

Leica Geosystems Technology A/S

Telehøjen 8, 5220 Odense SØ

CVR no. 15 22 33 32

***Annual report for the period
1 January to 31 December 2024***

Adopted at the annual general meeting on 7 of July 2025

Signed by:

Henning Sandfort

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Henning Sandfort
chairman

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Management`s statement on the annual report

The management and board of directors have today considered and adopted the annual report of Leica Geosystems Technology A/S for the financial year 1 January - 31 December 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position as of 31 December 2024 and of the results of the company's operations for the financial year 1 January - 31 December 2024.

In our opinion, management's review includes a true and fair account of the matters addressed in the review.

Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 7 July 2025

Executive board

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Robert Neil Williams

Board of directors

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Henning Sandfort

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Lukas Gabriel Koller

DocuSigned by:

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Robert Neil Williams

Chairman

Independent Auditor's Report

To the Shareholder of Leica Geosystems Technology A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Leica Geosystems Technology A/S for the financial year 1 January - 31 December 2024, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Odense, 7 July 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Signed by:

FE5CD3D1EFAF410...
Kaare von Cappeln

State Authorised Public Accountant

mne11629

Signed by:

48A364FA36FE491...
Brian Petersen

State Authorised Public Accountant

mne33722

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Company details

The company	Leica Geosystems Technology A/S Telehøjjen 8 5220 Odense SØ CVR no: 15 22 33 32 Reporting period: 1 January - 31 December 2024 Incorporated: 26 June 1991 Domicile: Odense
Board of directors	Henning Sandfort, Chairman Lukas Gabriel Koller Robert Neil Williams
Executive board	Robert Neil Williams
Auditors	PWC Munkebjergvænget 1, 3. & 4. sal DK-5230 Odense M
Bankers	Danske Bank Holmens Kanal 2-12 DK-1092 Copenhagen K

Financial highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	863.444	902.284	952.327	891.167	650.541
Gross profit	209.343	211.620	278.949	228.614	160.489
Net financials	7.521	-1.681	147	-3.062	-589
Profit/loss for the year	52.794	51.468	108.504	78.029	33.795
Balance sheet total	616.254	657.154	588.235	485.591	658.691
Investment in property, plant and equipment	7.729	3.447	17.376	6.005	14.651
Equity	435.260	430.487	406.742	298.238	470.209
Numbers of employees	146	170	171	158	151

Financial ratios

Gross margin	24,3%	23,5%	29,3%	25,7%	27,8%
EBIT margin	6,8%	7,4%	14,3%	9,9%	6,4%
Return on assets	9,2%	10,7%	25,9%	15,4%	6,8%
Solvency ratio	70,6%	65,5%	69,2%	61,4%	71,4%
Return on equity	12,2%	12,3%	30,8%	20,3%	7,5%

Management's review

Main activities

The main of the company activity consists of developing, producing, and selling machine control equipment for the construction business, with most employees engaged in development and production

The main part of revenue is generated from the outside of Denmark.

The Content Area is part of the Geospatial Content Solution (GCS) division under Geosystems of Hexagon. It is a services business in which the company offers aerial mapping and processing services to customers. A diverse clientele, including both government and private enterprises, is served, with revenue being generated from projects that typically last several months.

Development in the year

The income statement for 2024 shows a revenue of DKK 863.444.346 which is a decrease of 4.3% compared to 2023. The company achieved a profit of DKK 52.794.060, compared to a profit of DKK 51.467.514 in 2023. As of 31 December 2024, the balance sheet shows an equity of DKK 435.260.235.

Last year a growth in profit before tax for 2024 was expected in the range 0-10%. The company realized a growth in profit before tax of 1.4%. The profit before tax was positively affected by a reduction in operating cost and financial income (currency gain and interest) and negatively affected by impairment of fixed assets.

