt with their respective areas.

→ Works performed in 2024

In 2024, the work of the Sustainability Committee focused on:

- analysis of the DPEF 2023 (*Non-financial Statement*);
- establishment of a CSR action plan for 2023;
- determination of 2025 objectives and key indicators;
- development of a communication plan on CSR-related topics;
- analysis of the new CSRD rules and climate issues;
- methodology and results of the double materiality assessment;
- review of the results of the "YourVoice" engagement survey of Group employees; and
- deployment of the Lectra Way and other HR initiatives in the 2024 CSR plan.

Compensation Committee

→ Membership

Former membership (before April 26, 2024)	Current membership (from April 26, 2024)
Céline Abecassis-Moedas (Chairwoman) Independent Director	Céline Abecassis-Moedas (Chairwoman) Independent Director
Jean Marie Canan Non-independent Director	Nathalie Rossiensky Independent Director
Nathalie Rossiensky Independent Director	Jérôme Viala Non-independent Director

In accordance with article 19.1 of the AFEP-MEDEF Code and article 6.5 of Internal Rules and Regulations, The Compensation Committee is composed of a majority of Independent Directors. It includes at least one member of the Board of Directors who is also a member of the Sustainability Committee, in order to coordinate the work involved in determining the sustainability criteria to be included in the variable compensation of senior executives. The Compensation Committee is chaired by an Independent Director.

The Compensation Committee is chaired by an independent member of the Board, excluding the Chairman and Chief Executive Officer, and

currently consists of two Independent Directors and one Non-independent Director.

According to Article 19.1 of the AFEP-MEDEF Code, it is recommended that an employee director be included on the Compensation Committee. However, insofar as the Company is not required to appoint directors representing employees or directors representing employee shareholders for the reasons set forth above, this recommendation does not apply.

→ Missions

Under article 19.2 of the AFEP-MEDEF Code, the missions of the Compensation Committee are the following:

- review, prior to meetings of the Board of Directors, a compensation policy for Directors, including the amount of the annual compensation package, to be submitted to the Shareholders' Meeting for approval;
- review, prior to meetings of the Board of Directors called to vote on these questions, a compensation policy for company officers describing in particular the general principles, the amount of fixed and variable compensation, together with the corresponding annual targets serving to determine the variable portion thereof, and incorporating several sustainability-related criteria, including at least one linked to the Company's climate change mitigation targets, as well as any other compensation and benefit related items;
- to assess the achievement of such targets and validate, at year-end closing, the actual amount corresponding to variable compensation earned during the fiscal year ended;
- review the principles, criteria and the amount of fixed and variable compensation, and check whether or not annual targets governing calculation of the variable portion, together with additional benefits paid to members of the Executive Committee, are met;
- review the fixed and variable compensation of all Group managers whose total annual compensation exceeds €250,000 or its equivalent in foreign currencies;
- ensure the accuracy of the information on executive compensation included in the Corporate Governance Report and prepare the draft resolutions regarding compensation for company officers to be submitted to the Shareholders' Meeting for approval;
- review, prior to the meeting of the Board of Directors voting on these questions, the details, rules and granting of the annual stock options plan, and make its recommendations;
- review the Company policy on equal opportunities and equal pay, and make recommendations to the Board of Directors prior to annual discussion;
- take cognizance annually of the Group's human resources performance report, of its policies and of the corresponding plan for the current fiscal year;
- to make any and all recommendations to the Board of Directors.

Nominations Committee

→ Membership

Current membership (from April 28, 2023)

Ross McInnes (Chairman)

Lead Independent Director

Nathalie Rossiensky

Independent Director

Hélène Viot-Poirier

Independent Director

In accordance with article 18.1 of the AFEP-MEDEF Code and article 6.6 of Internal Rules and Regulations, the Nominations Committee is composed of a majority of Independent Directors, and does not include any Company Officers.

The Nominations Committee only consists of Independent Directors.

→ Missions

More generally, the Compensation Committee may consider any matter brought to its attention that falls within the scope of the above areas.

→ Meetings

The Compensation Committee organizes its work as it sees fit. It meets as often as the interests of the Company demand and at least once before each meeting of the Board of Directors whenever the agenda provides for the setting of compensation and benefits for the Chairman and Chief Executive Officer, or for the granting of stock options, and reports on its recommendations to the Board of Directors.

The Compensation Committee met four times in 2024 with an effective attendance rate of 100%.

The Chairman and Chief Executive Officer was invited to attend all meetings of the Compensation Committee, it being specified that he was associated with the Committee's work on the compensation policy applicable to the principal managers who are not company officers, in accordance with article 19.2 of the AFEP- MEDEF Code. The Chairman and Chief Executive Officer did not attend discussions on topics relating to his own compensation.

The General Secretary and the Senior Vice President Human Resources were also invited to participate in some of the proceedings and discussions of the Compensation Committee.

→ Work performed in 2024

The Compensation Committee addressed, inter alia, the following matters in 2024:

- the compensation of Company officers;
- the compensation of the members of the Executive Committee and the senior Group managers;
- the methods for calculating the criteria (including CSR criteria) determining the variable compensation of the Chairman and Chief Executive Officer, the members of the Executive Committee, and the senior Group managers;
- the evolution of the Group's compensation and shareholding policy for 2024;
- the 2024 stock option plan;
- the Company's policy for professional and pay equality.

Under article 18.2 of the AFEP-MEDEF Code, the mission of the Nominations Committee is to:

- set out the diversity policy applied to Directors and lead the reflection process regarding the desired make-up of the Board of Directors and its Committees;
- prepare and submit to the Board of Directors a succession plan for Company Officers, taking into account foreseeable retirements/ departures, particularly in light of age limits, but also in the event of an unforeseen vacancy, unless an ad hoc committee has been appointed by the Board. The Chairman and Chief Executive Officer may be involved in the execution of this task;
- make proposals to the Board of Directors regarding the nomination and the re-election of Independent Directors, in the framework of the selection procedure⁽³⁹⁾ adopted by the Board of Directors. To do so, it organizes the search and selection of future Independent Directors, conducts its own review of potential candidates before they are approached in any way, and gives a reasoned opinion on the candidates, after having thoroughly examined all relevant information, particularly in light of the desired make-up of the Board of Directors as well as the make-up and changes in the Company's shareholding structure;

(39) The latest version of the Selection Procedure is available on the Lectra website (<https://www.lectra.com/en/investors/corporate-governance/bylaws-and-rules>).

- examine the independence status at the time of the nomination of a Director, and each year for all Directors, and make recommendations to the Board of Directors; and
- formulate its recommendations and express its opinions to the Board of Directors.

→ Meetings

The Nominations Committee organizes its work as it sees fit. It meets following notice from its Chairperson whenever he/she or the Board of Directors considers it appropriate, and at least once a year. No member of the Nominations Committee may attend or participate in the deliberations of the Committee regarding his or her personal case. The Nominations Committee reports on its proceedings to the Board of Directors at least once a year.

The Nominations Committee met three times in 2024 with an effective attendance rate of 100%.

→ Work performed in 2024

In 2024, the work of the Nominations Committee focused primarily on:

- the desired evolution of the composition of the Board of Directors
- the reappointment of the Chairman and Chief Executive Officer and of an Independent Director, and the appointment of a new Director;
- the succession plan for the Chairman and Chief Executive Officer in the event of unforeseen circumstances;
- the independence of current and future Directors, according to the criteria established by the AFEF-MEDEF Code;
- the selection of an external consultant to evaluate the performance of the Board of Directors.

1.4.5. Lead Director

Article 3.3 of the AFEF-MEDEF Code provides that, when the board of directors decides to confer special tasks upon a director, and in particular a lead director, those tasks and the resources and prerogatives to which they have access to must be described in the internal rules and procedures of the board of directors. It is recommended that the lead director be independent.

The position of Lead Director was created at the Board of Directors' meeting on February 9, 2017. Between February 9, 2017, and April 28, 2023, it was performed by Bernard Jourdan, an Independent Director. Since the retirement of Bernard Jourdan at the end of the Shareholders' Meeting of April 28, 2023, the functions of Lead Director have been entrusted to Ross McInnes⁽⁴⁰⁾[1], an Independent Director, who is also serving as Chairman of the Nominations Committee.

Article 1.3 of the Internal Rules and Procedures specifies that the Lead Director is entrusted with certain specific tasks:

- to organize at their discretion, and at least once a year, and to set the agenda and chair meetings of the Non-Executive Directors in the absence of the Chairman and Chief Executive Officer (executive sessions) and to report to the Chairman and Chief Executive Officer and to the Board of Directors in full session, as appropriate;
- to monitor and manage possible conflicts of interest in connection with the Company Officers and Directors;
- to propose to the Chairman and Chief Executive Officer, if necessary, items for placing on the agenda of meetings of the Board of Directors;
- to direct the annual evaluation of the Board of Directors;

- to oversee the selection process for future Independent Directors; and
- in the event the Chairman and Chief Executive Officer should be unable to do so, to convene and to chair meetings of the Board of Directors.

The Lead Director may, if requested by shareholders, also be available to answer questions, in particular on corporate governance and strategy, in close coordination with the Chairman and Chief Executive Officer.

He is assisted by the Secretary of the Board of Directors for the performance of administrative tasks arising from his/her role.

The Lead Director reports to the Board of Directors on his/her duties at least once a year.

→ Lead Director's Activity Report in 2024

During fiscal year 2024, among other duties, the Lead Director:

- chaired meetings of the Nominations Committee and meetings of the Non-Executive Directors; and coordinated work relating to changes in the membership of the Board of Directors and assessment of the performance of the Chairman and Chief Executive Officer;
- led the annual evaluation of the functioning of the Board of Directors, and
- oversaw the process to identify possible conflicts of interest within the Board of Directors, it being specified that no conflict of interest was identified in 2024.

1.4.6. Chairman and Chief Executive Officer's succession plan

Under article 18.2.2 of the AFEF-MEDEF Code and article 2 and 6.6.1 of the Internal Rules and Procedures, the Board of Directors draws up and updates a succession plan for the Chairman and Chief Executive Officer, on the recommendation of the Nominations Committee or an ad hoc committee.

In accordance with the recommendations of the French High Committee for Corporate Governance, this succession plan is intended to prepare not only for an untimely departure or demise of the Principal Company Officer, but also for a departure in the coming years, in particular due to age limitations

The Board of Directors has confirmed the appointment of Daniel Harari as Chairman and Chief Executive Officer until the 2028 Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2027. Daniel Harari has also informed the Board that he intends to stand for re-election to the Board for a further four-year term and to serve as Chairman and Chief Executive Officer until December 31, 2028 (to ensure proper execution of the 2026-2028 strategic roadmap), then remain as non-executive Chairman from January 1, 2029.

In the event of an untimely departure or demise, the Company has the requisite array of competencies to cope with a temporary absence of Daniel Harari, thanks in particular to the organization and smooth functioning of the Executive Committee and the Board of Directors. All of the Board of Directors members are sufficiently familiar with Lectra's strategic orientations, markets and practices to be able to identify, in the shortest possible time, suitable solutions to enable Lectra to continue its development.

With effect from April 25, 2025, the Board of Directors plans to set up an ad hoc committee to oversee the succession of Daniel Harari as Chief Executive Officer.

(40) At its meeting on 12 February 2025, the Board of Directors decided that following the departure of Ross McInnes on 24 April 2025, Nathalie Rossiensky (an Independent Director) would assume the role of Lead Director (see press release of 12 February 2025 "2024 results show improvement in a persistently difficult environment").

2. Compensation and benefits of Company Officers and Directors

In accordance with legal and regulatory requirements, and the recommendations of the AFEP-MEDEF Code, this chapter describes (i) the compensation policy for company officers of Lectra for fiscal year 2025 and subsequent years, (ii) the components of compensation paid or granted to them during the fiscal year ended December 31, 2024, and (iii) changes in the compensation of the company officers over the past five fiscal years in light of the changes in the compensation of employees and the Company's economic performance.

The compensation policy applied to the Company Officer (*dirigeant mandataire social*) and the information relating to his potential or actual compensation are also published on the Company's website (<https://www.lectra.com/20en/investors>) after the meeting of the Board of Directors held to approve them, as recommended in article 27.1 of the AFEP-MEDEF Code.

2.1 Compensation policy for Company Officers and Directors

The compensation policy applied to company officers and Directors of Lectra is determined by the Board of Directors, on a proposal by the Compensation Committee, as provided under article L.22-10-8 of the French Commercial Code. The policy has two chapters: the compensation policy for the Chairman and Chief Executive Officer, the only Company Executive Officer (*dirigeant mandataire social*) of Lectra; and the compensation policy for the members of the Board of Directors.

The two policies are subject to an annual binding ex-ante vote by the Shareholders' Meeting, in separate resolutions. In the event of failure of the ex-ante vote, the compensation policy previously approved by the Shareholders' Meeting would continue to apply.

2.1.1. Policy governing the compensation of the Chairman and Chief Executive Officer

General Principles

The compensation policy for the Chairman and Chief Executive Officer, as determined by the Board of Directors during its meeting on February 27, 2025 in respect of fiscal year 2025 is in line, in terms of principles and structure, with the policy of previous fiscal years, in particular, with the policy approved by the Shareholders Meeting of April 26, 2024.

The decision-making process for setting, reviewing and implementing the compensation policy, including measures to avoid or manage conflicts of interest and the role of the Compensation Committee, are discussed in detail in chapter 1, "Directors and Managing Bodies", of this Report.

In accordance with the recommendations of the AFEP-MEDEF Code, and in keeping with good governance practices, the Board of Directors ensures that the compensation policy is clear and transparent; consistent with the long-term strategy and the environment in which Lectra operates, with the Group's challenges and objectives; and also that it is capable of incentivizing performance and competitiveness by the officer.

Furthermore, this policy reflects the experience, competencies and responsibilities of the Chairman and Chief Executive Officer; and takes into account the scope of the missions assigned to him.

The compensation of the Chairman and Chief Executive Officer includes variable compensation that is intended to promote consistent implementation of strategy, year after year. The variable compensation of the Chairman and Chief Executive Officer is calculated on the basis of clear and complementary quantifiable criteria (to the exclusion of any qualitative criteria), expressed in terms of precisely-determined and predefined annual objectives reflecting the Company's strategy of profitable sales activity and earnings growth. In accordance with article 26.3.2 of the AFEP-MEDEF Code, these quantifiable criteria are simple, relevant and suited to the Company's strategy; and they account for the largest share of this variable compensation.

The six criteria used to determine the variable compensation of the Chairman and Chief Executive Officer correspond to:

- the Group's three main performance criteria for the period covered by the 2023-2025 strategic roadmap and
- three CSR criteria.

The annual objectives are set in advance, at the start of the year for that fiscal year, by the Board of Directors based on a recommendation by the Compensation Committee.

The Board of Directors, with support from the Compensation Committee, is responsible for ensuring that the rules for setting the variable portion of compensation each year are consistent and in line with the evaluation of Company Officers' performance, with progress made in implementing the Group's medium-term strategy, general macroeconomic conditions, and in particular those of the geographic markets and market sectors in which the Group operates. After the close of each fiscal year, the Compensation Committee verifies the annual application of these rules and the final amount of variable compensation, on the basis of the audited financial statements.

The Board of Directors is also responsible for ensuring that the compensation policy for the Chairman and Chief Executive Officer is appropriate in light of the conditions of employee compensation at Lectra.

The performance criteria applicable to the variable compensation of Group employees eligible for this type of compensation are accordingly aligned with those applicable to the Chairman and Chief Executive Officer.

This compensation policy, the structure and fundamental principles of which have remained unchanged for several years, except for the CSR criteria, added since 2023, has proved its worth both in tough years and years of record profits.

Structure of compensation

The annual compensation of the Chairman and Chief Executive Officer comprises a fixed portion and a variable portion.

The total annual amount of compensation, the ratio of the fixed to variable components, and the criteria for performance evaluation are established and regularly reexamined by the Board of Directors, without necessarily being revised each year.

The compensation policy for the Chairman and Chief Executive Officer is subject to approval by the Shareholders' Meeting each year.

The compensation of the Chairman and Chief Executive Officer does not include any multiyear variable compensation, any exceptional compensation, any form of bonuses, stock options, performance-based shares or other long-term component of compensation, or any indemnity relating to the take-up or termination of his function, nor

any supplementary retirement plan.

The Chairman and Chief Executive Officer, in his capacity as Chairman of the Board of Directors and Director, also receives compensation allocated to the Directors detailed below.

The only benefit accorded concerns the value of the use of a company car; the amount is set out for each fiscal year in the Board of Directors' Report on Corporate Governance.

The Chairman and Chief Executive Officer has never combined his positions as Company Officer with an employment contract, is not entitled to any component of compensation, indemnity or benefit owed or liable to be owed to him in virtue of a termination or change of his functions, or under an additional pension benefits plan or any additional defined benefit pension plan, stock options or bonus shares.

In accordance with the AFEP-MEDEF Code, the table below lists the existence or otherwise of an employment contract, supplementary pension scheme, indemnifications or benefits due or likely to become due as a result of termination or change of position, and indemnifications relating to a non-competition clause.

→ Employment Contract/Directorship

Daniel Harari, Chairman and Chief Executive Officer

Beginning date of each term of office:

- Chief Executive Officer (Board of Directors Meeting of 1991)⁽⁴¹⁾
- Director (Ordinary Shareholders' Meeting of April 26, 2024)⁽⁴²⁾

End date of term of office as Director: Shareholders' Meeting of 2028

- Chairman of the Board of Directors (Board of Directors meeting of April 26, 2024)⁽⁴¹⁾

Contract of employment	NO
Supplementary pension scheme	NO
Indemnifications or benefits due or likely to become due as a result of termination or change of position	NO
Indemnifications related to a non-competition clause	NO

The compensation of the Chairman and Chief Executive Officer is paid in its entirety by the Company. He receives no compensation or particular benefit from companies controlled by Lectra within the meaning of article L. 233-16 of the French Commercial Code. Lectra is not controlled by any company.

Compensation of the Chairman and Chief Executive Officer for fiscal year ending December 31, 2025

In accordance with the above-mentioned principals and subject to approval by the Shareholders' Meeting of April 25, 2025, the Board of Directors, at its meeting on February 27, 2025, on a recommendation by the Compensation Committee, decided to:

- maintain the total annual target-based compensation of the Chairman and Chief Executive Officer at €840,000 for fiscal year 2025;
- maintain the fixed to variable compensation ratio for fiscal year 2025: the fixed and the variable parts of the compensation of the Chairman and Chief Executive Officer would each account for 50% of his total annual target-based compensation.

→ Fixed compensation

In accordance with the decision of the Board of Directors at its meeting on February 27, 2025, and subject to approval by the Shareholders' Meeting of April 25, 2025, the fixed compensation of

the Chairman and Chief Executive Officer for fiscal year 2025 would remain at €420,000.

→ Variable compensation

In accordance with the decision of the Board of Directors at its meeting on February 27, 2025, and subject to approval by the Shareholders' Meeting of April 25, 2025, the target-based variable compensation of the Chairman and Chief Executive Officer for fiscal year 2025 would remain at €420,000.

In accordance with the above mentioned principles and on a recommendation by the Compensation Committee, at its meeting on February 27, 2025, the Board of Directors decided to maintain for 2025 the performance criteria reflecting the Company's strategy of profitable sales activity and earnings growth, used to determine the variable compensation of the Chairman and Chief Executive Officer, as set by the Board of Directors, at its meeting on February 23, 2023, for the 2023-2025 period, in light of the 2023-2025 strategic roadmap's objectives (the "Strategic Scorecard"). The Board of Directors decided to increase the weighting of the EBITDA criterion and to reduce the weighting of the criterion related to the growth of sales activity in order to emphasize the importance of the EBITDA objective of 20% for 2025.

1. EBITDA before non-recurring items accounting for 40% (30% in 2024);
2. the contributive value of growth in sales activity accounting for 30% (40% in 2024);
3. protection and growth of recurring contracts accounting for 30% (same as 2024).

In addition, on February 27, 2025, the Board of Directors also revised for 2025 the CSR performance criteria that reflect the Group's CSR objectives, as described in the Sustainability report (the "CSR Scorecard"):

1. improvement of non-financial ratings by independent rating agencies accounting for 40% (same as 2024);
2. improvement of the employee engagement rate accounting for 40% (30% in 2024); and
3. progress on the climate transition plan accounting for 20% (30% in 2024).

The achievement target for each of the six above criteria is specified in advance but is not made public for reasons of confidentiality. For each of these criteria, the variable compensation is equal to zero below specified thresholds, equal to 100% if the annual objectives are achieved, and capped at 200% if the annual objectives are exceeded. Between these thresholds, it is calculated on a straight-line basis. These results are then weighted by the relative weight of each criterion.

The result of the CSR Scorecard is then used as a bonus or penalty factor to adjust the results of the Strategic Scorecard criteria. Accordingly, if the result for the CSR criteria is zero, the result for the Strategic Scorecard is multiplied by 75%; if the result for the CSR criteria is 200%, the result for the Strategic Scorecard is multiplied by 125% (but cannot exceed 200%). The annual achievement targets for the Strategic Scorecard and the corresponding thresholds are reviewed each year in light of the Group's objectives for the year. The variable compensation is accordingly equal to 0% if none of the thresholds is met, and is capped at 200% of the target-based variable amount if the annual objectives are exceeded for all the criteria and cause each to be capped at 200%. As variable compensation accounts for 50% of the total annual target-based compensation, the actual total compensation can therefore vary,

(41) It is specified that from 1991 to 2002, Daniel Harari served as Chairman and Chief Executive Officer of Lectra.

(42) Last renewal date.

depending on performance, between 50% and 150% of the target-based amount.

The same criteria and targets apply also to certain members of the Executive Committee: the only differences being the weighting given to each criterion and the relative share of their target-based variable compensation, which is specifically geared to each of them and adapted to their duties and targets; their variable compensation thus ranges from 20% to 30% of total target-based compensation depending on the member of the Executive Committee. These criteria also apply to certain managers reporting to them, with the same specific features.

Under article L. 22-10-8, III of the French Commercial Code, the Board of Directors may, on the recommendation of the Compensation Committee, temporarily derogate from the compensation policy for the Chairman and Chief Executive Officer in exceptional circumstances and insofar as the changes made are in the Company's interest and necessary to ensure the Company's continuity or viability.

The compensation component for which such derogation is permitted by the Board of Directors is the annual variable compensation. Such derogation would consist in a change to one or several performance criteria and annual targets mentioned above, inter alia the upward or downward adjustment of one or more of the parameters for those criteria or targets, (e.g., weighting, threshold performance level, or basis for calculation), in the event of exceptional circumstances arising inter alia from a significant change in the Group's scope of consolidation following the acquisition, the creation or the discontinuation of a business of material importance, or a major change in strategy or major event affecting the Group's markets and/or business sector.

Modification of these criteria and targets by the Board of Directors could thus take into account changes in the Group's scope of consolidation following an exceptional external growth operation, if the situation of the Company and Group were to so warrant. Any such modification would be implemented strictly and ensure that the actual performance of the Group and of the Chairman and Chief Executive Officer continues to be reflected. It would be implemented strictly, clearly explained and made public, with the Company providing specific information to justify the derogation in light of its situation, the reasons such derogation is required, and its alignment with the shareholders' interests. Under no circumstances may the amount of the target-based variable compensation or the maximum variable compensation be modified.

Payment of the variable compensation would in all cases continue to be subject to approval by the shareholders.

→ Draft resolution submitted to the Shareholders' Meeting

«Eighth resolution: approval of the policy governing the compensation of Daniel Harari, Chairman and Chief Executive Officer, in respect of fiscal year 2025

The Shareholders' Meeting, voting on the quorum and majority conditions for ordinary shareholders' meetings, and having reviewed the Report on Corporate Governance prepared in compliance with the provisions of article L. 22-10-8 of the French Commercial Code, approves the policy governing the compensation of the Chairman and Chief Executive Officer, proposed in respect of fiscal year 2025,

as described in chapter 2.1.1 of the Report on Corporate Governance.»

2.1.2. Policy governing the compensation of the Directors

Under article L.225-45 of the French Commercial Code, the maximum annual amount of Directors' compensation is voted by the Ordinary Shareholders' Meeting; its apportionment is decided annually by the Board of Directors, on the recommendation of the Compensation Committee, in keeping with the compensation policy.

Maximum annual amount of compensation

The maximum annual amount allocated to the Directors as compensation for their duties was set at 480,000 euros by the Shareholders' Meeting of April 29, 2022, until a new decision is made.

Apportionment

On a recommendation of the Compensation Committee, the Board of Directors on February 27, 2025 revised the method for apportioning the maximum annual amount among the Directors.

The method ensures a fair distribution that is consistent with best practices and takes into consideration the effective participation in the meetings of the Board of Directors and the Specialized Committees and each Director's responsibilities. It takes into account the membership of the Specialized Committees, the increased number of meetings and increased work, and the corresponding greater responsibility of the Chairpersons of the Specialized Committees.

The rules for apportionment of the maximum annual amount are the following:

- the compensation of each Director includes:
 - a fixed component, defined on the basis of the Director's responsibilities (Chairperson of the Board of Directors and the specialized committees, position of Lead Director) and is calculated *pro rata temporis* for Directors whose terms ended or began during the year; and
 - a predominant variable component representing approximately 70% of the annual compensation, which is allocated by the Board of Directors based on their effective attendance at meetings of the Board of Directors and of the Specialized Committees;
- individual annual compensation is capped at €75,000 because the sum of the Directors' individual annual compensation cannot exceed the total amount authorized by the Shareholders' Meeting, the individual annual compensation amounts could be subject to a proportional reduction if a large number of extraordinary meetings were to be held during the year;
- the method of participation (in person or by video-conference) is not taken into consideration, it being noted that all Directors are encouraged to attend all meetings in person, and that remote attendance must be authorized by the Chairman of the Board of Directors or by the Chairpersons of the relevant Specialized Committees;
- no additional compensation is granted to non-resident Directors.

The following table summarizes the rules for apportionment applicable for a full year, if the Board of Directors and the committees were to hold the number of meetings planned for 2025 at the date of this Report :

→ Rules of apportionment: theoretical amounts for 2025

	Fixed component	Variable component (per meeting)	Maximum amount
Board of Directors			Maximum amount for the Board of Directors⁽¹⁾
Chairperson	€30,000	€2,000	€44,000
Lead Director	€24,000	€2,000	€38,000
Member	€16,000	€2,000	€30,000
Specialized Committees			Maximum amount for each Specialized Committee⁽²⁾
Strategic Committee			
Chairperson	€0	€2,000	€8,000
Member	N/A	€2,000	€8,000
Audit Committee			
Chairperson	€12,000	€1,500	€21,000
Member	N/A	€1,500	€12,000
Sustainability Committee			
Chairperson	€9,000	€1,500	€13,000
Member	N/A	€1,500	€4,500
Compensation Committee			
Chairperson	€3,000	€1,500	€9,000
Member	N/A	€1,500	€6,000
Nominations Committee			
Chairperson	€3,000	€1,500	€4,500
Member	N/A	€1,500	€1,500
Ad hoc Committee			
Chairperson	€6,000	€1,500	€9,000
Member	N/A	€1,500	€3,000
Maximum annual amount			€480,000
Cap on individual annual compensation			€75,000

(1) For example, based on 100% attendance and 7 meetings scheduled in the year.

(2) For example, based on 100% attendance and 20 meetings scheduled in the year (6 meetings of the Audit Committee, 4 meetings of the Strategic Committee, 3 meetings of the Sustainability Committee, 4 meetings of the Compensation Committee, 1 meeting of the Nominations Committee and 2 meetings of the ad hoc Committee).

Directors other than the Chairman and Chief Executive Officer receive no other form of compensation from the Company or from any company in the Lectra group.

The components of the compensation of the Chairman and Chief Executive Officer are set out in chapter 2.1.1. of this Report.

Finally, it is specified that the Company may pay directly, or reimburse upon presentation of supporting documents, expenses incurred by Directors in connection with attendance at meetings of the Board of Directors and committees.

→ Draft resolution submitted to the Shareholders' Meeting

« Eleventh resolution: approval of the policy governing the compensation of the Directors in respect of fiscal year 2025

The Shareholders' Meeting, voting on the quorum and majority conditions for ordinary shareholders' meetings, and having reviewed the Report on Corporate Governance prepared in compliance with the provisions of article L. 22-10-8 of the French Commercial Code, approves the policy governing the compensation of the Directors, proposed in respect of fiscal year 2025, as described in chapter 2.1.2 of the Report on Corporate Governance. »

2.2 Components of compensation paid or granted to the Company Officers in respect of fiscal year 2024

The components of compensation paid or granted to the Company Officers in respect of the fiscal year ended December 31, 2024, are determined in accordance with the compensation policy previously approved by the Shareholders' Meeting.

The information referred to in article L. 22-10-9 (I) relating to the total compensation and benefits of all kinds, with a distinction between the fixed and variable components, paid or granted in respect of their position as Company Officers during the fiscal year ended December 31, 2024, and mentioning notably the proportion of fixed and variable compensation and the commitments undertaken by the

Company due to commencement or termination of their position as Company Officers, including retirement benefit obligations, must be the subject of an ex post vote by the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2024.

