



## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS FOR FIRST QUARTER 2025

Dear Shareholders,

We report below on Lectra group's (the "Group") business activity and consolidated financial statements for the first quarter ending March 31, 2025.

### 1. HIGHLIGHTS

	January 1 - March 31			
	2025	2024	Changes 2025/2024	
			Actual exchange rates	Like-for-like <sup>(1)</sup>
Revenues	134.4	129.6	+4%	+1%
ARR <sup>(2)</sup>	90.3	88.9	2%	+3%
EBITDA before non-recurring items	21.1	21.1	+0%	-6%
<i>EBITDA margin before non-recurring items</i>	<i>15.7%</i>	<i>16.3%</i>	<i>-0.6 point</i>	<i>-0.9 point</i>
Net income	5.8	6.7	-13%	-
Consolidated Shareholders' Equity <sup>(2)</sup>	368.8	341.6	-	-
Net cash (+) / Net financial debt (-)	-4.6	-18.8	-	-

<sup>(1)</sup> On a constant currency basis and at a comparable scope of consolidation

<sup>(2)</sup> At December 31, 2024 and March 31, 2025

- **Unprecedented macroeconomic and geopolitical circumstances since early March**
- **Orders for new systems up 2 percent like-for-like**
- **SaaS revenues up +14% like-for-like, and ARR that reached 90.3 million euros at March 31, 2025**
- **94 percent of annual fixed overhead costs covered by gross profit on recurring revenue (which accounts for 72 percent of total revenues)**
- **EBITDA before non-recurring items stable at 21.1 million euros (-6% like-for-like), representing an EBITDA margin before non-recurring items of 15.7%**
- **A particularly robust balance sheet with a consolidated shareholders' equity of 368.8 million euros and net debt of 4.6 million euros**
- **A geopolitical situation that makes it premature to present any revised outlook for the year**

## **2. MACROECONOMIC AND GEOPOLITICAL SITUATION: AN UNPRECEDENTED SHOCK**

Since early March, the global economic situation has deteriorated. The unexpectedly sweeping new tariffs announced on April 2 have caused considerable volatility in global financial markets and led to significant declines in market valuations and indices across all countries. They have also had major negative impacts on businesses worldwide, creating uncertainty and restraining their near-term growth prospects.

### **Limited direct impact**

As of today, software and services are not subject to customs duties. Half of the equipment sales in the United States come from local manufacturing site. Therefore, only 10% of the revenue is affected by the announced customs duties.

The Group has reflected the increased customs duties in its selling prices.

### **Robust competitive position**

The distortion of competition regarding equipment is virtually nil in the near term, as manufacturing by competitors in the United States is extremely limited. Were the situation to be confirmed, it would be expected to work in Lectra's favor over the long term, as competitors manufacture mostly in Asia and in Europe. The Group is also the only one to have three production sites, in France, China and the United States.

### **A sense of concern that reinforces customers' wait-and-see attitude**

Customers and contract manufacturers must now adjust to this new economic landscape – in terms of pricing policy, production, investment, or future strategy.

The long-term effects of these new tariffs, if confirmed, could have repercussions on inflation, growth, and supply chains.

If the situation were to deteriorate, a global economic slowdown could be observed, with rising prices for consumers and declining profits for companies, leading to financing constraints and reduced investments.

## **3. ANALYSIS OF THE INCOME STATEMENT FOR THE FIRST QUARTER OF 2025**

To facilitate the analysis of the Group's results, the accounts are compared to those published for 2024, which consolidated Launchmetrics from January 23<sup>rd</sup> (“at actual exchange rates”) and, for the 2025 vs 2024 comparisons, to the 2024 Proforma, which consolidate Launchmetrics from January 1<sup>st</sup>, expressed at 2024 rates (“like-for-like”). The Proforma revenue and EBITDA, are increased by 2.5 million euros and 0.3 million euros respectively compared to the published accounts.

With an average exchange rate of \$1.05/€1 in Q1, the dollar was 3% higher than in Q1 2024. The yuan likewise rose by 2% against the euro. Currency changes mechanically decreased revenues by 1.6 million euros and EBITDA before non-recurring items by 10 million euros at actual exchange rates, compared to the like-for-like figures.

Unless otherwise specified, comparisons are on a like-for-like basis.

### 3.1 New system orders

New systems incorporate software sold separately in the form of perpetual licenses ("perpetual software licenses"), equipment (including accompanying software) and non-recurring services.

January 1 - March 31						
Orders for new systems	2025		2024		Changes 2025/2024	
		%		%	Actual	Like-for-like
(in thousands of euros)						
Perpetual software licenses	2,615	7%	3,522	10%	-26%	-26%
Equipment	29,484	79%	27,400	76%	+8%	+6%
Training and consulting services	4,531	12%	4,380	12%	+3%	0%
Miscellaneous	746	2%	816	2%	-9%	-10%
Total	<b>37,376</b>	<b>100%</b>	36,119	100%	+3%	+2%

In this degraded environment, Q1 2025 orders were up 2%, including a 6% increase in orders for equipment. Unsurprisingly, orders for perpetual software licenses were sharply lower, with most software now sold in SaaS mode.

By region, new system orders were driven mainly by Asia-Pacific, up 12%. Orders in Europe were up 7%. The Americas were down 30%, reflecting the marked wait-and-see attitude of American customers.

By market, new system orders were up 12% in Fashion, but down in Automotive and Furniture, by 13% and 39%, respectively.

### 3.2 ARR

Given the importance of SaaS activity for Lectra, the Group has decided to publish a new indicator, ARR (Annual Recurring Revenue), which is commonly used in the SaaS industry. It replaces the new orders indicator for SaaS subscriptions.

ARR can be thought of as the stock of active SaaS subscriptions at a given point in time. ARR therefore anticipates the evolution of SaaS revenues in the coming years. As ARR is an inventory-based concept, it will be published at the exchange rate prevailing on the last day of the quarter. These factors should be considered when evaluating this indicator each quarter.