The profit margin has increased from 5.7% in 2023 to 6.1% in 2024. Initiatives are ongoing to improve the product margin. Servicing customers and developing new products will remain the highest priority of the company. Therefore, a significant amount will continue to be invested in Research & Development, and customer support will be strengthened.

The content Service business continues to grow steadily and is focuses more towards recurring and multiyear revenue sources.

Special risks - operational risks and financial risks

The company has no special risks beyond the general industry-specific conditions.

Targets and expectations for the year ahead

For 2025 we expect a growth of 0-5% in profit before tax, compared to 2024. The growth in profit before tax is expected to come from further optimization of operating expenses and continued development of the product portfolio, offering new functionality and product to our customers.

Research and development

Research and development costs relate exclusively to the development of new integrated and future-proof products plus improvement and renewal of existing product portfolio as well.

GCS continues to process software to support data capture for the Content Program.

Knowledge resources

The company wishes to play lead in the digitalization of construction projects to contribute to a sustainable world.

The company develops, produces, and sells high-quality integrated machine control solutions that help increase the efficiency of construction projects.

Customers worldwide benefit from utilizing the company's machine control solutions by improving accuracy and reducing customer costs for construction projects. Accordingly, the requirements for knowledge resources regarding the employees are considerable.

Creating value

In 2024 the company, continued launching new products and updated existing ones to secure continued competitiveness and relevance in the market. Developing of the product portfolio ensures the company's continued competitiveness in a highly competitive market. The company has successfully launched new products and solutions and has several important releases in the pipeline to ensure continued competitiveness.

Business model

The company develops and manufactures high-quality, reliable hardware and software in the construction industry.

Content services focus on go-to-market strategy for North America and Europe to provide the most relevant geospatial data to public administrators, government organizations, infrastructure project stakeholders, utilities, and global internet companies during their planning process.

Environment and impact on climate

Hexagon's Environmental Policy applies to Hexagon AB and its subsidiaries and joint ventures, covering development, production, sales, support, and service related to the company's products and all personnel employed by or engaged in providing services to Hexagon.

Hexagon is committed to achieving net-zero emissions. Hexagon will reduce total value chain emissions in line with a net-Zero Standard by 2050. Along the way, Hexagon will reduce its Scope 1 and Scope 2 emissions by 95% by 2030.

In addition, Hexagon has joined the Business Ambition for 1.5°C and achieved validation of the near-term and long-term carbon emissions targets by the SBTi.

Hexagon's carbon targets approved by the SBTi are:

Overall Net-Zero Target:

- Hexagon AB commits to reaching net-zero greenhouse gas emissions across the value chain by 2050.

Near-Term Targets:

- Hexagon commits to reducing absolute scope 1 and 2 GHG emissions by 95% by 2030 from a 2022 base year.

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- Hexagon also commits to increase active annual sourcing of renewable electricity from 34.8% in 2022 to 100% by 2027 and to continue active annual sourcing of 100% renewable electricity through 2030.
- Hexagon further commits to reduce scope 3 GHG emissions 51.6% per EUR value added by 2030 from a 2022 base year.
- Hexagon finally commits that 50% of its suppliers, spending on purchased goods and services will have science-based targets by 2028.

Long-Term Targets:

- Hexagon commits to maintain a minimum of 95% absolute scope 1 and 2 GHG emissions from 2030 through 2050 from a 2022 base year.
- Hexagon commits to reduce scope 3 GHG emissions by 97% per EUR value added by 2050 from a 2022 base year.

Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases (GHG) Hexagon produces before introducing any emissions reduction strategies. This baseline is the reference point against which future reductions will be measured.

Hexagon has recorded Scope 1, Scope 2 and specific categories of Scope 3 emissions for two reporting years. The 2022 data form the baseline to measure Hexagon's Carbon Reduction Plan targets against, as Hexagon substantially increased its scope of reported data in 2022 to cover all of Hexagon's operations.

This data covers all locations where the company conducted business over the calendar year. Hexagon reports GHG emissions in tonnes of carbon dioxide equivalent (tCO₂e) based on the GHG Protocol Corporate Accounting and Reporting Standard.