The amount of the fixed compensation paid and the amount of the variable compensation granted in respect of fiscal year 2024 to Daniel Harari, in his capacity as Chairman and Chief Executive Officer, must be the subject of an ex post vote by the Shareholders' Meeting called to approve the financial statements for fiscal year ended

03 – REPORT ON CORPORATE GOVERNANCE

December 31, 2024.

In the event of failure of the ex post vote on the compensation paid or granted to the Chairman and Chief Executive Officer, no variable or exceptional components of compensation could be paid to him.

In the event of failure of the ex post vote on the information presented in the Report on Corporate Governance relating to compensation of company officers in compliance with article L.22-10-9 of the French Commercial Code, the Board of Directors would then submit a revised policy to the subsequent Shareholders' Meeting. Payment of Directors' compensation would be suspended until the vote at such subsequent Shareholders' Meeting. In the event of a negative vote on the revised compensation policy proposal, the compensation would not be paid.

2.2.1. Compensation of the Chairman and Chief Executive Officer in respect of fiscal year 2024

The elements of compensation and benefits paid or granted to Daniel Harari, Chairman and Chief Executive Officer, in respect of fiscal year 2024, and set out below, are consistent with the compensation policy, as determined by the Board of Directors during its meeting on February 28, 2024 and approved with a 99.03% vote at the Shareholders' Meeting of April 26, 2024.

Summary table of the elements of compensation paid or granted to Daniel Harari, Chairman and Chief Executive Officer of Lectra, in respect of fiscal year 2024, submitted for approval by the Annual Shareholders' Meeting on April 25, 2025

Components of compensation	Amount	Comments
Annual fixed compensation	€420,000 (amount paid)	On a recommendation by the Compensation Committee, the Board of Directors, at its meeting on February 28, 2024, decided to maintain the gross fixed annual compensation of Daniel Harari, in his capacity as Chairman and Chief Executive Officer, to €420,000, for the fiscal year 2024. Daniel Harari therefore received gross compensation of €420,000 in respect of the period from January 1, 2024 to December 31, 2024. This compensation was paid on a monthly basis.
Variable annual compensation	€81,167 (subject to approval by the Shareholders' Meeting of April 25, 2025)	On a recommendation by the Compensation Committee, the Board of Directors, at its meeting on February 28, 2024, decided to maintain to €420,000 – subject to achieving objectives – the gross variable annual compensation of Daniel Harari, in his capacity as Chairman and Chief Executive Officer, for the fiscal year 2024. Regarding fiscal year 2024, the Board of Directors, on a proposition from the Compensation Committee, decided, at its meeting on February 28, 2024, to set six performance criteria, three criteria for the Strategic Scorecard and three criteria for the CSR Scorecard, which are detailed below. The criteria for the Strategic Scorecard and weightings were set taking into account the 2023–2025 strategic roadmap and reflect the Company's strategy of profitable sales activity and earnings growth. They are calculated excluding the variations in exchange rates. (i) contributive value of growth in sales activity (40%); (ii) EBITDA before non-recurring items (30%); and (iii) protection and growth of recurring contracts (30%). The CSR Scorecard criteria and weightings reflect the Group's CSR objectives, which are described in the 2023 Non-financial Statement: (i) progress in raising non-financial ratings by independent rating agencies (40%) (ii) progress in raising the employee engagement rate (30%). (iii) progress on the multi-year plan to reduce our environmental footprint (30%); For each of the six criteria, the variable compensation is equal to zero below specified thresholds, equal to 100% if the annual objectives are achieved, and capped at 200% if the annual objectives are exceeded. Between these thresholds, it is calculated on a straight-line basis. These results are then weighted by the relative weight of each criterion. The result of the CSR Scorecard is then used as a bonus or penalty factor to adjust the results of the Strategic Scorecard criteria. Accordingly, if the result for the CSR criteria is zero, the result for the Strategic Scorecard is multiplied by 75%; if the result for the CSR criteria is 200%, the result for the Strategic Scorecard is multiplied by 125% (but cannot exceed 200%). The variable compensation is accordingly equal to 0% if none of the thresholds is met and is capped at 200% of the target-based variable amount if the annual objectives are exceeded for all the criteria and cause each to be capped at 200%. The fixed compensation and the variable compensation of the Chairman and Chief Executive Officer each account for 50% of the total target-based compensation, the actual total compensation can therefore vary, depending on performance, between

03 – REPORT ON CORPORATE GOVERNANCE

Components of compensation	Amount	Comments
		50% and 150% of the target-based amount. In other words, variable compensation is between 0 and 200 % of fixed compensation. At its meeting on February 12, 2025, the Board of Directors, on a proposal by Compensation and Sustainability Committees, determined the degree to which the above performance criteria had been achieved for 2024: ■ Strategic Scorecard criteria: (i) 22.98% for the contributive value of growth in sales activity ; (ii) 28.87% for EBITDA before non-recurring items; (iii) 0.00% for protection and growth of recurring contracts ■ CSR Scorecard criteria: (i) 200.00% for progress in raising non-financial ratings by independent rating agencies; (ii) 50.00% for progress in raising the employee engagement rate; (iii) 127.00% for progress on the multi-year plan to reduce our environmental footprint. In total, the percentage obtained for the variable portion of Daniel Harari's compensation represented 19.33% of the total amount set for achieving the annual performance objectives (28.44% in 2023), and his variable compensation in respect of fiscal year 2024 was therefore €81,167 (€119,448 in 2023).
Multiyear variable compensation	N/A	Daniel Harari receives no multi-year variable compensation.
Exceptional compensation	N/A	Daniel Harari receives no exceptional compensation.
Stock options, performance-related shares or other long-term benefits	N/A	Daniel Harari receives no stock options, performance-related shares or other long-term benefits.
Compensation in his capacity as Director	€52,000	In keeping with the rules for allocation of Directors' compensation, as determined at its meeting on February 23, 2022, the Board of Directors, at its meeting on February 12, 2025, decided to allocate to Daniel Harari the amount of €52,000 in his capacity as Director in respect of fiscal year ended December 31, 2024.
Value of benefits in kind	€8,876	The only benefit in kind corresponds to the tax value of the use of the company car, which amounted to €8,876 for fiscal year ended December 31, 2024.
Termination payment	N/A	No termination payment is planned for Daniel Harari.
Indemnifications relating to a non-competition clause	N/A	There is no commitment to provide Daniel Harari with indemnification relating to a non-competition clause.
Collective benefit schemes	N/A	Daniel Harari does not benefit from any collective benefit scheme.
Supplementary pension scheme	N/A	Daniel Harari does not benefit from any supplementary pension scheme.

Achievement of variable annual compensation criteria of the Chairman and Chief Executive Officer

Calculation of the variable compensation percentage achievement						
Quantitative performance criteria	Weighting of criterion	Minimum 0 %	Objective 100 %	Maximum 200 %	Percentage achieved	Amount
STRATEGIC SCORECARD						
Contributive value of growth in sales activity	40%	75% of the objective	Objective	125% of the objective	22.98%	
EBITDA before non-recurring items	30%	Objective minus 20 million euros	Objective	Objective plus 13.4 million euros	28.87%	
Growth in recurring contracts	30%	Objective minus 4.3 million euros	Objective	Objective plus 3 millions euros	0.00%	
Sub-total Strategic Scorecard	100%				17.85%	
CSR SCORECARD						
Progress in raising non-financial ratings by independent rating agencies, including	40 %				200.00%	
■ Ecovadis		Objective minus 10 points	Objective	Objective plus 5 points		
■ Ethifinance ESG Ratings		Objective minus 10 points	Objective	Objective plus 5 points		
Progress in raising the employee engagement rate	30%	Objective minus 8 points	Objective	Objective plus 4 points	50.00%	
Progress on the multi-year plan to reduce our environmental footprint	30%	Implementation of eco-design processes on all new equipment subject to an R&D plant			127.00%	
Sub-total CSR Scorecard	100%				133.00%	
Bonus or penalty factor on the CSR Scorecard	100%				108.25%	
Percentage achievement and amount of variable compensation	100%				19.33%	€81,167

Synthesis of the Chairman and Chief Executive Officer's compensation in respect of 2024

Following the recommendations in article 27 of the AFEP-MEDEF Code, the table below presents the fixed and variable compensation (gross amounts before social contribution deductions) assuming fulfillment of annual targets and the actual compensation effectively earned, in respect of fiscal year ended December 31, 2024:

→ Table summarizing the fixed and variable annual compensation of the Chairman and Chief Executive Officer

Daniel Harari Chairman and Chief Executive Officer	2024			2023		
(in euros)	Compensation assuming fulfillment of annual targets	Actual compensation earned in respect of the fiscal year	% Actual compensation/ Compensation assuming fulfillment of annual targets	Compensation assuming fulfillment of annual targets	Actual compensation earned in respect of the fiscal year	% Actual compensation/ Compensation assuming fulfillment of annual targets
Fixed compensation	420,000	420,000	100%	420,000	420,000	100%
Variable compensation	420,000	81,167	19%	420,000	119,448	28%
Total	840,000	501,167	60%	840,000	539,448	64%

The table below shows fixed and variable compensation (gross amounts before deduction of social contributions), benefits in kind, and compensation in his capacity as Director due in respect of fiscal year ended December 31, 2024 and amounts actually paid in the year:

→ Table summarizing the compensation of the Chairman and Chief Executive Officer

Daniel Harari Chairman and Chief Executive Officer	2024		2023	
(in euros)	Amounts earned in respect of the fiscal year	Amounts paid in the year	Amounts earned in respect of the fiscal year	Amounts paid in the year
Fixed compensation	420,000	420,000	420,000	420,000
Variable compensation ⁽¹⁾	81,167	119,448	119,448	295,541
Extraordinary compensation	N/A	N/A	N/A	N/A
Compensation in his capacity as Director	52,000	53,000	53,000	5,500
Benefits in kind ⁽²⁾	8,876	8,876	10,611	10,611
Total	562,043	601,324	603,059	779,652

(1) The variable compensation in respect of fiscal year 2023 was paid in 2024; the variable compensation in respect of fiscal year 2024 will be paid in 2025, subject to approval by the annual Shareholders' Meeting of April 25, 2025. The difference between the percentage of variable compensation granted in respect of fiscal year 2023 (64%), which was paid in 2024, and the percentage in respect of fiscal year 2024 (60%) explains the difference between the amounts of variable compensation due in respect of fiscal year 2024 and paid in 2024.

(2) Amounts shown under benefits in kind correspond to the value of the use of a company car.

Draft resolution submitted to the Shareholders' Meeting

« Sixth resolution: approval of the fixed and variable components making up the total compensation and benefits paid or granted in respect of fiscal year ended December 31, 2024 to Daniel Harari, Chairman and Chief Executive Officer

The Shareholders' Meeting, voting on the quorum and majority conditions for ordinary shareholders' meetings, and having reviewed

the Report of the Board of Directors prepared in compliance with the provisions of article L. 22-10-34 of the French Commercial Code, approves the fixed and variable components making up the total compensation and benefits paid or granted in respect of fiscal year ended December 31, 2024 to Daniel Harari in his capacity as Chairman and Chief Executive Officer of the Company, as described in chapter 2.2.1 of the Report on Corporate Governance.»

2.2.2. Compensation of Directors in respect of the fiscal year ended December 31, 2024

The compensation of the Directors in respect of the fiscal year ended December 31, 2024, is consistent with the compensation policy, which was set by the Board of Directors at its meeting on February 23, 2022, then confirmed on February 28, 2024, and approved by a 99.50% vote at the Shareholders' Meeting of April 26, 2024.

In accordance with the decision of the Annual Shareholders' Meeting of April 29, 2022, the maximum amount of compensation is set at €480,000 starting in fiscal year 2022 and until a new decision is made.

In respect of the fiscal year ended December 31, 2024, the total gross amount of €440,418 was granted as compensation for the members of the Board of Directors, it being specified that the compensation amounts, as set out in the table below, will be paid to the Directors after the Annual Shareholders' Meeting of April 25, 2025.

The rules for apportionment, which have been applied to determine each Director's compensation for fiscal year 2024 are set out in chapter 2.1.2 of this Report.

It is specified that:

- the Directors, other than the Chairman and Chief Executive Officer, have received no other form of compensation from the Company or from any company in the Lectra group; the detail of the compensation earned by or paid to the Chairman and Chief Executive Officer is set out in chapter 2.2.1. of this Report.
- the Company did pay directly, or reimburse upon presentation of supporting documents, expenses incurred by Directors in connection with attendance at meetings of the Board of Directors and specialized committees.

→ Table on the compensation of the Directors

Directors	Compensation in respect of 2024 ⁽¹⁾ (in euros)			Compensation in respect to 2023 ⁽¹⁾ (in euros)		
	Fixed portion	Variable portion	Total amount	Fixed portion	Variable portion	Total amount
Daniel Harari Chairman and Chief Executive Officer ⁽²⁾	28,000	24,000	52,000	28,000	25,000	53,000
Ross McInnes Lead Independent Director	23,000	39,000	62,000	20,436	35,000	55,436
Céline Abecassis-Moedas Independent Director	18,000	39,000	57,000	17,038	43,000	60,038
Karine Calvet Independent Director ⁽³⁾	15,000	33,000	48,000	10,192	20,500	30,692
Jean Marie Canan Non-independent Director ⁽⁴⁾	4,713	16,500	21,213	15,000	43,000	58,000
Nathalie Rossiensky Independent Director	20,000	45,000	65,000	20,000	43,000	63,000
Pierre-Yves Roussel Independent Director ⁽⁵⁾	15,000	22,000	37,000	10,192	17,500	27,692
Jérôme Viala Non-independent Director ⁽⁵⁾	10,205	24,000	34,205	N/C	N/C	N/C
Hélène Viot-Poirier Independent Director	18,000	46,000	64,000	17,038	43,000	60,038
Total	151,918	288,500	440,418	152,000	307,500	459,500

(1) Gross amounts

(2) This is the compensation allocated to Daniel Harari in his capacity as Chairman of the Board of Directors. Compensation paid or earned in his capacity as Chief Executive Officer is set out in chapter 2.2.1 of this Report.

(3) The compensation in respect of fiscal year 2023 corresponds to the period from April 28, 2023 to December 31, 2023, as Karine Calvet and Pierre-Yves Roussel were elected as Directors by the Ordinary Shareholders' Meeting of April 28, 2023.

(4) Compensation for fiscal year 2024 is for the period from January 1, 2024 to April 24, 2024, Jean-Marie Canan's term of office as Director having ended at the close of the Board of Directors meeting of April 24, 2024.

(5) Compensation for fiscal year 2024 is for the period from April 26, 2024 to January 31, 2024, Jérôme Viala having been appointed as Director by the Ordinary Shareholders' Meeting of April 26, 2024

2.3 Yearly evolution of the Chairman and Chief Executive Officer's compensation over the past five years

Pursuant to article L. 22-10-9 of the French Commercial Code, set out in the tables below are:

- the equity ratios between the level of compensation of the Chairman and Chief Executive Officer and the average and median compensations of the Company's employees, as well as the evolution of these equity ratios over the past five fiscal years; and
- the yearly evolution of compensation of the Chairman and Chief Executive Officer, Lectra performance, average and median compensation of employees over the past five years.

As a reminder, Daniel Harari has served as Chairman and Chief Executive Officer since July 27, 2017, when the Board of Directors decided to recombine the roles of Chairman and Chief Executive Officer.

The Company's method for calculating the pay equity ratios was established with reference to the AFEF guidelines for compensation ratios published January 28, 2020 and revised in February 2021, it being specified that:

- the scope used for calculating the equity ratios and compensation is that of the company Lectra, the parent company of the Lectra group, which includes 95.08% of the workforce in France;
- the compensation used for calculating the ratios corresponds to total compensation paid to the Chairman and Chief Executive Officer and the Company's employees on a full-time equivalent basis in each fiscal year;

- the employees taken into account to calculate the denominator are employees continuously present in the Company's workforce between January 1 N-1 and December 31 of the relevant year, whether on permanent contracts, fixed-term contracts and work-study contracts, but not expatriates and interns
- the compensation of the Chairman and Chief Executive Officer and employees of the Company comprises the aggregate annual gross amounts, subject to social security contributions, which include:
 - fixed compensation;
 - variable compensation paid during the relevant fiscal year in respect of the previous fiscal year;
 - various bonuses paid during the relevant year;
 - benefits in kind;
 - severance payments;
 - sums paid into the PERCO from time savings accounts;
 - miscellaneous compensation (e.g., in respect of a directorship);
 - amounts paid, invested or contributed to under the profit-sharing plan and the collective employee incentive plan; and
 - the value of stock options in accordance with IFRS standards.

This excludes indemnities or benefits in respect of retirement, dismissal, expiry of fixed-term employment contract and negotiated termination.

→ Yearly change in compensation of the Chairman and Chief Executive Officer, Company performance, average and median compensation of employees, and pay equity ratios

	2024	2023	2022	2021	2020
Change in compensation paid to the Chairman and Chief Executive Officer					
(in % and in euros)	-22.9% (€601,325)	-35.1% (€779,652)	144% (€1,200,643)	-28.4% (€490,964)	-5.6% (€685,644)
Information on the listed parent Company scope					
Change in the average compensation of employees, full-time equivalent (in % and in euros)	-2.6% (€61,333)	4.2% (€63,000)	8.8% (€60,486)	4.7% (€55,610)	0.9% (€53,122)
Average ratio and its evolution	10 (-20.8%)	12 (-37.7%)	20 (124.8%)	9 (-31.6%)	13 (-6.5%)
Change in the median compensation of employees, full-time equivalent (in % and in euros)	-5.5% (€46,402)	2.8% (€49,103)	5.8% (€47,749)	1.1% (€45,146)	4.7% (€44,634)
Median ratio and its evolution	13 (-18.4%)	16 (-36.9%)	25 (131.2%)	11 (-29.2%)	15 (-9.8%)
Additional information on the broader scope					
	N/A	N/A	N/A	N/A	N/A
Group performance					
Performance coefficient ⁽¹⁾ for fiscal year N-1 used to determine the variable portion of company officers' compensation	28%	76%	195%	13%	62%

(1) The performance coefficient measures the percentage achievement of performance criteria that determines the annual variable compensation of the Chairman and Chief Executive Officer. The criteria are established and reviewed by the Board of Directors in light of the strategic roadmap. These criteria reflect the strategy of profitable sales activity and the annual percentage achievement measures Lectra's results for that year. Comparing percentage achievement in different years would not be relevant, in that the indicator relates only to performance in each specific year. The same criteria also apply to the members of the Executive Committee (excluding region leaders), and to certain managers in the Group, it being specified that there are differences in the weighting given to each criterion and the relative share of their target-based variable compensation. It is specified that the coefficient indicated for year N corresponds to the percentage achievement of criteria for year N-1 in order to align it with the impact of payment of the variable component in year N+1.

→ Draft resolution submitted to the Shareholders' Meeting

« Fifth resolution: approval of the information relating to the compensation of the company officers in respect of fiscal year ending December 31, 2024

The Shareholders' Meeting, voting on the quorum and majority conditions for ordinary shareholders' meetings, and having reviewed

the Report on Corporate Governance prepared in compliance with the provisions of article L. 22-10-34 of the French Commercial Code, approves the information mentioned in article L. 22-10-9 of the French Commercial Code relating to the compensation of the company officers in respect of fiscal year 2024, as described in sections 2.2 and 2.3 of the Report on Corporate Governance. »

3. Market abuse prevention measures

In accordance with Regulation (EU) N°596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (the **Market Abuse Regulation, MAR**), the Board of Directors has adopted an insider trader prevention policy intended (i) to formalize the measures taken by the Company to prevent insider trading and the disclosure of privileged information; and (ii) to restate the legal and regulatory provisions governing transactions in Lectra securities by officers and senior executives, the obligations of confidentiality and abstention from trading imposed on insiders, and the administrative and penal sanctions incurred for failure to comply with them.

The information on this policy is made available to the company officers and Lectra employees, as well as to other insiders. The Board of Directors ensures that it is applied properly within the Group and updates it as required; the most recent update was October 30, 2024.

In compliance with article 18 of the Market Abuse Regulation, as supplemented by the AMF guide on ongoing information (Position-

recommendation DOC-2016-08) dated October 26, 2016, as modified April 29, 2021, the Company:

- draws up, in an electronic format, a list of all persons, internally and externally, who have access to inside information;
- promptly updates the insider list (including the date and time of the update) in the following circumstances:
 - where there is a change in the reason for including a person already on the insider list;
 - where there is a new person who has access to inside information and needs, therefore, to be added to the insider list; and
 - where a person ceases to have access to inside information.
- provides this insider list as soon as possible by electronic means to the AMF at the latter's request;
- retains the insider list and previous versions of it for a period of at least five years after it is drawn up or updated; and
- takes all reasonable steps to ensure that any person included in the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

The Company's General Secretary is the referent person for all matters pertaining to the General Regulation of the AMF concerning the drawing up of lists of insiders. Her duties include adapting the guidelines published by *Association Nationale des Sociétés par Actions* (National Association of Joint-Stock Companies, ANSA) and drawing up the guide to procedures specific to Lectra, drawing up and maintaining up-to-date lists of permanent and occasional insiders, and notifying them individually in writing, accompanied by a memorandum spelling out the procedures specific to Lectra.

In keeping with the Insider trading prevention policy, it is prohibited for all persons identified by the Company as permanent insiders or persons with regular access to privileged information, to buy or sell the Company's shares (including through the exercise of stock options) during the period (called "blackout periods") starting thirty calendar days before publication of annual, half-year and quarterly financial results and expiring two stock market trading days after this publication. These restrictions are consequently stricter than the obligation to abstain during the closed periods provided for in regulations. The calendar of blackout periods in the coming fiscal year is notified to all those people concerned at the end of each year.

The exercise of stock options during blackout periods is prohibited, even if the beneficiary were to hold any resulting shares until the expiration of the period.

However, as permitted under article 19.12 of the Market Abuse Regulation, the Company may authorize a person discharging managerial responsibility to undertake such transactions:

- on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares;
- due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares or transactions where the beneficial interest in the relevant security does not change.

In accordance with the Market Abuse Regulation, article L.621-18-2 of the French Monetary and Financial Code and article 223-22 A of the General Regulation of the AMF, transactions in Lectra securities carried out by any of the following three categories of persons must be notified to the AMF by electronic means and to the Company within three business days of the transaction date:

- Officers of the Company (Directors and the Chairman and Chief Executive Officer);
- Senior executives, in the list established and kept up to date by the Board of Directors;
- Persons with close personal ties to the two preceding categories.

4. Procedures relative to the preparation and processing of accounting and financial information.

In addition to the risk management framework described in Section 3 of the Management Discussion and Analysis, the Group has implemented precise procedures for the preparation and control of accounting and financial information, mainly reporting, budget procedures, and procedures for the preparation and verification of the consolidated financial statements. Their purpose is to ensure the quality of accounting and financial information communicated to the Executive Committee, management teams, the Audit Committee, the Board of Directors, and to the shareholders and the financial markets.

The Finance Division regularly identifies risks that could affect the compilation, the processing and the quality of accounting and financial information. It communicates continuously with the Group's Finance Divisions to ensure that these risks are managed. This analysis is additional to the procedures described below to reduce the risks of error in the accounting and financial information published by the Company.

4.1 Reporting and budget procedures

The Group produces comprehensive, detailed financial reporting covering all aspects of the activities of each division. Reporting procedures are based primarily on the budgetary control system put in place. The annual budget is prepared centrally by the Group Finance Division management control teams. This detailed, comprehensive process includes setting the budgetary targets of each region and Group unit, together with indicators specific to each activity. It permits rapid identification of any deviation in actual of forecast results, and thereby minimizes the risk of error in the financial information produced.

4.2 Financial statements preparation and verification procedures

→ Monthly financial results

The actual results of each Group entity are verified and analyzed monthly, and new forecasts for the current quarter are consolidated. Each deviation is identified and analyzed in detail in order to determine its causes, verify that procedures have been respected and financial information properly prepared.

→ Quarterly Consolidation

Financial statements (statement of financial position, income statement, statement of cash flows, and statement of changes in equity) are consolidated on a quarterly basis. The process of preparing the consolidated financial statements comprises a large number of controls to ensure the quality of the information communicated by each of the companies and of the consolidation process itself. All Group subsidiaries employ the same standard consolidation reporting package for this purpose. Actual results are compared with forecasts received previously in the monthly reporting procedure.

Upon completion of the consolidation process, variances from forecasts for items in the income statement, statement of financial position and statement of cash flows are analyzed. The resulting financial statements are reviewed by the Chairman and Chief Executive Officer, the General Secretary and the Chief Financial Officer, in the course of preparing the work of the Board of Directors, and then submitted to the Audit Committee, before being reviewed and validated by the Board of Directors and published by the Company.

5. Related-party agreements and agreements entered into in the ordinary course of business

5.1 Procedure for evaluation and control of related-party agreements and agreements entered into in the ordinary course of business

Pursuant to article L. 22-10-12 of the French Commercial Code and AMF Recommendation N°2012-05 of July 2, 2012, as amended on April 29, 2021, the Board of Directors, at its meeting on July 27, 2020, adopted an internal charter on related-party agreements and agreements entered into in the ordinary course of business (the "Charter").

This Charter, for the use of employees of the Lectra group and the members of the Board of Directors, aims:

- to formalize the methodology applied internally to identify and characterize the agreements entered into between Lectra and related parties;
- to restate the regulatory framework applicable to related-party agreements;
- to describe the procedure for regular evaluation of agreements entered into in the ordinary course of business.

The Charter takes into account, inter alia, the February 2014 study by *Compagnie Nationale des Commissaires aux Comptes* on related-party agreements and agreements entered into in the ordinary course of business.

All agreements that could potentially be considered related-party agreements for the Company are submitted, prior to conclusion, to the Finance Division and the Legal Department, which examine its characterization with the third parties concerned. Any conclusion, modification, renewal (including by tacit renewal) or cancellation of a related-party agreement is submitted to examination by the Audit Committee, and then to prior approval by the Board of Directors. Furthermore, each year, at its meeting called for the closing of the annual financial statements, the Board of Directors examines all related-party agreements authorized in previous years. In this respect, it can reclassify any agreement when it is no longer considered a related-party agreement.

As it regards the monitoring of current agreements that are exempt from the ex-ante control procedure, a report on agreements considered to be entered into in the ordinary course of business and concluded under normal conditions that were in force during the fiscal year ended, which is prepared by the Finance Division in collaboration with the Legal Department, is sent to the Audit Committee for consideration at the meeting called to examine the financial statements for the fiscal year.

The Audit Committee is responsible for verifying that those agreements meet the conditions required for classification as agreements entered into in the ordinary course of business.

The Board of Directors is then called upon to confirm the classification. The Board of Directors may also decide to modify the classification criteria, and, if required, to reexamine any agreements which, at the time of the review, do not or no longer meet the new criteria.

Persons with a direct or indirect interest in any agreement do not participate in evaluating that agreement (whether in the Audit Committee or the Board of Directors).

The internal Charter on related-party agreements and agreements entered into in the ordinary course of business can be consulted on the Lectra website (<https://www.lectra.com/en/investors/corporate-governance/bylaws-and-rules>).

5.2 Agreements entered into in the ordinary course of business

Pursuant to article L. 22-10-12 of the French Commercial Code, and the internal Charter on related-party agreements and agreements entered into in the ordinary course of business, the Board of Directors at its meeting on February 12, 2025 conducted the annual review of the ordinary agreements entered into under normal terms and conditions that were implemented or continued in effect in fiscal year 2024. After having assessed the terms and conditions of each of these agreements, the Board of Directors noted that (i) to date, there are no ordinary agreements other than those entered into between the Company and its subsidiaries, and (ii) all existing agreements between the Company and its subsidiaries are made in the ordinary course of business in relation to the corporate purpose of the companies concerned and are entered into under normal terms and conditions.

5.3 Related-party agreements and commitments

No related-party agreements within the meaning of article L. 225-38 of the French Commercial Code were entered into during fiscal year ended December 31, 2023.

It is also specified, in accordance with article L. 225-37-4 of the French Commercial Code, that to the Company's knowledge there are no agreements, other than those relating to ordinary transactions entered into under normal terms and conditions, whether directly or through an intermediary, between a company officer or a shareholder with over 10% of the Company's voting rights, on the one hand, and another company controlled by the Company within the meaning of article L. 233-3 of the French Commercial Code, on the other hand.

6. Financial authorizations and delegations

All financial authorizations and delegations in effect during fiscal year 2024, and utilizations thereof at December 31, 2024, are reported in the summary table below.

Summary table of financial authorizations and delegations in effect and their utilization

Nature of authority/delegation	Date of Shareholders' Meeting (resolution number)	Duration (expiry date)	Maximum amount	Utilization
Still valid				
Authority to grant stock options ⁽¹⁾	Shareholders' Meeting of April 29, 2022 (resolution no.13)	38 months (June 28, 2025)	Maximum number of options: 1,200,000	Utilization at 31/12/2024 ⁽²⁾ : 654,217
			Authorized amount of capital increase: €1,200,000	Options remaining at 31/12/2024: 545,783

(1) The Shareholders' Meeting of April 29, 2022, authorized the issuance of up to 1,200,000 shares with a par value of €1. The maximum amount and the amounts utilized are indicated in par value of shares.