ARR at March 31, 2025, came to 90.3 million euros, up 3% like-for-like, compared to its level at the end of 2024 .

### 3.3 Revenues

Revenues by type of business	January 1 - March 31					
	2025		2024		Changes 2025/2024	
		%		%	Actual	Like-for-like
<i>(in thousands of euros)</i>						
Non-recurring revenues, of which:	37,624	28%	38,740	30%	-3%	-4%
- perpetual software licenses	2,462	2%	3,963	3%	-38%	-39%
- equipment	29,372	22%	28,886	22%	+2%	+1%
- training and consulting services	5,044	4%	5,075	4%	-1%	-5%
- miscellaneous	746	1%	816	1%	-9%	-10%
Recurring revenues, of which:	96,825	72%	90,823	70%	+7%	+3%
- SaaS subscriptions	21,686	16%	16,490	13%	+32%	+14%
- software maintenance contracts	13,170	10%	13,416	10%	-2%	-3%
- equipment maintenance contracts	26,542	20%	25,182	19%	+5%	+4%
- consumables and parts	35,428	26%	35,736	28%	-1%	-2%
<b>Total</b>	<b>134,449</b>	<b>100%</b>	129,563	100%	+4%	+1%

Q1 2025 revenues were up 4% at actual exchange rates and up 1% on a like-for-like basis, reflecting the slowdown observed since the beginning of March.

Non-recurring revenues were down 4%, despite stability in equipment sales (up 1%), owing to the decline in sales of perpetual software licenses.

Recurring revenues accounted for 72% of total revenues (70% in 2024), rising 3% on the strength of 14% growth in SaaS subscriptions, which again confirms the relevance of Lectra's strategy centered on expanding the SaaS offer.

At the same time, revenues from consumables and parts were down 2%, reflecting the cautious wait-and-see approach of customers who slowed down their production.

### 3.4 Results

#### Gross profit margin

The gross profit margin came to 72.6%, up one percentage point on a like-for-like basis.

Personnel expenses and other operating expenses incurred in the execution of maintenance 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 came to 87.3 million euros, up 4% compared to 2024. The breakdown is as follows:

- 80.4 million euros in fixed overhead costs, up 3% compared to 2024, and
- 6.9 million euros in variable costs, up 10% compared to 2024.

Research and development costs (18.1 million euros), which are fully expensed in the period and included in fixed overhead costs, represented 13.5% of revenues. After deducting the research tax credit applicable in France and grants received, net research and development costs totaled 16.8 million euros (15.1 million euros in 2024 on a like-for-like basis).

Security ratio (fixed overhead costs covered by gross profit on recurring revenue) came at 94%, confirming the Group's business model strength.

### EBITDA before non-recurring items

EBITDA before non-recurring items totaled 21.1 million euros, holding stable at actual exchange rates and down 6% on a like-for-like basis. The EBITDA margin before non-recurring items was 15.7%, down 0.6 percentage point at actual exchange rates and down 0.9 percentage point on a like-for-like basis.

### Income from operations before non-recurring items

After accounting for an amortization charge of intangible assets amounting to 5.9 million euros, the income from operation before non-recurring items decreased by 12% on a comparable basis, to 10.3 million euros.

### Net income

Net financial income and expenses represented a net charge of 1.5 million euros. Foreign exchange gains and losses generated a net loss of 0.9 million euros.

After an income tax expense of 2.0 million euros, net income amounted to 5.8 million euros, down 13% at actual exchange rates.

## 4. ANALYSIS OF BALANCE SHEET AND CASH FLOW FOR FIRST QUARTER 2025

Free cash flow before non-recurring items remained high at 17.7 million euros in Q1 2025, thanks notably to high advance payments and reduced inventory levels. The Group had registered a record level of 22.0 million euros in Q1 2024.

At March 31, 2025, the Group had a particularly robust balance sheet with a consolidated shareholders' equity of 368.8 million euros and a net debt of 4.6 million euros. The net debt consisted in financial debt of 102.1 million euros and cash of 97.5 million euros. The Group has thus continued to reduce its debt at a sustained pace, 14 months after financing the acquisition of a majority stake in Launchmetrics.

The working capital requirement at March 31, 2025 was a negative 29.1 million euros; this is one of the key characteristics of Lectra's business model.

## 5. SHARE CAPITAL – OWNERSHIP – SHARE PRICE PERFORMANCE

### 5.1 Change in share capital

At March 31, 2025, the share capital came to €38,031,057, divided into 38,031,057 shares with a par value of €1.00. Share capital increased by €64,783 (with a total share premium of €1,110,045) due to the creation of 64,783 shares since January 1, 2025, resulting from the exercise of stock options.

### 5.2 Main shareholders

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 SGIIC (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.

### 5.3 Treasury shares

At March 31, 2025, the Company held 0.09% of its own shares in treasury shares, within the framework of the liquidity agreement contracted with Natixis ODDO BHF.

## 5.4 Share price performance and trading volumes

The Company's share price at March 31, 2025, was €26.50, 1.9% higher than the share price of €26.00 at December 31, 2024. In the first quarter of 2025, it reached a low of €24.80 on January 15 and a high of €30.55 on February 14.

The market capitalization stood at 1.01 billion euros at March 31, 2025 (0.99 billion euros at December 31, 2024).

In the first quarter of 2025, 3.2 million shares were traded on all platforms (5.5 million in Q1 2024), including 46% on Euronext.

The Company is included in the CAC All Shares, CAC Technology, EN Tech Leaders and ENT PEA-PME 150 indices. The Company's shares are eligible for the Euronext Deferred Settlement Service (SRD), which allows French investors to defer settlement or delivery of shares. In its press release of April 10, 2025, the Company confirmed its eligibility for inclusion in French SME ("PEA-PME") equity savings plans.

