

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS FOR THE SECOND QUARTER AND FIRST HALF 2023

Dear Shareholders,

We report below on Lectra group's (the "Group") business activity and consolidated financial statements for the second quarter and first half of 2023, ending June 30, 2023.

Comparisons between 2023 and 2022 are based on 2022 exchange rates unless otherwise stated ("like-for-like"). As the impact of the acquisition of TextileGenesis (see press release dated December 8, 2022) on the financial statements for 2023 is not material, like-for-like changes exclude only the variations in exchange rates.

Orders for new systems are reported using two indicators: on the one hand, 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, the annual value of new subscriptions for software sold in Software-as-a-Service (SaaS) mode.

The detailed tables of orders for new systems, of revenues, and of the income statements for the second quarter and first half of 2023 are provided in the additional information of this report, starting on page 7.

### 1. SUMMARY FOR Q2 2023

#### *Decline in new system orders*

Against the backdrop of slower global growth, the anticipation of a recession risk in certain countries, persistent inflation, and continuously rising interest rates, the activity of Q2 2023 continued to be marked by a wait-and-see attitude on the part of the Group's customers around the world with regard to their investment decisions. This situation was reflected again in a low level of new system orders.

Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services (39.2 million euros) were down 27% (-29% at actual exchange rates) compared to Q2 2022, whose order volume set an all-time record, and therefore represents a very high basis for comparison.

Furthermore, the accelerating pace of sales in June brought Q2 2023 orders to 35.7 million euros, an 11% increase over Q1.

#### *Strong growth in orders for new software subscriptions*

Orders for new software subscriptions, of which the annual value came to 2.8 million euros, continued to rise, displaying a growth of 53% (+50% at actual exchange rates) compared to Q2 2022, and 7% compared to Q1 2023.

#### *Decrease in revenues and EBITDA before non-recurring items*

With an average exchange rate of \$1.09/€1 in Q2, the dollar was down 2% compared to Q2 2022 and the yuan declined by 8% against the euro. Currency changes mechanically decreased revenues by 2.7 million euros (-2%) and EBITDA before non-recurring items by 1.0 million euros (-6%) at actual exchange rates, compared to like-for-like figures.

The low level of orders for new systems in Q1 had a negative impact on 2023 Q2 revenues, which amounted to 115.9 million euros, and were down 8% compared to the same period of 2022. At actual exchange rates, revenues declined by 10%.

While revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services decreased by 30%, recurring revenues increased by 7% thanks to a strong growth in recurring contracts (+11%). These continued to benefit from the growth in software subscription orders and the acceleration of synergies from the Gerber acquisition.

EBITDA before non-recurring items was 15.6 million euros, down 30% due to the decline in revenues and higher overhead costs. The EBITDA margin before non-recurring items came to 13.4% (down 4.4 percentage points). At actual exchange rates, EBITDA before non-recurring items declined by 34% and the EBITDA margin before non-recurring items by 5.0 points.

## **2. CONSOLIDATED FINANCIAL STATEMENTS FOR FIRST HALF 2023**

With an average exchange rate of \$1.08/€1 in H1, the dollar was up 1% compared to H1 2022 and the yuan declined by 5% against the euro. Currency changes mechanically decreased revenues by 0.9 million euros (-0.4%) and EBITDA before non-recurring items by 0.3 million euros (-1%) at actual exchange rates, compared to like-for-like figures.

### **Orders**

In the uncertain environment that characterized the first half of the year, as many companies continued their wait-and-see attitude, H1 orders for perpetual software licenses, equipment and accompanying software, and non-recurring services (74.8 million euros) were down 30% compared to H1 2022.

Orders for perpetual software licenses (7.2 million euros), equipment and accompanying software (57.7 million euros) and for training and consulting (7.6 million euros) decreased by 26%, 33% and 4% respectively.

Geographically, orders for perpetual software licenses, equipment and accompanying software, and non-recurring services decreased by 38% in the Americas, 29% in Asia-Pacific, 25% in Europe and 19% in the rest of the world (including Northern Africa, South Africa, Turkey, and the Middle East ...).

They decreased by 28% in the fashion market, 23% in the automotive market and 33% in the furniture market.

The annual value of new software subscription orders came to 5.5 million euros, up 31% compared to H1 2022.

### **Revenues**

Revenues came to 239.6 million euros, down 4% compared to H1 2022, like-for-like and at actual exchange rates.

#### ***Revenues from software licenses, equipment and accompanying software, and non-recurring services***

Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services (79.5 million euros) were down 21%. This item contributed 33% of revenues (40% in 2022), and included mainly:

- perpetual software licenses (7.3 million euros), which decreased by 25% and accounted for 3% of revenues (4% in 2022);
- equipment and accompanying software (60.7 million euros), which decreased by 25% and accounted for 25% of revenues (32% in 2022);
- training and consulting (9.1 million euros), which increased by 25% and accounted for 4% of revenues (3% in 2022).

At June 30, 2023, the order backlog for perpetual software licenses, equipment and accompanying software, as well as training and consulting amounted to 39.8 million euros. It rose by 4.0 million euros, like-for-like, over March 31, 2023.

#### *Revenues from recurring contracts, consumables and parts*

Revenues from recurring contracts, which represented 37% of revenues (32% in 2022), amounted to 88.6 million euros, a 11% increase:

- software subscriptions (13.9 million euros), up 49%, represented 6% of revenues (4% in 2022);
- software maintenance contracts (26.7 million euros), up 4%, represented 11% of revenues (10% in 2022);
- equipment and accompanying software maintenance contracts (48.0 million euros), up 7%, represented 20% of revenues (18% in 2022).

In parallel, revenues from consumables and parts (71.4 million euros) were up 2% and represented 30% of revenues (28% in 2022).

Overall, recurring revenues (160.1 million euros) were up 7% (+6% at actual exchange rates).

#### *Gross profit*

Gross profit amounted to 165.5 million euros, stable compared to 2022.

The gross profit margin came to 69.1%, up 2.6 percentage points. This increase stems from the evolution of the product mix, with a larger share of recurring contract revenues, and from the strong improvement in the gross margin on equipment and accompanying software revenues.

Personnel expenses and other operating expenses incurred in the execution of service 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 were 145.2 million euros, up 7% compared to 2022. The breakdown is as follows:

- 135.7 million euros in fixed overhead costs (+9%);
- 9.6 million euros in variable costs (-15%).

Research and development costs (28.0 million euros), which are fully expensed in the period and included in fixed overhead costs, represented 11.7% of revenues (25.6 million euros and 10.2% of revenues in H1 2022). After deducting the research tax credit applicable in France and grants received, net research and development costs totaled 26.0 million euros (22.0 million euros in 2022).

#### *EBITDA before non-recurring items, income from operations before non-recurring items and net income*

EBITDA before non-recurring items was 35.3 million euros, down 21% (-22% at actual exchange rates) and the EBITDA margin before non-recurring items came to 14.7%, down 3.2 percentage points (-3.3 percentage points at actual exchange rates).

Income from operations before non-recurring items amounted to 20.3 million euros, down 33%. This included a 6.3-million-euro charge for amortization of intangible assets arising from the acquisitions carried out since 2021.

Income from operations came to 23.0 million euros. This includes a non-recurrent income item of 2.6 million euros in Q2 2023 arising from the reversal of the unused portion of a provision following the settlement of a tax dispute in the United Kingdom relating to the acquisition of Gerber.

Net financial income and expenses represented a net charge of 2.0 million euros. Foreign exchange gains and losses generated a net loss of 1.2 million euros.