The totals below include the energy and emissions from the buildings Hexagon operates. The company has used location-based conversion factors and applied market-based accounting methodology for grid emissions.

There are ten global categories of Scope 3 emissions: Purchased goods and services, capital goods, fuel and energy-related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting, use of sold products and end-of-life treatment of sold products.

Baseline Emissions year 2022

- Scope 1 = 14,784 t CO₂
- Scope 2 (market-based) = 36,800 t CO₂
- Scope 3 = ~349,268 tCO₂
- Hexagon CO₂ Footprint = ~400'852 tCO₂ in baseline year

Discover Hexagon's emissions-reduction pathway

To begin its CO₂ reduction journey, Hexagon is defining facility-specific roadmaps aligned with the 1.5 °C scenario following the Net-Zero Standard. The company adapts its internal practices and engage with key stakeholders to enable change. Hover over the "+" icons below to learn more.

2024 progress for Hexagon Geosystems:

1. Achieved a 3% reduction in energy consumption globally and an 8% reduction at manufacturing sites.
2. Reduced water consumption globally by 8%.
3. Increased the recycling rate by 20% globally and reduced global waste by 10%.
4. Raised the share of renewable energy to 80% globally.
5. Achieved a 35% reduction in Scope 1 and 2 emissions compared to 2022 baseline figures.
6. Screened and assessed 80% of global key suppliers, covering over 80% of procurement spend for social and environmental risks.
7. Completed 100% of audits for key direct suppliers.
8. Ecovadis rating will be available by the end of April to share with customers.
9. Gender split: 25.2% women and 74.8% men.
10. Women in leadership positions account for 13%.
11. Achieved a 90% completion rate for sustainability training on internal training platform.

Social conditions and employee relations

The company has a policy on social issues and employee relations, which is described in the company's staff manual. The policy ensures that employees are familiar with terms around social conditions and employee relations, including personal development.

The company continuously updates safety instructions in relevant areas to ensure a safe and healthy working environment. For instance, employees in the test area must have completed the safety course before they stay in the test area.

The company also implements robotic control to increase safety and eliminate physical hard work.

As part of the strategy, the Corporate Hexagon Group conducts an employee satisfaction survey every third year, followed up by quarterly mini-employee surveys that measure the "temperature" among employees and managers and initiate relevant initiatives.

Cooperation with the pension company around health will continue in 2024, focusing on mental health and getting employees back to the office.

The company respects people's confidential information and has therefore introduced data protection strategies and policies in compliance with the Corporate Hexagon Group data protection rules to ensure Corporate Hexagon Group standards for collection, storage, use, transfer, and deletion of personal data.

All employees within the Company are required to implement the Corporate Hexagon Group Code of Business Conduct and Ethics, which means that all employees must respect and comply with laws, rules

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and regulations after the same codex, which applies in all countries in which the group operates. The Corporate Hexagon Group Code of Conduct reflects legal requirements and the Company's responsibility as a market leader to comply with the highest standards of ethics and integrity.

The company does not consider any significant risks in relation to the company's business activities, which can be confirmed by low employee turnover. In 2024, the company will integrate a social conditions screening and assessment platform for its supply chain.

Human rights and anti-corruption

Hexagon's Code of Conduct is the overarching policy guiding the business and it defines Hexagon's expectations and requirements for activities performed on our behalf and should be used as a central guide and reference to support day-to-day decision-making. Ensuring anti-corruption behavior as well as respect for human rights, including no-discrimination, no child-labor, and fair compensation, among others are well outlined in this Code of Conduct.

The company has a policy for human rights and anti-corruption within its value chain, which describes human rights and anti-corruption requirements for the use of cooperation with suppliers in a so-called "Supplier code of conduct".

The policy requires the supplier to ensure high quality and reliability, continuous product development, on-time delivery, sound business ethics, respect for human rights, bribery, avoid use of child labor and use of raw materials with minimum environmental impact according to ISO 14001.