## 6. FINANCIAL CALENDAR

Special Meeting	April 25, 2025 starting at 8:30 a.m. (CET)
Combined Shareholders' Meeting	April 25, 2025 starting at 9:30 a.m. (CET)
H1 2025 results release	July 24, 2025 after market close

Regular updates to the calendar are available on [www.lectra.com](http://www.lectra.com).

## 7. PERSPECTIVES

In the management discussion and analysis of the consolidated financial statements for the fourth quarter and full year 2024, published on February 12, 2025, Lectra reiterated its long-term vision, together with the objectives of its strategic roadmap for 2023-2025.

The Group stated that, despite a challenging environment, it approached 2025 with confidence, leveraging its resilience and strong fundamentals. It continues to pursue its strategy by closely meeting the needs of its customers thanks to the quality of its offer for Industry 4.0 and by developing its SaaS activity.

In light of the unprecedented circumstances stemming from economic and policy announcements, leading to a stronger-than-anticipated wait-and-see attitude among its customers, it is premature to provide updated annual forecasts at this time.

The Board of Directors  
April 24, 2025

## ADDITIONAL INFORMATION – FIRST QUARTER 2025

### ORDERS FOR NEW SYSTEMS

Perpetual software licenses, equipment and non-recurring services

	Three Months Ended March 31							
	2025			2024			Changes 2025/2024	
	Actual at 2025 rates	%	Actual at 2024 rates	Actual <sup>(1)</sup> at 2024 rates	%	Proforma <sup>(2)</sup> at 2024 rate	Actual rates	Like-for-like
	[A]		[B]	[C]		[D]	[A] vs [C]	[B] vs [D]
(in thousands of euros)								
Perpetual software licenses	2,615	7%	2,592	3,522	10%	3,522	-26%	-26%
Equipment	29,484	79%	29,037	27,400	76%	27,400	+8%	+6%
Training and consulting services	4,531	12%	4,511	4,380	12%	4,489	+3%	0%
Miscellaneous	746	2%	738	816	2%	816	-9%	-10%
<b>Total</b>	<b>37,376</b>	<b>100%</b>	<b>36,878</b>	<b>36,119</b>	<b>100%</b>	<b>36,227</b>	<b>+3%</b>	<b>+2%</b>
€ / \$ average parity	1.05		1.09	1.09		1.09		

<sup>(1)</sup> Actual 2024 includes Launchmetrics as of January 23<sup>rd</sup> 2024

<sup>(2)</sup> Proforma 2024 includes Launchmetrics as of January 1<sup>st</sup> 2024

	Three Months Ended March 31							
	2025			2024			Changes 2025/2024	
	Actual at 2025 rates	%	Actual at 2024 rates	Actual <sup>(1)</sup> at 2024 rates	%	Proforma <sup>(2)</sup> at 2024 rate	Actual rates	Like-for-like
	[A]		[B]	[C]		[D]	[A] vs [C]	[B] vs [D]
(in thousands of euros)								
Europe	9,538	26%	9,511	8,882	25%	8,989	+7%	+6%
Americas	5,707	15%	5,619	7,977	22%	7,978	-28%	-30%
Asia-Pacific	18,849	50%	18,522	16,487	46%	16,487	+14%	+12%
Other countries	3,282	9%	3,225	2,773	8%	2,773	+18%	+16%
<b>Total</b>	<b>37,376</b>	<b>100%</b>	<b>36,878</b>	<b>36,119</b>	<b>100%</b>	<b>36,227</b>	<b>+3%</b>	<b>+2%</b>
€ / \$ average parity	1.05		1.09	1.09		1.09		

<sup>(1)</sup> Actual 2024 includes Launchmetrics as of January 23<sup>rd</sup> 2024

<sup>(2)</sup> Proforma 2024 includes Launchmetrics as of January 1<sup>st</sup> 2024

	Three Months Ended March 31							
	2025			2024			Changes 2025/2024	
	Actual at 2025 rates	%	Actual at 2024 rates	Actual <sup>(1)</sup> at 2024 rates	%	Proforma <sup>(2)</sup> at 2024 rate	Actual rates	Like-for-like
	[A]		[B]	[C]		[D]	[A] vs [C]	[B] vs [D]
(in thousands of euros)								
Fashion	19,508	52%	19,131	17,002	47%	17,111	+15%	+12%
Automotive	13,065	35%	13,018	15,028	42%	15,027	-13%	-13%
Furniture	1,547	4%	1,519	2,490	7%	2,490	-38%	-39%
Other	3,257	9%	3,209	1,599	4%	1,599	+104%	+101%
<b>Total</b>	<b>37,376</b>	<b>100%</b>	<b>36,878</b>	<b>36,119</b>	<b>100%</b>	<b>36,227</b>	<b>+3%</b>	<b>+2%</b>
€ / \$ average parity	1.05		1.09	1.09		1.09		

<sup>(1)</sup> Actual 2024 includes Launchmetrics as of January 23<sup>rd</sup> 2024

<sup>(2)</sup> Proforma 2024 includes Launchmetrics as of January 1<sup>st</sup> 2024

## ADDITIONAL INFORMATION – FIRST QUARTER 2025

### BREAKDOWN OF REVENUES

Revenues by region	Three Months Ended March 31							
	2025			2024			Changes 2025/2024	
	Actual at 2025 rates	%	Actual at 2024 rates	Actual <sup>(1)</sup> at 2024 rates	%	Proforma <sup>(2)</sup> at 2024 rate	Actual rates	Like-for-like
(in thousands of euros)	[A]	[B]	[C]	[D]	[A] vs [C]	[B] vs [D]		
Europe, of which:	46,682	35%	46,449	43,785	34%	45,591	+7%	+2%
- France	9,260	7%	9,229	7,927	6%	8,474	+17%	+9%
Americas	44,586	33%	43,821	44,391	34%	44,886	0%	-2%
Asia-Pacific	33,147	25%	32,712	30,021	23%	30,204	+10%	+8%
Other countries	10,033	7%	9,882	11,366	9%	11,407	-12%	-13%
<b>Total</b>	<b>134,449</b>	<b>100%</b>	<b>132,865</b>	<b>129,563</b>	<b>100%</b>	<b>132,088</b>	<b>+4%</b>	<b>+1%</b>
€ / \$ average parity	1.05		1.09	1.09		1.09		