(2) For details on granting of stock options, see chapter 9.5 of the Management Discussion.

7. Attendance at shareholders' meetings

7.1 Conditions for participation at shareholders' meetings

The right of attendance at shareholders' meetings, to vote by correspondence or to be represented, is subject to the following conditions:

- for registered shareholders: shares must be registered in their name or in the name of an authorized intermediary in the company register, which is maintained by Société Générale in its capacity as bookkeeper and Company agent, at zero hour, Paris time, on the second working day preceding the day set for the said meeting;
- for holders of bearer shares: receipt by the shareholders' meetings department of Société Générale of a certificate of attendance noting the registration of the shares in the register of bearer shares at zero hour, Paris time, on the second working day preceding the day set for the said meeting, delivered and transmitted to Société Générale by the financial intermediary (bank, financial institution or brokerage) that holds their account.

Shareholders are free to dispose of their shares in whole or in part until the time of the meeting.

However, if the settlement of the disposal takes place before zero hour, Paris time, on the second working day preceding the day set for the said meeting, the financial intermediary that holds their account shall notify the disposal to Société Générale, and shall transmit the necessary information. The Company shall invalidate or modify the vote by correspondence, proxy vote, admission card or the certificate of attendance in consequence of the foregoing. However, if the settlement of the disposal takes place after zero hour, Paris time, on the second working day preceding the day set for the said meeting, the disposal will not be notified by the financial institution holding the account, nor taken into consideration by the Company for the purposes of attendance at the Shareholders' Meeting.

Any shareholder unable to attend the meeting in person may vote by correspondence or by proxy, including by electronic means, in

accordance with the terms and conditions set forth in the laws, regulations and by-laws, as specified in the notice of meeting.

Correspondence and proxy voting forms together with all documents and information relating to the meetings are available on the Company's website (<https://www.lectra.com/en/investors/shareholder-20information/shareholders-meetings>) at least twenty-one days before the time of these meetings.

These documents are also obtainable on request, free of charge, from the Company. All correspondence or proxy voting forms must be received, in paper form or by electronic means, no later than the day preceding the shareholders' meeting, before 3pm, Paris time.

Written questions for submission to the meeting may be addressed to the Company at its headquarters: 16-18, rue Chaligny, 75016 Paris, France, or by electronic mail at the address indicated in the notice of meeting and the formal convocation on the fourth working day preceding the day set for the meeting at the latest, and must be accompanied by proof of registration as a shareholder. Shareholders holding a fraction of the capital defined in articles L. 225-105 paragraph 2 and R. 225-71 paragraph 2 of the French Commercial Code must transmit any draft resolutions they wish to place on the agenda of the meeting at least twenty-five days prior to the date of the meeting.

As required in article R. 22-10-24 (last paragraph) of the French Commercial Code, notification of designation and revocation of a proxy may also be communicated electronically, by sending an electronically signed e-mail, employing a secure procedure for identification of the shareholder guaranteeing that the notification was effectively sent by the said shareholder, to the address indicated in the notice of meeting and the formal convocation.

Practical details will be communicated, for each shareholders' meeting, in the notice of meeting sent to the shareholders.

7.2 Voting rights: one share, one vote

In accordance with Article 21 of the Company's By-laws, shares acquired after May 15, 2001 and registered in the name of the same shareholder for a period of two years do not carry double voting rights. However, in accordance with the decision of the Extraordinary Shareholders' Meeting of September 26, 2014⁽⁴³⁾, shares with double voting rights as of May 15, 2001 continue to enjoy double voting rights as long as they are registered in the name of the same holder and in certain limited cases of capital transfers or increases.

Only 192,150 shares (representing 0.51% of the capital stock) held in registered form before May 15, 2001, carried double voting rights at December 31, 2024.

At its meeting on February 27, 2025, the Board of Directors decided to convene a Special Shareholders' Meeting of the holders of shares with double voting rights and an Extraordinary Shareholders' Meeting to approve the deletion of double voting rights and to amend the Company's By-laws accordingly. This would (i) bring the Company's practice in line with that of companies in other European countries, where the principle of "one share, one vote" is widely applied, and (ii) put an end to an inequality among shareholders, as this advantage is limited to an extremely small number of them and no other shareholder is entitled to it.

8. Information concerning potentially material items in the event of a public tender offer

Under article L. 22-10-11 of the French Commercial Code the following items are liable to be material in the event of a public tender offer:

- The structure of the Company's capital stock and direct or indirect shareholdings in the capital of the Company known to it, which are described in section 8 "Share capital – Ownership – Share Price Performance" of the Management Discussion;
- Any statutory restrictions on the exercise of voting rights and on the transfer of shares, which are described in the Company's by-laws, which is available on the Company's website (<https://www.lectra.com/en/investors/corporate-governance/bylaws-and-rules>); the rules governing the appointment and replacement of members of the Board of Directors and amendments to the Company by-laws, which are presented in the Company by-laws;
- The powers of the Board of Directors and in particular concerning the issuance or buyback of shares, which are described in

paragraph 1.4.1 "Roles and powers of the Board of Directors" of the present Report on Corporate Governance, as well as in Section 9 "Share repurchase program" of the Management Discussion;

- The clauses of the loan agreement that would entitle the Company's lenders to demand early repayment in the event of a change in control of the Company are set out in note 22 of the consolidated financial statements;
- The decision of the Supervisory Board of the Company's employee investment fund (FCPE) on the potential contribution of the securities to purchase or exchange offers, in accordance with article L.214-165 of the French Monetary and Financial Code.

To the Company's knowledge there are no other elements that are liable to be of consequence in the event of a public tender offer for the shares of the Company.

The Board of Directors

February 27, 2025

(43) As a reminder, double voting rights were deleted by the Extraordinary General Meeting of May 3, 2001, with effect from May 15, 2001, for all shares acquired and/or registered after that date. However, this decision was made for the future only, as the double voting rights existing at that time were maintained under the conditions set forth in Article 21 of the Company's By-laws (formerly Article 20). On September 26, 2014, the Extraordinary Shareholders' Meeting reaffirmed its wish not to introduce double voting rights after the entry into force of Law 2014-384, known as the "Florange Law", by opting to expressly exclude the application of the said law, without however challenging double voting rights existent prior to May 15, 2001.

Consolidated financial statements

Summary

1.	Statement of consolidated financial position	173	5.	Notes to the statement of consolidated financial position	190
2.	Consolidated income statement	174	6.	Notes to the consolidated income statement	212
3.	Consolidated statement of cash flows	175	7.	Notes to the consolidated statement of cash flows ..	218
4.	Statement of change in consolidated equity	176	8.	Statutory Auditors' report on the consolidated financial statements	219

1. Statement of consolidated financial position

ASSETS

At December 31 (in thousands of euros)		2024 ⁽¹⁾	2023
Goodwill	note 6	369,470	297,306
Other intangible assets	note 7	188,036	129,014
Leasing rights-of-use	note 8	28,351	26,322
Property, plant and equipment	note 9	23,430	25,800
Investments in associates	note 10	3,854	-
Other non-current assets	note 11	13,078	18,150
Deferred tax assets	note 13	13,247	13,591
Total non-current assets		639,467	510,183
Inventories	note 14	63,423	70,686
Trade accounts receivable	note 15	102,601	91,859
Other current assets	note 16	28,293	21,441
Cash and cash equivalents	note 22	81,901	115,049
Total current assets		276,218	299,035
Total assets		915,685	809,218

LIABILITIES

At December 31 (in thousands of euros)		2024 ⁽¹⁾	2023
Share capital	note 17	37,966	37,833
Share premium	note 17	142,869	140,777
Treasury shares	note 17	(937)	(885)
Currency translation adjustments	note 18	35,390	16,977
Retained earnings and net income		137,999	215,124
Non-controlling interests	note 2	21,063	8,033
Total equity		374,350	417,860
Retirement benefit obligations	note 19	10,930	10,593
Non-current lease liabilities	note 20	22,223	22,074
Minority shares purchase commitments	note 21	117,887	49,536
Deferred tax liabilities	note 13	19,012	2,733
Borrowings, non-current portion	note 22	86,773	76,684
Derivative financial instruments	note 22	664	-
Total non-current liabilities		257,490	161,620
Trade and other current payables	note 23	101,150	88,493
Deferred revenues	note 24	111,845	94,103
Current income tax liabilities	note 13	6,545	5,504
Current lease liabilities	note 20	9,941	9,144
Minority shares purchase commitments	note 21	29,766	1,702
Borrowings, current portion	note 22	15,704	21,405
Provisions for other liabilities and charges	note 25	8,893	9,386
Total current liabilities		283,844	229,738
Total equity and liabilities		915,685	809,218

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 2.31 hereafter).

The notes are an integral part of the consolidated financial statements.

2. Consolidated income statement

Twelve months ended December 31 (in thousands of euros)		2024 ⁽¹⁾	2023
Revenues	note 28	526,674	477,579
Cost of goods sold	note 29	(149,801)	(144,402)
Gross profit	note 29	376,873	333,177
Research and development	note 30	(61,955)	(51,301)
Selling, general and administrative expenses	note 31	(265,663)	(232,824)
Income from operations before non-recurring items		49,255	49,052
Non-recurring income	note 34	-	5,174
Non-recurring expenses	note 34	(457)	(5,777)
Income from operations		48,798	48,450
Financial income	note 35	2,258	3,098
Financial expenses	note 35	(8,269)	(5,936)
Foreign exchange income (loss)	note 36	(2,189)	(1,644)
Income before tax		40,599	43,968
Income tax	note 13	(10,890)	(11,354)
Share of result from associates		(76)	-
Net income		29,632	32,615
of which, Group share		31,164	33,904
of which, Non-controlling interests		(1,532)	(1,289)
(in euros)			
Earnings per share, Group share:	note 37		
- basic		0.82	0.90
- diluted		0.82	0.89
Shares used in calculating earnings per share:			
- basic		37,873,739	37,794,184
- diluted		38,161,144	38,134,888
(in thousands of euros)			
Income from operations before non-recurring items		49,255	49,052
+ Net depreciation and amortization of non-current assets		41,859	29,966
EBITDA before non-recurring items		91,114	79,018

STATEMENT OF COMPREHENSIVE INCOME, GROUP SHARE⁽²⁾

Twelve months ended December 31 (in thousands of euros)		2024 ⁽¹⁾	2023
Net income, Group share		31,164	33,904
Currency translation adjustments	note 18	18,414	(13,257)
Changes in derivative financial instruments		(664)	-
Tax effect	note 13	166	(112)
Other comprehensive income to be reclassified in net income		17,916	(13,369)
Remeasurement of the net liability arising from defined benefits pension plans			
from defined benefits pension plans	note 19	777	(1,006)
Tax effect	note 13	(182)	241
Other comprehensive income not to be reclassified in net income		596	(765)
Total other comprehensive income		18,511	(14,134)
Comprehensive income, Group share		49,675	19,770

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 2.31 hereafter).

(2) The Group considered as non-material the information regarding the comprehensive income of the non-controlling interests (of Retviews, Neteven, Gemini CAD Systems, Glengo Lectra Teknoloji and TextileGenesis – see note 2.31 hereafter) and thus only presents the comprehensive income of the Group share.

The notes are an integral part of the consolidated financial statements.

3. Consolidated statement of cash flows

Twelve months ended December 31 (in thousands of euros)		2024 ⁽¹⁾	2023
I – OPERATING ACTIVITIES			
Net income		29,632	32,615
Net depreciation and amortization (non-current assets)		41,859	29,966
Net depreciation and provisions (current assets)		1,209	(1,107)
Non-cash operating expenses	note 40	1,925	(761)
Loss (profit) on sale of fixed assets		39	96
Changes in deferred income taxes	note 13	(2,286)	(1,349)
Changes in inventories		4,943	5,631
Changes in trade accounts receivable		10,247	1,949
Changes in other current assets and liabilities		(1,084)	(8,149)
Changes in other operating non-current assets	note 41	1,831	681
Net cash provided by (used in) operating activities		88,316	59,572
II – INVESTING ACTIVITIES			
Purchases of intangible assets	note 7	(4,236)	(3,846)
Purchases of property, plant and equipment	note 9	(2,534)	(3,239)
Proceeds from sales of intangible and tangible assets		286	18
Acquisition cost of companies purchased	note 2	(71,590)	(17,677)
Acquisition cost of equity investments	note 2	(3,782)	-
Purchases of financial assets	note 11	(5,721)	(10,994)
Proceeds from sales of financial assets	note 11	6,651	11,493
Net cash provided by (used in) investing activities		(80,926)	(24,245)
III – FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares by the parent company	note 17	2,225	687
Proceeds from issuance of ordinary shares to non controlling interests		228	-
Dividend paid	note 4	(14,113)	(18,126)
Change in share of interests in controlled entities	note 2	(4,200)	(482)
Purchases of treasury shares	note 17	(5,289)	(10,588)
Sales of treasury shares	note 17	5,193	10,558
Subscription of long-term and short-term debt	note 42	99,012	-
Repayment of lease liabilities	note 20	(11,526)	(10,579)
Repayments of long-term and short-term borrowings	note 42	(115,755)	(21,000)
Net cash provided by (used in) financing activities		(44,225)	(49,530)
Increase (decrease) in cash and cash equivalents		(36,834)	(14,203)
Cash and cash equivalents at opening	note 22	115,049	130,634
Increase (decrease) in cash and cash equivalents		(36,834)	(14,203)
Effect of changes in foreign exchange rates		3,686	(1,382)
Cash and cash equivalents at closing	note 22	81,901	115,049
Net cash provided by (used in) operating activities		88,316	59,572
+ Net cash provided by (used in) investing activities		(80,926)	(24,245)
- Acquisition cost of companies purchased		71,590	17,677
- Acquisition cost of equity investments		3,782	-
- Repayment of lease liabilities		(11,526)	(10,579)
Free cash flow		71,237	42,425
Non-recurring items of the free cash flow		(875)	(2,920)
Free cash flow before non-recurring items	note 43	72,112	45,345
Income tax (paid) / reimbursed, net		(8,117)	(9,051)
Interest (paid) on lease liabilities		(777)	(539)
Interest (paid)		(6,299)	(4,504)

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 2.31 hereafter).

The notes are an integral part of the consolidated financial statements.

4. Statement of change in consolidated equity

(in thousands of euros, except for par value per share expressed in euros)											
		Share capital			Share premium	Treasury shares	Currency translation adjustments	Retained earnings and net income	Equity, Group share	Noncontrolling interests	Total equity
	Note	Number of shares	Par value	Share capital							
Balance at December 31, 2022		37,788,949	1.00	37,789	140,134	(1,037)	30,346	242,269	449,501	2,719	452,220
Net income								33,904	33,904	(1,289)	32,615
Other comprehensive income							(13,369)	(765)	(14,134)	(52)	(14,186)
Comprehensive income							(13,369)	33,139	19,770	(1,341)	18,429
Exercised stock options	17	44,016	1.00	44	643				687		687
Fair value of stock options	17							1,499	1,499		1,499
Sale (purchase) of treasury shares	17					152			152		152
Profit (loss) on treasury shares	17							(137)	(137)		(137)
Internal transfer of intellectual property with non-controlling interests								(2,380)	(2,380)	2,380	-
Minority shares purchase for Neteven	21							482	482	(131)	351
Integration of TextileGenesis and minority shares purchase commitment(I)	21							(45,416)	(45,416)	4,406	(41,010)
Discounting and revision of minority shares purchase commitments	21							3,795	3,795		3,795
Dividend paid	4							(18,126)	(18,126)		(18,126)
Balance at December 31, 2023		37,832,965	1.00	37,833	140,777	(885)	16,977	215,124	409,827	8,033	417,860
Net income								31,164	31,164	(1,532)	29,632
Other comprehensive income							18,414	98	18,511	392	18,903
Comprehensive income							18,414	31,261	49,675	(1,140)	48,535
Exercised stock options	17	133,309	1.00	133	2,092				2,225	228	2,453
Fair value of stock options	17							1,419	1,419	67	1,486
Sale (purchase) of treasury shares	17					(52)			(52)		(52)
Profit (loss) on treasury shares	17							(85)	(85)		(85)
Integration of Launchmetrics and minority shares purchase commitment(2)	21							(105,405)	(105,405)	17,277	(88,128)
Discounting and revision of minority shares purchase commitments	21							7,256	7,256		7,256
Purchase of Gemini minority stakes								2,045	2,045	(2,904)	(859)
Dividend paid	4							(13,615)	(13,615)	(498)	(14,113)
Balance at December 31, 2024		37,966,274	1.00	37,966	142,869	(937)	35,390	137,999	353,287	21,063	374,350

(1) These amounts stem from the takeover of TextileGenesis on January 9, 2023. Note 2.31 hereafter details the impacts of this operation on Group financial statements.

(2) These amounts stem from the takeover of Launchmetrics on January 23, 2024. Note 2.31 hereafter details the impacts of this operation on Group financial statements.

The notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

All amounts in the tables are in thousands of euros, unless otherwise indicated.

The Lectra Group, hereafter “the **Group**” or “**Lectra**”, refers to Lectra SA, hereafter “**the Company**”, and its subsidiaries. The Group’s consolidated financial statements were drawn up by the Board of Directors on February 27, 2025 and will be proposed to the Shareholders’ Meeting for approval on April 25, 2025.

NOTE 1 BUSINESS ACTIVITY

A French high technology company, Lectra has developed privileged and long-term relationships with its customers in over 100 countries. They all have operational excellence in common and the soft materials they use – fabrics and leather, but also technical textile and composite materials – to manufacture their products (garments, car seats and interiors, airbags, sofas...).

To increase customers’ competitiveness, Lectra creates premium technologies specifically for its customers’ markets – mainly fashion, automotive and furniture. Lectra’s solutions, combining software, automated cutting equipment, data and associated services, enable customers to automate and optimize product design, development and manufacturing, and to digitalize their processes.

Lectra’s offer supports customers to achieve their strategic objectives: to boost productivity; to reduce cutting costs; to reduce time-to-market; to meet the challenges of globalization; to enhance product quality; to increase production capacity; and to develop their brands. In addition, customers now face challenges specific to Industry 4.0, such as securing digital communications along an extended supply chain and making the factory more agile, as well as sustainability issues, such as traceability and optimization of material use.

Established in 1973, Lectra has been listed on Euronext since 1987.

Business model

Lectra’s business model is based on three pillars:

- a distribution of business activity over market sectors and geographical markets with cycles that are different from each other, and the very large number of customers throughout the world;
- a balanced revenue mix between revenue from non-recurring revenue and recurring revenue;
- the generation of significant annual free cash flow.

Worldwide presence

Since the mid-1980s Lectra, with headquarters located in France, has established its global footprint.

Since the acquisition of Launchmetrics on January 23, 2024, as well as the acquisition of TextileGenesis in January 2023, the creation of a Chinese entity (Lectra Suzhou) in December 2023, in addition to the parent company, the Group has an unrivalled network of 82 subsidiaries, from which Lectra generates more than 85% of its revenue.

Lectra welcomes customers from around the world in its Experience Centers in Bordeaux-Cestas (France), Atlanta and New York (USA) and Shanghai (China). The Group has twelve international Expertise Centers, based in Bordeaux-Cestas (France), Atlanta and Tolland (USA), Blumenau (Brazil), Hồ Chí Minh (Vietnam), Istanbul (Turkey),

Madrid (Spain), Milan (Italy), Osaka (Japan), Porto (Portugal), Seoul (South Korea) and Shanghai (China).

Customers

From global or national corporations to smaller companies, Lectra’s customers are, for the most part, fashion and apparel brands, manufacturers and retailers, automotive equipment manufacturers and subcontractors, and furniture brands and manufacturers.

Products and services

Lectra designs, manufactures and markets end-to-end integrated technology solutions, which combine software, automated cutting equipment, data and associated services. The distinctive feature of Lectra’s offer is to integrate business expertise with the best industrial practices for each market sector. The services include technical maintenance, support, training and consulting. The Group also sells consumables and parts for its automated cutting equipment.

The automated cutting equipment manufactured by the Group in France is assembled from parts produced by a network of subcontractors and tested in the Company’s industrial facilities in Bordeaux-Cestas (France). Cutting machines on the market since 2007 incorporate hundreds of sensors which connect them to Lectra’s Expertise Centers, enabling preventive and predictive maintenance.

The manufacturing of the automated cutting equipment developed by Gerber is partly carried out in the United States and partly in China, after the takeover in December 2023 of the activity previously subcontracted to a company located in China (see note 2.31 hereafter).

People

Lectra’s strength draws on the skills and experience of nearly 3,000 employees worldwide. Thanks to Lectra’s global presence, the Group is close to all its customers, wherever they are in the world.

NOTE 2 ACCOUNTING RULES AND METHODS

NOTE 2.1 CURRENT ACCOUNTING STANDARDS AND INTERPRETATIONS

The consolidated financial statements are compliant with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board as adopted within the European Union, and available for consultation on the European Commission website:

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en

The consolidated financial statements at December 31, 2024 have been prepared in accordance with the same rules and methods as those applied in the preparation of the 2023 financial statements. They have been prepared under the responsibility of the Board of Directors that reviewed and approved them at its meeting of February 27, 2025.

The Group’s financial statements are not impacted by the other standards, amendments or interpretations changes. The Group has not early adopted any other standards, amendments or interpretations whose application is not required for fiscal years starting from January 1, 2024.

NOTE 2.2 BASIS FOR PREPARATION

The Group's consolidated financial statements are prepared on going-concern and a historical cost basis with the exception of the assets and liabilities listed below:

- Cash equivalents, recorded at fair value through profit or loss;
- Loans and receivables, together with borrowings and financial debts, trade payables and other current financial liabilities, recognized at their amortized cost;
- Derivative financial instruments, recorded at fair value through profit or loss, or other comprehensive income. The Group uses such instruments to hedge its foreign exchange risks (see note 3 'Risk hedging policy').

Current assets comprise assets linked with the normal operating cycle of the Group, assets held with a view to disposal within the next twelve months after the close of the financial year, together with cash and cash equivalents. All other assets are non-current. Current liabilities comprise debts maturing in the course of the normal operating cycle of the Group or within the next twelve months after the close of the financial year.

NOTE 2.3 GOODWILL

Goodwill solely relates to controlled entities. Other interests held are either accounted for under the equity method for entities held under significant influence, or classified as non-current financial assets.

Goodwill is calculated at the acquisition date, as the difference between (i) the total of the fair value of the consideration transferred and the amount of non-controlling third-party interest in the acquiree, and (ii) the net of the amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill recognized in a foreign currency is translated at the year-end exchange rate.

Each goodwill is allocated to one of the four regions of the Group, which are made up by one or several Cash Generating Units (CGU).

Taking into account expected future revenue streams, goodwill is tested for possible impairment loss at each closing date, or during the year when there is indication that it may be impaired.

NOTE 2.4 OTHER INTANGIBLE ASSETS

Intangible assets are carried at their purchase price less cumulative amortization and impairment, if any. Amortization is charged on a straight-line basis depending on the estimated useful life of the intangible asset.

Internal software and developments

This item contains only software utilized for internal purposes.

Purchased management information software packages are amortized on a straight-line basis over three years.

In addition to expenses incurred in the acquisition of software licenses, the Group also activates direct software development and configuration costs, comprising personnel costs for personnel involved in development of the software and external expenses directly relating to these items.

Technology, patents and trademarks

The Group is not dependent on any patents or licenses that it does not own.

Patents, trademarks and associated costs are amortized on a straight-line basis over three to fifteen years. The amortization period reflects the rate of consumption by the Company of the economic benefits generated by the asset.

Technology acquired through business combinations and valued at the time of acquisition are amortized on a straight-line basis over six to ten years.

In terms of intellectual property, no patents or other industrial property rights belonging to the Group are currently under license to third parties.

The rights held by the Group, notably with regard to software specific to its business as a software developer and publisher, are used under license by its customers within the framework of sales activity.

The Group does not activate any internally-generated expense relating to patents and trademarks.

Customer relationships

Customer relationships acquired through business combinations are valued at the time of acquisition and amortized on a straight-line basis over fifteen years.

Other

Other intangible assets are amortized on a straight-line basis over two to five years.

NOTE 2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost less accumulated depreciation and impairment, if any.

When a tangible asset comprises significant components with different useful lives, the latter are analyzed separately. Consequently, costs incurred in replacing or renewing a component of a tangible asset are booked as a distinct asset. The carrying value of the component replaced is written-off.

Moreover, the Group considers that there is no residual value on its assets. At each closing date, the useful life of assets is reviewed and adjusted as required.

Subsequent expenditures relating to a tangible asset are capitalized if they increase the future economic benefits of the specific asset to which they are attached. All other costs are expensed directly at the time they are incurred.

Financial expense is not included in the cost of acquisition of tangible assets. Investment grants received are deducted from the value of tangible assets. Depreciation is computed on this net amount.

Losses or gains on disposals of assets are recognized in the income statement under caption 'Selling, general and administrative expenses'.

Depreciation is computed on the straight-line method over their estimated useful lives as follows:

- buildings and building main structures: 20-35 years;
- secondary structures and building installations: 15 years;
- fixtures and installations: 5-10 years;
- land arrangements: 5-10 years;
- technical installations, equipment and tools: 4-10 years;
- office equipment and computers: 3-5 years;
- office furniture: 5-10 years.

NOTE 2.6 LEASES

In accordance with IFRS 16, *Leases*, all leases eligible under the criteria of the standard are reported by recognizing a right-of-use asset and a liability corresponding to the present value of the future lease payments.

Measurement of right-of-use assets

On the commencement date of the lease, the right-of-use asset is assessed at cost and includes the initial amount of the lease liability

plus any lease payments prepaid to the lessor, net of any incentives received from the lessor.

The right-of-use asset is subject to straight-line depreciation over the lease term determined to measure the lease liability and corresponds to the period of the obligation, taking account of periods covered by renewal options that are reasonably certain to be exercised, and by termination options that are reasonably certain not to be exercised.

Measurement of lease liabilities

On the commencement date of the lease, the lease liability is recorded as the present value of future lease payments over the term of the lease. The Group has chosen a term of 9 years for its property leases in France, having entered into firm 6-year lease for its Paris headquarter. Other property leases entered into by subsidiaries do not contain renewal options exercisable at the sole discretion of the lessee.

The discount rates used by the Group correspond to the rates at which the Group companies would be able to subscribe a financial borrowing (incremental borrowing rate). They are determined based on the interest rate of the bank loan the Group took out on June 2021, and then declined with a credit spread by currency and maturity.

The lease liability is measured including the amounts of the following payments:

- fixed lease payments;
- variable lease payments that depend on a rate or an index, using the rate or index at the commencement date of the lease;
- payments to be made by the lessee in respect of a residual value guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- penalties to be paid in the event an option was exercised for termination or non-renewal of the lease, if the lease term reflects the assumption that the lessee would exercise that option.

The lease liability evolves over time in the following way:

- it increases by the amount of interest expense computed by applying the discount rate to the liability, at the start of the period. The discount rates applied are based on the incremental borrowing rates per company and per currency, notably taking account of each country's specific economic environment;
- and it is reduced by the amount of payments made.

The interest expense for the period, as well as variable payments not taken into account during the initial assessment of the liability that were incurred during the period in consideration, are booked as expenses.

Furthermore, the liability may be reassessed in the following circumstances:

- modification of the lease term;
- modification relating to the reasonable degree of certainty (or otherwise) that the lessee will exercise an option to purchase the underlying asset;
- reassessment relating to residual value guarantees;
- changes in the rates or indexes used to determine the lease payments when the payment adjustment occurs.

On the balance sheet, the Group distinguishes between long-term lease liabilities and short-time lease liabilities based on a maturity schedule (see note 20).

Types of leases

The Group rents its offices in most of the countries where it operates, as well as its two industrial facilities of Tolland (United States) and Suzhou (China), with the notable exception of the Bordeaux-Cestas site, which it owns. Furthermore, the leases within the scope of IFRS 16 also include leases for vehicles and for IT equipment hardware.

Exemptions

As authorized by IFRS 16, the Group does not recognize on the balance sheet: short-term leases (lease term less than or equal to twelve months) and leases of low-value items (threshold at \$5,000).

NOTE 2.7 FIXED ASSETS IMPAIRMENT-IMPAIRMENT TESTS

When events or changes in the market environment, or internal factors, indicate a potential impairment of value of goodwill, other intangible assets, property, plant and equipment, or right-of-use assets net of lease liabilities, these are subject to impairment testing. Impairment tests on goodwill are carried out systematically at least once a year.

In order to be tested, assets are regrouped within Cash Generating Units (CGU), defined as the smallest group of assets generating cash inflows deriving from their continuous use, largely independent from cash inflows generated by other assets.

Goodwill resulting from business combinations is allocated to the CGUs or groups of CGUs likely to benefit from the combination synergies.