After an income tax expense of 5.9 million euros, net income amounted to 13.9 million euros, down 31% at actual exchange rates.

Net earnings per share were €0.38 on basic capital and on diluted capital (€0.54 on basic capital and €0.53 on diluted capital in H1 2022).

#### **Increase in free cash flow**

Free cash flow before non-recurring items totaled 16.6 million euros (14.7 million euros in H1 2022). It is higher than net income.

After disbursement of 0.3 million euros in H1 in respect of fees and other related expenses in connection with the acquisition of Gerber, free cash flow amounted to 16.3 million euros, a 4.0 million euro increase over the first half of 2022.

#### **A particularly robust balance sheet**

At June 30, 2023, the Group had a particularly robust balance sheet with a consolidated shareholders' equity of 406.4 million euros and a net financial debt of 4.6 million euros, consisting in financial debt of 99.1 million euros and cash of 94.5 million euros.

In H1, the Company paid out 15.2 million euros in respect of the acquisition of the majority of the capital of TextileGenesis, and 18.1 million euros in respect of dividends for fiscal year 2022.

The working capital requirement at June 30, 2023 was a negative 6.4 million euros.

### **3. SHARE CAPITAL – OWNERSHIP – SHARE PRICE PERFORMANCE**

#### **Change in share capital**

At June 30, 2023, the share capital came to €37,824,827, divided into 37,824,827 shares with a par value of €1.00.

Share capital increased by €35,878 (with a total share premium of €476,817) due to the creation of 35,878 shares since January 1, 2023, resulting from the exercise of stock options.

#### **Main shareholders**

No crossing of statutory thresholds has been reported to the Company since January 1, 2023.

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

- Daniel Harari holds 14.6% of the capital and 14.5% of the voting rights;
- AIPCF VI LG Funding (United States), 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.

#### **Treasury shares**

At June 30, 2023, the Company held 0.10% of its own shares in treasury shares, within the framework of the liquidity agreement contracted with Natixis ODDO BHF.

#### **Share price performance and trading volumes**

The Company's share price at June 30, 2023 was €27.30, down 22% compared to December 31, 2022 (€35.20). During H1, it reached a low of €26.30 on June 1 and a high of €41.30 on January 18.

The market capitalization amounts to 1.03 billion euros at June 30, 2023 (1.33 billion euros at December 31, 2022).

For the first six months of 2023, the Euronext Tech Leaders index increased by 10% and the CAC 40, CAC All-Tradable and the CAC Mid & Small indexes increased by 14%, 13% and 4% respectively.

According to Bloomberg, 9.8 million shares were traded on all platforms in H1 2023 (11.4 million in H1 2022), including 37% on Euronext.

In its press release of April 11, 2023, the Company confirmed that it is eligible for inclusion in French SME ("PEA-PME") equity savings plans. As a consequence, investment in Lectra shares can be made through PEA-PME savings accounts, a scheme specifically applicable to investments in small and mid-cap companies, benefiting from the same tax advantages as the traditional Equity Savings Plan (PEA).

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

#### **4. SIGNIFICANT POST-CLOSING EVENTS SINCE JUNE 30, 2023**

No significant event has occurred.

#### **5. FINANCIAL CALENDAR**

The Q3 and first nine months of 2023 financial results will be published on October 25, after the close of trading on Euronext.

#### **6. BUSINESS TRENDS AND OUTLOOK**

In its financial report on the third quarter and first nine months of 2022, published October 25, 2022, Lectra reiterated its 4.0 strategy, initiated in 2017, and presented an assessment of the 2020-2022 roadmap, specifying that the progress made during the period, as well as the acquisitions of 2021, and the Gerber acquisition in particular, had given the Group a new dimension and increased opportunities for continued growth.

Then, in its 2022 Annual Financial Report, published February 8, 2023, Lectra presented its new roadmap for 2023-2025.

The Group also specified that 2023 remained unpredictable given the degraded macroeconomic and geopolitical environment, which lead to numerous uncertainties that could continue to weigh upon the investment decisions of its customers.

The business activity and results in H1 2023 confirmed this situation.

##### **Confirmation of the 2023 outlook revised on April 27**

At the beginning of the year, the Group had set itself objectives of achieving, in 2023, revenues in the range of 522 to 576 million euros and EBITDA before non-recurring items in the range of 90 to 113 million euros.

Given the delay in orders for new systems in the first quarter, and poor visibility on new systems orders for subsequent quarters, the Group reported on April 27 that it now anticipated revenues in the range of 485 to 525 million euros (-5% to +3% at constant exchange rates relative to 2022) and EBITDA before non-recurring items in the range of 78 to 95 million euros (-15% to +3% at constant exchange rates relative to 2022). The Group also noted that despite limited visibility regarding new systems orders over the next few quarters, there is strong visibility regarding recurring revenues, which should enjoy substantial growth and account for 65% of total revenues in 2023. These revised scenarios had been prepared on the basis of the closing exchange rates on April 27, 2023, for the remaining nine months of the year, and particularly \$1.10/€1.

The results of the second quarter support these revised objectives.

A 1-cent appreciation of the euro against the U.S. dollar in the second half of the year (at an exchange rate of \$1.10/€1) would mechanically decrease revenues by approximately 1.0 million euros and EBITDA before non-recurring items by 0.45 million euros. On the contrary, a 1-cent fall in the euro against the dollar would mechanically raise revenues and EBITDA before non-recurring items by the same amounts.

Because the Group's customers operate in a highly competitive environment that demands they continue to improve performance, their investments will pick up as soon as the macroeconomic situation improves. Lectra's roadmap for 2023-2025, which was launched on January 1, 2023, will enable the Group to take full advantage of the upturn and accelerate its growth.

The Board of Directors  
July 27, 2023

## ADDITIONAL INFORMATION – SECOND QUARTER 2023

### ORDERS FOR NEW SYSTEMS – LIKE-FOR-LIKE <sup>(1)</sup>

(in thousands of euros)	Three Months Ended June 30							
	2023			2022		Changes 2023/2022		Like-for-like
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates		
Perpetual software licenses, equipment and accompanying software and non-recurring services								
Perpetual software licenses	3,483	9%	3,553	4,554	8%	-24%	-22%	
Equipment and accompanying software	30,729	78%	31,549	44,864	81%	-32%	-30%	
Training and consulting services	3,809	10%	3,900	4,460	8%	-15%	-13%	
Miscellaneous	1,148	3%	1,174	1,371	2%	-16%	-14%	
<b>Total</b>	<b>39,169</b>	<b>100%</b>	<b>40,175</b>	<b>55,250</b>	<b>100%</b>	<b>-29%</b>	<b>-27%</b>	
€ / \$ average parity	1.09		1.07	1.07				

(in thousands of euros)	Three Months Ended June 30							
	2023			2022		Changes 2023/2022		Like-for-like
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates		
New software subscriptions								
Annual value of new software subscriptions	2,832	na	2,891	1,889	na	+50%	+53%	
€ / \$ average parity	1.09		1.07	1.07				

### BREAKDOWN OF REVENUES – LIKE-FOR-LIKE <sup>(1)</sup>

Revenue distribution by geographical market is reported on an indicative basis. Trends for the fiscal year cannot be extrapolated based on one single quarter.