<sup>(1)</sup> Actual 2024 includes Launchmetrics as of January 23<sup>rd</sup> 2024

<sup>(2)</sup> Proforma 2024 includes Launchmetrics as of January 1<sup>st</sup> 2024

Revenues by type of business	Three Months Ended March 31							
	2025			2024			Changes 2025/2024	
	Actual at 2025 rates	%	Actual at 2024 rates	Actual <sup>(1)</sup> at 2024 rates	%	Proforma <sup>(2)</sup> at 2024 rate	Actual rates	Like-for-like
(in thousands of euros)	[A]	[B]	[C]	[D]	[A] vs [C]	[B] vs [D]		
Non recurring revenues, of which:	37,624	28%	37,219	38,740	30%	38,931	-3%	-4%
- Perpetual software licenses	2,462	2%	2,437	3,963	3%	3,962	-38%	-39%
- Equipment	29,372	22%	29,035	28,886	22%	28,886	+2%	+1%
- Training and consulting services	5,044	4%	5,013	5,075	4%	5,266	-1%	-5%
- Miscellaneous	746	1%	735	816	1%	816	-9%	-10%
Recurring revenues, of which:	96,825	72%	95,646	90,823	70%	93,157	+7%	+3%
- SaaS subscriptions	21,686	16%	21,460	16,490	13%	18,823	+32%	+14%
- Software maintenance contracts	13,170	10%	13,048	13,416	10%	13,416	-2%	-3%
- Equipment maintenance contracts	26,542	20%	26,190	25,181	19%	25,181	+5%	+4%
- Consumables and parts	35,428	26%	34,947	35,736	28%	35,736	-1%	-2%
<b>Total</b>	<b>134,449</b>	<b>100%</b>	<b>132,865</b>	<b>129,563</b>	<b>100%</b>	<b>132,088</b>	<b>+4%</b>	<b>+1%</b>
€ / \$ average parity	1.05		1.09	1.09		1.09		

<sup>(1)</sup> Actual 2024 includes Launchmetrics as of January 23<sup>rd</sup> 2024

<sup>(2)</sup> Proforma 2024 includes Launchmetrics as of January 1<sup>st</sup> 2024

## ADDITIONAL INFORMATION – FIRST QUARTER 2025

### CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Three months ended March 31					
	2025		2024		Changes 2025/2024	
	Actual at 2025 rates [A]	Actual at 2024 rates [B]	Actual <sup>(1)</sup> at 2024 rates [C]	Proforma <sup>(2)</sup> at 2024 rate [D]	Actual rates [A] vs [C]	Like-for-like [B] vs [D]
<b>Revenues</b>	134,449	132,865	129,563	132,088	+4%	+1%
Cost of goods sold	(36,795)	(36,573)	(37,368)	(37,498)	-2%	-2%
<b>Gross profit</b>	97,655	96,292	92,195	94,591	+6%	+2%
(in % of revenues)	72.6%	72.5%	71.2%	71.6%	+1.4 points	+0.9 points
Research and development	(16,775)	(16,676)	(14,721)	(15,094)	+14%	+10%
Selling, general and administrative expenses	(70,538)	(70,109)	(66,262)	(68,716)	+6%	+2%
<b>Income from operations before non-recurring items</b>	10,342	9,507	11,212	10,781	-8%	-12%
(in % of revenues)	7.7%	7.2%	8.7%	8.2%	-1.0 point	-1.0 point
Non-recurring income	-	-	-	-	na	na
Non-recurring expenses	-	-	(232)	(232)	-100%	-100%
<b>Income from operations</b>	10,342	9,507	10,979	10,548	-6%	-10%
(in % of revenues)	7.7%	7.2%	8.5%	8.0%	-0.8 points	-0.8 points
<b>Income before tax</b>	7,939	7,119	8,991	8,675	-12%	-18%
Income tax	(1,993)	na	(2,286)	(2,112)	-13%	na
Share of result from associates	(98)	na	-	-	na	na
<b>Net income</b>	5,848	na	6,706	6,563	-13%	na
of which, Group share	6,551	na	7,172	7,100	-9%	na
of which, Non-controlling interests	(703)	na	(466)	(537)	51%	na
Income from operations before non-recurring items	10,342	9,507	11,212	10,781	-8%	-12%
+ Net depreciation and amortization of non-current assets	10,770	10,630	9,857	10,549	+9%	+1%
<b>EBITDA before non-recurring items</b>	21,112	20,137	21,069	21,330	0%	-6%
(in % of revenues)	15.7%	15.2%	16.3%	16.1%	-0.6 points	-0.9 points
€ / \$ average parity	1.05	1.09	1.09	1.09		

<sup>(1)</sup> Actual 2024 includes Launchmetrics as of January 23<sup>rd</sup> 2024

<sup>(2)</sup> Proforma 2024 includes Launchmetrics as of January 1<sup>st</sup> 2024

## Company certification of the first quarter 2025 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 quarter report on operations presents a true and sincere view of the significant events that occurred during the first three months of the fiscal year and their impact on the financial statements, and a description of the main risks and uncertainties for the coming nine months.