Goodwill

Goodwill is tested for impairment by comparing its carrying value with the recoverable amount of the group of CGUs it has been allocated to, which is defined as the higher of the asset's fair value less costs to sell and value in use determined as the present value of future cash flows attached to them, excluding interest and tax. The results utilized are derived from the Group's three-year plan. Beyond the time frame of the three-year plan, cash flows are projected to infinity, the assumed growth rate being dependent on the growth potential of the markets and/or products concerned by the impairment test. The discount rate is computed under the Weighted Average Cost of Capital (WACC) method, the cost of capital being determined by applying the Capital Asset Pricing Model (CAPM). If the impairment test reveals an impairment of value relative to the carrying value, an irreversible impairment loss is recognized to reduce the carrying value of the goodwill to its recoverable amount. This charge, if any, is recognized under 'Goodwill impairment' in the income statement.

Other fixed assets

Other intangible assets and property, plant and equipment are tested by comparing the carrying value of each relevant group of assets (which may be an isolated asset or a CGU) with its recoverable amount. If the latter is lower than the carrying value, an impairment charge equal to the difference between these two amounts is recognized. The base and the schedule of amortization/depreciation of the assets concerned are reduced if a loss is recognized, the resulting charge being recorded as an amortization/depreciation charge under 'Cost of goods sold', or 'Selling, general and administrative expenses' in the income statement depending on the nature and use of the assets concerned. The value loss recognized can be recovered at a later stage in case of a decrease of the loss.

NOTE 2.8 OTHER NON-CURRENT ASSETS

This item mainly comprises the long-term portion of the research tax credit receivable, investments in subsidiaries and receivables relating to financial investments in non-consolidated companies.

Investments in subsidiaries are recorded at fair value through profit or loss, as required by IFRS 9.

NOTE 2.9 DEFERRED INCOME TAX

Deferred income tax is accounted for using the liability method on temporary differences arising between the book value and tax value of assets and liabilities shown in the statement of financial position.

The same is true for tax loss carry-forwards. Deferred taxes are calculated at the future tax rates enacted or substantially enacted at the fiscal year closing date.

For a given fiscal entity, assets and liabilities are netted where taxes are levied by the same tax authority, and where permitted by the local tax authorities. Deferred tax assets are recognized where their future utilization is deemed probable in light of expected future taxable profits: for this, the Group retains a maximum horizon of 15 years and takes into account, in addition to the perspectives of a future benefits, the existence of deferred tax liabilities.

NOTE 2.10 INVENTORIES

Inventories of raw materials are valued at the lower of purchase cost (including related costs) and their net realizable value. Finished goods and works-in-progress are valued at the lower of standard industrial cost (adjusted at year end on an actual cost basis) and their net realizable value.

The purchase cost of raw materials and the industrial cost of works-in-progress and finished goods is calculated with the weighted-average cost method.

Net realizable value is the estimated selling price in the normal course of business, less the estimated cost of completion or upgrading of the product and unavoidable selling costs.

Inventory cost does not include interest expense.

A write-down is recorded if the net realizable value is lower than the book value.

Write-downs on inventories of consumables and parts are calculated by comparing book value and probable net realizable value considering a precise analysis of the rotation and obsolescence of inventory items, taking into account the global consumption of items for maintenance and after-sales services activities, and changes in the ranges of products marketed.

NOTE 2.11 TRADE ACCOUNTS RECEIVABLE

Accounts receivable are originally accounted for in the statement of financial position at their fair value, and thereafter at their amortized cost, which generally corresponds to their nominal value. Impairment is recorded based on expected credit losses over the lifetime of receivables according to IFRS 9 and also on the basis of the risk of non-collectibility of the receivable, measured on a case-by-case basis in light of how long they are overdue, the results of reminders sent out, the local payment practices, and the risks specific to each country.

Sales in those countries presenting a high degree of political or economic risk are generally secured by letters of credit or bank guarantees.

Owing to the very short collection periods, trade accounts receivable are not discounted.

NOTE 2.12 CASH AND CASH EQUIVALENTS

Cash (as shown in the cash flow statement) is defined as the sum of cash and cash equivalents, less bank overdrafts if any. Cash equivalents comprise negotiable certificates of deposit issued by the Company's banks. Interest-bearing sight accounts and time deposits opened in the Company's banks are treated as cash. All these holdings are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, as specified by IAS 7.

Net cash (as shown in note 22.1) is defined as the amount of 'Cash and cash equivalents' less financial borrowings (as shown in note 22.2) when this difference is positive. When this difference is negative, the result corresponds to a net financial debt.

Cash equivalents are recognized at their fair value; changes in fair value are recognized through profit or loss.

NOTE 2.13 CAPITAL MANAGEMENT POLICY

In managing its capital, the Group seeks to achieve the best possible return on capital employed.

The liquidity of Lectra's shares on the stock market has been ensured by means of a liquidity agreement with Exane BNP Paribas until September 2022, and then Natixis Oddo BHF (see note 17.2).

The payment of dividends is an important instrument in the Group's capital management policy, the aim being to compensate shareholders adequately as soon as this is justified by the Group's financial situation while preserving the necessary cash to fund the Group's future development.

NOTE 2.14 STOCK OPTIONS

The Company has granted stock options to Group employees and managers. The Chairman and Chief Executive Officer, holding more than 10% of the Company's share capital, is not eligible to any stock options program. All plans are issued at an exercise price equal or greater than the first average stock market price for the 20 trading days prior to granting (see note 17.5).

The application of IFRS 2 has resulted in the recognition of an expense corresponding to the fair value of the advantage granted to beneficiaries. This expense is recognized in personnel costs with a counterpart in equity. It is measured using the Black & Scholes model and is deferred *prorata temporis* over the stock options' vesting period.

NOTE 2.15 BORROWINGS AND FINANCIAL DEBT

Borrowings and financial debts are recognized initially at fair value.

At the closing date, borrowings and financial debts are stated at amortized cost using the effective interest rate method, defined as the rate whereby cash received equals the total cash flows relating to the servicing of the borrowing. Interest expenses on the bank loan are recognized as financial expenses in the income statement.

Non-current financial borrowings and debts include the portion of the interest-bearing bank loan subscribed by the Group on June 27, 2024, that exceeds one year of the loan. Current financial borrowing and debts include the portion of this loan that is less than one year, including accrued but unpaid interest, as well as a bank loan subscribed by Launchmetrics.

NOTE 2.16 RETIREMENT BENEFITS OBLIGATIONS

The Group is subject to a variety of deferred employee benefits plans, in France or depending on the subsidiary concerned. The only deferred employee liabilities are retirement benefits obligations.

Defined contributions plans

These refer to post-employment benefits plans under which, for certain categories of employee, the Group pays defined contributions to an outside insurance company or pension fund. Contributions are paid in exchange for services rendered by employees during the period. They are expensed as incurred, as are wages and salaries. Defined contributions plans do not create future liabilities for the Group and hence do not require recognition of provisions.

Most of the defined contributions plans to which the Company and its subsidiaries contribute are additional to the employees' legal retirement plans. In the case of the latter, the Company and its subsidiaries contribute directly to a social security fund.

Defined benefits plans

These refer to post-employment benefits payable plans that guarantee contractual additional income for certain categories of employee (in some cases these plans are governed by specific industry-wide agreements). For the Group, these plans only cover lump-sum termination payments solely as required by legislation or as defined by the relevant industrywide agreement.

The guaranteed additional income represents a future contribution for which a liability is estimated.

This liability is calculated by estimating the benefits to which employees will be entitled having regard to projected end-of-career salaries.

Benefits are reviewed in order to determine the net present value of the liability in respect of defined benefits in accordance with the principles set forth in IAS 19, which were clarified by the IFRS IC in May 2021.

Actuarial assumptions notably include a rate of salary increase, a discount rate (this corresponds to the average annual yield on investment-grade bonds with maturities approximately equal to those of the Group's obligations), an average rate of social charges and a turnover rate, in accordance with local regulations where appropriate, based on observed historical data.

Actuarial gains and losses are recognised in other comprehensive income, in accordance with the principles set forth in IAS 19.

The relevant portion of any change in past-service cost is recognised immediately as a loss (in the case of an increase) or as a gain (in the case of a reduction) in the income statement when a plan is amended, in accordance with the principles set forth in IAS 19.

NOTE 2.17 COMMITMENTS TO PURCHASE MINORITY SHARES

Commitments given to minority shareholders of subsidiaries to purchase their shares are initially recorded as liabilities in the amount of the discounted value of the exercise price, against shareholders' equity (Group share).

These amounts are reviewed each year, for their discounted value, and the change is recorded against equity, Group share.

When the Group purchases minority shares, in accordance with the purchase agreements, 'Non-controlling interests' will be reclassified under shareholders' equity, Group share, without affecting the income statement.

NOTE 2.18 INVESTMENTS IN ASSOCIATES

The financial statements of associates over which the Group exercises significant influence are consolidated using the equity method.

Group investments in associates are initially recorded at acquisition cost, including any goodwill arising. Their carrying amount is subsequently increased or decreased to reflect the Group's share in any profits or losses realized after the date of acquisition.

After application of the equity method, and where there is an indication of impairment, the carrying amount may be written down to below its recoverable amount. Translated with DeepL.com (free version)

NOTE 2.19 PROVISIONS

All known risks at the date of Board of Directors' meeting are reviewed in detail and a provision is recognized if an obligation exists, if the costs entailed to settle this obligation are probable or certain, and if they can be measured reliably.

In view of the short-term nature of the risks covered by these provisions, the discounting impact is immaterial and therefore not recognized.

At the time of the effective payment, the provision reversal is deducted from the corresponding expenses.

Provision for warranties

A provision for warranties covers, on the basis of historical data, probable costs arising from warranties granted by the Group to its customers at the time of the sale of equipment, for replacement of parts, technicians' travel and labor costs. This provision is recorded at the time of the booking of the sale generating a contractual obligation of warranty.

NOTE 2.20 TRADE PAYABLES

Trade accounts payables refer to obligations to pay for goods or services acquired in the ordinary course of business. They are classified in current liabilities when payment is due in less than twelve months, or in non-current liabilities when payment is due in more than one year.

NOTE 2.21 REVENUES

Contracts with customers comprise multiple obligations such as: equipment and accompanying software, software licenses in the form of subscription or perpetual licenses, consumables and parts, training and consulting, installation, maintenance, evolution and online services contracts for equipment and software (updates).

Software sales are only recognized separately when the customer can benefit from the software independently from the other goods and services promised in the contract. In particular, the software accompanying automated cutting equipment (called pilots) are not

recognized separately from these, as they are an inseparable part of the equipment: without the pilot, the equipment would be useless, and without the equipment, the pilot has no use either. On the other hand, specialized software (for instance, software for collection management, patternmaking, simulation), sold under perpetual license separately from the equipment and usually installed on the clients' computers are considered separate performance obligations.

The other obligations are considered as separate under IFRS 15 and are thus accounting for based on the following elements among others:

- installation of equipment and specialized software is made in a few days and easy to implement, and does not modify their characteristics;
- training is short-term and had no interdependence relationship with the other obligations;
- consulting usually regards the optimization of clients' design and production processes and is very often sold separately to clients;
- regarding maintenance of software and equipment, these are mostly yearly contracts in which the Group's commitment is a stand-ready type, or an obligation to make future not-yet-developed versions of the software available.
- the solutions (equipment and software) are distinct from maintenance since they are entirely ready to work upon delivery and since maintenance services are not critical for the client to use the solution;
- equipment is sold most often with one or two years of maintenance, and the client holds renewal options that are not discounted compared to the initial price for subscribing maintenance. Renewal options are thus not considered as significant rights that would require separate accounting under IFRS 15.

The Group determines stand-alone selling prices of the multiple elements by using observable data as much as possible. For elements which are not sold separately on a customary basis, stand-alone selling prices are estimated based on the Company's pricing policy, reflecting expected costs plus an appropriate margin.

Revenue from sales of equipment (including pilot software) is recognized when the control has been transferred to the purchaser. These conditions are fulfilled upon physical transfer of the equipment in accordance with the contractual sale terms.

Software sold as perpetual licenses is regarded as right-of-use licenses under IFRS 15, for which revenue is booked at a certain date, generally the time of installation of the software on the customer's computer (either by USB flash drive or downloading).

Revenue from subscription sales of software (granting the customer with an access right to the said software licenses) is spread over the duration of the customer's commitment.

Revenue from training and consulting is recognized based on the completion of hours or days of work.

Revenue from equipment and specialized software installation is recognized when these services are rendered.

Revenue from software and equipment maintenance contracts is spread linearly over the duration of the contracts, as they are 'stand-ready obligations'.

Lectra acts as principal in the sale of equipment insofar as parts and sub-ensembles assembled by the Group in France, in the United States and in China only constitute inputs used in the manufacturing of finished goods sold to customers.

NOTE 2.22 COST OF GOODS SOLD

Cost of goods sold comprises all purchases of raw materials included in the costs of manufacturing, the net change in inventory and inventory write-downs, all labor costs included in manufacturing costs which constitute the added value, freight out costs on equipment sold, and a share of depreciation of the manufacturing facilities.

Cost of goods sold does not include salaries and expenses associated with service revenue, which are included under 'Selling, General and Administrative Expenses'.

NOTE 2.23 RESEARCH AND DEVELOPMENT

The technical feasibility of software and equipment developed by the Group is generally not established until a prototype has been produced or until feedback is received from its pilot sites, setting the stage for their commercialization. Consequently, the technical and economic criteria requiring the recognition of development costs in assets at the moment they occur are not met, and these, together with research costs, are therefore fully expensed in the period in which they are incurred.

The French research tax credit (crédit d'impôt recherche), as well as grants linked to R&D projects, if any, are deducted from R&D expenses.

NOTE 2.24 GRANTS

Investment grants are deducted from the cost of the fixed assets in respect of which they were received. Consequently, they are recognized in the income statement over the period of consumption of the economic benefits expected to derive from the corresponding asset.

Operating grants are deducted from their associated charges in the income statement. This applies to subsidies received to finance research and development projects.

The research tax credit applicable in France is treated as subsidy and is discounted in light of the probability of future offsetting against income tax and in light of reimbursement of the unused portion after four years (see notes 13 and 16).

NOTE 2.25 EARNINGS PER SHARE

Basic net earnings per share are calculated by dividing net income by the weighted-average number of shares outstanding during the period, excluding the weighted-average number of treasury shares.

Diluted net earnings per share are calculated by dividing net income by the weighted-average number of shares adjusted for the dilutive effect of stock options outstanding during the period and excluding the weighted-average number of treasury shares held solely under the liquidity agreement.

The dilutive effect of stock options is computed in accordance with the share repurchase method provided by IAS 33. The assumed proceeds from exercise of stock options are regarded as having been used to repurchase shares at the average market price during the period. The number of shares thus obtained is deducted from the total number of shares resulting from the exercise of stock options.

Only options with an exercise price below the said average share price are included in the calculation of the number of shares representing the diluted capital.

NOTE 2.26 OPERATING SEGMENTS

Operating segment reporting is based directly on the Group's performance tracking and review systems. The segments disclosed in note 39 are identical to those covered by the information regularly communicated to the Executive Committee, in its capacity as the Group's 'chief operating decision maker'.

Reported segments refer to the major marketing regions. The regions concerned are the Americas, Europe, Middle East and Africa (EMEA); and Asia-Pacific. These regions provide sales and services to their customers. They do not perform any industrial activities or R&D. They draw on centralized competencies and a wide array of functions that are pooled among all the regions, including marketing, business development, logistics, procurement, production, R&D, finance, legal affairs, human resources, information systems, etc. All these cross-divisional activities are reported as an additional column referred to here as 'Corporate' and which allows for reconciliation with the amounts presented in the Group's financial statements.

Performance is measured by the segment's EBITDA before non-recurring items and impairment of assets, if any. Marketing regions derive their revenue from external customers; all inter-segment billings are excluded from this item. The gross profit margin rates used to determine operating performance are identical for all regions. They are computed for each product line and include added value supplied by Corporate. Consequently, for products or services supplied in full or in part by Corporate, a percentage of consolidated gross profit is retained in the income computed for Corporate to cover its costs. Since most of Corporate's general overheads are fixed, its profit margin and consequently its EBITDA before non-recurring items depend mainly on the volume of business generated by marketing regions.

NOTE 2.27 PERFORMANCE INDICATORS

The Group uses performance indicators such as income from operations, EBITDA before non-recurring items, free cash flow, and the security ratio, as defined below; it considers these aggregates appropriate for management of the Group and for measurement of the implementation of its strategy.

Income from operations before non-recurring items and income from operations

The Group uses an intermediate balance referred to as 'Income from operations', defined as income excluding financial operations, companies accounted for by the equity method, discontinued operations or those held for sale, and income tax.

When the Group identifies non-recurring items, it tracks its operating performance by means of an intermediate balance referred to as 'Income from operations before non-recurring items'. This financial metric reflects income from operations less non-recurring income and plus non-recurring expenses, as set forth in CNC (French National Accounting Council) recommendation 2009-R.03.

Where applicable, non-recurring items are presented on a specific line and reflect the impact on the financial statements of events that are either unusual, abnormal, or infrequent. There are very few of these and their amounts are significant.

EBITDA before non-recurring items

The Group defines EBITDA before non-recurring items (Earnings Before Interest, Tax, Depreciation and Amortization) as the addition of operating income before non-recurring items and net depreciation and amortization of non-current assets.

This indicator allows the Group to monitor its operating performance directly related to business activity, excluding the impacts of capitalized investments.

Free cash flow before non-recurring items and free cash flow

Free cash flow is equal to net cash provided by operating activities minus cash used in investing activities, excluding cash used for acquisitions of companies and minority interests (net of cash acquired), and minus repayments of lease liabilities according to IFRS 16.

Within free cash flow, the Group isolates non-recurring cash-ins and -outs, corresponding to the income and expenses of the same nature in the income from operations. Restated from these elements presented on a specific line, the Group thus identifies the free cash flow before non-recurring items.

The Group considers this definition of free cash flow before non-recurring items as a performance indicator of its work on cash management.

Security ratio

The security ratio is defined by the Group as the percentage of annual fixed overhead costs covered by gross profit on recurring revenue.

This ratio is used by the Group to measure the coverage of annual fixed overhead costs by revenues that do not depend on customer's investment decisions from one year to the next.

NOTE 2.28 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of the financial statements in accordance with IFRS demands that certain critical accounting estimates be made. Management is also required to exercise its judgment in applying accounting policies.

The areas involving a higher degree of judgment or complexity, or requiring material assumptions and estimates in relation to the establishment of the consolidated financial statements concern the determination of the recoverable value of goodwill (see note 6) and intangible assets with an indefinite useful life, the assessment of deferred tax assets (see note 13.3), as well as the evaluation to purchase minority shareholder's interests (see note 21).

NOTE 2.29 TRANSLATION METHODS**Translation of financial statements of foreign subsidiaries**

For most subsidiaries, which are all foreign companies, the functional currency is the local currency, which corresponds to the currency in which the majority of their transactions are denominated.

Accounts are translated as follows:

- Assets and liabilities are translated at the official year-end closing rates;
- Reserves and retained earnings are translated at historical rates;
- Income statement items are translated at the average monthly exchange rates for the year for revenues and cost of products and services sold, and at the annual average rate for all other income statement items other than in the case of material transactions;
- Items in the cash flow statement are translated at the annual average exchange rate. Thus, movements in short-term assets and liabilities are not directly comparable with the corresponding movements in the statement of financial position, due to the currency translation impact, which is shown under a separate heading in the cash flow statement: 'Effect of changes in foreign exchange rates';
- Gains or losses arising from the translation of the net assets of consolidated subsidiaries, and those derived from the use of average exchange rates to determine income or loss, are recognized in 'Currency translation adjustment' in other comprehensive income and therefore have no impact on earnings, unless all or part of the corresponding investments are divested. They are adjusted to reflect long-term unrealized gains or losses on internal Group positions.

The subsidiary of the Group located in Turkey is using the euro as functional currency and is therefore not subject to the IFRS treatment related to country's hyperinflation.

Translation of items from the statement of financial position denominated in foreign currencies

→ Third-party receivables and payables

Foreign currency purchases and revenues are booked at the average exchange rate for the month in which they are recorded, and may be hedged.

Receivables and payables denominated in foreign currencies are translated at the December 31 exchange rate.

Unrealized differences arising from the translation of foreign currencies appear in the income statement. Where a currency has been hedged forward, the translation adjustment reflected on the income statement is offset by the change in fair value of the hedging instrument.

→ Inter-company receivables and payables

Translation differences on short-term receivables and payables are included in net income using the same procedure as for third-party receivables and payables. Unrealized translation gains or losses on long-term assets and liabilities, whose settlement is neither scheduled nor probable in the foreseeable future, are recorded as a component of other comprehensive income under the heading 'Currency translation adjustment' and have no impact on net income, in compliance with the paragraph 'Net Investment in a Foreign Operation' of IAS 21.

→ Exchange rate table of main currencies

(equivalent value for one euro)	2024	2023
US dollar		
Annual average rate	1.08	1.08
Closing rate	1.04	1.11
Chinese yuan		
Annual average rate	7.78	7.66
Closing rate	7.47	7.83

NOTE 2.30 CONSOLIDATION METHODS

The consolidated financial statements include the accounts of the parent company Lectra SA and the subsidiaries the Group controls. The Group controls a subsidiary when it is exposed or has rights to variable earnings due to its links with the entity and its ability to change these earnings owing to the power it holds over the entity.

Subsidiaries are fully consolidated from the date of transfer of control over them to the Group. They are removed from consolidation from the date at which it ceases to control them or at which these entities are liquidated.

At December 31, 2023, Lectra SA holds more than 99% of the voting rights of its subsidiaries except for:

- Neteven SA, for which it holds 86.4%;
- Gemini CAD Systems SA, for which it holds 75.0%;
- Glengo Lectra Teknoloji AS, for which it holds 75.0%;
- TextileGenesis B.V, for which it holds 50.5%.
- Launchmetrics, for which it holds 50.2%;
- AQC Industry, for which it holds 28.9%, consolidated under equity method;
- Six Atomic, for which it holds 17.9%, consolidated under equity method.

The value of non-controlling interests for these four entities being immaterial compared to the total equity (21,063 thousand euros over 374,350 thousand euros of equity), the Group does not disclose the details of the other comprehensive income related to these non-controlling interests.

The entities that are consolidated are designated FC (fully consolidated) or EM (equity method) in the table below.

Certain sales and service subsidiaries not material to the Group, either individually or in the aggregate, are not consolidated. Most of these subsidiaries' sales activity is billed directly by Lectra SA. They are designated NC (non-consolidated) in the table.

Companies are consolidated on the basis of local documents and financial statements drawn up in each country and restated in accordance with the aforementioned accounting rules and methods.

All intra-Group balances and transactions, together with unrealized profits arising from these transactions, are eliminated upon consolidation.

NOTE 2.31 SCOPE OF CONSOLIDATION

At December 31, 2024, the Group's scope of consolidation comprised the Company, together with 76 fully-consolidated companies, 17 of which come from the acquisition of Launchmetrics and two companies consolidated under equity method. Five companies are not consolidated.

04 – CONSOLIDATED FINANCIAL STATEMENTS

Company	Country	% of ownership and control		Consolidation method ⁽¹⁾	
		2024	2023	2024	2023
Parent company					
Lectra SA	France				
Subsidiaries					
Lectra South Africa (Pty) Ltd	South Africa	100.0	100.0	IG	IG
Lectra Deutschland GmbH ⁽²⁾	Germany	99.9	99.9	IG	IG
Gerber Technology GmbH	Germany	100.0	100.0	IG	IG
Launchmetrics Germany GmbH	Germany	50.2	-	IG	-
Lectra Australia Pty Ltd	Australia	100.0	100.0	IG	IG
Gerber Technology Pty Ltd	Australia	100.0	100.0	IG	IG
Gerber Technology NV/SA	Belgium	100.0	100.0	IG	IG
Lectra Benelux NV	Belgium	99.9	99.9	IG	IG
Retviews SA	Belgium	100.0	100.0	IG	IG
Lectra Brasil Ltda	Brazil	100.0	100.0	IG	IG
Gerber Scientific International (Cambodia) Co. Ltd	Cambodia	100.0	100.0	IG	IG
Lectra Canada Inc.	Canada	100.0	100.0	IG	IG
Lectra Chile SA	Chile	99.9	99.9	NC	NC
Gerber Scientific International Ltd	China	100.0	100.0	IG	IG
Gerber Scientific (Shanghai) Co. Ltd	China	100.0	100.0	IG	IG
Lectra Systems (Shanghai) Co. Ltd	China	100.0	100.0	IG	IG
Lectra Taiwan Co. Ltd	China	100.0	100.0	IG	IG
Suzhou Lectra Equipment Manufacturing Co	China	100.0	100.0	IG	IG
Lectra Hong Kong Ltd	China	99.9	99.9	IG	IG
Omnitrouw Ltd	China	50.5	50.5	IG	IG
Park Lu China	China	50.2	-	IG	-
Lectra Korea Ltd	South Korea	100.0	100.0	IG	IG
Gerber Scientific International A/S	Denmark	100.0	100.0	IG	IG
Lectra Danmark A/S	Denmark	100.0	100.0	IG	IG
Gerber Technology S.L.	Spain	100.0	100.0	IG	IG
Lectra Sistemas Española SAU	Spain	100.0	100.0	IG	IG
Launchmetrics Spain	Spain	50.2	-	IG	-
Lectra Baltic OÜ	Estonia	100.0	100.0	IG	IG
Knife Holding Corporation Inc.	United States	100.0	100.0	IG	IG
AG Finco LLC	United States	100.0	100.0	IG	IG
AG UK Acquireco Ltd	United States	100.0	100.0	IG	IG
Gerber Technology LLC	United States	100.0	100.0	IG	IG
Gerber Scientific LLC	United States	100.0	100.0	IG	IG
Lectra USA Inc.	United States	100.0	100.0	IG	IG
AG Holding Mexico LLC	United States	100.0	100.0	NC	NC
Fashion GPS Inc.	United States	50.2	-	IG	-
Park Lu Holding LLC	United States	50.2	-	IG	-
DMR USA Inc.	United States	50.2	-	IG	-
Lectra Suomi Oy	Finland	100.0	100.0	IG	IG
Gerber Technology SAS	France	100.0	100.0	IG	IG
Neteven SA	France	87.0	87.0	IG	IG
Launchmetrics France	France	50.2	-	IG	-
AQC Industry SAS	France	28.9	-	EM	-
DMR APAC Ltd	Hong Kong	50.2	-	IG	-
Park Lu Limited HK	Hong Kong	50.2	-	IG	-
Lectra Technologies India Private Ltd	India	100.0	100.0	IG	IG
Omnitrouw Technologies Pvt Ltd	India	50.5	50.5	IG	IG

04 – CONSOLIDATED FINANCIAL STATEMENTS

Company	Country	% of ownership and control		Consolidation method ⁽¹⁾	
		2024	2023	2024	2023
Gerber Technology Srl	Italy	100.0	100.0	IG	IG
Lectra Italia SpA	Italy	100.0	100.0	IG	IG
Kubix Lab Srl	Italy	100.0	100.0	IG	IG
DMR Srl	Italy	50.2	-	IG	-
Fashion Tree Srl	Italy	50.2	-	IG	-
Visual Box Srl	Italy	50.2	-	IG	-
Lectra Japan Ltd	Japan	100.0	100.0	IG	IG
Gerber Technology Malaysia SDN. BHD.	Malaysia	100.0	100.0	IG	IG
Gerbertec Maroc Sarl	Morocco	100.0	100.0	IG	IG
Lectra Maroc Sarl	Morocco	99.4	99.4	IG	IG
Gerber Technology S. de RL de CV	Mexico	100.0	100.0	IG	IG
Lectra Systèmes SA de CV	Mexico	100.0	100.0	IG	IG
Textile Genesis B.V	Netherlands	50.5	50.5	IG	IG
Lectra Philippines Inc.	Philippines	99.8	99.8	NC	NC
Gerber Technology sp. z o.o.	Poland	100.0	100.0	IG	IG
Gerber Portugal Lda	Portugal	100.0	100.0	IG	IG
Lectra Portugal Lda	Portugal	99.9	99.9	IG	IG
Gemini CAD Systems SA	Romania	75.0	60.0	IG	IG
Retviews Bucharest Srl	Romania	100.0	100.0	IG	IG
DMR Eastern Europe Srl	Romania	50.2	-	IG	-
Launchmetrics Technologies Srl	Romania	50.2	-	IG	-
Gerber Scientific UK Ltd	United Kingdom	100.0	100.0	IG	IG
Gerber Technology Ltd	United Kingdom	100.0	100.0	IG	IG
Lectra UK Ltd	United Kingdom	99.9	99.9	IG	IG
DMR Luxury Ltd	United Kingdom	50.2	-	IG	-
Fashion GPS Europe Ltd	United Kingdom	50.2	-	IG	-
Lectra Russia OOO	Russia	100.0	100.0	NC	NC
Lectra Singapore Pte Ltd	Singapore	100.0	100.0	NC	NC
Park Lu PTE. Ltd	Singapore	50.2	-	IG	-
Six Atomic PTE.Ltd	Singapore	17.9	-	EM	-
Lectra Sverige AB	Sweden	100.0	100.0	IG	IG
Lectra Tunisie SA	Tunisia	99.8	99.8	IG	IG
Lectra Tunisie CP Sarl	Tunisia	100.0	100.0	IG	IG
Glengo Lectra Teknoloji AS	Turkey	75.0	75.0	IG	IG
Gerber Scientific International (Vietnam) Co. Ltd	Vietnam	100.0	100.0	IG	IG
Công Ty TNHH Lectra Vietnam	Vietnam	100.0	100.0	IG	IG

(1) FC: Fully consolidated – MEE- Equity method – NC : not consolidated.