(in thousands of euros)	Three Months Ended June 30							
	2023			2022		Changes 2023/2022		Like-for-like
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates		
Revenues by region								
Europe, of which:	40,887	35%	40,983	40,061	31%	+2%	+2%	
- France	6,820	6%	6,820	6,951	5%	-2%	-2%	
Americas	43,060	37%	44,082	46,242	36%	-7%	-5%	
Asia-Pacific	22,938	20%	24,128	33,256	26%	-31%	-27%	
Other countries	9,016	8%	9,362	9,311	7%	-3%	+1%	
<b>Total</b>	<b>115,901</b>	<b>100%</b>	<b>118,555</b>	<b>128,870</b>	<b>100%</b>	<b>-10%</b>	<b>-8%</b>	
€ / \$ average parity	1.09		1.07	1.07				

(in thousands of euros)	Three Months Ended June 30							
	2023			2022		Changes 2023/2022		Like-for-like
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates		
Revenues by type of business								
Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services, of which:	35,736	31%	36,524	51,895	40%	-31%	-30%	
- Perpetual software licenses	3,237	3%	3,301	5,114	4%	-37%	-35%	
- Equipment and accompanying software	26,889	23%	27,514	41,666	32%	-35%	-34%	
- Training and consulting services	4,462	4%	4,535	3,745	3%	+19%	+21%	
- Miscellaneous	1,148	1%	1,174	1,371	1%	-16%	-14%	
Recurring revenues, of which:	80,165	69%	82,031	76,975	60%	+4%	+7%	
- Software subscriptions	7,234	6%	7,342	4,991	4%	+45%	+47%	
- Software maintenance contracts	13,263	11%	13,508	12,942	10%	+2%	+4%	
- Equipment and accompanying software maintenance contracts	24,156	21%	24,788	23,084	18%	+5%	+7%	
- Consumables and parts	35,511	31%	36,393	35,958	28%	-1%	+1%	
<b>Total</b>	<b>115,901</b>	<b>100%</b>	<b>118,555</b>	<b>128,870</b>	<b>100%</b>	<b>-10%</b>	<b>-8%</b>	
€ / \$ average parity	1.09		1.07	1.07				

(1) As the impact of the acquisition of TextileGenesis on the financial statements for 2023 is not material, like-for-like changes exclude only the variations in exchange rates.

## CONSOLIDATED INCOME STATEMENT – LIKE-FOR-LIKE <sup>(1)</sup>

(in thousands of euros)	Three Months Ended June 30				
	2023		2022	Changes 2023/2022	
	Actual	At 2022 exchange rates	Actual	Actual exchange rates	Like-for-like
<b>Revenues</b>	<b>115,901</b>	<b>118,555</b>	<b>128,870</b>	<b>-10%</b>	<b>-8%</b>
Cost of goods sold	(35,127)	(35,615)	(42,058)	-16%	-15%
<b>Gross profit</b>	<b>80,773</b>	<b>82,940</b>	<b>86,812</b>	<b>-7%</b>	<b>-4%</b>
(in % of revenues)	69.7%	70.0%	67.4%	+2.3 points	+2.6 points
Research and development	(13,323)	(13,425)	(11,062)	+20%	+21%
Selling, general and administrative expenses	(59,267)	(60,468)	(59,530)	0%	+2%
<b>Income from operations before non-recurring items</b>	<b>8,183</b>	<b>9,047</b>	<b>16,220</b>	<b>-50%</b>	<b>-44%</b>
(in % of revenues)	7.1%	7.6%	12.6%	-5.5 points	-5.0 points
Non-recurring income	2,638	2,638	-	na	na
Non-recurring expenses	-	-	(995)	-100%	-100%
<b>Income from operations</b>	<b>10,821</b>	<b>11,685</b>	<b>15,226</b>	<b>-29%</b>	<b>-23%</b>
(in % of revenues)	9.3%	9.9%	11.8%	-2.5 points	-1.9 points
<b>Income before tax</b>	<b>9,450</b>	<b>10,309</b>	<b>14,765</b>	<b>-36%</b>	<b>-30%</b>
Income tax	(2,899)	na	(3,816)	na	na
<b>Net income</b>	<b>6,551</b>	<b>na</b>	<b>10,949</b>	<b>-40%</b>	<b>na</b>
of which, Group share	<b>6,844</b>	<b>na</b>	<b>11,073</b>	<b>-38%</b>	<b>na</b>
of which, Non-controlling interests	(293)	na	(124)	na	na
Income from operations before non-recurring items	8,183	9,047	16,220	-50%	-44%
+ Net depreciation and amortization of non-current assets	7,383	7,514	7,442	-1%	+1%
<b>EBITDA before non-recurring items</b>	<b>15,566</b>	<b>16,561</b>	<b>23,662</b>	<b>-34%</b>	<b>-30%</b>
(in % of revenues)	13.4%	14.0%	18.4%	-5.0 points	-4.4 points
€ / \$ average parity	1.09	1.07	1.07		

(1) As the impact of the acquisition of TextileGenesis on the financial statements for 2023 is not material, like-for-like changes exclude only the variations in exchange rates.



## ADDITIONAL INFORMATION – FIRST HALF 2023

### ORDERS FOR NEW SYSTEMS – LIKE-FOR-LIKE <sup>(1)</sup>

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

##### 1.1. By product line

(in thousands of euros)	Six Months Ended June 30							
	2023			2022		Changes 2023/2022		
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates	Like-for-like	
Perpetual software licenses	7,174	10%	7,201	9,705	9%	-26%	-26%	
Equipment and accompanying software	57,653	77%	58,101	86,743	81%	-34%	-33%	
Training and consulting services	7,631	10%	7,693	8,047	8%	-5%	-4%	
Miscellaneous	2,369	3%	2,383	2,628	2%	-10%	-9%	
<b>Total</b>	<b>74,827</b>	<b>100%</b>	<b>75,378</b>	<b>107,123</b>	<b>100%</b>	<b>-30%</b>	<b>-30%</b>	
€ / \$ average parity	1.08		1.09	1.09				

##### 1.2. By region

(in thousands of euros)	Six Months Ended June 30							
	2023			2022		Changes 2023/2022		
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates	Like-for-like	
Europe	22,710	30%	22,749	30,420	28%	-25%	-25%	
Americas	19,280	26%	19,143	30,845	29%	-37%	-38%	
Asia-Pacific	25,487	34%	25,997	36,631	34%	-30%	-29%	
Other countries	7,350	10%	7,489	9,227	9%	-20%	-19%	
<b>Total</b>	<b>74,827</b>	<b>100%</b>	<b>75,378</b>	<b>107,123</b>	<b>100%</b>	<b>-30%</b>	<b>-30%</b>	
€ / \$ average parity	1.08		1.09	1.09				

##### 1.3. By market

(in thousands of euros)	Six Months Ended June 30							
	2023			2022		Changes 2023/2022		
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates	Like-for-like	
Fashion	38,910	52%	39,114	54,211	50%	-28%	-28%	
Automotive	24,618	33%	24,901	32,144	30%	-23%	-23%	
Furniture	6,908	9%	6,903	10,334	10%	-33%	-33%	
Other industries	4,390	6%	4,461	10,434	10%	-58%	-57%	
<b>Total</b>	<b>74,827</b>	<b>100%</b>	<b>75,378</b>	<b>107,123</b>	<b>100%</b>	<b>-30%</b>	<b>-30%</b>	
€ / \$ average parity	1.08		1.09	1.09				

#### 2. New software subscriptions

(in thousands of euros)	Six Months Ended June 30							
	2023			2022		Changes 2023/2022		
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates	Like-for-like	
Annual value of new software subscriptions	5,499	na	5,535	4,224	na	+30%	+31%	
€ / \$ average parity	1.08		1.09	1.09				

(1) As the impact of the acquisition of TextileGenesis on the financial statements for 2023 is not material, like-for-like changes exclude only the variations in exchange rates.