Paris, April 24, 2025

Daniel Harari  
Chairman and Chief Executive Officer

Olivier du Chesnay  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

(In thousands of euros)	March 31, 2025	December 31, 2024 <sup>(1)</sup>	March 31, 2024 <sup>(1)</sup>
Goodwill	361,705	369,470	358,369
Other intangible assets	179,801	188,036	200,767
Leasing rights-of-use	26,806	28,351	26,812
Property, plant and equipment	22,576	23,430	25,377
Investments in associates <sup>(2)</sup>	3,660	3,854	-
Other non-current assets	8,262	13,078	11,817
Deferred tax assets	13,544	13,247	13,707
<b>Total non-current assets</b>	<b>616,354</b>	<b>639,467</b>	<b>636,849</b>
Inventories	59,974	63,423	71,295
Trade accounts receivable	104,049	102,601	101,612
Other current assets	35,923	28,293	37,804
Cash and cash equivalents	97,514	81,901	100,481
<b>Total current assets</b>	<b>297,460</b>	<b>276,218</b>	<b>311,192</b>
<b>Total assets</b>	<b>913,814</b>	<b>915,685</b>	<b>948,042</b>

### EQUITY AND LIABILITIES

(In thousands of euros)	March 31, 2025	December 31, 2024 <sup>(1)</sup>	March 31, 2024 <sup>(1)</sup>
Share capital	38,031	37,966	37,868
Share premium	143,979	142,869	141,253
Treasury shares	(889)	(937)	(887)
Currency translation adjustments	24,922	35,390	23,890
Retained earnings and net income	142,122	137,999	113,611
Non-controlling interests	20,641	21,063	25,866
<b>Total equity</b>	<b>368,805</b>	<b>374,350</b>	<b>341,600</b>
Retirement benefit obligations	10,901	10,930	11,397
Non-current lease liabilities	20,394	22,223	21,724
Minority shares purchase commitments	117,447	117,887	159,407
Deferred tax liabilities	16,873	19,012	20,950
Borrowings, non-current portion	86,520	86,773	103,186
Derivative financial instruments	629	664	-
<b>Total non-current liabilities</b>	<b>252,764</b>	<b>257,490</b>	<b>316,662</b>
Trade and other current payables <sup>(3)</sup>	102,815	101,150	137,245
Deferred revenues	117,754	111,845	109,279
Current income tax liabilities	8,481	6,545	6,456
Current lease liabilities	9,886	9,941	9,826
Minority shares purchase commitments	28,841	29,766	1,702
Borrowings, current portion	15,544	15,704	16,081
Provisions for other liabilities and charges	8,922	8,893	9,190
<b>Total current liabilities</b>	<b>292,244</b>	<b>283,844</b>	<b>289,779</b>
<b>Total equity and liabilities</b>	<b>913,814</b>	<b>915,685</b>	<b>948,042</b>

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 3).

(2) At December 2024 and March 2025, the amounts correspond to the equity interest in Six Atomic and AQC Industry (see note 3).

(3) At March 2024, this amount integrates an estimated residual balance of 36.4 million euros related to the acquisition of Launchmetrics (see note 3).

## CONSOLIDATED INCOME STATEMENT

(In thousands of euros)	Three months ended March 31, 2025	Three months ended March 31, 2024 <sup>(1)</sup>
Revenues	134,449	129,563
Cost of goods sold	(36,795)	(37,368)
Gross profit	97,655	92,195
Research and development	(16,775)	(14,721)
Selling, general and administrative expenses	(70,538)	(66,262)
Income from operations before non-recurring items	10,342	11,212
Non-recurring expenses <sup>(2)</sup>	-	(232)
Income from operations	10,342	10,979
Financial income	361	1,175
Financial expenses	(1,881)	(2,770)
Foreign exchange income (loss)	(883)	(392)
Income before tax	7,939	8,992
Income tax	(1,993)	(2,286)
Share of result from associates	(98)	-
<b>Net income</b>	<b>5,848</b>	<b>6,706</b>
<b>of which, Group share</b>	<b>6,551</b>	<b>7,172</b>
of which, Non-controlling interests	(703)	(466)

(in euros)

Earnings per share, Group share:		
- basic	0.17	0.19
- diluted	0.17	0.19
Shares used in calculating earnings per share:		
- basic	37,968,112	37,812,423
- diluted	38,174,171	38,173,837

(in thousands of euros)

Income from operations before non-recurring items	10,342	11,212
+ Net depreciation and amortization of non-current assets	10,770	9,857
<b>EBITDA before non-recurring items</b>	<b>21,112</b>	<b>21,069</b>

## STATEMENT OF COMPREHENSIVE INCOME, GROUP SHARE <sup>(3)</sup>

(In thousands of euros)	Three months ended March 31, 2025	Three months ended March 31, 2024 <sup>(1)</sup>
Net income, Group share	6,551	7,172
Currency translation adjustments	(10,468)	6,913
Changes in derivative financial instruments	35	-
Tax effect	(9)	-
Other comprehensive income to be reclassified in net income	(10,442)	6,913
Total other comprehensive income	(10,442)	6,913
<b>Comprehensive income, Group share</b>	<b>(3,891)</b>	<b>14,085</b>

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 3 hereafter).

(2) In 2024, non-recurring expenses correspond mainly to costs related to the acquisition of Launchmetrics.