(2) Lectra GmbH applies the exemption provisions of Section 264 (3) of the German Commercial Code (HGB) – in particular the exemption from statutory audit requirements–, as all necessary conditions have been met. Lectra GmbH is included in these consolidated financial statements.

→ Acquisition of Launchmetrics

On January 9, 2024, the Group announced the signature of an agreement to acquire the majority of the capital and voting rights of the American company Launchmetrics. The transaction was finalized on January 23, 2024.

It involves, in 2024, the acquisition of 50.2% of Launchmetrics' capital and voting rights for an amount of 83,172 thousand dollars (77,043 thousand euros). The acquisition of the remaining capital and voting rights (minority shares purchase commitment – with cross puts and calls) will take place in five phases in 2025, 2026, 2027, 2028 and 2030 and will bring the total cost of the acquisition to an estimated amount between 200 and 240 million dollars, based on an expected

two-digits-growth of both recurring revenues and EBITDA before non-recurring items, over the 2024-2029 period.

The purchase price accounting is in the process of being finalized, and the main impacts on the Group financial statements to date are as follows:

- Recording of 100% of total net assets of 37,851 thousand dollars (34,761 thousand euros at January 23, 2024 exchange rate), resulting from:
 - intangible assets relating to customer relationships, technology, data base and trademark for the respective amounts of 38,700; 20,100; 16,500 and 3,500 thousand dollars (35,540; 18,458; 15,152 and 3,214 thousand euros respectively at January 23, 2024 exchange rate);

- a deferred tax liability related to these intangible assets of 20,488 thousand dollars (18,815 thousand euros at January 23, 2024 exchange rate);
- a negative 20,461 thousand dollars of net acquired asset (18,790 thousand euros at January 23, 2024 exchange rate);
- Recording of non-controlling interests ("partial goodwill" method), valued at their share in the net assets of the company (i.e. 49.8% of the total net assets above), for 18,850 thousand dollars (17,311 thousand euros at January 23, 2024 exchange rate);
- Recording of a goodwill of 64,170 thousand dollars (59,593 thousand euros at January 23, 2024 exchange rate);
- Recording of a debt to recognize the minority shares purchase commitment, booked for a total amount of 114.7 million dollars (105.3 million euros at January 23, 2024 exchange rate), before discounting impact, classified as non-current liabilities. The counterpart is recorded in 'Equity, Group share'.

The acquisition cost for Lectra, net of cash acquired, has been entirely disclosed under the heading 'Acquisition cost of companies purchased' in the statement of cash flows, for an amount of 71,590 thousand euros.

Launchmetrics has been fully consolidated since January 23, 2024.

→ Creation of Lectra Suzhou

In December 2023, Lectra took over the business of Gerber's former subcontractor in China, after the creation of a dedicated entity, Lectra Suzhou (100%-subsidiary). This entity took over the subcontractor's assets and hired part of its employees, for 5,632 thousand euros.

The purchase price accounting is now finalized, and the main impacts on the Group financial statements to date are as follows:

- Inventory in the amount of 3,405 thousand euros;
- Recording of a goodwill of 1,036 thousand euros.

→ Acquisition of TextileGenesis

On December 8, 2022, Lectra had announced the signature of an agreement to acquire the majority of the capital and voting rights of the Dutch company TextileGenesis. The transaction was finalized on January 9, 2023.

It involves the acquisition of 50.5% of TextileGenesis for 15,160 thousand euros including an increase in the working capital of 2,000 thousand euros fully subscribed by Lectra. The acquisition of the remaining capital and voting rights (minority shares purchase commitment – with cross puts and calls) will take place in January 2026 and in January 2028 and will bring the total cost of the acquisition to 64,607 thousand euros.

The purchase price accounting is now finalized, and the main impacts on the Group financial statements to date are as follows:

- Recording of net assets of 8,899 thousand euros, including intangible assets relating to technology and customer relationships for the respective amounts of 2,596 and 4,859 thousand euros, generating a deferred tax liability of 1,640 thousand euros;
- Recording of non-controlling interests, valued at their share in the net assets of the company ("partial goodwill" method), for 4,406 thousand euros;
- Recording of a goodwill of 10,665 thousand euros;
- Recording of a debt to recognize the minority shares purchase commitment, recorded for a total amount of 49,447 thousand euros, before discounting impact, classified as non-current liabilities. The counterpart is recorded in 'Equity, Group share'.

The acquisition cost for Lectra, net of cash acquired, has been entirely disclosed under the heading 'Acquisition cost of companies purchased' in the statement of cash flows, for an amount of 12,045 thousand euros.

TextileGenesis has been fully consolidated since January 9, 2023.

→ Acquisition of a minority interest in Six Atomic

Following the signing of an agreement on September 16, 2024, Six Atomic carried out a capital increase of 2,500 thousand dollars, reserved for Lectra, allowing it to acquire 17.9% of the company's shares and voting rights. Lectra also holds options for progressively increasing its stake in the company in order to support its development.

Founded in 2020, Six Atomic develops and sells SaaS solutions based on Artificial Intelligence, particularly generative intelligence, to streamline and accelerate the garment design and development process for the fashion market.

The Group will have two representatives on Six Atomic's Board of Directors, which is composed of five members in total. This representation on the Board of Directors allows Lectra to exert significant influence over Six Atomic's strategic decisions.

The interest in Six Atomic has been accounted for using the equity method in the consolidated financial statements since September 16, 2024.

→ Acquisition of a minority interest in AQC Industry (AQC)

Following the signing of an agreement on October 7, 2024, Six Atomic carried out a capital increase of 1,299 thousand euros, reserved for Lectra, allowing it to acquire 28.9 % of the company's shares and voting rights. Lectra also holds options for progressively increasing its stake in the company in order to support its development.

Founded in 2019, AQC is a French company which develops and sells SaaS solutions based on Artificial Intelligence and innovative equipment for automatic textile defect recognition powered by machine learning algorithms. AQC aims to accelerate the textile quality control processes, which are still largely manual and rely on the expertise of highly skilled operators and bring textile quality control into the era of Industry 4.0.

The interest in AQC Industry SAS has been accounted for using the equity method in the consolidated financial statements since October 7, 2024.

→ Minority shares purchase commitments

During the acquisition of Neteven, Glengo, TextileGenesis and Launchmetrics, the Group did not acquire 100% of the capital and voting right at one, but committed to later purchases (sometimes staggered), with cross puts and calls. This entails the recording of a liability (short-term or long-term, depending on the scheduling of the options).

Regarding Gemini, an agreement was signed with the minority shareholders on October 21, 2024, regarding the purchase of the remaining 40% minority stakes.

The shareholders have agreed on the following operations:

- Distribution of dividends to shareholders amounting to 1,219 thousand euros;
- Purchase by Lectra of 15% of Gemini's capital for a fixed amount of 2,520 thousand euros;
- Buyback by Gemini of 10% of its share capital from the minority shareholders for an amount of 1,680 thousand euros, bringing Lectra stake in Gemini to 83% after the cancellation of these treasury shares;
- The acquisition of the remaining 17% will take place either in two phases of 50%, in September 2025 and September 2026, or all at once by September 2026 for a fixed amount of 3,467 thousand euros

→ Outscoping of Lectra Russia

As soon as the conflict began in 2022, the Group decided to cease its operations in Russia, by suspending the activity of its subsidiary Lectra Russia and stopping all deliveries of products or services. In the consolidated financial statements at December 31, 2022, the Group had recorded an impairment of its net assets in Russia.

Given the absence of exposure for the Group, it was decided to take Lectra Russia out of the consolidation scope, without sale or dilution, as from July 1, 2023. After the impairment of assets carried out in 2022 and the stop of activities in the country, the impact on the Group's consolidated financial statements is not significant.

There was no other change in the scope of consolidation in 2024, nor in 2023.

→ Entities not consolidated

Historically, five sales and service subsidiaries were not material, either cumulatively or individually, and were not consolidated. Their total sales amounted to 2,769 thousand euros, their total assets to 3,660 thousand euros, and their non-Group financial debts to zero. Most of the sales activity carried out by these subsidiaries is billed directly by Lectra SA.

Transactions with these subsidiaries correspond mainly to purchases made from Lectra SA for their local business, and to fees and commissions billed to Lectra SA for their operation when they act as agents. These transactions are not material at December 31, 2024.

NOTE 3 RISK MANAGEMENT POLICY

The Group's risk management policy contained in these notes to the consolidated financial statements is further discussed with more details in the Management Discussion of the Board of Directors, in chapter 3, Risk Factors — Internal Control And Risk Management Procedures and in the Sustainability Report.

NOTE 3.1 SPECIFIC FOREIGN EXCHANGE RISKS – DERIVATIVE FINANCIAL INSTRUMENTS

Exchange rate fluctuations impact the Group at two levels.

→ Competitive and market impact

The Group sells its products and services in global markets. It manufactures its equipment in France, in the United States and in China, whereas its main competitors manufacture their equipment in China. As a result, their production costs are primarily in Chinese yuan, while those of the Group are for more than a half in euros.

In fashion, a lot of European and American customers have relocated their production abroad and major currency fluctuations – especially between the yuan, the dollar and the euro – encourage them to adjust their sources of supply. On the other hand, automotive and furniture customers generally sell in the same currencies as the countries or regions in which they produce, so fluctuations in those currencies would have little impact on them.

→ Currency translation impact

On the income statement, as accounts are consolidated in euros, revenues, gross profit, and income from operations of a subsidiary conducting its business in a foreign currency are mechanically affected by exchange rate fluctuations when translated into euros.

In the statement of financial position, this refers primarily to foreign currency accounts receivable by the Company from its subsidiaries and customers for direct sales are recorded in original currencies. The risk relates to the variation between exchange rates at billing date and those at collection date. This impact is recognized in 'Foreign exchange income (loss)' in the income statement.

Currency hedges are fully made by the Company. The Group seeks to protect all of its foreign currency receivables and debts as well as, when on economically reasonable terms, future cash flows against currency risk. Hedging decisions take into account currency risks and trends where these are likely to significantly impact the Group's financial condition and competitive situation. The bulk of foreign currency risks concerns the US dollar.

The Group generally seeks to hedge the risk arising in respect of its net operational exposure to the US dollar (revenues less all expenses denominated in US dollars or strongly correlated currencies) by purchasing dollar puts (or euro calls) or by forward currency contracts, when justified by the cost of the hedge.

The Group's statement of financial position exposure, for Lectra legacy entities, is monitored in real time. The Company also hedges the inter-company balance sheet positions between Gerber's legacy entities. For that, it uses forward currency contracts to hedge all relevant receivables and debts. Consequently, all changes in the value of these instruments offset foreign exchange gains and losses on the re-measurement of these receivables and debts.

NOTE 3.2 INTEREST RATE RISK

The Group's exposure to interest rate fluctuations comes only from the variable rate loan taken out on June 27, 2024 (see note 22). The evolution of interest rates is monitored regularly, and the Group may decide to use financial instruments (interest rate swaps, options...) to mitigate the impact on the cost of its loan.

The Group follows a conservative short-term investment policy for its excess cash, which is placed in negotiable certificates of deposit issued by the Group's banks or in interest bearing accounts, either on demand or for a fixed term.

NOTE 3.3 CUSTOMER DEPENDENCY RISK

There is no material risk of dependence on any particular customer or group of customers, no individual customer has represented more than 4% of consolidated revenues over the last three-year period 2022-2024, and the Company's 10 largest customers combined has represented less than 15% of revenues, and the top 20 customers less than 20%.

NOTE 3.4 CREDIT AND COUNTERPARTY RISKS

The Group is exposed to credit risks in the event of customer insolvency or default, which can negatively impact Group profit. The Group pays close attention to the security of payment for the systems and services delivered to its customers. It manages this risk via a range of procedures, which include in particular preventively analyzing its customers' solvency and provide for the strict and systematic application of several measures for dealing with customers in arrears.

The Group's exposure to counterparty risk is very low. It arises from its cash holdings, only consisting in interest-bearing sight accounts held with blue-chip international banks, and contracts entered into within the framework of its policy on foreign exchange risk hedging, negotiated exclusively in France with the Company's three banks. The corresponding asset values are monitored regularly.

NOTE 3.5 LIQUIDITY RISK

The main indicator monitored by the Group in order to measure a possible liquidity risk is available cash. This indicator is compared against cash forecasts over a three-month time horizon.

Throughout the term of the loan, the Group is subject to compliance with a leverage ratio covenant regarding the ratio of net financial debt to EBITDA on December 31 of each year. Breach of the covenant would permit the lender to demand repayment of the full amount outstanding. These conditions are set out in note 22. The Group is in compliance with the covenant on December 31, 2024.

In view of these factors and the cash flows that the Group expects to generate (due in particular to a structurally negative working capital requirement), the risk that the Group may have to contend with a short-term cash shortage is close to zero.

NOTE 3.6 RISKS RELATED TO THE EFFECTS OF CLIMATE CHANGE

Given its activity, and the concentration of a large part of its industrial operations at its Bordeaux-Cestas (France), Tolland (United States), and Suzhou (China) sites, the Group does not consider the risks related to the effects of climate change to be material. However, it cannot exclude that, in some parts of the world, extreme climate events could have an impact on its customers, their activity and their investment decisions. This risk is minimized, however, by the location of Lectra's activity across the entire world.

Thus, the Group concluded there would be no impact coming from the effects of climate change in its financial statements. This topic is further detailed in chapter 7 of the Non-financial Statement.

NOTE 4 DIVIDEND

The Board of Directors has proposed to the Shareholders' Meeting on April 25, 2025 to declare a dividend of €0.40 per share in 2025 in respect of fiscal year 2024.

The Company declared a dividend of €0.36 per share in 2024, in respect of fiscal year 2023.

NOTE 5 POST-CLOSING EVENTS

None.

5. Notes to the statement of consolidated financial position

NOTE 6 GOODWILL

The acquisition, in January 2024, of 50.2% of Launchmetrics led to a goodwill of 64,170 thousand dollars (59,593 thousand euros at January 23, 2024 exchange rate).

The acquisition, in January 2023, of 50.5% of TextileGenesis B.V. and its subsidiaries in Hong-Kong and India led to a goodwill of 10,665 thousand euros. The take-over of the business of Gerber's former subcontractor in China, after the creation of a dedicated entity, Lectra Suzhou in December 2023, led to a goodwill of 1,036 thousand euros.

No other acquisition or liquidation was made in fiscal years 2024 or 2023.

	2024	2023
Book value at January 1	297,306	292,626
Change in scope of consolidation ⁽¹⁾	60,160	11,167
Exchange rate differences	12,004	(6,487)
Book value at December 31	369,470	297,306

(1) Integration of Launchmetrics in 2024 and TextileGenesis and Lectra Suzhou in 2023 cf. note 2.31.

Impairment tests: parameters used

Goodwill shown in the statement of financial position was subjected to impairment testing in December 2024. The projections used are based on the 2025–2027 plan for each region based on actual 2024 cash flows and on forecast trends in each market concerned and, beyond 2027, on a projection to infinity using a 2% growth rate assumption.

Future flows after tax are discounted using the weighted average cost of capital. The discount rates adopted differ depending on the region

to allow for exposure to local economic environments. They break down as follows:

- The cost of capital is determined on the basis of an estimated risk-free rate for each region plus a market risk premium of 5% adjusted for the sector's beta;
- A specific risk premium has been computed for each region. This varies between 1% and 1.5% depending on the estimated risk attached to fulfillment of the 2025–2027 plan;
- The normative cost of debt is determined on the basis of the margin applied by the banks for the calculation of interest on the bank loan taken out by the Company in June 2024.

Impairment tests: results

The resulting estimates of the value in use of goodwill components for the 2024 year end closing have not led to any impairment, as in 2023.

An identical valuation of the regions would result from applying a pre-tax discount rate to pre-tax cash flows.

Impairment tests: sensitivity analyses

No reasonably possible variation could lead to an impairment. Indeed, the following sensitivity calculations have been performed:

- A 1 percentage point rise in the discount rate;
- A 1 percentage point decline relative to the revenue growth assumptions for each region used in the drawing up of the 2025–2027 plan;
- A 1 percentage point decline in the gross profit margin assumptions used in the drawing up of the 2025–2027 plan;
- A 1 percentage point decline in the long-term growth rate to infinity (from 2% to 1%).

None of these calculations would entail any impairment of goodwill.

At December 31, 2024, goodwill and discount rates used in impairment testing were allocated as follows among the different regions:

	2024		2023	
	Discount rate	Goodwill	Discount rate	Goodwill
Americas	10.23%	150,559	9.08%	132,424
Asia – Pacific	10.48%	62,333	9.59%	53,372
Europe, Middle East & Africa	11.42%	156,578	10.44%	111,511
Total		369,470		297,306

NOTE 7 OTHER INTANGIBLE ASSETS

2024	Internal software and developments	Technology, patents and trademarks	Customer relationships	Other	Total
Gross value at January 1, 2024	37,102	69,464	83,278	981	190,825
External purchases	1,528	480	-	56	2,064
Internal developments	2,172	-	-	-	2,172
Change in scope of consolidation ⁽¹⁾	574	37,058	35,540	0	73,173
Write-offs and disposals	(465)	(422)	-	(12)	(899)
Transfers	(239)	239	-	-	(0)
Exchange rate differences	287	4,211	5,350	13	9,861
Gross value at December 31, 2024	40,959	111,030	124,169	1,035	277,195
Amortization at December 31, 2024	(31,509)	(32,224)	(24,535)	(890)	(89,158)
Net value at December 31, 2024	9,450	78,805	99,634	145	188,036

(1) Integration of Launchmetrics in 2024, see note 2.31.

2023	Internal software and developments	Technology, patents and trademarks	Customer relationships	Other	Total
Gross value at January 1, 2023	33,825	68,826	81,157	917	184,725
External purchases	295	280	-	68	643
Internal developments	3,203	-	-	-	3,203
Change in scope of consolidation ⁽¹⁾	17	2,596	4,859	-	7,472
Write-offs and disposals	(78)	(28)	-	(0)	(106)
Exchange rate differences	(160)	(2,210)	(2,738)	(4)	(5,112)
Gross value at December 31, 2023	37,102	69,464	83,278	981	190,825
Amortization at December 31, 2023	(29,106)	(17,753)	(14,079)	(873)	(61,811)
Net value at December 31, 2023	7,996	51,711	69,199	108	129,014

(1) Integration of TextileGenesis and Lectra Suzhou in 2023, see note 2.31.

Changes in amortization:

2024	Internal software and developments	Technology, patents and trademarks	Customer relationships	Other	Total
Amortization at January 1, 2024	(29,106)	(17,753)	(14,079)	(873)	(61,811)
Amortization charges	(2,664)	(13,707)	(9,366)	(13)	(25,751)
Amortization write-backs	452	422	-	-	874
Exchange rate differences	(191)	(1,186)	(1,089)	(4)	(2,470)
Amortization at December 31, 2024	(31,509)	(32,224)	(24,535)	(890)	(89,158)

2023	Internal software and developments	Technology, patents and trademarks	Customer relationships	Other	Total
Amortization at January 1, 2023	(26,814)	(11,482)	(8,453)	(867)	(47,616)
Amortization charges	(2,419)	(6,743)	(6,025)	(9)	(15,196)
Amortization write-backs	26	37	-	(0)	63
Exchange rate differences	101	435	399	3	938
Amortization at December 31, 2023	(29,106)	(17,753)	(14,079)	(873)	(61,811)

Internal software and developments

As part of an ongoing process to upgrade and reinforce its information systems, in 2023 and 2024 the Group has purchased licenses of new information management software together with additional licenses for software already in use. Investments concerned license purchase costs together with the cost of developing and configuring the corresponding software.

A growing part of the new management software used by the Group is contracted through subscription, and not the acquisition of licenses, which entails a decrease in the amount of new purchases of this caption, in respect of past years.

Write-offs and disposals of intangible assets mainly concern the scrapping of obsolete software.

Technology, patents and trademarks

This caption includes the impacts of the acquisition method accounting for Gerber, Neteven, Gemini and TextileGenesis, as well as

Launchmetrics since 2024 including the following values (net book values at December 31, 2024 closing rate):

- Gerber trademark: 21,979 thousand euros;
- Technologies: 40,759 thousand euros (of which 21,732 thousand euros for Gerber technologies and 18,548 thousand euros for Launchmetrics).

Customer relationships

This caption solely includes the valuation of Gerber, Glengo, TextileGenesis and Launchmetrics customer relationships, as identified during the acquisition method accounting.

Other intangible assets

At December 31, 2024, nearly all of the other intangible assets were fully amortized several years ago. The net residual value of these intangible assets was 145 thousand euros.

NOTE 8 LEASING RIGHT-OF-USE

The following table sets out leasing right-of-use by category:

2024	Premises	Company cars	Equipment and other	Total
Gross value at January 1, 2024	45,411	9,570	945	55,926
New contracts	6,043	4,916	782	11,741
Change in scope of consolidation ⁽¹⁾	1,305	66	20	1,392
Modification of existing contracts	(887)	284	7	(595)
Disposals	(2,703)	(3,562)	(447)	(6,713)
Exchange rate differences	1,450	2	26	1,479
Gross value at December 31, 2024	50,619	11,277	1,333	63,229
Amortization at December 31, 2024	(29,204)	(5,115)	(559)	(34,878)
Net value at December 31, 2024	21,414	6,162	774	28,351

(1) Integration of Launchmetrics in 2024, see note 2.31.

2023	Premises	Company cars	Equipment and other	Total
Gross value at January 1, 2023	42,204	8,680	1,084	51,969
New contracts	3,817	2,822	232	6,872
Change in scope of consolidation ⁽¹⁾	1,477	-	-	1,477
Modification of existing contracts	4	(101)	17	(81)
Disposals	(1,141)	(1,816)	(370)	(3,326)
Exchange rate differences	(951)	(15)	(18)	(984)
Gross value at December 31, 2023	45,411	9,570	946	55,927
Amortization at December 31, 2023	(23,325)	(5,551)	(729)	(29,605)
Net value at December 31, 2023	22,086	4,019	217	26,322

(1) Integration of TextileGenesis and Lectra Suzhou in 2023, see note 2.31.

Information on lease liabilities is set out in note 20.

The Tolland lease (United States), inherited from the Gerber acquisition in 2021, was signed for a rent amount now grossly above local market prices, leading to a decrease in the valuation of the associated right-of-use at the acquisition date; this valuation was still valid on December 31, 2024.

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

2024	Land and buildings	Fixtures and fittings	Equipment and other	Assets under construction	Total
Gross value at January 1, 2024	15,585	25,536	35,707	484	77,312
Additions	-	501	1,717	348	2,566
Change in scope of consolidation ⁽¹⁾	-	13	358	-	371
Write-offs and disposals	-	(264)	(1,044)	-	(1,308)
Transfers	-	(28)	432	(405)	(0)
Exchange rate differences	(46)	337	211	-	502
Gross value at December 31, 2024	15,539	26,095	37,380	427	79,442
Depreciation at December 31, 2024	(8,054)	(18,060)	(29,898)	-	(56,012)
Net value at December 31, 2024	7,485	8,035	7,483	427	23,430

(1) Integration of Launchmetrics in 2024, see note 2.31.

2023	Land and buildings	Fixtures and fittings	Equipment and other	Assets under construction	Total
Gross value at January 1, 2023	15,622	25,082	33,468	367	74,539
Additions	-	539	2,223	478	3,239
Change in scope of consolidation ⁽¹⁾	-	115	141	-	256
Write-offs and disposals	-	(13)	(284)	(14)	(311)
Transfers	-	10	337	(347)	-
Exchange rate differences	(37)	(197)	(178)	-	(411)
Gross value at December 31, 2023	15,585	25,536	35,707	484	77,312
Depreciation at December 31, 2023	(7,814)	(16,237)	(27,462)	-	(51,512)
Net value at December 31, 2023	7,771	9,299	8,246	484	25,800

(1) Integration of TextileGenesis and Lectra Suzhou in 2023, see note 2.31.

Changes in depreciation:

2024	Land and buildings	Fixtures and fittings	Equipment and other	Total
Depreciation at January 1, 2024	(7,814)	(16,237)	(27,462)	(51,512)
Additional depreciation	(258)	(2,077)	(2,856)	(5,191)
Write-offs and disposals	11	276	723	1,010
Transfers	-	154	(154)	0
Exchange rate differences	7	(176)	(150)	(318)
Depreciation at December 31, 2024	(8,054)	(18,060)	(29,898)	(56,012)

2023	Land and buildings	Fixtures and fittings	Equipment and other	Total
Depreciation at January 1, 2023	(7,561)	(14,274)	(24,805)	(46,639)
Additional depreciation	(258)	(2,063)	(2,991)	(5,312)
Write-offs and disposals	-	13	224	237
Exchange rate differences	5	87	110	202
Depreciation at December 31, 2023	(7,814)	(16,237)	(27,462)	(51,512)

Land and buildings

'Land and buildings' pertain mostly to the Group's industrial facilities in Bordeaux-Cestas (France), amounting to a gross value of 14,910 thousand euros, net of investment grants received and to a net value of 6,947 thousand euros at December 31, 2024. They also include the offices of Lectra Korea, located in Seoul, purchased on May 1, 2014, for a net amount of 527 thousand euros at December 31, 2024 closing rate.

The facilities in Bordeaux-Cestas cover an area of 11.6 hectares (28.7 acres) and the buildings represent 33,466 sq. m. (360,225 sq. ft.). Land and buildings were partly purchased by the Company under financial leases (the Company became owner of them in October 2002), and partly outright. These have been paid for in full. Investments are made on a regular basis on the Bordeaux-Cestas facilities, mainly related to the extension and rehabilitation of buildings.

04 – CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2024, the land (non-depreciable) is valued at 941 thousand euros. The buildings total a gross value of 14,598 thousand euros, already 8,054 thousand euros depreciated.

Fixtures and fittings

Fixtures and fittings refer to the Bordeaux-Cestas industrial facility and the fittings installed in all Group subsidiaries for a gross amount of 26,095 thousand euros and for a net amount of 8,035 thousand euros at December 31, 2024.

Investments have been made in fixtures and fittings in 2024 and 2023 throughout the Group. In 2024, as in 2023, the investments mostly related to the rehabilitation of buildings on the Bordeaux-Cestas facilities.

Equipment and other

Other fixed assets purchased in 2024 and 2023 mainly concerned computer equipment and manufacturing molds and tools for the Bordeaux-Cestas industrial facility.

NOTE 10 INVESTMENTS IN ASSOCIATES

At December 31, 2024, investments in associates represent the equity-accounted value of Six Atomic and AQC Industry SAS.

(In thousand euros)	2024	2023
Equity interests at the opening date	-	-
Entry into the scope	3,764	-
Share of result of associates	(76)	-
Translation adjustment	166	-
Equity interests at the closing date	3,854	-

NOTE 11 OTHER NON-CURRENT ASSETS

2024	Non-consolidated investments in subsidiaries	Research tax credit receivable	Other non-current financial assets	Total
Gross value at January 1, 2024	2,256	12,890	4,173	19,318
Additions	-	427	5,531	5,958
Change in scope of consolidation ⁽¹⁾	-	-	381	381
Disposals	-	-	(5,976)	(5,976)
Discounting effect	-	324	-	324
Reclassification	-	(5,917)	-	(5,917)
Exchange rate differences	-	-	157	157
Gross value at December 31, 2024	2,256	7,724	4,266	14,246
Impairment provision at December 31, 2024	(1,168)	-	-	(1,168)
Net value at December 31, 2024	1,087	7,724	4,266	13,077

(1) Integration of Launchmetrics in 2024, see note note 2.31.

2023	Non-consolidated investments in subsidiaries	Research tax credit receivable	Other non-current financial assets	Total
Gross value at January 1, 2023	2,239	12,674	4,754	19,666
Additions	-	-	10,994	10,994
Change in scope of consolidation ⁽¹⁾	17	-	-	17
Disposals	-	(681)	(11,493)	(12,174)
Discounting effect	-	621	-	621
Reclassification	-	276	55	331
Exchange rate differences	-	-	(137)	(137)
Gross value at December 31, 2023	2,256	12,890	4,173	19,318
Impairment provision at December 31, 2023	(1,168)	-	-	(1,168)
Net value at December 31, 2023	1,088	12,890	4,173	18,150

(1) Integration of TextileGenesis and Lectra Suzhou in 2023, see note note 2.31.

Investments in subsidiaries

'Investments in subsidiaries' exclusively concern companies not included in the scope of consolidation.

At December 31, 2024, four sales and service legacy subsidiaries were not consolidated, their revenues being immaterial both separately and in the aggregate. They act as commercial representatives. Most of these subsidiaries' sales activity is billed directly by the Company (see note 12). Lectra Russia has been added to this list since July 1st, 2023.