## BREAKDOWN OF REVENUES – LIKE-FOR-LIKE <sup>(1)</sup>

Revenues by region	Six Months Ended June 30							
	2023			2022		Changes 2023/2022		
	Actual	%	At 2022 exchange rates	Actual	%	Actual exchange rates	Like-for-like	
(in thousands of euros)								
Europe, of which:	80,887	34%	81,113	80,895	32%	0%	0%	
- France	13,460	6%	13,459	13,343	5%	+1%	+1%	
Americas	88,612	37%	87,673	88,122	35%	+1%	-1%	
Asia-Pacific	52,108	22%	53,272	62,354	25%	-16%	-15%	
Other countries	17,946	7%	18,394	19,458	8%	-8%	-5%	
<b>Total</b>	<b>239,554</b>	<b>100%</b>	<b>240,453</b>	<b>250,828</b>	<b>100%</b>	<b>-4%</b>	<b>-4%</b>	
€ / \$ average parity	1.08		1.09	1.09				

Revenues by type of business	Six Months Ended June 30							
	2023			2022		Changes 2023/2022		
	Actual	%	At 2022 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:	79,494	33%	79,571	100,508	40%	-21%	-21%	
- Perpetual software licenses	7,323	3%	7,341	9,796	4%	-25%	-25%	
- Equipment and accompanying software	60,653	25%	60,656	80,754	32%	-25%	-25%	
- Training and consulting services	9,149	4%	9,191	7,330	3%	+25%	+25%	
- Miscellaneous	2,369	1%	2,383	2,628	1%	-10%	-9%	
Recurring revenues, of which:	160,060	67%	160,882	150,320	60%	+6%	+7%	
- Software subscriptions	13,911	6%	13,976	9,351	4%	+49%	+49%	
- Software maintenance contracts	26,678	11%	26,851	25,762	10%	+4%	+4%	
- Equipment and accompanying software maintenance contracts	48,046	20%	48,360	45,083	18%	+7%	+7%	
- Consumables and parts	71,425	30%	71,694	70,124	28%	+2%	+2%	
<b>Total</b>	<b>239,554</b>	<b>100%</b>	<b>240,453</b>	<b>250,828</b>	<b>100%</b>	<b>-4%</b>	<b>-4%</b>	
€ / \$ average parity	1.08		1.09	1.09				

(1) As the impact of the acquisition of TextileGenesis on the financial statements for 2023 is not material, like-for-like changes exclude only the variations in exchange rates.

## CONSOLIDATED INCOME STATEMENT – LIKE-FOR-LIKE <sup>(1)</sup>

(in thousands of euros)	Six Months Ended June 30				
	2023		2022	Changes 2023/2022	
	Actual	At 2022 exchange rates	Actual	Actual exchange rates	Like-for-like
<b>Revenues</b>	239,554	240,453	250,828	-4%	-4%
Cost of goods sold	(74,018)	(73,997)	(83,759)	-12%	-12%
<b>Gross profit</b>	165,535	166,456	167,069	-1%	0%
(in % of revenues)	69.1%	69.2%	66.6%	+2.5 points	+2.6 points
Research and development	(25,993)	(25,969)	(22,001)	+18%	+18%
Selling, general and administrative expenses	(119,229)	(119,897)	(114,399)	+4%	+5%
<b>Income from operations before non-recurring items</b>	20,314	20,590	30,669	-34%	-33%
(in % of revenues)	8.5%	8.6%	12.2%	-3.7 points	-3.6 points
Non-recurring income	2,638	2,638	-	na	na
Non-recurring expenses	-	-	(1,468)	-100%	-100%
<b>Income from operations</b>	22,952	23,228	29,202	-21%	-20%
(in % of revenues)	9.6%	9.7%	11.6%	-2.0 points	-1.9 points
<b>Income before tax</b>	19,748	20,035	27,636	-29%	-28%
Income tax	(5,860)	na	(7,406)	-21%	na
<b>Net income</b>	13,889	na	20,230	-31%	na
<b>of which, Group share</b>	14,472	na	20,448	-29%	na
of which, Non-controlling interests	(583)	na	(218)	na	na
Income from operations before non-recurring items	20,314	20,590	30,669	-34%	-33%
+ Net depreciation and amortization of non-current assets	14,996	14,983	14,563	+3%	+3%
<b>EBITDA before non-recurring items</b>	35,310	35,573	45,233	-22%	-21%
(in % of revenues)	14.7%	14.8%	18.0%	-3.3 points	-3.2 points
€ / \$ average parity	1.08	1.09	1.09		

(1) As the impact of the acquisition of TextileGenesis on the financial statements for 2023 is not material, like-for-like changes exclude only the variations in exchange rates.

## Company certification of the first half 2023 report

We certify that, to our knowledge, the financial statements have been prepared in accordance with currently applicable accounting standards and provide a fair view of the assets, financial condition, and financial results of the Company and of its consolidated companies. We further certify that the first half report on operations presents a true and sincere view of the significant events that occurred during the first six months of the fiscal year and their impact on the financial statements, and a description of the main risks and uncertainties for the coming six months.

Paris, July 27, 2023

Daniel Harari  
Chairman and Chief Executive Officer

Olivier du Chesnay  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

(in thousands of euros)	June 30, 2023 <sup>(1)</sup>	December 31, 2022	June 30, 2022
Goodwill	299,852	292,626	297,577
Other intangible assets	136,646	137,108	146,571
Leasing rights-of-use	25,749	28,083	29,864
Property, plant and equipment	26,823	27,900	28,705
Other non-current assets	17,978	18,443	24,704
Deferred tax assets	12,481	12,212	11,054
<b>Total non-current assets</b>	<b>519,529</b>	<b>516,372</b>	<b>538,475</b>
Inventories	74,032	75,479	75,661
Trade accounts receivable	80,815	88,185	84,185
Other current assets	27,277	24,227	20,312
Cash and cash equivalents	94,519	130,634	105,202
<b>Total current assets</b>	<b>276,643</b>	<b>318,525</b>	<b>285,360</b>
<b>Total assets</b>	<b>796,172</b>	<b>834,897</b>	<b>823,835</b>

### EQUITY AND LIABILITIES

(in thousands of euros)	June 30, 2023 <sup>(1)</sup>	December 31, 2022	June 30, 2022
Share capital	37,825	37,789	37,779
Share premium	140,611	140,134	139,957
Treasury shares	(1,076)	(1,037)	(974)
Currency translation adjustments	22,775	30,346	41,259
Retained earnings and net income	199,719	242,269	216,431
Non-controlling interests	6,524	2,719	2,610
<b>Total equity</b>	<b>406,378</b>	<b>452,220</b>	<b>437,062</b>
Retirement benefit obligations	9,322	9,580	9,556
Non-current lease liabilities	22,280	25,321	27,539
Minority shares purchase commitments	49,459	10,450	11,500
Deferred tax liabilities	2,667	1,278	1,168
Borrowings, non-current portion	76,601	97,492	97,381
<b>Total non-current liabilities</b>	<b>160,328</b>	<b>144,121</b>	<b>147,144</b>
Trade and other current payables	89,952	99,786	109,177
Deferred revenues	92,264	88,755	82,705
Current income tax liabilities	6,317	5,674	4,735
Current lease liabilities	8,962	9,048	9,158
Minority shares purchase commitments	-	-	1,413
Borrowings, current portion	22,540	21,784	21,077
Provisions for other liabilities and charges	9,431	13,509	11,364
<b>Total current liabilities</b>	<b>229,466</b>	<b>238,556</b>	<b>239,629</b>
<b>Total equity and liabilities</b>	<b>796,172</b>	<b>834,897</b>	<b>823,835</b>

(1) The 2023 amounts integrate TextileGenesis since January 9 (see note 3 hereafter).

## CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Six months ended June 30, 2023 <sup>(1)</sup>	Six months ended June 30, 2022
Revenues	239,554	250,828
Cost of goods sold	(74,018)	(83,759)
<b>Gross profit</b>	<b>165,535</b>	<b>167,069</b>
Research and development	(25,993)	(22,001)
Selling, general and administrative expenses	(119,229)	(114,399)
<b>Income from operations before non-recurring items</b>	<b>20,314</b>	<b>30,669</b>
Non-recurring income <sup>(2)</sup>	2,638	-
Non-recurring expenses	-	(1,468)
<b>Income from operations</b>	<b>22,952</b>	<b>29,202</b>
Financial income	1,012	448
Financial expenses	(3,004)	(2,122)
Foreign exchange income (loss)	(1,211)	109
<b>Income before tax</b>	<b>19,748</b>	<b>27,636</b>
Income tax	(5,860)	(7,406)
<b>Net income</b>	<b>13,889</b>	<b>20,230</b>
<b>of which, Group share</b>	<b>14,472</b>	<b>20,448</b>
of which, Non-controlling interests	(583)	(218)
 (in euros)		
Earnings per share, Group share:		
- basic	0.38	0.54
- diluted	0.38	0.53
Shares used in calculating earnings per share:		
- basic	37,788,262	37,742,919
- diluted	38,172,667	38,256,102
 (in thousands of euros)		
Income from operations before non-recurring items	20,314	30,669
+ Net depreciation and amortization of non-current assets	14,996	14,563
<b>EBITDA before non-recurring items</b>	<b>35,310</b>	<b>45,233</b>

(1) The 2023 amounts integrate TextileGenesis since January 9 (see note 3 hereafter).

(2) Non-recurring income of 2.6 million euros corresponds to the unused portion of a provision reversed in the second quarter of 2023, following the agreement reached on a tax dispute arising from the acquisition of Gerber.

## STATEMENT OF COMPREHENSIVE INCOME, GROUP SHARE <sup>(2)</sup>

(in thousands of euros)	Six months ended June 30, 2023 <sup>(1)</sup>	Six months ended June 30, 2022
<b>Net income, Group share</b>	<b>14,472</b>	<b>20,448</b>
Currency translation adjustments	(7,495)	28,908
Tax effect	(76)	220
<b>Other comprehensive income to be reclassified in net income</b>	<b>(7,571)</b>	<b>29,128</b>
Remeasurement of the net liability arising from defined benefits pension plans	100	1,827
Tax effect	(26)	(473)
<b>Other comprehensive income not to be reclassified in net income</b>	<b>74</b>	<b>1,354</b>
<b>Total other comprehensive income</b>	<b>(7,497)</b>	<b>30,482</b>
<b>Comprehensive income, Group share</b>	<b>6,974</b>	<b>50,930</b>

(1) The 2023 amounts integrate TextileGenesis since January 9 (see note 3 hereafter).

(2) The Group considered as non-material the information regarding the comprehensive income of the non-controlling interests (for Retviews, Neteven, Gemini CAD Systems, Glengo Lectra Teknoloji and TextileGenesis see note 3 hereafter) and thus only presents the comprehensive income of the Group share.

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Six months ended June 30, 2023 <sup>(1)</sup>	Six months ended June 30, 2022
<b>I - OPERATING ACTIVITIES</b>		
Net income	13,889	20,230
Net depreciation and amortization (non-current assets)	14,996	14,563
Net depreciation and provisions (current assets)	(3,012)	2,009
Non-cash operating expenses	581	1,743
Loss (profit) on sale of fixed assets	3	16
Changes in deferred income taxes	(651)	(817)
Changes in inventories	(283)	(14,285)
Changes in trade accounts receivable	12,062	2,799
Changes in other current assets and liabilities	(12,836)	(5,557)
Changes in other operating non-current assets	-	(8)
<b>Net cash provided by (used in) operating activities</b>	<b>24,749</b>	<b>20,693</b>
<b>II - INVESTING ACTIVITIES</b>		
Purchases of intangible assets	(2,109)	(1,779)
Purchases of property, plant and equipment	(1,665)	(2,335)
Proceeds from sales of intangible and tangible assets	9	-
Acquisition cost of companies purchased <sup>(2)</sup>	(12,046)	(5,023)
Purchases of financial assets <sup>(3)</sup>	(7,470)	(6,198)
Proceeds from sales of financial assets <sup>(3)</sup>	8,114	6,740
<b>Net cash provided by (used in) investing activities</b>	<b>(15,166)</b>	<b>(8,595)</b>
<b>III - FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares by the parent company	513	482
Proceeds from issuance of ordinary shares to non controlling interests	-	11
Dividend paid	(18,126)	(13,588)
Change in share of interests in controlled entities <sup>(4)</sup>	(482)	(299)
Purchases of treasury shares	(7,698)	(6,690)
Sales of treasury shares	7,466	6,004
Repayment of lease liabilities	(5,294)	(4,847)
Repayments of long-term and short-term borrowings	(21,000)	(21,000)
<b>Net cash provided by (used in) financing activities</b>	<b>(44,621)</b>	<b>(39,927)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(35,039)</b>	<b>(27,829)</b>
<b>Cash and cash equivalents at opening</b>	<b>130,634</b>	<b>130,586</b>
Increase (decrease) in cash and cash equivalents	(35,039)	(27,829)
Effect of changes in foreign exchange rates	(1,076)	2,445
<b>Cash and cash equivalents at closing</b>	<b>94,519</b>	<b>105,202</b>
Net cash provided by (used in) operating activities	24,749	20,693
+ Net cash provided by (used in) investing activities	(15,166)	(8,595)
- Acquisition cost of companies purchased	12,046	5,023
- Repayment of lease liabilities	(5,294)	(4,847)
<b>Free cash flow</b>	<b>16,334</b>	<b>12,274</b>
Non-recurring items of the free cash flow	(313)	(2,447)
<b>Free cash flow before non-recurring items</b>	<b>16,647</b>	<b>14,721</b>
Income tax (paid) / reimbursed, net	(3,974)	(3,740)
Interest (paid) on lease liabilities	(251)	(257)
Interest (paid)	(1,163)	(566)

(1) The 2023 amounts integrate TextileGenesis since January 9 (see note 3 hereafter).

(2) This amount corresponds to the acquisition cost, net of cash acquired, of TextileGenesis (see note 3 hereafter).

(3) These amounts mainly correspond to the valuation of purchases and sales of treasury shares made through the liquidity agreement, and for which the counterpart is shown in the corresponding cash flows arising from financing activities.

(4) The 2023 amount corresponds to the purchase of the part of one Neteven's co-founder after his departure. The 2022 amount corresponded to the payment of the remainder of the staggered purchases of 10% of Retviews.