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)	Three months ended March 31, 2025	Three months ended March 31, 2024 <sup>(1)</sup>
<b>I - OPERATING ACTIVITIES</b>		
Net income	5,848	6,706
Net depreciation and amortization (non-current assets)	10,770	9,857
Net depreciation and provisions (current assets)	827	702
Non-cash operating expenses	411	1,366
Loss (profit) on sale of fixed assets	8	121
Changes in deferred income taxes	(2,447)	(605)
Changes in inventories	1,914	(1,162)
Changes in trade accounts receivable	4,652	8,935
Changes in other current assets and liabilities	1,798	(92)
Changes in other operating non-current assets	(368)	(627)
<b>Net cash provided by (used in) operating activities</b>	<b>23,414</b>	<b>25,201</b>
<b>II - INVESTING ACTIVITIES</b>		
Purchases of intangible assets	(2,458)	(1,216)
Purchases of property, plant and equipment	(596)	(526)
Proceeds from sales of intangible and tangible assets	4	-
Acquisition cost of companies purchased <sup>(2)</sup>	-	(34,607)
Purchases of financial assets <sup>(3)</sup>	(2,500)	(1,816)
Proceeds from sales of financial assets <sup>(3)</sup>	2,534	2,016
<b>Net cash provided by (used in) investing activities</b>	<b>(3,015)</b>	<b>(36,149)</b>
<b>III - FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares by the parent company	1,175	511
Proceeds from issuance of ordinary shares to non controlling interests	230	-
Purchases of treasury shares	(2,529)	(1,563)
Sales of treasury shares	2,622	1,683
Repayment of lease liabilities	(2,740)	(2,890)
Repayments of long-term and short-term borrowings	(327)	(1,674)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,570)</b>	<b>(3,932)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>18,829</b>	<b>(14,880)</b>
<b>Cash and cash equivalents at opening</b>	<b>81,901</b>	<b>115,049</b>
Increase (decrease) in cash and cash equivalents	18,829	(14,880)
Effect of changes in foreign exchange rates	(3,216)	313
<b>Cash and cash equivalents at closing</b>	<b>97,514</b>	<b>100,482</b>
Net cash provided by (used in) operating activities	23,414	25,201
+ Net cash provided by (used in) investing activities	(3,015)	(36,149)
- Acquisition cost of companies purchased	-	34,607
- Repayment of lease liabilities	(2,740)	(2,890)
<b>Free cash flow</b>	<b>17,660</b>	<b>20,769</b>
Non-recurring items of the free cash flow	-	(1,211)
<b>Free cash flow before non-recurring items</b>	<b>17,660</b>	<b>21,981</b>
Income tax (paid) / reimbursed, net	(1,013)	(1,500)
Interest (paid) on lease liabilities	(250)	(174)
Interest (paid)	(1,294)	(339)

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 3 hereafter).

(2) At 2024, this amount corresponds to the acquisition cost, net of cash acquired, of Launchmetrics (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.

## 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	<b>Equity, Group share</b>	Non controlling interests	<b>Total equity</b>
	Number of shares	Par value per share	Share capital							
<b>Balance at December 31, 2023</b>	37,832,965	1.00	37,833	140,777	(885)	16,977	215,124	409,828	8,033	417,860
Net income							7,172	7,172	(466)	6,706
Other comprehensive income						6,913	-	6,913	79	6,993
<b>Comprehensive income</b>						<b>6,913</b>	<b>7,172</b>	<b>14,085</b>	<b>(387)</b>	<b>13,698</b>
Exercised stock options	35,213	1.00	35	475				511		511
Fair value of stock options							295	295	19	314
Sale (purchase) of treasury shares					(2)			(2)		(2)
Profit (loss) on treasury shares							92	92		92
Integration of Launchmetrics and minority shares purchase commitment <sup>(1)</sup>							(119,769)	(119,769)	18,201	(101,568)
Discounting and revision of minority shares purchase commitments							10,747	10,747		10,747
Other changes							(52)	(52)		(52)
<b>Balance at March 31, 2024</b>	<b>37,868,178</b>	<b>1.00</b>	<b>37,868</b>	<b>141,252</b>	<b>(887)</b>	<b>23,890</b>	<b>113,610</b>	<b>315,734</b>	<b>25,866</b>	<b>341,600</b>
<b>Balance at December 31, 2023</b>	<b>37,832,965</b>	<b>1.00</b>	<b>37,833</b>	<b>140,777</b>	<b>(885)</b>	<b>16,977</b>	<b>215,124</b>	<b>409,827</b>	<b>8,033</b>	<b>417,860</b>
Net income							31,164	31,164	(1,532)	29,632
Other comprehensive income						18,414	98	18,511	392	18,903
<b>Comprehensive income</b>						<b>18,414</b>	<b>31,261</b>	<b>49,675</b>	<b>(1,140)</b>	<b>48,535</b>
Exercised stock options	133,309	1.00	133	2,092				2,225	228	2,453
Fair value of stock options							1,419	1,419	67	1,486
Sale (purchase) of treasury shares					(52)			(52)		(52)
Profit (loss) on treasury shares							(85)	(85)		(85)
Integration of Launchmetrics and minority shares purchase commitment <sup>(1)</sup>							(105,405)	(105,405)	17,277	(88,128)
Discounting and revision of minority shares purchase commitments							7,256	7,256		7,256
Purchase of Gemini minority stakes							2,045	2,045	(2,904)	(859)
Dividend paid							(13,615)	(13,615)	(498)	(14,113)
<b>Balance at December 31, 2024</b>	<b>37,966,274</b>	<b>1.00</b>	<b>37,966</b>	<b>142,869</b>	<b>(937)</b>	<b>35,390</b>	<b>137,999</b>	<b>353,287</b>	<b>21,063</b>	<b>374,350</b>
Net income							6,551	6,551	(703)	5,848
Other comprehensive income						(10,468)	26	(10,442)	(2)	(10,444)
<b>Comprehensive income</b>						<b>(10,468)</b>	<b>6,578</b>	<b>(3,891)</b>	<b>(705)</b>	<b>(4,596)</b>
Exercised stock options	64,783	1.00	65	1,110				1,175	230	1,405
Fair value of stock options							358	358	53	411
Sale (purchase) of treasury shares						48		48		48
Profit (loss) on treasury shares							60	60		60
Discounting and revision of minority shares purchase commitments							(2,872)	(2,872)		(2,872)
<b>Balance at March 31, 2025</b>	<b>38,031,057</b>	<b>1.00</b>	<b>38,031</b>	<b>143,979</b>	<b>(889)</b>	<b>24,922</b>	<b>142,122</b>	<b>348,164</b>	<b>20,641</b>	<b>368,805</b>

(1) These amounts stem from the takeover of Launchmetrics on January 23, 2024 (see note 3 hereafter).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2025

### 1. THE GROUP'S ACTIVITY

At the forefront of innovation since its founding in 1973, Lectra provides industrial intelligence technology solutions—combining Software-as-a-Service (SaaS) solutions, cutting equipment, data, and associated services—to players in the fashion, automotive and furniture industries.

With boldness and passion, Lectra accelerates the transformation and success of its customers in a world in perpetual motion thanks to the key technologies of Industry 4.0: artificial intelligence, big data, cloud and the Internet of Things.