Research tax credit

The Group presents separately the current and non-current part of the income tax receivable related to the French research tax credit. Thus, the portion corresponding to the research tax credit accounted for and not deducted from the corporate income tax in the past three years, and that will be repaid to the Group within the course of the second year (for the research tax credit recorded two years ago), third year (for the research tax credit recorded one year ago) and fourth year (for the research tax credit recorded in the past year), is presented within other non-current assets.

Note 16 describes the principles for accounting of the research tax credit receivable.

Other non-current financial assets

'Other non-current financial assets' at December 31, 2024 primarily consisted of deposits and guarantees for 4,319 thousand euros (3,914 thousand euros at December 31, 2023) together with the amount of 335 thousand euros placed by the Company at the disposal of Natixis Oddo BHF, along with company shares under the liquidity agreement (see note 17.2).

The cumulative amount of all transactions on treasury shares by Natixis Oddo BHF under the liquidity agreement is shown in additions (in case of sales of shares) and disposals (in case of purchases of shares) of other non-current financial assets (see note 17.2).

The movements for the period also concern cash exchanged between the Company and Natixis Oddo BHF, under the liquidity agreement managed by the latter.

NOTE 12 RELATED-PARTY TRANSACTIONS

The amounts below refer to fiscal year 2024 (or 2023) or December 31, 2024 (or 2023), as applicable.

Type of transaction	Items concerned in consolidated financial statements	Non-consolidated subsidiaries concerned	2024	2023
Receivables ⁽¹⁾	Trade accounts receivable	Lectra Philippines Inc. (Philippines)	50	144
		Lectra Chile SA (Chile)	15	19
Payables ⁽¹⁾	Trade payables and other current liabilities	Lectra Singapore Pte Ltd (Singapore)	(1,178)	(876)
		Lectra Philippines Inc. (Philippines)	(15)	(30)
Sales ⁽²⁾	Revenues	Lectra Chile SA (Chile)	97	99
		Lectra Philippines Inc. (Philippines)	165	93
Commissions ⁽²⁾	Selling, general and administrative expenses	Lectra Singapore Pte Ltd (Singapore)	(7)	(60)
Personnel invoiced ⁽²⁾	Selling, general and administrative expenses	Lectra Singapore Pte Ltd (Singapore)	(959)	(678)
Dividends ⁽²⁾	Financial income	Lectra Chile SA (Chile)	88	107
		Lectra Philippines Inc. (Philippines)	298	-

(1) Amounts between brackets represent a liability in the statement of financial position, absence of brackets an asset.

(2) Amounts between brackets represent an expense for the year, absence of brackets an income for the year.

All of the parties concerned are non-consolidated subsidiaries acting either as agents or distributors of the Company's products in their respective countries. The transactions in question mainly concern purchases to the parent company for the purposes of their local operations or charges and commissions billed to the parent company in order to cover their overheads when they act as agents, as is generally the case with new systems sales.

Transactions with the Board of Directors are limited to compensation, details of which are provided in notes 32.5 and 32.6.

NOTE 13 TAXES

NOTE 13.1 TAX EXPENSE

	2024	2023
Current tax income (expense)	(13,294)	(12,702)
Deferred tax income (expense)	2,404	1,348
Net tax income (expense)	(10,890)	(11,354)

The research tax credit (*crédit d'impôt recherche*) applicable in France is deducted from R&D expenses (see note 30). It amounts to 5,743 thousand euros in 2024 (4,585 thousand euros in 2023).

This tax credit is therefore not included in the net tax charge for the two fiscal years presented here.

The Company is not subject to Pillar 2 obligations as the consolidated revenue is below the required threshold.

NOTE 13.2 EFFECTIVE TAX RATE

	2024	2023
Income before tax	40,599	43,968
Standard rate of corporate income tax in France	25.0%	25.7%
Expense at standard rate of corporate income tax in France	(10,150)	(11,309)
Effect of other countries' different tax rates	10	(376)
Effect of unrecognized deferred tax assets	(2,353)	(1,550)
Effect of tax credits ⁽¹⁾	1,200	(94)
Effect of CVAE ⁽²⁾	(288)	(390)
Effect of tax litigations provisions	418	(2,196)
Effect of other non taxable income and non deductible expenses ⁽³⁾	181	2,317
Others ⁽⁴⁾	92	2,243
Net tax income / (expense)	(10,890)	(11,354)
Consolidated effective tax rate	26.8%	25.8%

(1) This mainly includes the non-taxation of the research tax credit, included in the income before tax.

(2) The "cotisation sur la valeur ajoutée des entreprises" (CVAE – tax on corporate added value) in France satisfies the definition of an income tax as set forth in IAS 12.2.

(3) This mainly corresponds to income or expenses for the year that will never be subject to taxation or tax deduction, including in particular the neutralization for tax purposes of some consolidation entries.

(4) Essentially includes the effects of Gerber's American tax integration on its foreign subsidiaries.

NOTE 13.3 DEFERRED TAXES

Owing to perspectives of future profits for the subsidiaries, related to their risks and functions profiles, the Group generally considers five years to be a reasonable period for the utilization of tax losses. Beyond that period, because forecasts of activity levels are deemed insufficiently reliable, the corresponding portion of their bases is not recognized. Forecasts made in order to determine the timetable for the utilization of deferred tax losses, based on assumptions consistent with those used in the impairment tests, were established on the basis of a Group three-year plan, extrapolated to five years, subject to annual review, with variants according to the strategic objectives of each of the subsidiaries concerned and allowing for the cyclical difficulties and macroeconomic environment in which it operates.

In the case of Gerber entities, the amount of deferred tax was identified in the acquisition of June 1, 2021, with a reversal horizon of fifteen years, which allows for a compensation of deferred tax assets on a longer basis. A specific calendar for utilization of tax losses carried forward was set out, in order to record only the deferred tax assets for which future utilization is predictable, even after five years.

At December 31, 2024, unrecognized deferred tax assets totaled 21,272 thousand euros (10,672 thousand euros at December 31, 2023), of which 9,030 thousand euros for Launchmetrics entities and 7,275 thousand euros for Gerber entities. The 21,272 thousand euros include 16,744 thousand euros of deferred tax on unrecognized tax loss carryforwards (including 9,030 thousand euros for Launchmetrics and 4,304 thousand euros for the Gerber entities), tax losses mainly located in France (11,931 thousand euros for Launchmetrics France and Neteven), in the USA (2,494 thousand euros), and in the United Kingdom (1,644 thousand euros).

The share of deferred taxes directly recognized in other comprehensive income for the year worked out to a negative 16 thousand euros corresponding to the tax effect of actuarial gains and losses on retirement benefit obligations booking (a positive 241 thousand euros in 2023).

Deferred taxes are listed below according to the type of timing difference:

2024	Tax losses carry-forward	Fixed assets and IFRS 16	Impairment of accounts receivable	Write-down of inventories	Other timing differences	Total
Total at January 1, 2024	11,900	(16,712)	1,074	3,669	10,928	10,859
Change in scope of consolidation ⁽¹⁾	-	(18,832)	-	174	(157)	(18,815)
P&L impact	(3,214)	3,956	(194)	392	1,464	2,404
Other comprehensive income impact	-	-	-	-	(16)	(16)
Exchange rate differences	602	(1,180)	24	127	231	(196)
Total at December 31, 2024	9,288	(32,768)	904	4,362	12,450	(5,764)

(1) Integration of Launchmetrics in 2024, see note 2.31.

04 – CONSOLIDATED FINANCIAL STATEMENTS

2023	Tax losses carry-forward	Fixed assets and IFRS 16	Impairment of accounts receivable	Write-down of inventories	Other timing differences	Total
Total at January 1, 2023	7,926	(16,910)	1,034	3,504	15,382	10,936
Change in scope of consolidation ⁽¹⁾	-	(1,640)	-	167	-	(1,473)
P&L impact	4,325	1,207	64	175	(4,423)	1,348
Other comprehensive income impact	-	-	-	-	241	241
Exchange rate differences	(351)	631	(24)	(177)	(272)	(193)
Total at December 31, 2023	11,900	(16,712)	1,074	3,669	10,928	10,859

(1) Integration of TextileGenesis and Lectra Suzhou in 2023, see note 2.31.

'Other timing differences' comprise mainly timing differences related to retirement benefits and profit-sharing in France for Lectra SA, as well as timing differences due to invoicing in some subsidiaries (corporate income tax based on invoicing and not revenue), and the impacts of deferred taxes related to implementation of IFRS 16.

NOTE 13.4 SCHEDULE OF RECOGNIZED TAX LOSSES CARRY-FORWARDS

	Expiration date			Total
	Up to 2025	Between 2026 and 2030	Beyond 2030	
Deferred tax assets on tax losses ⁽¹⁾	38	40	9,209	9,287

(1) The above expiration date corresponds to the maximum period of utilization. Recognized deferred tax assets are expected to be utilized within a period of one to five years.

NOTE 14 INVENTORIES

	2024	2023
Raw materials	64,890	69,284
Finished goods and work-in-progress ⁽¹⁾	18,578	18,305
Inventories, gross value	83,468	87,589
Raw materials	(14,561)	(11,726)
Finished goods and work-in-progress ⁽¹⁾	(5,484)	(5,177)
Write-downs	(20,045)	(16,903)
Raw materials	50,329	57,558
Finished goods and work-in-progress ⁽¹⁾	13,094	13,128
Inventories, net value	63,423	70,686

(1) Including demonstration and second-hand equipment.

In 2024, 858 thousand euros of inventory fully written-down was scrapped (1,329 thousand euros in 2023), thereby diminishing the gross value and write-downs by the same amount. Inventory write-downs charged for the year amounted to 6,288 thousand euros (9,695 thousand euros in 2023). Reversals of previous write-downs relating to sales transactions amounted to 4,288 thousand euros (7,377 thousand euros in 2023), booked against the charges for the period.

NOTE 15 TRADE ACCOUNTS RECEIVABLE

	2024	2023
Trade accounts receivable, gross value	106,545	95,929
Provision for impairment	(3,944)	(4,070)
Trade accounts receivable, net value	102,601	91,859

Trade receivables at December 31, 2024 include a great portion of the 111,845 thousand euros, excluding taxes, on recurring contracts, other services and equipment billed in advance for 2025, but not yet collected (compared with 94,103 thousand euros, excluding taxes, at December 31, 2023 in respect of 2024), and for which the counterpart is recorded in 'Deferred revenues' (see note 24). Payments on recurring contracts generally become due on the first day of the period they cover.

Thus, at December 31, 2024, trade accounts receivable, net from deferred revenues and provision for impairment, amount to a negative 9,244 thousand euros (a negative 2,244 thousand euros at December 31, 2023).

It should be noted that contract assets, which would be invoices to be issued for the Group, are integrated in the 'Trade accounts receivable' line and do not represent a significant amount.

The Group recognizes an impairment expense on trade accounts in light of an individual analysis of overdue accounts receivable and lifetime expected credit losses. Changes in impairment charges are analyzed below:

	2024	2023
Impairment at January 1	(4,070)	(3,770)
Additional impairment	(1,057)	(1,344)
Write-back of impairment	1,863	1,011
Change in scope of consolidation ⁽¹⁾	(602)	-
Exchange rate differences	(79)	33
Impairment at December 31	(3,944)	(4,070)

(1) Integration of Launchmetrics in 2024, see note 2.31.

Changes in impairment of accounts receivable and related accounts, net of irrecoverable receivables, are recognized under 'Selling, general and administrative expenses' in the income statement, on the line 'Net provisions' (see note 33).

Schedule of gross receivables by maturity:

	2024	2023
Receivables not yet due	73,545	69,215
Receivables overdue by:	33,000	26,714
- less than 1 month	12,598	13,004
- 1-3 months	9,279	6,128
- more than 3 months	11,123	7,582
Total	106,545	95,929

The majority of the provisions of accounts receivable and related accounts amounting to 3,944 thousand euros at December 31, 2024 concerned accounts more than three months overdue.

NOTE 16 OTHER CURRENT ASSETS

	2024	2023
Research tax credit ⁽¹⁾	5,967	5,039
Other tax receivables	4,689	4,543
Income tax down-payments	4,646	2,876
Staff and social security receivables	456	378
Other current assets	12,535	8,605
Total other current assets	28,293	21,441

(1) The current portion of the research tax credit corresponds to the amount receivable in less than one year.

Research tax credit

When the research tax credit applicable in France cannot be deducted from the corporate income tax, it is treated as a receivable on the French tax administration. If unused in the ensuing three years, they are historically repaid to the Company in the course of the fourth year. Owing to that, the Group now presents separately the current and non-current (to be repaid in over a year) part of the income tax receivable related to the French research tax credit (see note 11).

The Group received 6,914 thousand euros in July 2024 in respect of 2020 tax research credits.

The research tax credit (5,743 thousand euros) for 2024 was accounted for but not received.

Thus, on December 31, 2024, the Group held a 13,364 thousand euros receivable on the French tax administration (of which 2,359 thousand euros classified within other non-current assets), comprised of:

- the remaining amount of the research tax credit, after deduction from the corporate income tax due by Lectra SA in the same year: 338 thousand euros for 2024, none for 2023 and 2022 (since the research tax credit was fully deducted from the corporate income tax of those periods), 2021 (5,967 thousand euros) and 2018 (5,039 thousand euros);
- the remaining amount of the research tax credit (768 thousand euros) generated by Neteven;
- the remaining amount of the research tax credit (1,304 thousand euros) generated by Launchmetrics France.

Besides, the previous amounts due in more than one year have been reduced by a discounting impact of 194 thousand euros.

The Group had also recorded a provision for risk of 6,600 thousand euros in December 31, 2023, considering ongoing discussions with the French administration concerning the Lectra SA research tax credit.

Considering its estimates of tax credits and corporate income tax for the next three fiscal years, the Group does not expect to make any payment in respect of corporate income tax in France, from which will be deducted in full the research tax credit of each fiscal year. Thus, Lectra should receive the outstanding balance of these non-deducted tax credits as follows: 2025 (in respect of 2018 and 2021), 2026 (in respect of 2022); 2027 (in respect of 2023) and 2028 (in respect of 2024). This situation will last for as long as the amount of the annual tax credits exceeds the amount of income tax payable.

If the income tax expense were to rise above the amounts of tax credit for the year, the Company would continue not to pay corporate income tax until the corresponding receivable is deducted in full. Thereafter it would deduct these tax credits each year from the income tax expense for the same year in full and would be required to pay the residual amount.

Other tax receivables

Other tax receivables at December 31, 2024 comprises the recoverable value-added tax for the Company and its subsidiaries.

Other current assets

Other current assets comprise prepaid rental expenses (for contracts outside the scope of IFRS 16) and insurance premiums.

NOTE 17 SHAREHOLDERS' EQUITY

NOTE 17.1 SHARE CAPITAL AND SHARE PREMIUM

The share capital at December 31, 2024 totaled €37,966,274, divided into 37,966,274 shares with a par value of €1.00 (it was €37,832,965 divided into 37,832,965 shares with a par value of €1.00, at December 31, 2023).

As of January 1, 2024, the capital was increased by 133,309 shares due to the exercise of stock options, leading to an increase of €133,309 in the share capital and a total issue premium of 2,092 thousand euros (issue of 44,016 shares in 2023).

Apart from the authority to increase the capital granted by the Shareholders' Meeting within the framework of the granting of stock options to senior managers and employees, there is no other authorization outstanding such as to alter the number of shares comprising the share capital.

The tables below provide details of changes in the number of shares, the capital and additional paid-in capital and merger premiums in fiscal years 2024 and 2023.

Note 17.1.1 Share capital

	2024		2023	
	Number of shares	Share capital (in euros)	Number of shares	Share capital (in euros)
Share capital at January 1	37,832,965	37,832,965	37,788,949	37,788,949
Stock options exercised	133,309	133,309	44,016	44,016
Share capital at December 31	37,966,274	37,966,274	37,832,965	37,832,965

The shares comprising the capital are fully paid up.

Note 17.1.2 Share premium

	2024	2023
Share premium at January 1	140,777	140,134
Stock options exercised	2,092	643
Share and merger premium at December 31	142,869	140,777

NOTE 17.2 TREASURY SHARES

The ordinary shareholders' meeting on April 25, 2024 renewed the existing share buyback program authorizing the Board of Directors to buy and sell company shares. The purpose of this program is solely to maintain liquidity in the market of the Company's shares, via an authorized investment services provider acting within the framework of a liquidity agreement in compliance with the Charter of Ethics of the French Association of Investment Companies (AFEI) or any other charter recognized by the French Financial Markets Authority (AMF).

In order to promote the liquidity of transactions and the regularity of Lectra share quotations, the Group entrusted Natixis Oddo BHF in September 2022 with the management of its shares under a liquidity contract in accordance with the regulations and market practice accepted by the AMF.

At December 31, 2024, the Company held 35,468 shares, i.e. 0.09% of its capital within the framework of the liquidity agreement (compared with 0.08% at December 31, 2023) for a total of 937 thousand euros (compared with 885 thousand euros at December 31, 2023) representing an average purchase price of €26.43 per share, which has been deducted from shareholders' equity.

The resources allocated to the liquidity agreement also included, at December 31, 2024, the amount of 335 thousand euros.

The Company holds no treasury shares outside the framework of the liquidity agreement.

	2024			2023		
	Number of shares	Amount	Average price per share (in euros)	Number of shares	Amount	Average price per share (in euros)
Treasury shares at January 1 (historical cost)	31,409	(885)	28.15	29,909	(1,037)	34.67
Liquidity agreement						
Purchases (at purchase price)	178,222	(5,289)	29.68	335,413	(10,588)	31.57
Sales (at sale price)	(174,163)	5,193	29.82	(333,913)	10,558	31.62
Net cash flow⁽¹⁾	4,059	(96)		1,500	(30)	
Gains (losses) on disposals		(43)			(182)	
Treasury shares at December 31 (historical cost)	35,468	(937)	26.43	31,409	(885)	28.15

(1) A negative figure corresponds to a net outflow reflecting purchases and sales of its own shares by the Company.

NOTE 17.3 VOTING RIGHTS

Voting rights are proportional to the capital represented by stock held.

However, double voting rights, subject to certain conditions, existed until May 3, 2001.

The extraordinary meeting of shareholders of May 3, 2001 had decided that shares registered after May 15, 2001, together with shares purchased after that date, are not eligible for double voting rights (with the exception of special cases covered by the corresponding resolution submitted to the said extraordinary meeting). At his own initiative, Daniel Harari, now Chairman and Chief

Executive Officer, had canceled at that time the double voting rights attached to the shares he held.

Following the recommendation of the Board of Directors, the extraordinary shareholders' meeting on September 26, 2014 maintained the principle of one share, one vote following the entry into force of the French March 29, 2014 Act (Law no. 2014-384, the "Florange Act"), reversing the principle that held until now, by providing that shares of listed companies registered for at least two years in the name of the same shareholder will henceforward enjoy double voting rights, and amended the Company by-laws in

consequence.

As a result, at December 31, 2024, 37,774,124 shares qualified for normal voting rights, and only 192,150 (i.e. 0.5% of the share capital) for double voting rights. Moreover, no other shares could potentially qualify for double voting rights at some future date.

At December 31, 2024, the theoretical total number of voting rights attached to the Company's shares was 38,158,424. This number has been reduced to 38,122,956 due to the fact that no voting rights are attached to treasury shares (under the liquidity agreement).

NOTE 17.4 STATUTORY THRESHOLDS

Other than the legal notification requirements for crossing the thresholds established by French law, there is no special statutory obligation.

NOTE 17.5 STOCK OPTION PLANS

At December 31, 2024, 424 employees were the beneficiaries of 1,127,234 options and 21 former employees still held 336,446 options; altogether, 445 persons were beneficiaries of options (respectively 329, 12 and 341 at December 31, 2023).

At that date, the maximum number of shares comprising the share capital, including potential new shares liable to be issued via the exercise of existing rights qualifying for subscription to new shares was 39,429,954, made up as follows:

- share capital: 37,966,274 shares;
- stock options: 1,463,680 shares.

Each option entitles the holder to purchase one new share with a par value of €1.00 at the exercise price set by the Board of Directors on the grant date. If all of the options outstanding as of December 31, 2024 were exercised—regardless of whether the beneficiary's options are vested or not yet vested—and regardless of their exercise price relative to their market price at December 31, 2024, the share capital would increase by €1,463,680, together with a total issue premium of €36,753,005.

None of the Company's subsidiaries have set up a Lectra SA stock option or share purchase plan.

Annual option plans are granted by the Board of Directors at least twenty trading days after the dividend approved by the annual Shareholders' Meeting is made payable, or thirty to forty-five calendar dates after the Meeting if no dividend is declared, i.e. around June 10.

The share exercise price is set on the date of granting of the options, at a price in no circumstances less than the average opening price of the share listed for the twenty trading sessions prior to the date of granting of options by the Board of Directors.

IFRS 2 requires companies to expense the value of the benefit granted to the beneficiaries of stock options.

Fair value of the new stock options granted in 2024 and 2023 was measured at grant date by means of the Black & Scholes method, using the following assumptions:

	2024	2023
Exercise price (in euros)	32.50	28.25
Share price on the date of allocation (in euros)	29.95	28.10
Risk-free interest rate	2.92%	2.78%
Dividend payout rate	1.08%	1.68%
Volatility	28.30%	34.40%
Duration of options	4 years	4 years
Fair value of one option (in euros)	6.30	7.45

Volatility is calculated on the basis of the observed historical volatility of the Company's share price over a time frame corresponding to the vesting period. This calculation ignores peaks resulting from exceptional events.

For part of the 2020 plan, the new granting, made as a counterpart to the renunciation by beneficiaries of the options granted in 2017, 2018 and/or 2019 still vesting, was treated according to the provisions of IFRS 2.28c (cancellation / granting of new instruments as replacement). This included the calculation of an incremental fair value for the new options, depending on the year during which the replaced options were granted, as follows:

	2017	2018	2019
Incremental fair value of one option (in euros)	3.22	2.11	1.64

Total fair value of the options granted on June 7 and August 29 amounts to 1,961 thousand euros. It was reduced to 1,864 thousand euros following the cancellation of options after the calculation of the actual performance of 2024 for each beneficiary and the departure of four beneficiaries in 2024.

An expense of 1,351 thousand euros was recognized in the 2024 financial statements, including 264 thousand euros in respect of the grants made in 2024, and 1,087 thousand euros in respect of options granted previously. Charges for the year are recognized under personnel expenses.

Plans in force at December 31, 2024 will impact the years 2025, 2026 and 2027 alone in the estimated amounts of 1,236.876 and 466 thousand euros respectively.

The Group paid a 306 thousand euros employer's contribution based on the fair value of the options granted in 2024, fully expensed in personnel costs for 2024.

04 – CONSOLIDATED FINANCIAL STATEMENTS

Note 17.5.1 Stock options outstanding: options granted, exercised and canceled during the period

	2024		2023	
	Number of stock options	Average exercise price (in euros)	Number of stock options	Average exercise price (in euros)
Stock options outstanding at January 1	1,377,567	24.31	1,198,830	23.25
Stock options granted during the year	311,270	32.50	261,865	28.25
Stock options exercised during the year	(133,309)	16.69	(44,016)	15.61
Stock options expired/canceled during the year	(91,848)	34.47	(39,112)	28.28
Stock options outstanding at December 31	1,463,680	26.11	1,377,567	24.31
- of which fully acquired	873,574	22.04	781,330	17.91
- of which remaining to be acquired	590,106	32.11	596,237	32.69

For the plans granted since 2016, the right to exercise these options vests on a single occasion at the end of the four-year period starting on January 1 of the year of granting and ending on December 31 of the fourth year.

Note 17.5.2 Breakdown of stock options at December 31, 2024, by category of beneficiaries

2024					
	Number of beneficiaries	Number of stock options	In %	Of which fully vested	Of which exercise rights remain to be acquired
Executive Committee ⁽¹⁾	10	292,518	20%	121,143	171,375
Group management	22	179,613	12%	95,672	83,941
Other employees	392	655,103	45%	323,481	331,622
Persons having left the company and still holding unexercised options	21	336,446	23%	333,278	3,168
Total	445	1,463,680	100%	873,574	590,106

(1) The sole beneficiaries are the members of the Executive Committee, excluding Daniel Harari, Chairman and Chief Executive Officer, who does not hold any option.

The 336,446 options held by people having left the Group and still holding unexercised options, are broken down by expiration date as follows: 235,163 options in 2024, 34,004 options in 2025, 22,417 options in 2026 and 44,862 options in 2027.

Note 17.5.3 Breakdown of stock options at December 31, 2024, by expiration date and exercise price

Grant date	Expiration date	Number of stock options	Exercise price (in euros)
June 8, 2017	June 8, 2025	2,024	28.25
June 12, 2018	June 12, 2026	3,585	22.25
June 12, 2019	June 12, 2027	3,011	22.50
June 9, 2020	June 9, 2028	632,206	18.00
June 8, 2021	June 8, 2029	168,637	33.50
June 8, 2022	June 8, 2030	120,341	38.50
June 7, 2023	June 7, 2031	238,020	28.25
June 7, 2024	June 7, 2032	295,856	32.50
Total		1,463,680	26.10

Note 17.5.4 Breakdown of stock options for which exercise rights remain to be acquired after December 31, 2024 by the beneficiaries

Year of vesting	Number of stock options
2025	99,702
2026	194,548
2027	295,856
Total	590,106

Note 17.5.5 Absence of stock option plans for the company officer

No stock option was granted to Daniel Harari, Chairman and Chief Executive Officer, who owns more than 10% of the capital since 2000 and has therefore been prohibited since this date by French law from being granted further stock option, and holds none.

Note 17.5.6 Stock options granted in 2024

The Board of Directors, meeting on June 7 and August 29, 2024, granted, in respect of the 2024 stock option plan, a maximum of 311,270 options to 341 beneficiaries, at an exercise price of €32.50 per share, as follows:

- a maximum number of 88,314 options to 10 members of the Executive Committee, for which the right to exercise the options is dependent on the presence on December 31, 2027 and on the 2024-2026 performance for all the options granted;
- 46,135 options to 22 of the most senior managers, for which the right to exercise the options is dependent on the presence on December 31, 2027 for half of the options granted and to the presence and the performance in 2024 for the other half of the options granted; and
- 176,821 options to 309 other beneficiaries, for which the right to exercise the options is dependent on the presence on December 31, 2027.

The definitive number of options at December 31, 2024 is then calculated with reference to the percentage fulfilment of targets set for the beneficiaries for 2024. It also takes account of departures between the date of grant and the end of the year 2024.

At the date of this report, the calculations of actual performance in 2024, based on the Group's consolidated financial statements, have been finalized for all the most senior managers and 12,766 options were canceled out of the 46,135 options originally granted to them. The calculations of the performance of the members of the Executive Committee for the period 2024-2026 and the cancellation of the non acquired options due to the non-achievement of the 2024-2026 objectives will be carried out in 2027.

Moreover, 1,909 options have ceased to be valid mainly due to the departure of four beneficiaries in 2024. 739 options also expired, as they were forfeited by the two beneficiaries concerned.

As a result, the total number of options at December 31, 2024 initially granted (311,270 options to 341 beneficiaries) has been reduced to 295,856 and the number of beneficiaries to 335.

The ten Group employees to whom the largest number of options was granted in the course of fiscal year 2024 were granted a total of 88,622 options.

All of the options granted concerned Group employees. The only company officer (*dirigeant mandataire social*), Daniel Harari, has held no stock options since 2000.

The options are valid for a period of eight years from the date of granting.

The right to exercise the options vests at the end of the period ended December 31, 2027 (the beneficiary being required to retain links with the Company or with one of its affiliates in the form of an employment contract or as a company officer at this date). In the event of the departure of a beneficiary before this date, all options that were granted to the beneficiary cease to be valid.

By way of exception, the right to exercise options shall be maintained in the event of the death of the beneficiary, or retirement at the statutory pensionable age in the beneficiary's country. Provided the death or retirement occurs between January 1 of the year following the grant and the end of the four-year vesting period (that is, for Plans 16g, 16h, 16i and 16j, between January 1, 2025 and December 31, 2027) the right to exercise options shall be maintained in full.

Moreover, 76,434 options granted prior to 2024 have ceased to be valid due to the departure of the beneficiaries or because they have not been exercised.

Note 17.5.7 Stock options exercised in 2024

133,309 options pertaining to the different option plans in force at December 31, 2023 were exercised in 2024.

		2024
Grant date	Number of stock options exercised	Exercise price (in euros)
June 09, 2016	49,889	14.50
June 09, 2020	83,420	18.00
Total	133,309	16.69

04 – CONSOLIDATED FINANCIAL STATEMENTS

Note 17.5.8 Launchmetrics stock options plans

Historically, Launchmetrics had set up stock subscription and bonus share plans with its parent company, Fashion GPS Inc, for the benefit of the management team and employees. In accordance with the acquisition agreement, the options exercised and the bonus shares will be gradually bought back by Lectra SA between 2025 and 2030.