## CONSOLIDATED STATEMENT OF CHANGES IN 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	Non controlling interests	Total equity
	Number of shares	Par value per share	Share capital							
<b>Balance at December 31, 2021</b>	<b>37,742,959</b>	<b>1.00</b>	<b>37,743</b>	<b>139,511</b>	<b>(271)</b>	<b>12,132</b>	<b>208,947</b>	<b>398,062</b>	<b>2,724</b>	<b>400,786</b>
Net income							20,448	20,448	(218)	20,230
Other comprehensive income						29,128	1,354	30,482	1	30,483
<b>Comprehensive income</b>						<b>29,128</b>	<b>21,802</b>	<b>50,930</b>	<b>(217)</b>	<b>50,713</b>
Exercised stock options	35,852	1.00	36	446				482		482
Fair value of stock options							597	597		597
Sale (purchase) of treasury shares					(703)			(703)		(703)
Profit (loss) on treasury shares							14	14		14
Minority shares purchase commitment revaluation for Retviews							750	750		750
Glengo operation and minority shares purchase commitment <sup>(2)</sup>							(2,092)	(2,092)	92	(2,000)
Shares issued to non controlling interests <sup>(2)</sup>								0	11	11
Dividend paid							(13,588)	(13,588)		(13,588)
<b>Balance at June 30, 2022</b>	<b>37,778,811</b>	<b>1.00</b>	<b>37,779</b>	<b>139,957</b>	<b>(974)</b>	<b>41,259</b>	<b>216,431</b>	<b>434,452</b>	<b>2,610</b>	<b>437,062</b>
<b>Balance at December 31, 2021</b>	<b>37,742,959</b>	<b>1.00</b>	<b>37,743</b>	<b>139,511</b>	<b>(271)</b>	<b>12,132</b>	<b>208,947</b>	<b>398,062</b>	<b>2,724</b>	<b>400,786</b>
Net income							44,386	44,386	(558)	43,828
Other comprehensive income						18,215	1,371	19,586	11	19,597
<b>Comprehensive income</b>						<b>18,215</b>	<b>45,757</b>	<b>63,972</b>	<b>(547)</b>	<b>63,425</b>
Exercised stock options	45,990	1.00	46	623				669		669
Fair value of stock options							1,340	1,340		1,340
Sale (purchase) of treasury shares					(766)			(766)		(766)
Profit (loss) on treasury shares							18	18		18
Minority shares purchase for Retviews <sup>(1)</sup>							837	837	(87)	750
Revaluation of non controlling interests in Gemini								0	47	47
Glengo operation and minority shares purchase commitment <sup>(2)</sup>							(1,941)	(1,941)	92	(1,850)
Shares issued to non controlling interests <sup>(2)</sup>								0	490	490
Discounting of minority shares purchase commitments							900	900		900
Dividend paid							(13,588)	(13,588)		(13,588)
<b>Balance at December 31, 2022</b>	<b>37,788,949</b>	<b>1.00</b>	<b>37,789</b>	<b>140,134</b>	<b>(1,037)</b>	<b>30,346</b>	<b>242,269</b>	<b>449,501</b>	<b>2,719</b>	<b>452,220</b>
Net income							14,472	14,472	(583)	13,889
Other comprehensive income						(7,570)	74	(7,497)	11	(7,485)
<b>Comprehensive income</b>						<b>(7,570)</b>	<b>14,546</b>	<b>6,975</b>	<b>(572)</b>	<b>6,403</b>
Exercised stock options	35,878	1.00	36	477				513		513
Fair value of stock options							637	637		637
Sale (purchase) of treasury shares					(39)			(39)		(39)
Profit (loss) on treasury shares							(144)	(144)		(144)
Minority shares purchase for Neteven							379	379	(27)	352
Integration of TextileGenesis and minority shares purchase commitment <sup>(3)</sup>							(45,416)	(45,416)	4,404	(41,012)
Discounting of minority shares purchase commitments							5,574	5,574		5,574
Dividend paid							(18,126)	(18,126)		(18,126)
<b>Balance at June 30, 2023</b>	<b>37,824,827</b>	<b>1.00</b>	<b>37,825</b>	<b>140,611</b>	<b>(1,076)</b>	<b>22,775</b>	<b>199,719</b>	<b>399,855</b>	<b>6,524</b>	<b>406,378</b>

(1) These amounts stem from the staggered purchases of additional shares of Retviews in July 2022 (see note 3 hereafter).

(2) These amounts stem from the business combination between the Group subsidiary Lectra Turkey and Glengo Teknoloji on June 1, 2022 (see note 3 hereafter).

(3) These amounts stem from the takeover of TextileGenesis on January 9, 2023. The note 3 hereafter details the impacts of this operation on Group financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2023

### 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...).

In order 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.

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 software licenses, equipment and non-recurring services, 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 Gerber Technology ("Gerber") in June 2021, Neteven in July 2021, Gemini CAD Systems ("Gemini") in September 2021 and TextileGenesis in January 2023, in addition to the parent company, the Group has an unrivalled network of 64 subsidiaries, from which Lectra generates nearly 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), Hô Chi 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 subcontracted, mainly to a company located in China.

### *People*

Lectra's strength draws on the skills and experience of more than 2,500 employees worldwide. Thanks to Lectra's global presence, the Group is close to all its customers, wherever they are in the world.

## **2. SUMMARY OF ACCOUNTING RULES AND METHODS**

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://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en)

The condensed consolidated financial statements at June 30, 2023, have been prepared in accordance with IAS 34 – Interim Financial Statements. They do not comprise all the financial disclosures required in the complete financial statements and should be read in conjunction with the Group's consolidated financial statements and corresponding notes for the fiscal year 2022, available on lectra.com.

The consolidated financial statements have been prepared in accordance with the same rules and methods as those applied in the preparation of the 2022 financial statements. They have been prepared under the responsibility of the Board of Directors at its meeting of July 27, 2023 and have subjected to a limited review by the Statutory Auditors.

The standards, amendments and interpretations adopted by the European Union whose application is required for fiscal years starting from January 1, 2023 have no impact on the Group's financial statements. The Group has not adopted in advance any standard, amendment or interpretation whose application is not required for fiscal years starting from January 1, 2023.

### *Seasonality*

Comparability of the Group's interim and annual accounts may be affected by the slightly seasonal nature of the Group's business, which mostly achieves a higher level of revenue during the fourth quarter of the year. This, in particular, applies to new systems sales. Moreover, overhead costs are reduced during the third quarter due to the summer holidays in France and in European subsidiaries. These two items have a positive impact on income from operations in these quarters.

### *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 the Group's 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, relate to the calculation of the recoverable amount of goodwill and fixed assets, and the evaluation of deferred tax assets.

## Revenue

Contracts with customers comprise multiple obligations such as: equipment and accompanying software, perpetual software licenses, consumables and parts, training and consulting, installation, maintenance, evolution and online services contracts for equipment and software.

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, pattern-making, 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, 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 in order 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 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 and in the United States only constitute inputs used in the manufacturing of finished goods sold to customers.

### 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'.

### Research and development costs

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*) and innovation tax credit (*credit d'impôt innovation*), as well as grants linked to R&D projects, if any, are deducted from R&D expenses.

### 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.

### 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 (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 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.

#### *Operating segments*

Operating segment reporting is based directly on the Group's performance tracking and review systems. The segments disclosed in note 4 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; Northern and Eastern Europe, Middle East and South Africa; Southern Europe and North Africa; 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 of the regions, including marketing, business development, logistics, procurement, production, R&D, finance, legal affairs, human resources, information systems, etc. All of 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 in order 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.

### 3. SCOPE OF CONSOLIDATION

At June 30, 2023, the Group's scope of consolidation comprised the parent company, Lectra SA, together with 60 fully-consolidated companies, 24 of which come from the acquisition of Gerber. Four companies are not consolidated.