These solutions support customers in achieving their strategic objectives: boosting productivity; cutting costs; reducing time-to-market; tackling globalization challenges; enhancing product quality; increasing production capacity; developing stronger brands; and improving marketing campaign impact—all while ensuring sustainable growth.

The Group is present in more than one hundred countries. It operates three production sites for its cutting equipment, located in France, China and the United States.

The company is listed on Euronext, and is included in CAC All Shares, CAC Technology, EN Tech Leaders and ENT PEA-PME 150 indices.

#### *A unique offer*

Lectra has an unparalleled understanding of its customers' business and technological leadership that enables it to offer a portfolio of innovative products that combine:

- SaaS solutions: optimization of industrial processes from design through production, all the way up to market launch;
- Connected and intelligent industrial equipment: cutting of soft materials (fabric, leather, composite materials and technical textiles);
- Data: solutions to collect, organize and harness data to make well-informed decisions;
- Services: consulting, training, support and maintenance to maximize the value provided by our solutions.

#### *The Lectra 4.0 strategy, a long-term vision*

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) by 2030. It is based on five pillars:

- Premium positioning;
- Focus on three strategic market sectors;
- Customers at the heart of the Group's activities;
- New 4.0 services;
- A committed CSR policy.

This strategy is implemented through successive three-year roadmaps. The Group's particularly solid financial fundamentals allow it to execute these plans with confidence:

- A wide distribution of activities across various sectoral and geographical markets with different purchasing cycles, as well as a large number of customers worldwide;
- A significant proportion of recurring revenues (over 70%), with margins covering nearly all fixed overhead costs;
- The generation of major annual free cash flow, significantly exceeding net income.

### *More than 50 years of innovation*

Significant investments in innovation and R&D are at the core of the strategy, with over 10% of revenues and almost 25% of employees dedicated to these initiatives each year.

Since 2018, all new software is available through the SaaS model. This model has been widely adopted by customers, as evidenced by a 2.5-fold increase in SaaS revenues between 2023 and 2024, reaching 77 million euros (representing 15% of total revenues).

### *Successful external growth operations*

Since 2018, the Group has made nine acquisitions and two strategic partnerships. These acquisitions have allowed it to consolidate its market shares by integrating companies operating within the same industries, and accessing technological building blocks and offers that round out its portfolio.

### *A decades-long dedication to CSR*

Committed to sustainability, Lectra has set high standards in terms of transparency and ethics. It is actively involved in contributing to the conservation and protection of the environment, providing a work environment where all employees feel fulfilled and valued, and giving future generations the means to become leaders in their fields.

### *Passionate employees*

Lectra can rely on the skills and expertise of nearly 3,000 employees across the world. Driven by three core values—being open-minded thinkers, trusted partners and passionate innovators—they work daily alongside the Group's customers to ensure their success.

## **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 March 31, 2025, 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 2024, available on Lectra.com.

The consolidated financial statements at March 31, 2025, have been prepared in accordance with the same rules and methods as those applied in the preparation of the 2024 financial statements. They have been prepared under the responsibility of the Board of Directors at its meeting of April 24, 2025 and have not been reviewed 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, 2025 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, 2025.

### **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, the evaluation of minority shares purchase commitments and the evaluation of deferred tax assets.

### Revenue

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 customers' 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 customers' design and production processes and is very often sold separately to customers;
- 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 customer to use the solution.
- Equipment is sold most often with one or two years of maintenance, and the customer 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.

#### 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*), 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, l'ARR 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.

## **ARR**

Given the importance of SaaS activity for Lectra, the Group has decided to publish a new indicator, ARR (Annual Recurring Revenue), which is commonly used in the SaaS industry. It replaces the new orders indicator for SaaS subscriptions.

ARR can be thought of as the stock of active SaaS subscriptions at a given point in time. ARR therefore anticipates the evolution of SaaS revenues in the coming years. As ARR is an inventory-based concept, it will be published at the exchange rate prevailing on the last day of the quarter. These factors should be considered when evaluating this indicator each quarter.

## **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, 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.

### 3. SCOPE OF CONSOLIDATION

On March 31, 2025, the Group's scope of consolidation comprised the parent company, Lectra SA, together with 76 fully consolidated companies, 17 of which come from the acquisition of Launchmetrics and two entities consolidated under equity method. Five companies are not consolidated.

#### 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 83.2 million dollars (77.0 million 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 37.9 million dollars (34.8 million 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 38.7, 20.1, 16.5 and 3.5 million dollars (35.5, 18.5, 15.2 and 3.2 million euros respectively at January 23, 2024 exchange rate);
  - a deferred tax liability related to these intangible assets of 20.5 million dollars (18.8 million euros at January 23, 2024 exchange rate);

- a negative 20.5 million dollars of net acquired asset (18.8 million 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 18.8 million dollars (17.3 million euros at January 23, 2024 exchange rate);
- Recording of a goodwill of 64.2 million dollars (59.6 million 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’.

Launchmetrics has been fully consolidated since January 23, 2024.

If the acquisition by Lectra had been completed on January 1, 2024, the proforma revenue, EBITDA before non-recurring items, and net income of Launchmetrics for the 2024 fiscal year would have respectively amounted to: 43.7; 7.2; et – 2.5 million euros.

#### 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 2.5 million 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 1.3 million 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 Groupe 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- or long-term, depending on the scheduling of the options).

There was no other change in the scope of consolidation in Q1 2025, nor in 2024.

## Non-consolidated entities

Historically, five sales and services subsidiaries were not consolidated, their revenue being immaterial both separately and combined. On March 31, 2025, their combined revenue amounted to 0.7 million euros, and their combined assets amounted to 3.7 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 to cover their overheads when they act as agents. The amount of these transactions was not significant on Mars 31, 2025.

