

Lectra Danmark A/S

Vestergade 41, 7400 Herning

CVR no. 79 13 02 14

Annual report 2023

Approved at the Company's annual general meeting on 26 June 2024

Chair of the meeting:

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Mapenda Fame

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report on the compilation of financial statements	3
Management's review	4
Financial statements 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Lectra Danmark A/S for the financial year 1 January - 31 December 2023.


The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.


Herning, 26 June 2024
Executive Board:

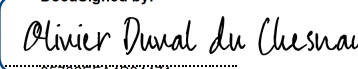
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Mapenda Fame
CEO

Board of Directors:

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Mélanie Carole Chaumont
Chairman

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Mapenda Fame

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Olivier Duval du Chesnay

Independent auditor's report on the compilation of financial statements

To the general management of Lectra Danmark A/S

We have compiled the financial statements of Lectra Danmark A/S for the financial year 1 January - 31 December 2023 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements in the Danish Auditors Act and International Ethics Standards Board for Professional Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Herning, 26 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jesper Stier
State Authorised Public Accountant
mne42245

Management's review

Company details

Name	Lectra Danmark A/S
Address, Postal code, City	Vestergade 41, 7400 Herning
CVR no.	79 13 02 14
Established	20 September 1985
Registered office	Herning
Financial year	1 January - 31 December
Board of Directors	Mélanie Carole Chaumont, Chairman Mapenda Fame Olivier Duval du Chesnay
Executive Board	Mapenda Fame, CEO
Accountant	EY Godkendt Revisionspartnerselskab Dalgasgade 27, 3. sal, 7400 Herning, Denmark

Management's review

Business review

The company's principal activities comprise trade in CAD/CAM solutions and related services. The Company's product range is directed at textile, clothing, padded furniture and industrial business. Due to its affiliation with the Lectra Group, no research and development takes place in Denmark.

Financial review

The income statement for 2023 shows a profit of DKK 249,765 against a profit of DKK 292,080 last year, and the balance sheet at 31 December 2023 shows equity of DKK 3,175,334.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	953,878	1,107,485
2	Staff costs	-754,205	-769,521
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	0	-1,283
	Profit before net financials	199,673	336,681
3	Financial income	133,121	45,361
	Financial expenses	-11,554	-7,637
	Profit before tax	321,240	374,405
4	Tax for the year	-71,475	-82,325
	Profit for the year	249,765	292,080
	Recommended appropriation of profit		
	Retained earnings	249,765	292,080
		249,765	292,080

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Software	0	0
		0	0
	Financial assets		
	Deposits, investments	5,580	5,580
		5,580	5,580
	Total non-current assets	5,580	5,580
	Current assets		
	Inventories		
	Raw materials and consumables	1,468	1,468
		1,468	1,468
	Receivables		
	Trade receivables	218,116	283,652
	Receivables from group enterprises	3,584,724	3,569,663
	Prepayments	13,878	11,893
		3,816,718	3,865,208
	Cash	606,661	453,993
	Total current assets	4,424,847	4,320,669
	TOTAL ASSETS	4,430,427	4,326,249
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Retained earnings	2,675,334	2,425,569
	Total equity	3,175,334	2,925,569
	Liabilities		
	Non-current liabilities		
	Deferred tax	3,053	2,616
	Total non-current liabilities	3,053	2,616
	Current liabilities		
	Trade payables	45,570	50,910
	Payables to group enterprises	95,892	394,850
	Corporation tax payable	71,038	85,008
	Other payables	395,969	364,723
	Deferred income	643,571	502,573
	Total current liabilities	1,252,040	1,398,064
	Total liabilities	1,255,093	1,400,680
	TOTAL EQUITY AND LIABILITIES	4,430,427	4,326,249

- 1 Accounting policies
6 Contractual obligations and contingencies, etc.
7 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	500,000	2,133,489	2,633,489
Transfer through appropriation of profit	0	292,080	292,080
Equity at 1 January 2023	500,000	2,425,569	2,925,569
Transfer through appropriation of profit	0	249,765	249,765
Equity at 31 December 2023	500,000	2,675,334	3,175,334

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Lectra Danmark A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation

The item comprises amortisation of intangible assets.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software	3-5 years
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Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Financial assets

Financial assets comprise deposits and are measured at amortised cost, which corresponds to nominal value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of non-current assets

The carrying amount of intangible assets is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash and cash equivalents comprise "Cash at bank"

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December**Notes to the financial statements**

	<u>2023</u>	<u>2022</u>
DKK		
2 Staff costs		
Wages/salaries	687,662	688,669
Pensions	61,994	73,613
Other social security costs	4,549	7,239
	<u>754,205</u>	<u>769,521</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
3 Financial income		
Interest receivable, group entities	133,011	44,809
Other financial income	110	552
	<u>133,121</u>	<u>45,361</u>
4 Tax for the year		
Estimated tax charge for the year	71,038	85,008
Deferred tax adjustments in the year	437	-2,683
	<u>71,475</u>	<u>82,325</u>
5 Intangible assets		
DKK		<u>Software</u>
Cost at 1 January 2023		<u>141,397</u>
Cost at 31 December 2023		<u>141,397</u>
Impairment losses and amortisation at 1 January 2023		<u>141,397</u>
Impairment losses and amortisation at 31 December 2023		<u>141,397</u>
Carrying amount at 31 December 2023		<u>0</u>

6 Contractual obligations and contingencies, etc.**Other financial obligations**

Rent commitment with a period of notice of 3 months, equivalent to DKK 6 thousand.

Operating lease obligations with a period of notice of 20 months, equivalent to DKK 113 thousand.

7 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Jesper Stier

Statsaut. revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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