The company demands that suppliers take responsibility and inform the company in case of problems that affect the required products.

The company has carried out supplier audits before entering into a new agreement based on the requirements described in the policy. The result of audits carried out has not caused any violation of the company's policy, on the contrary, all business partners have been able to document conditions that were approved.

The company has conducted tests to ensure that the Company's policy works as intended.

Based on the company's business model, the company has assessed that there are no significant risks according to the company's business activity and a very small risk of breaking human rights and anti-corruption policy, which is documented by the company asking partners to confirm that they comply with the company's policy for human rights and anti-corruption before conclusion of a new agreement. The company has not experienced any violation in these areas during audits performed.

Statement of Social Responsibility

Leica Geosystems Technology A/S is a part of Corporate Hexagon Group and the company complies therefore with Corporate Hexagon Group statement of social responsibility. For Leica Geosystems Technology A/S and Hexagon Corporate Group reporting for social responsibility according to the Danish statement art. §99a see Hexagon annual report.

<https://bynder.hexagon.com/m/3f5532e06b4faf41/original/Hexagon-Annual-and-Sustainability-Report-2024.pdf>

Non-financial KPI

The company has non-financial targets included in the ongoing management reporting to ensure continuous improvement to improve the business result and attract the right competences.

Due diligence processes

The company has procedures that ensure the necessary care and control for the following areas:

Environment and climate: the company measures energy consumption, waste for packaging and scrap quantity in production.

Employee conditions: the company measures staff turnover, employee accidents, and actual hours in production.

Data ethics

Leica Geosystems Technology A/S does not use advanced technologies such as artificial intelligence or machine learning. The company handles general data in the form of customer data and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies. With the limited processing of data, it is the company's assessment that there is no need for a policy on data ethics. The company will continuously assess whether a policy is necessary.

Diversity

The company works across borders and cultures and currently 18 different nationalities are employed. The company wants to actively recruit, develop and retain employees with different backgrounds and origins. The company has no limitations on nationalities, gender, religion or age. The company only assesses employment based on qualifications and all employees have equal opportunities to contribute to the company's success with their individual skills and interests.

Uncertainty on recognition and measurement

There has been no material uncertainty regarding recognition and measurement in the annual report.

Unusual conditions

Sales to Russia and Ukraine have been halted due to the actual conditions. However, they were a small part of the business, and the management of the company strongly believes it has not had a material impact in the result for 2024.

Events after the balance sheet date

The company generally achieved results in Q1 2025 at expectations.

Accounting policies

The annual report of Leica Geosystems Technology A/S for 2024 is prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2024 is presented in DKK.

Basis of recognition and measurement

Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortization, depreciation, and impairment losses, are also recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate like the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the company.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Revenue

Revenue from the sale of goods is recognized when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognized at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined based on the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

The costs of raw materials and consumables include those used in generating the year's revenue.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff costs

Staff costs include wages and salaries, compensated absences, pensions, and other social security contributions made to the entity's employees. Additional costs from group companies related to staff working on projects within those companies are also included.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise the year's amortization, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year.

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognized in the income statement as regards the portion that relates to entries directly in equity.

Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognized as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognized in the income statement as incurred.

Development costs comprise expenses, salaries and amortization directly or indirectly attributable to development activities.

The cost of development projects is measured at direct costs incl. staff cost incurred as well as a portion of costs indirectly attributable to the individual development projects. On completion of a development project, development costs are amortized on a straight-line basis over the estimated useful life.

The amortization period is 3-9 years. Capitalized development costs are measured at cost less accumulated amortization and impairment losses at a lower recoverable amount.

Tangible assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Gains or losses from the disposal of property, plant and equipment are recognized in the income statement as other operating income or other operating expenses, respectively.

Useful life

The useful life of other fixtures and fittings as well as tools and equipment is estimated to be between 3 to 8 years, while leasehold improvements have a useful life of 3 to 10 years.