## 4. OPERATING SEGMENTS INFORMATION

Three months ended March 31, 2025 (In thousands of euros)	EMEA <sup>(1)</sup>	Americas	Asia-Pacific	Corporate	Total
Revenues	56 715	44 586	33 147	-	134 449
EBITDA before non-recurring items	8 587	7 825	1 810	2 890	21 112

  

Three months ended March 31, 2024 (In thousands of euros)	EMEA <sup>(1)</sup>	Americas	Asia-Pacific	Corporate	Total
Revenues	55 303	44 426	29 834	-	129 563
EBITDA before non-recurring items	8 944	6 925	2 967	2 232	21 069

(1) This segment covers the following regions: Europe, Middle East and Africa.

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

## 5. CONSOLIDATED CASH FLOW SUMMARY

Three months ended March 31, 2025 (In thousands of euros)	Cash and cash equivalents	Financial debts	Net cash
Free cash flow before non-recurring items	17 660	-	17 660
Proceeds from issuance of ordinary shares <sup>(1)</sup>	1 175	-	1 175
Proceeds from issuance of ordinary shares to non-controlling interests	230	-	230
Sale and purchase of treasury shares <sup>(2)</sup>	93	-	93
Repayment of short-term and long-term debt	(327)	327	-
Impact of currency variations	(3 216)	86	(3 130)
<b>Change in cash position for the period</b>	<b>15 613</b>	<b>413</b>	<b>16 026</b>

  

Cash position at December 31, 2024	81 901	(102 477)	(20 576)
Cash position at March 31, 2025	97 514	(102 064)	(4 550)
<b>Change in cash position for the period</b>	<b>15 613</b>	<b>413</b>	<b>16 026</b>

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

(2) Carried out solely under the liquidity agreement administered by Natixis Oddo BHF (see note 7).

Free cash flow before non-recurring items at March 2025, was 17.7 million euros. It does not include any non-recurring cash inflows or outflows. Accordingly, the free cash flow also amounts to 17.7 million euros.

This figure results from a combination of 15.4 million euros in cash flows provided by operating activities, including a decrease in working capital of 8.4 million euros and an increase in other operating non-current assets of 0.4 million euros (corresponding to the deduction of research tax credits from the corporate income tax due by Lectra SA, Neteven and Launchmetrics France for Q1 2025 – see note 6 hereafter) as well as capital expenditures of 3.0 million euros. Finally, the repayment of lease liabilities (according to IFRS 16), for 2.7 million euros, was considered.

The change in working capital is explained as follows:

- - 4.7 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);
- - 1.9 million euros corresponding to the decrease in inventory;
- - 2.8 million euros resulted from the increase in trade payable;
- + 2.1 million euros arising from the payment of the variable portion of the Group's salaries in respect of fiscal year 2024, mostly paid in 2025, net of the accrual recognized in the first quarter of 2025, which will be paid in 2026.
- - 1.1 million euros arising from the changes in other current assets and liabilities; taken individually, these changes are all immaterial.

The working capital on March 31, 2025 was negative at 29.1 million euros. It comprised the current portion (11.0 million euros) of the 13.7 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, 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 fourth 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 (1.3 million euros) for Q1 2025 was accounted for but not received.

Thus, on March 31, 2025, the Group held a 13.7 million euros receivable on the French tax administration (of which 2.7 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 SA in the same year: none for 2025, 0.3 million 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 (6.0 million euros) and 2018 (5.0 million euros);
- the remaining amount of the research tax credit (1.6 million euros) generated by Launchmetrics France.
- the remaining amount of the research tax credit (0.8 million euros) generated by Neteven.

Besides, the previous amounts due in more than one year have been reduced by a discounting impact of 0.2 million euros.

The Group had also recorded a provision for risk of 6.6 million euros in December 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), 2028 (in respect of 2024) and 2029 (in respect of 2025). 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, 2025, the Company has purchased 82,707 shares and sold 85,821 shares at an average price of €27.32 and €27.41 respectively under the liquidity agreement administered by Natixis Oddo BHF.

On March 31, 2025, the Company held 32,354 Lectra shares (i.e. 0.09% of the share capital) with an average purchase price of €27.49 entirely under the liquidity agreement.

## 8. CASH AND CASH EQUIVALENTS AND NET CASH

(In thousands of euros)	March 31, 2025	December 31, 2024
Available cash	92 489	81 901
Cash equivalents	5 024	-
Borrowings and financial debts	(102 064)	(102 477)
<b>Net cash / (net debt)</b>	<b>(4 551)</b>	<b>(20 576)</b>

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

The Company signed an agreement with its banks in January 2024 for a 100 million 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).

In parallel, an interest rate hedge has been established through an interest rate swap for one-third of the borrowed amount over three years. The fair value of this financial instrument as of December 31, 2024, represents a liability of 0.6 million

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.

On March 31, 2025, Launchmetrics' financial debts amounted to 2.9 million euros, of which 0.5 million euros classified as short-term loan.

The maturity of the financial instruments was as follows:

(In thousands of euros)	March 31, 2025	December 31, 2023
<b>Borrowings</b>		
Short term – less than one year	15 544	15 704
Long term – more than one year, and less than five years	86 520	86 773
<b>Total</b>	<b>102 064</b>	<b>102 477</b>
<b>Derivative financial instruments</b>		
Long term – more than one year, and less than five years	629	664
<b>Total</b>	<b>629</b>	<b>664</b>

## 9. FOREIGN EXCHANGE RISK

In 2025, the average parity between the US dollar and the euro was \$1.05/€1.

### Exchange risk hedging instruments

For Lectra's legacy entities, the Group's currency risk hedging policy is unchanged relative to December 31, 2024.

Exchange risk hedging instruments on March 31, 2025, were comprised of forward sales and purchases of foreign currencies (mainly US dollar) for a net total equivalent value (purchases minus sales) of 58.3 million euros, intended to hedge existing balance sheet positions. Thus, the Company has hedged almost all its balance sheet positions.

## 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 December 31, 2024, exchange rates for the relevant currencies, in particular \$1.04/€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 \$0.99/€1) would mechanically increase 2025 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.