#### Acquisition of TextileGenesis

On December 8, 2022, Lectra announced the signature of an agreement to acquire the majority of the capital and voting rights of the Dutch company TextileGenesis.

The transaction, which involves the acquisition of 50.5 % of TextileGenesis for 15.2 million euros including an increase in the working capital of 2.0 million euros fully subscribed by Lectra, was finalized on January 9, 2023. 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 60.6 million euros.

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 tangible assets and customer relationships for the respective amounts of 2.6 and 4.9 million euros, generating a deferred tax liability of 1.6 million euros. Those new assets are added to 3.1 million euros of net equity at the acquisition;
- recording of non-controlling interests, valued at their share in the net assets of the company ("partial goodwill" method), for 4.4 million euros;
- recording of a goodwill of 10.7 million euros;
- recording of a debt to recognize the minority shares purchase commitment, recorded for a total amount of 45.4 million euros (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 12.0 million euros.

TextileGenesis has been fully consolidated since January 9, 2023.

#### Cease of the activity in Russia

As soon as the conflict began in 2022, the Company decided to cease its operations in Russia, by suspending the activity of its subsidiary Lectra Russia and stopping all deliveries of products or services.

The Group recorded an impairment of its net assets in Russia, for an approximate 0.9 million euros; the Lectra Russia subsidiary remains fully consolidated in the Group's scope.

#### Business combination with Glengo Teknoloji

On June 1, 2022, the Group signed a business combination between its subsidiary Lectra Turkey and Glengo Teknoloji ("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 long-term minority shares purchase commitment (with cross puts and calls).

The purchase price accounting was finalized. The debt to recognize the minority shares purchase commitment is recorded for a total amount of 2.0 million euros (classified as non-current liabilities).

Glengo Teknoloji had been fully consolidated since June 1, 2022.



### Acquisition of Gemini

In September 2021, the Group acquired 60% of the capital and voting rights of the Romanian company Gemini for 7.6 million euros. The acquisition of the remaining capital and voting rights (minority shares purchase commitment – with cross puts and calls) will take place in two installments in September 2024 and September 2026, and will bring the total cost of the acquisition between 13,0 and 20,0 million euros.

The purchase price accounting was finalized. The debt to recognize the minority shares purchase commitment is recorded for a total amount of 7.0 million euros (classified as non-current liabilities).

Gemini had been fully consolidated since September 27, 2021.

### Acquisition of Neteven

In July 2021, the Group acquired 80% of the capital and voting rights of the French company Neteven for 12.6 million euros. The acquisition of the remaining capital and voting rights (minority shares purchase commitment – with cross puts and calls) will take place in June 2025 for an amount between 0.6 and 0.9 times the 2024 recurring revenue.

The purchase price accounting was finalized. The debt to recognize the minority shares purchase commitment initially amounted to 2.5 million euros. Following the departure in 2022 of one of the Neteven's co-founders, the Group proceeded to the purchase of his shares in the company and the residual debt amounts to 1.7 million euros (classified as non-current liabilities).

According to IAS 7, the payments appear in the statement of cash flows, within the financing activities, under the caption "Change in share of interests in controlled entities".

Neteven had been fully consolidated since July 28, 2021.

### Acquisition of Gerber

On June 1, 2021, Lectra had finalized the acquisition of all outstanding shares of Gerber, for 173.9 million euros (after final determination of the transaction price) – financed through a 140-million-euro loan and the Group's available cash – plus 5 million newly issued Lectra shares to AIPCF VI LG Funding LP, Gerber's sole shareholder.

This strategic combination has led to the creation of a leading global Industry 4.0 player for the fashion, automotive and furniture markets.

### Acquisition of Retviews

In July 2019, the Group acquired the Belgian company Retviews SA and its Romanian subsidiary Retviews Bucharest SRL. The transaction involved the immediate acquisition of 70% of the capital and voting rights of Retviews for 8.0 million euros.

As initially planned, Lectra acquired in July 2020 an additional 10% of Retviews, for an amount of 1.0 million euros: 0.9 million euros paid out in July 2020 and the remainder in January 2021. Similarly, Lectra acquired in July 2021 another additional 10% of Retviews, for an amount of 1.5 million euros: 1.2 million euros paid out in July 2021 and the remainder in January 2022. Finally, in July 2022, Lectra acquired the remaining 10% of Retviews, for an amount of 1.4 million euros.

According to IAS 7, the payments appear in the statement of cash flows, within the financing activities, under the caption "Change in share of interests in controlled entities".

Moreover, the revaluation of the amount paid out for the remaining 10% in July 2022 against the amount outstanding in the statement of financial position until then (minority share purchase commitment) was made against equity – Group share.

Retviews and its Romanian subsidiary had been fully consolidated since July 15, 2019.

There was no other change in the scope of consolidation in the first semester of 2023, nor in the full year of 2022.

### Minority shares purchase commitments discounting impact

On June 30, 2023, the Group recognized a discounting impact for the combined minority shares purchase commitments in TextileGenesis, Glengo, Gemini and Neteven, that reduced by 6.6 million euros the gross values presented above.

### Non-consolidated entities

Three sales and services subsidiaries are not consolidated, their revenue being immaterial both separately and combined. At June 30, 2023, their combined revenue amounted to 0.5 million euros, and their combined assets amounted to 1.9 million euros. They had no financial debt outside of the Group. Most of the sales activity of these subsidiaries is billed directly by Lectra SA.

Transactions with these subsidiaries mainly concern purchases from Lectra SA for the purposes of their local operations, or charges and commissions billed to Lectra SA in order to cover their overheads when they act as agents. The amount concerned by these transactions was not significant at June 30, 2023.

## 4. OPERATING SEGMENTS INFORMATION

Six months ended June 30, 2023 (in thousands of euros)	Northern Europe <sup>(1)</sup>	Southern Europe <sup>(2)</sup>	Americas	Asia- Pacific	Corporate	Total
Revenues	44,774	54,060	88,612	52,108	-	239,554
EBITDA before non-recurring items	4,481	8,636	5,544	2,976	13,673	35,310

  

Six months ended June 30, 2022 (in thousands of euros)	Northern Europe <sup>(1)</sup>	Southern Europe <sup>(2)</sup>	Americas	Asia- Pacific	Corporate	Total
Revenues	47,624	52,728	88,122	62,354	-	250,828
EBITDA before non-recurring items	5,474	9,093	4,422	4,743	21,501	45,233

(1) This segment covers the following regions: Germany and Eastern Europe, United Kingdom, Benelux, Scandinavia, Baltic countries, Turkey, Middle East and South Africa.

(2) This segment covers the following regions: France, Italy, Spain, Portugal and North Africa.

The 'Corporate' column allows for the reconciliation with the amounts in the Group's financial statements.

## 5. CONSOLIDATED CASH FLOW SUMMARY

Six months ended June 30, 2023 (in thousands of euros)	Cash and cash equivalents	Financial debts	Net cash
Free cash flow before non-recurring items	16,647	-	16,647
Non-recurring items included in free cash flow	(313)	-	(313)
Proceeds from issuance of ordinary shares <sup>(1)</sup>	513	-	513
Sale and purchase of treasury shares <sup>(3)</sup>	(232)	-	(232)
Acquisition cost of companies purchased <sup>(2)</sup>	(12,045)	-	(12,045)
Change in share of interests in controlled entities <sup>(4)</sup>	(482)	-	(482)
Dividend paid	(18,126)	-	(18,126)
Change in borrowings	(21,000)	21,000	-
Amortized cost of borrowings	-	(865)	(865)
Impact of currency variations	(1,076)	-	(1,076)
<b>Change in cash position for the period</b>	<b>(36,114)</b>	<b>20,135</b>	<b>(15,980)</b>
Cash position at December 31, 2022	130,634	(119,276)	11,358
Cash position at June 30, 2023	94,519	(99,141)	(4,622)
<b>Change in cash position for the period</b>	<b>(36,114)</b>	<b>20,135</b>	<b>(15,980)</b>

(1) Resulting solely from the exercise of stock options.