The Launchmetrics stock subscription plans are detailed as follows:

	2024	2023	2023	2023	2022	2021	2021	2021	2020
Key features of the plans	Stock options	Stock options	Stock options	Stock options	Stock options	Stock options	Common Stock of Fashion GPS Inc	Stock options	Stock options
Grant date	December 13, 2024	December 29, 2023	December 28, 2023	October 30, 2023	September 22, 2022	June 7, 2021	June 7, 2021	October 14, 2020	December 25, 2020
Maximum number of instruments	500 000	3 523 500	281 792	1 022 378	2 074 034	781 429	102 500	320 000	470 500
Strike ratio	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO	1 Common Stock of Fashion GPS Inc for 1 SO
Vesting and presence condition	4 years	5 years	6 years	7 years	4 tranches of 25% until 2025-2026	Immediate vesting	Immediate vesting	1 year	4 tranches of 25% until January 13, 2024
Performance condition	No	No	No	No	No	No	No	Amount of annual recurring revenue	No
Limit exercise date	December 13, 2034	December 29, 2033	December 28, 2033	October 30, 2033	September 21, 2032	May 7, 2031	N/A	May 7, 2031	December 24, 2030
Unit value of the instrument at grant date post-dilution (in US dollars)	1.27	0.42	0.42	0.38	0.84	0.79	1.22	0.79	0.89
Strike price (in US dollars)	2.29	1.10	1.10	1.02	1.52	1.22	N/A	1.22	1.21

The IFRS 2 expense recognized in 2024 in respect of these plans is 302 thousand euros.

NOTE 18 CURRENCY TRANSLATION ADJUSTMENTS

Analysis of changes recorded in 2024 and 2023:

	2024	2023
Cumulative translation adjustments at January 1	16,977	30,346
Differences on translation of subsidiaries' income statements	338	16
Adjustments required to maintain subsidiaries' retained earning at historical exchange rate	18,899	(9,219)
Other movements	(824)	(4,166)
Cumulative translation adjustments at December 31	35,390	16,977

The acquisition of Gerber on June 1, 2021, for which a very significant portion of the net assets was US dollar-denominated and translated at the acquisition date rate (that is \$1.22/€1), accounts for the strong variance of translation adjustments since then (the closing rate of \$1.10/€1 in 2023, and then \$1.04/€1 in 2024).

NOTE 19 RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations correspond to lump-sum amounts payable under defined benefit plans. These lump-sum amounts are generally paid at the time of retirement, but they may also be paid upon resignation or dismissal, depending on local legislation. The company officer (*dirigeant mandataire social*) is not the beneficiary of any defined benefit retirement plan.

These obligations apply mainly in France, in Italy and Japan, as detailed below:

2024	France	Italy	Japan	Others	Total
Retirement benefits at December 31, 2023	8,052	1,352	623	567	10,593
Expense/(income) of the year	779	201	50	158	1,188
Change in scope of consolidation ⁽¹⁾	272	608	-	17	897
Benefits paid	(569)	-	(94)	(96)	(758)
Contributions paid	-	-	-	(37)	(37)
Actuarial losses (gains)	(709)	-	(48)	(47)	(804)
Exchange rate differences	-	-	(26)	(122)	(149)
Retirement benefits at December 31, 2024	7,825	2,161	505	440	10,930

04 – CONSOLIDATED FINANCIAL STATEMENTS

2023	France	Italy	Japan	Others	Total
Retirement benefits at January 1, 2023	6,756	1,335	836	654	9,580
Expense/(income) of the year	519	115	53	207	894
Benefits paid	(440)	(71)	(154)	(108)	(773)
Contributions paid	-	-	-	(11)	(11)
Actuarial losses (gains)	1,217	(27)	(32)	(152)	1,006
Exchange rate differences	-	-	(80)	(23)	(103)
Retirement benefits at December 31, 2023	8,052	1,352	623	567	10,593

Breakdown of net annual charge:

2024	France	Italy	Japan	Others	Total
Service cost provided in the year	469	-	45	102	616
Past service cost	-	-	-	(8)	(8)
Net interest cost	310	201	5	64	581
Expense/(income) of the year	779	201	50	158	1,188

2023	France	Italy	Japan	Others	Total
Service cost provided in the year	365	77	45	132	619
Past service cost	(90)	-	3	-	(87)
Net interest cost	244	38	5	75	362
Expense/(income) of the year	519	115	53	207	894

Main actuarial assumptions used in 2024:

	France	Italy	Japan
Discount rate	3.50%	2.81%	1.10%
Average rate of salary increase, including inflation	4.31%	5.00%	0.32%
Personnel turnover rate	7.10%/14.20%	3.00%	13.80%

The discount rate used is determined by reference to the yield the date of measurement on investment-grade corporate bonds with a maturity corresponding to the duration of the obligation. For the Eurozone, the discount rate used is determined by reference to the iBoxx rates, made up from corporate bonds rated AA or higher; the same applies to Japan.

According to estimates made by the Group, a change of plus or minus 0.25% of the discount rate would result in a change in actuarial liabilities of the opposite sign by approximately 2.3%. Moreover, a

change of plus or minus 0.25% of the rate of salary increase would result in a change in actuarial liabilities of the same sign by approximately 2.1%.

The personnel turnover rate was calculated via a table based on age group. For France, the personnel turnover rate for employees under 50 years of age was 7.10% for non-managerial grade personnel, and 14.20% for managerial grade personnel. It was 0% over 50 years of age.

NOTE 20 LEASE LIABILITIES

Statement of changes in lease liabilities

2024	Long term lease liabilities	Short term lease liabilities	Total
Book value at January 1, 2024	22,074	9,145	31,219
New contracts and renewals	8,755	2,565	11,319
Change in scope of consolidation ⁽¹⁾	578	869	1,447
Reimbursement	-	(11,526)	(11,526)
Reclassification	(9,344)	9,344	-
Others	(535)	(657)	(1,193)
Exchange rate differences	697	201	898
Book value at December 31, 2024	22,223	9,942	32,165

(1) Integration of Launchmetrics in 2024 see note 2.31.

04 – CONSOLIDATED FINANCIAL STATEMENTS

2023	Long term lease liabilities	Short term lease liabilities	Total
Book value at January 1, 2023	25,321	9,048	34,369
New contracts and renewals	4,529	2,342	6,872
Change in scope of consolidation ⁽¹⁾	963	513	1,477
Reimbursement	-	(10,579)	(10,579)
Reclassification	(8,192)	8,192	-
Others	3	(123)	(120)
Exchange rate differences	(551)	(249)	(800)
Book value at December 31, 2023	22,074	9,145	31,219

(1) Integration of TextileGenesis and Lectra Suzhou in 2023, see note 2.31.

Maturity schedule of lease liabilities at December 31, 2024

	Until 2025	Between 2026 and 2030	Beyond 2030	Total
Lease liabilities	9,942	19,911	2,163	32,016

The number of contracts entering the low-value or short-term scope exception of IFRS 16 is very limited for the Group. As a consequence,

the information relating to these contracts is shown together with the other Group commitments in note 27.

Moreover, the Group is not concerned by future cash-outs that would not be taken into account when evaluating the lease liability (such as variable leases, extension options not considered in the duration of the lease, or leasing agreements that are not effective yet).

NOTE 21 COMMITMENT TO PURCHASE MINORITIES' SHARES

In 2021, with the acquisitions of 80% of Neteven and 60% of Gemini, the Group has also committed to buy the remaining capital and voting rights in 2025 for Neteven, and in two installments for Gemini (2024 and 2026). A liability relating to these commitments to purchase minorities' shares was then estimated to 2,500 thousand euros for Neteven and 7,000 thousand euros for Gemini. Following the departure of one of the founders of Neteven in 2022, the Group proceeded to buy out his shares in the company and the residual debt was reevaluated at 3 382 thousand euros in short term.

On June, 2022, the Group signed a business combination between its subsidiary Lectra Turkey and Glengo, the exclusive distributor of Gerber solutions in Turkey. The transaction involved the acquisition by Lectra Turkey of Glengo's assets (and the onboarding of most of its employees), for 5.0 million euros, and the acquisition by Glengo's shareholders of 25% of Lectra Turkey's shares; the company became Glengo Lectra Teknoloji. The transaction also includes a mid-term minority shares purchase commitment in June, 2025 valued at 1,902 thousand euros.

In 2023, with the acquisition of 50.5% of TextileGenesis, the Group has also committed to buy the remaining capital and voting rights in two installments (January, 2026 and January, 2028). The liability

related to the commitment to purchase minorities' shares was estimated to a total 49,447 thousand euros (42,972 thousand euros in discounted value).

In 2024, the acquisition of 50.2% of Launchmetrics' capital and voting rights was accompanied by a commitment to buy the remaining capital and voting rights. This acquisition will take place in five stages in 2025, 2026, 2027, 2028 and 2030 (commitment to buy back minority interests - by means of cross put and call options), and will bring the total acquisition price to an estimated \$200-240 million dollars. A debt corresponding to these commitments has thus been estimated at 110,479 thousand euros (99,396 thousand euros at present value).

For Gemini, the Group bought 15% of the share capital for 2,520 thousand euros in October 2024. The Group has also renegotiated the purchase price of the remaining shares for a fixed amount of 3,467 thousand euros. As a result, the Group no longer recognizes Gemini minority interests in its shareholders' equity, and the subsidiary's earnings was allocated in full to the Group from October 21, 2024. The remaining debt of 3,467 thousand euros, now considered as a deferred payment, is recognized in other current liabilities.

04 – CONSOLIDATED FINANCIAL STATEMENTS

The following table shows the evolution of these liabilities in the Group's statement of financial position:

	2024	2023
Commitments to purchasing minorities' shares at January 1	51,238	10,450
Purchase of 40% of Gemini	(6,808)	-
Purchase of 7% of Neteven		(833)
Revaluation of the existing commitments	6,028	(571)
Commitment to purchasing minorities' shares of Launchmetrics	110,479	0
Commitment to purchasing minorities' shares of TextileGenesis	-	45,416
Exchange rate differences	4,273	-
Discounting on commitments to purchasing minorities' shares	(17,557)	(3,223)
Commitments to purchasing minorities' shares at December 31	147,653	51,238
of which, current portion	29,767	1,702
Gemini		1,702
Launchmetrics	24,483	-
Glengo	1,902	-
Neteven	3,382	1,702
of which, non-current portion	117,886	49,536
Launchmetrics	74,913	-
Neteven		1,214
Gemini		4,737
Glengo		1,910
TextileGenesis	42,973	41,675

NOTE 22 BORROWINGS AND FINANCIAL DEBTS

NOTE 22.1 NET CASH / NET DEBT

	2024	2023
Available cash	81,901	111,049
Cash equivalents	-	4,000
Borrowings and financial debts	(102,477)	(98,089)
Net cash / (net debt)	(20,576)	16,960

Until May 31, 2021, the Group had no borrowings or financial debt. On June 1, 2021, it took out a 140 million euros loan with three banks, which was fully repaid on June 27, 2024. A further loan of 100 million euros was taken out with three banks in June 2024.

The major part of cash is invested in interest-bearing sight accounts and time deposits.

In 2023, cash equivalents solely consisted in a term deposit with a one-month maturity and a blocked account with a 32-day maturity.

NOTE 22.2 BORROWINGS BY CATEGORY AND BY MATURITY

Lease liabilities, accounted for under IFRS 16, and minority shares purchase commitment are not considered as financial debts here.

The Company had subscribed on June 1, 2021, to a 140 million euros loan to finance the acquisition of Gerber Technology with a five-year maturity, payable by four yearly instalments of 15% and 40% *in fine*. It bore interest at the 3-month or 6-month Euribor rate, to which a margin was added, depending on a leverage ratio and set at 85 base points for the first year and 75 base points for the second one. Two instalments of 21.0 million euros each were respectively paid back on June 1, 2022, and June 1, 2023.

This loan was fully repaid on June 27, 2024, for the remaining amount of 98 million euros. The costs related to the set-up of this loan that

was not yet amortized at the repayment date were recognized as financial expenses for 316 thousand euros, as this loan is accounted for as an extinguishment of the debt under IFRS 9.

The Company signed an agreement with its banks in January 2024 for a 100 thousand euros loan with a five-year maturity, payable by eight semi-annual instalments of 7.5% and 40% *in fine*. It bears interest at the 3-month or 6-month Euribor rate, to which a margin is added, depending on a leverage ratio and set at 175 base points for the first year. This loan was drawn down on June 27, 2024.

The costs related to the set-up of the loan were deducted from the initial amount recorded in the balance sheet and will be amortized over the duration of the loan (amortized cost under IFRS 9).

The Company also has a Revolving Credit Facility (RCF) of a maximum amount of 60 million euros, it bears interest at the Euribor rate of the period, to which a margin is added, depending on a leverage ratio and set at 135 base points for the first year.

At December 31, 2024, the maturity of the loan was as follows:

	2024	2023
Short term – less than one year	15,704	21,405
Long term – more than one year, and less than five years	86,773	76,684
Total	102,477	98,089
Derivative financial instruments		
Long term – more than one year, and less than five years	664	-
Total	664	-

In 2024, the global effective interest rate, after inclusion of the costs related to the set-up of the loan, was 5.56 % (4.18% in 2023 for the previous loan). In the theoretical case where 3-month Euribor would

04 – CONSOLIDATED FINANCIAL STATEMENTS

stay identical to that of December 31, 2024 (that is 2.678 %), the global effective interest rate would be 4.75% in 2024.

In addition, Launchmetrics' residual financial debt amounts to 2,766 thousand euros, of which 463 thousand euros are short-term and 2,303 thousand euros are due in more than one year and less than five years.

→ Interest paid

In respect of interest on these loans, the Group has disbursed 2,682 thousand euros for the new loan and 2,712 thousand euros for the previous loan in 2024 (4,504 thousand euros in 2023).

→ Covenant

For the entire duration of the loan, the Company committed to complying with a *leverage ratio* covenant regarding the ratio of net financial debt to EBITDA before non-recurring items on December 31 of each year. The Group was in compliance with the covenant on December 31, 2024.

NOTE 22.3 FINANCIAL INSTRUMENTS: INTEREST RATE HEDGES

The Group's exposure to interest rates variations is mainly a cash-flow risk related to the variable-rate loan.

The Group set up an interest-rate swap (fixed/variable) in June 2024 to hedge the risk of interest-rate volatility on variable debt (3-month Euribor indexation) for one-third of the amount borrowed (3-year loan of 100 million euros taken out in June 2024). At December 31, 2024, the fair value of this derivative was 667 thousand euros in liabilities.

The Group is aiming at reducing its financing cost, by limiting the impact of interest rates variation in the income statement: thus, these rates are closely monitored, and the Group will use, if necessary, financial instruments of the rates market (interest rates swaps, options, ...).

→ Sensitivity analysis

Excluding Launchmetrics' financial debt, all of the financial debt being made up by the variable rate loan, the sensitivity analysis for rates variations is as follows (excluding swap impact):

	2024			2023		
	Accounting value at December 31	Annual average	Additional financial fees if interest rates rise by 0.50%	Accounting value at December 31	Annual average	Additional financial fees if interest rates rise by 0.50%
Bank loan at variable rate	100,000	99,025	495	98,000	106,750	534
Total	100,000	99,025	495	98,000	106,750	534

NOTE 22.4 FINANCIAL INSTRUMENTS: CURRENCY HEDGES

In 2024 and 2023, the Group mainly used forward sales and purchases of currencies to hedge part of its foreign currency balance sheet positions at the end of each month.

Forward transactions entered into by the Company to hedge significant balance sheet currency positions at December 31, 2024 and 2023 are analyzed below (hedge against the euro, unless stated otherwise):

	2024				2023			
	In foreign currency (1) (in thousands)	Value (in thousands of euros) (2)	Difference in value (3)	Expiration date	In foreign currency (1) (in thousands)	Value (in thousands of euros) (2)	Difference in value (3)	Expiration date
USD	(53,690)	(51,566)	114	January 8, 2025	(29,131)	(26,654)	(291)	January 8, 2024
USD / CNH	6,923	6,585	(79)	January 8, 2025	6,923	6,350	86	January 8, 2024
CNH	24,471	3,214	6	January 8, 2025	39,509	5,039	17	January 8, 2024
GBP	(2,788)	(3,366)	(3)	January 8, 2025	(2,191)	(2,528)	(8)	January 8, 2024
GBP / CNH	(309)	(374)	(1)	January 8, 2025	(309)	(358)	(2)	January 8, 2024
HKD	(3,017)	(371)	3	January 8, 2025	(2,721)	(317)	(2)	January 8, 2024
JPY	(325,331)	(2,010)	(15)	January 8, 2025	(318,783)	(2,043)	(4)	January 9, 2024
Other currencies	na	(4,800)	(39)	January 8, 2025	na	(4,762)	(26)	January 8, 2024
Total		(52,687)	(15)			(25,274)	(230)	

(1) For each currency, net balance of forward sales and (purchases) against euros.

(2) Equivalent value of forward contracts is calculated at historical value.

(3) Difference in value reflects the difference between historical equivalent value and equivalent value at closing price of the forward contracts.

Fair value of forward currency contracts at December 31, 2024 is calculated on the basis of exchange rates published by the European Central Bank (ECB) or, in the absence of quotation by the ECB, on the basis of rates published by Natixis. This valuation is comparable to the procedure used for information purposes by the banks with which these forward currency contracts were entered into.

04 – CONSOLIDATED FINANCIAL STATEMENTS

The tables below, showing foreign currency exposure, lists the most significant Company's foreign currency assets and liabilities, together with the net value of forward transactions unexpired at December 31, 2024 and December 31, 2023 (hedge or position against the euro, unless stated otherwise):

2024								
(in thousands of currencies)	USD	USD/CNH	CNH	CNY	GBP	GBP/CNH	HKD	JPY
Carrying position to be hedged:								
Trade account receivables	16,539	-	-	24,683	73	-	(208)	226,452
Cash	4,392	-	-	-	-	-	-	-
Trade payables	(73,271)	-	-	(5,002)	(2,733)	-	-	(522,923)
Total	(52,340)	-	-	19,681	(2,660)	-	(208)	(296,470)
Net nominal of hedges	53,690	(6,923)	(24,471)	-	2,788	309	3,017	325,331
Net residual position	1,350	(6,923)	(24,471)	19,681	128	309	2,809	28,861
Equivalent value in euros at closing rate	1,299	(6,923)	(3,208)	2,635	154	309	348	177
Analysis of sensitivity to currency fluctuations								
Closing rate	1.04	1.00	7.63	7.47	0.83	1.00	8.07	163.06
5% currency depreciation relative to closing rate								
Closing rates parity depreciated by 5%	1.09	1.00	8.01	7.84	0.87	1.00	8.47	171.21
Foreign exchange impact in P&L	(62)	0	153	(125)	(7)	0	(17)	(8)
5% currency appreciation relative to closing rate								
Closing rates parity appreciated by 5%	0.99	1.00	7.25	7.09	0.79	1.00	7.67	154.91
Foreign exchange impact in P&L	68	0	(169)	139	8	0	18	9

2023								
(in thousands of currencies)	USD	USD/CNH	CNH	CNY	GBP	GBP/CNH	HKD	JPY
Carrying position to be hedged:								
Trade account receivables	17,897	-	-	34,602	8	-	699	1,224
Cash	1,419	-	-	-	-	-	-	-
Trade payables	(47,485)	-	-	(1,664)	(1,977)	-	-	(314,100)
Total	(28,169)	-	-	32,939	(1,969)	-	699	(312,876)
Net nominal of hedges	29,131	(6,923)	(39,509)	-	2,191	309	2,721	318,783
Net residual position	962	(6,923)	(39,509)	32,939	222	309	3,420	5,908
Equivalent value in euros at closing rate	871	(6,923)	(5,022)	(20)	255	309	396	38
Analysis of sensitivity to currency fluctuations								
Closing rate	1.11	1.00	7.87	7.83	0.87	1.00	8.63	156.33
5% currency depreciation relative to closing rate								
Closing rates parity depreciated by 5%	1.16	1.00	8.26	8.22	0.91	1.00	9.06	164.15
Foreign exchange impact in P&L	(41)	0	239	(200)	(12)	0	(19)	(2)
5% currency appreciation relative to closing rate								
Closing rates parity appreciated by 5%	1.05	1.00	7.47	7.44	0.83	1.00	8.20	148.51
Foreign exchange impact in P&L	46	0	(264)	222	13	0	21	2

04 – CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22.5 LIQUIDITY RISK

The Group manages liquidity risk by taking into account the maturity of financial investments, financial assets and estimates of future cash flows from operating activities. Available cash and the annual

generation of free cash flow enable the Group to meet its future financial commitments. The contractual maturities of the Group's financial debt are as follows:

(in thousands euros)	Balance sheet value	Total contractual cash flows	Timeline as of December,31 2024					
			December 2025	December 2026	December 2027	December 2028	December 2029	More than 5 years
Bank loan at variable rate Lectra SA	(99,248)	(114,314)	(19,372)	(18,691)	(18,009)	(17,335)	(40,907)	-
Bank loan at fixed rate Launchmetrics	(3,180)	(3,430)	(1,937)	(862)	(631)	-	-	-
Lease debt	(32,165)	(34,627)	(10,422)	(9,495)	(7,307)	(4,430)	(2,741)	(232)
Qualified derivatives	(664)	(664)	-	-	(664)	-	-	-
Other financial liabilities	(255,348)	(272,905)	(137,251)	(47,611)	(31,418)	(40,011)	-	(16,615)
Total financial liabilities	(390,605)	(425,940)	(168,982)	(76,659)	(58,029)	(61,776)	(43,648)	(16,847)

NOTE 23 TRADE AND OTHER PAYABLES

	2024	2023
Trade payables	40,150	37,378
Social liabilities	31,472	25,366
Tax liabilities	5,953	5,866
Down-payments from customers	15,733	15,228
Other current payables	7,842	4,656
Total	101,150	88,493

NOTE 24 DEFERRED REVENUES

	2024	2023
Deferred revenues on recurring contracts	107,000	90,009
Other deferred revenues ⁽¹⁾	4,845	4,094
Total	111,845	94,103

(1) Other deferred revenues mainly correspond to invoiced services, which were not completed at year end.

The counterpart of deferred revenues that has not yet been collected is recorded for the same amount (plus VAT and related taxes) in 'Trade accounts receivable' in the statement of financial position (see note 15).

For the Group, deferred revenues correspond to contract liabilities as defined by IFRS 15.

Bridge for main contract liabilities

	2024	2023
Contract liabilities at January 1	94,103	88,755
Revenue booked during the period	(233,050)	(181,298)
Invoicing during the period	244,528	187,853
Change in scope of consolidation ⁽¹⁾	4,478	157
Exchange rate differences	1,786	(1,364)
Contract liabilities at December 31	111,845	94,103

(1) Integration of Launchmetrics in 2024 and TextileGenesis in 2023 (cf. note 2.31).

NOTE 25 PROVISIONS

	Provisions for employee-related claims	Provisions for tax litigations	Provisions for other risks & litigations	Provisions for warranty and technical risks	Total
2024					
Provisions at January 1, 2024	479	7,407	713	786	9,386
Additional provisions	302	3	3	1,171	1,479
Unused amounts reversed	(261)	(531)	(46)	(1,138)	(1,976)
Exchange rate differences	-	(10)	6	7	3
Provisions at December 31, 2024	520	6,869	676	827	8,892
2023					
Provisions at January 1, 2023	533	11,105	711	1,159	13,509
Additional provisions	39	4,657	20	1,009	5,725
Used amounts reversed	-	(1,747)	-	(1,373)	(3,120)
Unused amounts reversed	(93)	(6,711)	-	-	(6,804)
Exchange rate differences	-	103	(18)	(9)	76
Provisions at December 31, 2023	479	7,407	713	786	9,386

Contingent liabilities

The Group had no knowledge, at the date of Board of Directors' meeting to draw up the accounts, of any contingent liability at December 31, 2024.

To the Group's knowledge, there were no proceedings pending at December 31, 2024, other than those for which provision has been made, that could have a material negative impact on the financial condition of the Group.

Environmental risks

As part of the implementation of the CSRD in 2024, the Group is committed to strengthening its transparency on ESG issues and covering all its environmental risks. These commitments include the reduction of greenhouse gas emissions, responsible management of natural resources and the integration of climate risks into its strategy. The Group is strengthening its governance and processes to meet new regulatory requirements while supporting its sustainable ambitions.

NOTE 26 ADDITIONAL DISCLOSURE CONCERNING FINANCIAL INSTRUMENTS

The Group has designated the following main categories of financial assets and liabilities:

At December 31, 2024	IFRS 9 classification				Fair value
	Carried at amortized cost	Carried at fair value through profit or loss	Carried at fair value through OCI	Carrying amount	
Non-consolidated shares		X		1,088	1,088
Loans, deposits and guarantees	X			4,266	4,266
Trades account receivables	X			102,601	102,601
Other financial assets	X			1,270	1,270
Cash and cash equivalents		X		81,901	81,901
Total financial assets				191,126	191,126
Interest-bearing bank loans	X			102,477	102,477
Derivatives not designated as hedges		x		14	14
Derivatives designated as hedges			X	664	664
Trade payables and other current liabilities	X			95,198	95,198
Total financial liabilities				198,353	198,353

04 – CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2023	IFRS 9 classification			Carrying amount	Fair value
	Carried at amortized cost	Carried at fair value through profit or loss	Carried at fair value through OCI		
Non-consolidated shares		X		1,088	1,088
Loans, deposits and guarantees	X			4,173	4,173
Trades account receivables	X			91,859	91,859
Other financial assets	X			634	634
Derivatives not designated as hedges		X		230	230
Cash and cash equivalents		X		115,049	115,049
Total financial assets				213,033	213,033
Interest-bearing bank loans	X			98,089	98,089
Trade payables and other current liabilities	X			82,627	82,627
Total financial liabilities				180,716	180,716

Fair value of current loans and trade accounts receivable, trade payables and other current liabilities is identical to their book value, given their short-term nature. For loans and deposits included in other

non-current financial assets, their fair value is deemed close to their book value, since the discounting effect is considered negligible.

NOTE 27 ADDITIONAL DISCLOSURES

Commitments given

Since January 1, 2019, commitments given in respect to leasing agreements are accounted for under IFRS 16.

Thus, at December 31, 2024, the commitments relating to leasing agreements not entering the scope of IFRS 16, service contracts and other guarantees given are as follows:

	Payments due by period			Total
	Less than 1 year	Between 1 to 5 years	More than 5 years	
Contractual commitments ⁽¹⁾	7,750	7,562	2	15,313
Other guarantees: sureties ⁽²⁾	1,217	357	1,292	2,866

(1) Mainly Group management software subscription contracts, miscellaneous services contracts and IT and office equipment rentals.

(2) This mainly concerns sureties given by banks on the Company's behalf or given by the Company to financial institutions against leases made by the latter to its subsidiaries.

Rentals booked as expenses that lie outside the criteria for application of IFRS 16 in 2024 amounted to 10,914 thousand euros.

6. Notes to the consolidated income statement

By convention, a minus sign in the tables of notes to the income statement represents a charge for the year, and a plus sign an income or gain for the year.

NOTE 28 REVENUES

In 2024, no single customer represented more than 4% of consolidated revenues, the ten largest customers combined accounted for less than 15% of revenues, and the 20 largest customers for less than 20%.

NOTE 28.1 REVENUES BY GEOGRAPHIC REGION

In 2024, as in 2023, more than 50% of total revenues were generated in 5 countries: the United States (19%), Italy (10%), Mexico (9%), China (9%), France (6%). These percentages were respectively 20%, 9%, 10%, 8% and 5% in 2023.

	2024		2023		Changes 2024/2023
	Actual	%	Actual	%	
Europe, of which:	178 371	34%	156 202	33%	+14%
- France	33 742	6%	25 599	5%	+32%
Americas	175 894	33%	171 452	36%	+3%
Asia-Pacific	130 596	25%	109 620	23%	+19%
Other countries	41 813	8%	40 305	8%	+4%
Total	526 674	100%	477 579	100%	+10%
€/ \$ average parity	1.08		1.08		

NOTE 28.2 REVENUES BY TYPE OF BUSINESS

	2024		2023		Changes 2024/2023
	Actual	%	Actual	%	
Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services, of which:	146 583	28%	154 347	32%	-5%
- Perpetual software licenses	12 149	2%	13 813	3%	-12%
- Equipment and accompanying software	112 393	21%	118 772	25%	-5%
- Training and consulting services	17 685	3%	17 260	3%	+2%
- Miscellaneous	4 355	1%	4 502	1%	-3%
Recurring revenues, of which:	380 091	72%	323 232	68%	+18%
- Software subscriptions	77 391	15%	30 381	6%	+155%
- Software maintenance contracts	53 075	10%	53 633	11%	-1%
- Equipment and accompanying software maintenance contracts	102 584	20%	97 284	20%	+5%
- Consumables and parts	147 041	28%	141 934	30%	+4%
Total	526 674	100%	477 579	100%	+10%
€/ \$ average parity	1.08		1.08		

NOTE 28.3 BREAKDOWN OF REVENUES BY CURRENCY

	2024	2023
US dollar	42%	44%
Euro	38%	36%
Chinese yuan	7%	7%
Pound sterling	2%	2%
Brazilian real	2%	2%
Vietnamese dong	2%	2%
Other currencies ⁽¹⁾	7%	7%
Total	100%	100%

(1) No other single currency represents more than 2% of total revenues.