(2) This amount corresponds to the acquisition cost, net of cash acquired, of TextileGenesis (see note 3).

(3) Carried out solely under the liquidity agreement administered by Natixis Oddo BHF since September 2022 (see note 7).

(4) Payments for the complementary shares of Neteven (see note 3).



Free cash flow before non-recurring items at June 30, 2023, was 16.6 million euros.

When adding non-recurring cash-outs for 0.3 million euros, incurred for costs relating to the acquisition of Gerber in 2021, free cash flow amounted to 16.3 million euros.

This figure results from a combination of 24.7 million euros in cash flows provided by operating activities (including an increase in working capital of 1.1 million euros) and capital expenditures of 3.1 million euros. The research tax credit for 2023, was partially deducted from the corporate income tax due by Lectra SA – see note 6 hereafter. Finally, the repayment of lease liabilities (according to IFRS 16), for 5.3 million euros, was taken into account.

The variation in working capital is explained as follows:

- +8.8 million euros coming from the reduction in trade payables, linked to the decline in activity;
- +7.2 million 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 during the first semester of 2023 that will be paid in 2024;
- -12.1 million euros corresponding to the decrease in trade accounts receivable;
- -3.3 million euros from other receivables, including -2.3 million from the change in the recoverable VAT credit;
- +0.3 million euros corresponding to the increase in inventories;
- +0.2 million euros arising from the changes in other current assets and liabilities; taken individually, these changes are all immaterial.

The working capital at June 30, 2023 was negative at 6.4 million euros. It comprised the current portion (8.9 million euros) of the 23.1 million euros receivable on the French tax administration in respect of the research tax credit, which has not been received and has not been deducted from the corporate income tax.

## **6. RESEARCH TAX CREDIT**

When the research tax credit applicable in France recognized in the year cannot be deducted from the corporate income tax for Lectra, it is treated as a receivable on the French tax administration. If unused in the three following years, it is historically repaid to the Company in the course of the fourth year. For Neteven, the research tax credits are treated as a receivable on the French tax administration, repaid to the company in the course of the following year.

The Group presents separately the current and non-current (to be repaid in over a year, and time-discounted) part of the income tax receivable related to the French research tax credit.

The research tax credit (2.1 million euros) for the first semester of 2023 was accounted for but not received.

Thus, at June 30, 2023, the Group held a 23.1 million euros receivable on the French tax administration (of which 14.2 million 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 in the same year: for the first semester of 2023 (0.3 million euros) unlike 2022 (0 euro since the research tax credit was fully deducted from the corporate income tax of that fiscal year), 2021 (5.9 million euros), 2020 (7.8 million euros), 2019 (3.5 million euros) and 2018 (5.0 million euros);
- the remaining amount of the research tax credits (0.4 million euros) generated by Neteven.

Besides, the previous amounts due in more than one year have been reduced by a discounting impact for 1.3 million euros.

The Group has also recorded a provision for risk of 2.0 million euros in 2022, taking into account ongoing discussions with the French administration concerning the Lectra SA research tax credit.

In light of its estimates of tax credits and corporate income tax for the next three fiscal years, Lectra does not expect to make any payment in respect of corporate income tax, from which will be deducted in full the research tax credit of each fiscal year. Thus, it should receive the reimbursement of the outstanding balance of these non-deducted tax credits as follows: 2023 (in respect of the 2018 and 2019 tax credits), 2024 (in respect of the 2020 tax credit) and 2025 (in respect of the 2021 tax credit). 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.

## 7. TREASURY SHARES

Since January 1, 2023, the Company has purchased 220,037 shares and sold 211,638 shares at an average price of €34.11 and €36.37 respectively under the liquidity agreement administered by Exane BNP Paribas until September 2022 and then Natixis Oddo BHF.

At June 30, 2023, the Company held 38,308 Lectra shares (i.e. 0.10% of the share capital) with an average purchase price of €28.09 entirely under the liquidity agreement.

## 8. CASH AND CASH EQUIVALENTS AND NET CASH

(in thousands of euros)	June 30, 2023	December 31, 2022
Available cash	94,519	118,634
Cash equivalents	-	12,000
Borrowings and financial debts	(99,141)	(119,276)
<b>Net cash / (net debt)</b>	<b>(4,622)</b>	<b>11,358</b>

Lease liabilities, accounted for under IFRS 16, and minority shares purchase commitment are not considered as financial debts here.

The Group subscribed on June 1, 2021 a loan with a five-year maturity, payable by four yearly instalments of 15% and 40% *in fine*. It bears interest at the 3-month or 6-month Euribor rate (with a 0% floor), to which a margin is 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 was respectively paid back on June 1, 2022 and June 1, 2023.

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). This loan was not hedged by any cash flow hedge.

At June 30, 2023, the maturity of the loan was as follows:

(in thousands of euros)	June 30, 2023	December 31, 2022
Short term – less than one year	22,540	21,784
Long term – more than one year, and less than five years	76,601	97,492
<b>Total</b>	<b>99,141</b>	<b>119,276</b>

## 9. FOREIGN EXCHANGE RISK

In the first semester of 2023, the average parity between the US dollar and the euro was \$1.08/€1.

### Exchange risk hedging instruments

For Lectra's legacy entities, the Group's currency risk hedging policy is unchanged relative to December 31, 2022. Since July 2022, the Company also hedges the inter-company balance sheet positions between Gerber's legacy entities.

Exchange risk hedging instruments at June 30, 2023 were comprised of forward sales and purchases of foreign currencies (mainly US dollar) for a net total equivalent value (purchases minus sales) of 15.4 million euros, intended to hedge existing balance sheet positions. Thus, the Company has hedged almost all its balance sheet positions.

Moreover, the Company has not hedged its exposure to currency rates for the rest of 2023.

## 10. SENSITIVITY ANALYSIS

### Sensitivity of revenues and EBITDA before non-recurring items to a change in exchange rates

The sensitivity of revenues and EBITDA before non-recurring items to a change in exchange rates was based on the December 31, 2022, exchange rates for the relevant currencies, in particular \$1.07/€1. The sensitivity to a change in exchange rates takes past acquisitions into account.

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 \$1.02/€1) would mechanically increase 2023 annual revenues by approximately 12.3 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. \$1.12/€1) would mechanically reduce annual revenues and EBITDA before non-recurring items by the same amounts.

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**Statutory auditors' review report  
on the half-yearly financial information  
(For the period from January 1, 2023 to June 30, 2023)**

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders  
**LECTRA**  
16-18, rue Chalgrin  
75016 PARIS

In compliance with the assignment entrusted to us by the shareholders' general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on :

- the review of the accompanying condensed half-yearly consolidated financial statements of LECTRA, for the period from January 1, 2023 to June 30, 2023;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### **I - Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34- standard of the IFRSs as adopted by the European Union applicable to interim financial information.

### **II - Specific verification**

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Mérignac, July 27, 2023

The Statutory Auditors  
*French original signed by*

PricewaterhouseCoopers Audit  
Philippe Nguyen

KPMG SA  
Aurélie Lalanne