NOTE 28.4 REMAINING PERFORMANCE OBLIGATIONS

In its Management Discussion, the Group discloses an 'order backlog for new systems' corresponding to orders for new perpetual software licenses, equipment and accompanying software and training and consulting services. This entire 'order backlog' is due to be delivered within one year.

Moreover, the contract liabilities of the Group, corresponding to its deferred revenues, will also be reversed and booked as revenue in the 12 months following the closing date.

Thus, and according to IFRS 15.121, the Group does not hold any significant remaining performance obligation which it would have to disclose.

NOTE 29 COST OF GOODS SOLD AND GROSS PROFIT

	2024	2023
Revenues	526,674	477,579
Cost of goods sold, of which:	(149,801)	(144,402)
Purchases and freight-in costs	(131,109)	(126,092)
Inventory movement, net	(7,564)	(7,815)
Industrial added value	(11,128)	(10,495)
Gross profit	376,873	333,177
(in % of revenues)	71.6%	69.8%

Industrial added value includes personnel costs that are included in production costs, freight-out costs on equipment sold, and a share of depreciation of the manufacturing facilities at the Bordeaux-Cestas (France), Tolland (USA) and Suzhou (China) sites.

Personnel costs and other operating expenses incurred in the performance of service activities are not included in cost of goods sold but are recognized in 'Selling, general and administrative expenses'.

NOTE 30 RESEARCH AND DEVELOPMENT

	2024	2023
Fixed personnel costs	(55,441)	(46,042)
Variable personnel costs	(854)	(611)
Other operating expenses	(9,943)	(7,885)
Depreciation expenses	(1,382)	(1,253)
Total before research tax credit and grants	(67,621)	(55,790)
(in % of revenues)	12.8%	11.7%
Research tax credit and government grants	5,666	4,489
Total	(61,955)	(51,301)

NOTE 31 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Fixed personnel costs	(154,570)	(137,175)
Variable personnel costs	(14,154)	(11,913)
Other operating expenses	(55,004)	(54,368)
Depreciation & amortization (tangible & intangible assets)	(29,813)	(19,246)
Depreciation of right-of-use assets	(10,663)	(9,467)
Net provisions	(1,459)	(655)
Total⁽¹⁾	(265,663)	(232,824)
(in % of revenues)	50.4%	48.8%

(1) Selling, general and administrative expenses do not include the expenses comprised in 'Industrial added value' (see note 29), which amounted to 11,035 thousand euros in 2024 and 10,495 thousand euros in 2023.

04 – CONSOLIDATED FINANCIAL STATEMENTS

→ Fees paid to Group auditors and companies in their networks

In 2024, other operating expenses comprised 1,649 thousand euros in respect of the audit of all Group companies, of which 762 thousand euros for PwC, 657 thousand euros for KPMG and 230 thousand euros for other audit firms, excluding services other than the certification of

financial accounts. The corresponding amount in 2023 was 1,544 thousand euros.

Fees paid by the Group in 2024 to the Statutory Auditors in respect of the audit and non-audit services performed by their networks to consolidated entities were 1,743 thousand euros, of which 1 026 thousand euros for PwC and 717 thousand euros for KPMG:

	PwC				KPMG			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Statutory audits, certification and examination of individuals and consolidated financial statements								
- Issuer (Lectra SA)	287	28%	215	27%	325	45%	227	37%
- Fully-consolidated subsidiaries	505	49%	508	64%	375	52%	360	58%
Non-audit services								
- Issuer (Lectra SA)	12	1%	33	4%	13	2%	2	0%
- Fully-consolidated subsidiaries	37	4%	5	1%	1	0%	14	2%
Sub-total	841	82%	761	96%	714	100%	603	98%
Other services to consolidated entities								
- Legal, tax and social reviews ⁽¹⁾	18	2%	28	4%	3	0%	13	2%
Sub-total	18	2%	28	4%	3	0%	13	2%
Certification of sustainability information	167	16%	-	0%	-	0%	-	0%
Total	1,026	100%	789	100%	717	100%	616	100%

(1) These missions mostly relate to tax compliance services provided by members of the network to foreign subsidiaries of the Company.

NOTE 32 STAFF

NOTE 32.1 TOTAL STAFF COSTS

The table below combines all fixed and variable personnel costs for the Group.

	2024	2023
Research and development	(56,296)	(46,652)
Selling, general and administrative	(168,724)	(149,088)
Manufacturing, logistics and purchasing ⁽¹⁾	(8,275)	(7,822)
Total	(233,295)	(203,563)

(1) Manufacturing, logistics and purchasing' personnel expenses are included in the cost of goods sold, in 'Industrial added value' (see note 29).

NOTE 32.2 ACTIVE HEADCOUNT AT DECEMBER 31

Since 2019, the Group presents the active headcount.

	2024	2023
Parent company⁽¹⁾	858	909
Subsidiaries⁽²⁾, of which:	2,093	1,631
Europe	1,068	674
Americas	459	460
Asia-Pacific	514	443
Other countries	52	54
Total	2,951	2,540

(1) In 2024 as in 2023, expatriates are attached to the economic entities for which they work.

(2) Refers to all consolidated and non-consolidated Group companies.

→ Analysis of active headcount by function

	2024	2023
Marketing, Sales	524	414
Services (Business consultants and solutions experts, Call centers, Technical maintenance)	845	828
Research and Development	677	586
Purchasing, Production, Logistics	266	266
Administration, Finance, Human resources, Information systems	639	446
Total	2,951	2,540

NOTE 32.3 CONTRIBUTIONS TO PENSION PLANS

Contributions to compulsory or contractual pension plans are expensed in the year in which they are paid.

In 2024, Group companies subject to defined-contribution pension plans booked a sum of 9,265 thousand euros under personnel costs in respect of their contributions to these pension or retirement funds. The main subsidiary concerned, in addition to the parent company, was Lectra Italy.

NOTE 32.4 EMPLOYEE PROFIT-SHARING AND INCENTIVE PLAN

→ Profit-sharing plan

An amendment to the October 1984 employee profit-sharing plan (*participation*), applicable solely to the Company employees, was signed in October 2000. Under this plan, a portion of the special employee profit-sharing reserve set aside annually may be invested in equity securities, in a corporate savings plan. Consequently, beneficiaries may choose between five types of funds, one consisting exclusively of Lectra shares, at their discretion.

In 2025, no profit-sharing will be paid, in respect of fiscal year 2024 (a profit-sharing payment of 428 thousand euros was made in 2024, in respect of fiscal year 2023).

→ Incentive plan

A collective employee incentive plan (*intéressement*), applicable solely to the Company employees, was signed for the first time in September 1984 and renewed every year since that date. The most recent incentive plan signed in June 2023 covers the period 2023–2025.

The profit-sharing and incentive amount in respect of fiscal 2024 equals 584 thousand euros. A profit-sharing amount of 497 thousand euros was paid in 2024 in respect of 2023.

NOTE 32.5 COMPENSATION OF GROUP MANAGEMENT

The Group management team now counts 12 people at December 31, 2024.

Personnel expenses related to the Group management team, accounted for in 2024, amounted to 4,956 thousand euros (5,624 thousand euros in 2023) and broke down as follows:

	2024	2023
Fixed compensation	3,630	3,854
Variable compensation	347	613
Other short-term benefits	307	336
Post-employment benefits ⁽¹⁾	17	28
Severance compensation	-	180
Granting of stock options ⁽¹⁾	655	613
Personnel expenses related to the Group management team	4,956	5,624

(1) The company officer (*dirigeant mandataire social*) is not granted any special arrangement or specific benefits concerning deferred compensation, severance compensation, or pension liabilities committing the Company to pay any form of indemnity or benefit in the event of termination of his functions, or at the time of his retirement, or more generally subsequent to the termination of his functions. He holds no stock options.

NOTE 32.6 DIRECTORS' FEES

Conditional upon approval by the Shareholders' Meeting on April 25, 2025, 440 thousand euros in Directors' fees will be allocated to the members of the Board with respect to fiscal 2024 (460 thousand euros for fiscal 2023).

Non-executive directors still in office as of December 31, 2024 do not receive any other form of compensation.

NOTE 33 DEPRECIATION AND AMORTIZATION CHARGES

The table below combines all depreciation and amortization charges on tangible and intangible fixed assets and their allocation between income statement items:

	2024	2023
Research and development ⁽¹⁾	(1,382)	(1,253)
Selling, general and administrative	(5,995)	(5,621)
Manufacturing, logistics and purchasing ⁽²⁾	(1,079)	(979)
Amortization of intangibles identified in business combinations	(22,739)	(12,646)
Depreciation of right-of-use assets	(10,663)	(9,467)
Total	(41,859)	(29,966)

(1) Amortization and depreciation expenses allocated to 'Research and development' pertain to the share of the intangible assets and property, plant and equipment used by these teams. R&D costs themselves are expensed in full in the year.

(2) 'Manufacturing, logistics and purchasing' depreciation and amortization charges are included in 'Industrial added value' (see note 29).

NOTE 34 NON-RECURRING ELEMENTS

In 2023 and 2024, the Group recorded non-recurring elements in its income statement.

In 2024, non-recurring expenses amounting to 457 thousand euros correspond to costs related to the acquisition of Lauchmetrics.

In 2023, non-recurring income corresponds for 2,638 thousand euros to the unused portion of a provision reversed in the second quarter of

2023, after the agreement reached on a tax dispute following the acquisition of Gerber, and for 2,536 thousand euros to unused reversals of tax risk provisions following the acquisition of Gerber and now time-barred. Non-recurring expenses correspond for 4,600 thousand euros to an additional tax risk provision related to ongoing discussions with the French tax administration (see note 16), and for 1,177 thousand euros to costs related to acquisitions.

NOTE 35 FINANCIAL INCOME AND EXPENSES

	2024	2023
Financial income, of which:	2,258	3,098
Gains on sales of cash equivalents	800	1,666
Other interest income	1,459	1,432
Financial expenses, of which:	(8,269)	(5,936)
Bank charges	(917)	(993)
Interest expense on bank loans and financial debts	(5,571)	(4,330)
Interest on lease liabilities (IFRS 16)	(822)	(541)
Other financial expenses ⁽¹⁾	(959)	(72)
Total	(6,011)	(2,838)

(1) This line chiefly includes, for 2024, the discounting of the French research and development tax credit of Lectra SA (see note 16).

NOTE 36 FOREIGN EXCHANGE INCOME

A foreign exchange translation loss of 2,189 thousand euros was recognized in 2024 (1,644 thousand euros in 2023).

At December 31, 2024, as at December 31, 2023, the Company held no currency options (see note 22.4).

NOTE 37 SHARES USED TO COMPUTE EARNINGS PER SHARE

At December 31, 2024 and 2023, the Company had not issued any dilutive instrument other than the stock options detailed in note 17.5.

	2024	2023
Basic earnings (Group share) per share		
Net income, Group share (in thousands of euros)	31,164	33,904
Weighted average number of shares outstanding during the period ⁽¹⁾	37,905,891	37,828,217
Weighted average number of treasury shares held during the period	(32,152)	(34,034)
Weighted average number of shares used to compute basic earnings per share	37,873,739	37,794,184
Basic earnings per share (in euros)	0.82	0.90

(1) In 2024, 133,309 stock options were exercised, giving rise to the creation of 133,309 new shares. In 2023, 44,016 stock options were exercised, giving rise to the creation of 44,016 new shares (see note 17).

	2024	2023
Diluted earnings (Group share) per share		
Net income, Group share (in thousands of euros)	31,164	33,904
Weighted average number of shares outstanding during the period ⁽¹⁾	37,905,891	37,828,217
Weighted average number of treasury shares held during the period	(32,152)	(34,034)
Dilutive effect of stock options, under the share repurchase method ⁽²⁾	287,405	340,704
Weighted average number of shares used to compute diluted earnings per share	38,161,144	38,134,888
Diluted earnings per share (in euros)	0.82	0.89

(1) In 2024, 133,309 stock options were exercised, giving rise to the creation of 133,309 new shares. In 2023, 44,016 stock options were exercised, giving rise to the creation of 44,016 new shares (see note 17).

(2) In 2024, due to an average share price of €26.43 during the period, the dilutive effect of stock options under the share repurchase method resulted in 287,405 theoretical additional shares (340,704 theoretical additional shares in 2023 due to an average share price of €31.53).

NOTE 38 GROUP EXPOSURE TO FOREIGN-EXCHANGE FLUCTUATIONS

The Company's net operational exposure to foreign exchange fluctuations corresponds to the difference between revenues and total costs denominated in each of these currencies. This exposure mainly concerns the US dollar, which is the main currency in which business is transacted, along with the euro.

The overall currency variation between 2023 and 2024 resulted in a decrease of 1,885 thousand euros in the Group's 2024 revenue, excluding Launchmetrics, when comparing the 2024 figures at actual exchange rates to the 2024 figures at 2023 exchange rates. Of the amount, the US dollar, with an average parity versus the euro of \$1.08/€1 in 2024 as in 2023, contributed to a decrease of 113 thousand euros in revenue.

In 2024, 36% of the Group's consolidated revenues, 55% of its cost of sales, and 54% of its overhead expenses were denominated in euros. These percentages were respectively 43%, 27%, and 27% for the US dollar, as well as 8% (part of the revenues generated in China are denominated in US dollars or other currencies), 10% and 5% for

the Chinese yuan. The other currencies each represented less than 2% of revenues, cost of sales and overhead costs.

Sensitivity of revenues and EBITDA before non-recurring items to a change in currencies exchange rates

The sensitivity of revenues and EBITDA before non-recurring items to a change in exchange rates was based on the December 31, 2024 exchange rates for the relevant currencies, in particular \$1.04/€1.

In view of the estimated share of revenues and costs denominated in US dollars or in currencies correlated with the US dollar, a 5-cent fall in the euro against the US dollar (leading to an annual average exchange rate of \$0.99/€1) would mechanically increase 2024 annual revenues by approximately 12.0 million euros and annual EBITDA before non-recurring items by 5.4 million euros. Conversely, a 5-cent appreciation of the euro against the US dollar (i.e., \$1.09/€1) would mechanically reduce annual revenues and EBITDA before non-recurring items by the same amounts.

NOTE 39 OPERATING SEGMENTS INFORMATION

2024	EMEA ⁽¹⁾	Americas	Asia-Pacific	Corporate	Total
Revenues	219,049	176,095	131,529	-	526,674
EBITDA before non-recurring items	35,037	29,247	11,471	15,359	91,114

2023	EMEA ⁽¹⁾	Americas	Asia-Pacific	Corporate	Total
Revenues	196,508	171,452	109,620	-	477,579
EBITDA before non-recurring items	29,553	9,908	6,259	33,298	79,018

Since January 1st, 2024, the Group and its Executive Committee is no longer tracking information separately between Northern Europe and Southern Europe regions as presented above, but rather through a single commercial region "EMEA".

The "Corporate" column enables amounts to be reconciled with the Group's consolidated financial statements.

7. Notes to the consolidated statement of cash flows

NOTE 40 NON-CASH OPERATING EXPENSES

In 2024, as in 2023, 'Non-cash operating expenses' includes unrealized translation gains or losses on short-term balance sheet positions affecting the gain or loss on foreign exchange translation (see note 2.29 – Translation methods), the discounting of the research tax credit receivable (see note 16), additional financial provisions, the impact of measurement of stock options, reversal of the provision for impairment of investments in non-consolidated subsidiaries and interest due for the loan taken out by the Company.

NOTE 41 CHANGES IN WORKING CAPITAL REQUIREMENT

In 2024, the main changes in the working capital requirement broke down as follows:

- -10.2 million euros corresponding to the decrease in trade accounts receivable (the variation in trade accounts receivable shown in the consolidated statement of cash flows includes 'Deferred revenues' in the statement of financial position, which for the most part comprises the share of recurring contracts billed but not yet recognized in revenue);
- +2.2 million euros result from the decrease in trade payables;
- -1.1 million euros arising from the changes in other current assets and liabilities; taken individually, these changes are all immaterial.

In 2023, the main changes in the working capital requirement broke down as follows:

- +7,528 thousand euros coming from the reduction in trade payables, linked to the slowdown in activity;
- +4,451 thousand euros arising from the payment of the variable portion of salaries for the Group in respect of fiscal year 2022 paid mainly in 2023, net from the accrual recognized in 2023 that will be paid in 2024;
- -1,949 thousand euros corresponding to the decrease in trade accounts receivable (the variation in trade accounts receivable shown in the consolidated statement of cash flows includes 'Deferred revenues' in the statement of financial position, which for the most part comprises the share of recurring contracts billed but not yet recognized in revenue);
- -3,487 thousand euros from the 2019 research tax credit collected in Q3 2023;
- -5,631 thousand euros corresponding to the decrease in inventories;
- -343 thousand euros arising from the changes in other current assets and liabilities; taken individually, these changes are all immaterial.

NOTE 42 VARIATIONS OF LONG-TERM AND SHORT-TERM BORROWINGS

In 2021, the Group took out a 140 million euros bank loan, as described in note 22. This loan has been fully repaid on June 27, 2024 for the remaining amount of 98 million euros.

In January 2024, the Group has taken out a new loan of 100 million euros with a five year maturity, repayable in eight semi-annual installments of 7.5% and 40% in fine.

Moreover, the Group paid out 2,682 thousand euros in interest on the new loan and 2,712 thousand euros in interest on the previous loan in 2024 (4,504 thousand euros in 2023)

NOTE 43 FREE CASH FLOW

Free cash flow is equal to net cash provided by operating activities plus cash used in investing activities – excluding cash used for acquisitions of companies, net of cash acquired and repayment of lease liabilities recognized in accordance with IFRS 16.

	2024	2023
Net cash (used in)/provided by operating activities	88,316	59,572
Net cash (used in)/provided by investing activities, excluding cash used for acquisition of companies	(5,553)	(6,568)
Repayment of lease liabilities	(11,526)	(10,579)
Free cash flow	71,237	42,425
Non-recurring items included in free cash flow	(875)	(2,920)
Free cash flow before non-recurring items	72,112	45,345

In 2024, net cash provided by operating activities of 72,378 thousand euros (59,460 thousand euros in 2023), a decrease in working capital requirements of 14,107 thousand euros (increase of 569 thousand euros in 2023) and an increase in other non-current operating assets of 1,831 thousand euros (corresponding to the allocation of research tax credits from previous years to the tax payable by Lectra SA, Neteven and Launchmetrics for the 2024 fiscal year).

Details of changes in working capital requirement are provided in note 41 above.

Free cash flow was 71,237 thousand euros (42,425 thousand euros in 2023) and included 875 thousand euros of non-recurring cash-outs (2,920 thousand euros in 2023); thus free-cash flow before non-recurring items amounted to 72,112 thousand euros (45,345 thousand euros in 2023).

The repayment of lease liabilities (according to IFRS 16) does not affect performance as monitored by the Group; thus it is deducted in the free cash flow analysis above.

8. Statutory Auditors' report on the consolidated financial statements

(For the year ended December 31, 2024)

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and is provided solely for the convenience of English speaking users. This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

LECTRA S.A.
16-18, rue Chaligny
75016 Paris

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Lectra S.A. for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the

Group at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit engagement in compliance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of revenues from exported equipment

(Notes 2.21 and 28 to the consolidated financial statements)

Description of risk

The Group designs, produces and distributes complete and integrated technology solutions (automated cutting equipment and software) as well as associated support services, such as technical

maintenance, remote support, training, consulting, and sales of consumables and parts.

In 2024, the Group's revenues amounted to €526.7 million. Most sales of automatic cutting equipment and their on-board software, known as "pilots", are made outside France.

The terms and conditions for the transfer of the risks and benefits relating to these sales, described in the notes to the consolidated financial statements, vary according to destination and customer. Given that there are multiple conditions to be taken into account, there is a risk of error when determining the revenue recognition date, particularly around the reporting date.

Accordingly, we deemed the recognition of revenues from exported equipment around the reporting date to be a key audit matter, in light of the following factors:

- the significant impact on the Group's financial statements;
- the importance and large number of Incoterms for estimating the risk and benefit transfer dates, as determined pursuant to the sales contracts;

- the seasonal nature of sales, with a peak in activity at the end of each quarter;
- transportation times that can vary from several days to several weeks depending on the destination.

Audit procedures performed to address this risk

Our work consisted primarily in:

- updating our understanding of the process involved in accounting for different sales flows;
- assessing internal control procedures, identifying the most relevant manual controls for our audit and testing their design and operational effectiveness;
- identifying and testing, with the help of our IT specialists, the design and the effectiveness of the automatic controls integrated into IT systems that affect the recognition of revenues and are relevant for our audit;
- based on a sample of equipment export sales and their on-board software, around the 2024 reporting date:
 - reconciling invoices issued for corresponding contracts with the delivery documents relating to the invoices;
 - verifying that Incoterms have been properly taken into account,
- assessing the appropriateness of disclosures provided in Notes 2.21 and 28 to the consolidated financial statements.

Measurement of goodwill

(Notes 2.3, 2.7 and 6 to the consolidated financial statements)

Description of risk

As part of the development of its business, the Group carried out external growth operations and thus needed to recognize the resulting goodwill on its balance sheet.

Goodwill corresponds to the difference between the acquisition cost and the fair value of the assets acquired and liabilities assumed, as described in the notes to the consolidated financial statements. It is monitored for each of the three main regions that correspond to the three Cash-Generating Units (CGUs) identified by the Group.

Every year, through impairment tests, management verifies that the carrying amount of this goodwill, for which an amount of €369.5 million was recorded in the balance sheet in 2024 (versus €297.3 million in 2023), is lower than its recoverable amount and that there is no risk of impairment.

We deemed the valuation of goodwill to be a key audit matter due to:

- their material amount in the financial statements (40% of total assets at December 31, 2024);
- the judgment required from management in terms of determining the perpetual growth rate and discount rates applied to projected cash flows.

Audit procedures performed to address this risk

We reviewed the compliance of the methodology applied by the Group with applicable accounting standards.

We also conducted a critical review of the procedure for implementing the methodology described in the notes to the consolidated financial statements by carrying out the following procedures:

- assessing the correct identification of new UGT groups following the regionalization of the group into three geographical zones;
- assessing the appropriateness of the valuation model used;
- analyzing the consistency between the inputs included in the determination of the carrying amount of the different CGU groups and those included in cash flow projections;
- verifying the consistency of the projected future cash flows with management's most recent estimates, as presented to the Board of Directors during the budget process;

- verifying the reliability of the estimates process by examining the reasons for differences between forecasts made in previous years and actual results;
- assessing the reasonableness of projected cash flows in relation to the economic and financial context of the Group's various groups of CGUs;
- assessing the reasonableness of the discount rates applied to the estimated cash flows expected for the various groups of CGUs;
- analyzing the sensitivity tests carried out by management of the value in use in light of a change to the main assumptions used, as set out in the notes to the consolidated financial statements;
- assessing the appropriateness of the disclosures provided in Notes 2.3, 2.7 and 6 to the consolidated financial statements.

Our work was carried out with the support of our firms' valuation specialists.

Evaluation of commitments to purchase minority interests

(Notes 2.17 and 21 to the consolidated financial statements)

Description of risk

As of December 31, 2024, the total amount of commitments to purchase minority interests amounts to €148 million, including €99 million for the Launchmetrics sub-group and €43 million for Textile Genesis.

The terms for determining commitments to purchase minority interests are described in Notes 2.17 and 21 to the consolidated financial statements.

Commitments to purchase minority interests correspond to agreements by which a company undertakes to buy back the shares held by minority shareholders at a future date. These commitments can be made in the form of cross put and call options, allowing the company to eventually hold 100% of the concerned entity.

As part of its recent acquisitions, Lectra has entered into cross put and call options, leading to the recognition of commitments to purchase shares given to minority shareholders of subsidiaries as liabilities in exchange for Group equity. These commitments are reviewed at each closing for their present value.

We deemed the evaluation of commitments to purchase minority interests to be a key audit matter due to:

- their material amount in the consolidated financial statements (16% of the financial position as of December 31, 2024);
- the judgment required from management in terms of determining the prices to be paid on future payments.

Audit procedures performed to address this risk

We examined the compliance of the accounting treatment with the applicable accounting standards.

Our work consisted primarily in:

- reviewing the legal documentation (initial acquisition contract and various amendments) for each acquisition to verify the basis for calculating the final acquisition price and the amount of the commitment to purchase minority interests;
- assessing the reasonableness of the projection of aggregates used as the basis for calculating the prices to be paid on future payments;
- recalculating the present value amounts of the commitment to purchase minority interests based on the calculation and information available as of December 31, 2024;
- reconciling the purchase transactions of minority interests during the year with the payment proofs of the various price payments;
- assessing the allocation of commitments to purchase minority interests between current and non-current liabilities in the financial position;

- assessing the appropriateness of the information presented in Notes 2.17 and 21 to the consolidated financial statements.

Acquisition of Launchmetrics

(Notes 2.31 and 6 to the consolidated financial statements)

Description of risk

As indicated in Note 2.31 to the consolidated financial statements, on January 23, 2024, Lectra acquired 50.2% of the shares of Fashion GPS Inc, the holding company of the Launchmetrics group, for a price of €77 million (\$83 million) and committed to repurchasing the minority interests through cross put and call options exercisable between 2025 and 2030.

As part of the provisional allocation of the purchase price, Management identified and determined the fair value of the acquired assets and assumed liabilities. Intangible assets related to customer relationships, technology, databases, and brand were estimated at €72 million (\$79 million), deferred tax liabilities related to these intangible assets were evaluated at €19 million (\$20 million), and the preliminary goodwill was estimated at €58 million (\$63 million).

Additionally, a liability corresponding to the commitment to purchase minority interests was recognized for €105 million, before discounting, upon inclusion in the scope on January 23, 2024.

Given the material impact of the Launchmetrics acquisition on Lectra's consolidated financial statements as of December 31, 2024, and the importance of the judgment required from management in

the preliminary allocation of the purchase price, we deemed the acquisition of Launchmetrics to be a key audit matter.

Audit procedures performed to address this risk

In this context, our work consisted primarily in:

- reviewing and analyzing the main contracts governing the transaction;
- assessing the nature of control exercised by Lectra in accordance with IFRS 10 – Consolidated Financial Statements and the compliance of the accounting treatment of the transaction with IFRS 3 – Business Combinations;
- performing substantive procedures on the opening balance sheet of Launchmetrics as of January 23, 2024;
- regarding the fair value of acquired assets and assumed liabilities and the determination of preliminary goodwill:
 - reviewing the report of the independent expert appointed by management to assist in their identification and evaluation;
 - assessing the process implemented, the methodologies used, the main underlying assumptions, and the arithmetic accuracy of the calculations performed,
- implementing the procedures described in the key audit matter related to the evaluation of commitments to purchase minority interests to assess the reasonableness of the valuation of this commitment at the closing date;
- assessing the appropriateness of the information presented in Notes 2.31 and 6 to the consolidated financial statements.

Our work was carried out with the support of our firm's valuation specialists and IFRS experts.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Board of Directors, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Lectra S.A. by the Annual General Meetings held on June 28, 1990 for PricewaterhouseCoopers Audit and May 22, 1996 for KPMG S.A.

As at December 31, 2024, PricewaterhouseCoopers Audit and KPMG S.A. were in the 35th year and the 29th year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management

determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the Company to

cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear our independence, and the related safeguards.

Neuilly-sur-Seine and Mérignac, February 27, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit
Flora Camp

KPMG SA
Aurélien Lalanne

People responsible for the Annual Financial Report and auditing the financial statements

1. Certification by the people responsible for the Annual Financial Report

We certify that the information contained in this 2024 Annual Financial Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

We further certify that, to our knowledge, the parent company and consolidated financial statements have been prepared in accordance with currently applicable accounting standards and provide a fair view of the assets, liabilities, financial position and results of the Company and its consolidated companies, and that the Management Discussion and analysis of the Group presents a true and fair view of the development and performance of the business and the financial condition of the Company and consolidated companies, together with a description of the principal risks and uncertainties that they face, and that it has been prepared in accordance with the applicable sustainability reporting standards.

Paris, March 28 2025

Daniel Harari
Chairman and Chief Executive Officer

Olivier du Chesnay
Chief Financial Officer

2. People responsible for certifying accounting, financial and sustainability information

2.1 Statutory auditors in charge of certifying accounting and financial information

PricewaterhouseCoopers Audit
Represented by Mrs. Flora Camp

Crystal Park, 63, rue de Villiers
92208 Neuilly sur Seine Cedex

Term expires at the end of the Shareholders' Meeting convened to approve the 2025 financial statements

KPMG SA
Represented by Mrs. Aurélie Lalanne

Domaine Pelus, 11, rue Archimède
33700 Mérignac

Term expires at the end of the Shareholders' Meeting convened to approve the 2025 financial statements

2.2 Statutory auditor in charge of certifying sustainability information

PricewaterhouseCoopers Audit
Represented by Mrs. Flora Camp and Mrs. Aurélie Castellino

Crystal Park, 63, rue de Villiers
92208 Neuilly sur Seine Cedex

Term expires at the end of the Shareholders' Meeting convened to approve the 2025 financial statements

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