The useful life and residual value are re-assessed annually. A change is accounted for as change in accounting estimate, and the impact on amortization / depreciation is recognized going forward.

Fixed asset investments

Fixed asset investments, which consist of non-listed bonds and shares. Investments which are not traded in an active market are measured at a lower cost and recoverable amount.

Other fixed asset investments.

Other fixed assets consist of receivables and deposits.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Inventories

Stocks are measured at cost using the FIFO method. Where the net realizable value is lower than the cost, inventories are recognized at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs. The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labor and production/production overheads.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

Borrowing costs are not recognized in the cost.

The net realizable value of inventories is calculated as the expected selling price less direct costs of completion and expenses incurred to complete the sale. The net realizable value is determined considering marketability, obsolescence and expected selling price movements.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognized as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realizable value. Payments received on account are set off against the selling price. They are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Payments received on account are set off against the selling price. They are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Receivables

Receivables are measured at amortized cost. An impairment loss is recognized if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognized.

Prepayments

Prepayments recognized under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Dividend

Dividend distribution proposed by management for the year is disclosed as a separate equity item.

Reserve for development costs

An amount corresponding to capitalized development costs is recognized in the reserve. The reserve is reduced as development costs are amortized.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognized when, because of a past event, the company has a legal or constructive obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Warranty commitments include expenses for remedial action within the warranty period of 1-5 years. Provisions for warranty commitments are measured and recognized based on experience gained from guaranteed work. Provisions with an expected maturity of more than one year from the balance sheet date are discounted using a rate that reflects the risk and maturity of liability.

Income tax and deferred tax.

Current tax liabilities and current tax receivables are recognized in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on accounts.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated based on the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realizable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax. Deferred tax adjustments resulting from changes in tax rates are recognized in the income statement, apart from items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realized, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realizable value.

Liabilities

Financial liabilities are recognized on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortized cost, corresponding to the capitalized value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortized cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognized under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealized value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

- when it has to be **right**



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Cash flow statement

No cash flow statement has been prepared for the company, as the company's cash flows are included in the consolidated cash flow statement of Hexagon AB. See section 86(4) of the Danish Financial Statements Act.

Financial highlights

Definitions of financial ratios.

Gross margin ratio:

Gross profit x 100

Revenue

EBIT margin:

Profit/loss before financials x 100

Revenue

Return on assets:

Profit/loss before financials x 100

Average assets

Solvency ratio:

Equity at year-end x 100

Total assets at year-end

Return on equity:

Net profit for the year x 100

Average equity

Income Statement 1 January – 31 December

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		DKK	DKK
Revenue	1	863.444.346	902.284.470
Work on own account recognised in assets	2	43.171.589	24.548.872
Expenses for raw materials and consumables		-531.890.278	-539.932.355
Other external costs		-165.382.428	-175.281.114
Gross profit		209.343.229	211.619.873
Staff costs	2	-105.684.926	-114.546.176
Profit/loss before amortization/depreciation and impairment losses		103.658.303	97.073.697
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	3	-44.978.969	-30.120.181
Profit/loss before net financials		58.679.334	66.953.516
Financial income	4	18.216.431	8.852.521
Financial cost	5	-10.695.310	-10.533.107
Profit/loss before tax		66.200.455	65.272.930
Tax on profit/loss for the year	6	-13.406.395	-13.805.416
Profit/loss for the year		52.794.060	51.467.514

- when it has to be right



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Balance sheet 31 December

	Note	2024	2023
		DKK	DKK
Assets			
Completed development projects		42.109.325	59.986.047
Acquired patents		0	20.105
Goodwill		7.749.540	9.158.548
Development projects in progress		102.464.068	51.602.152
Intangible assets	7	152.322.933	120.766.852
Other fixtures and fittings, tools and equipment		13.905.858	15.669.125
Leasehold improvements		11.019.405	12.706.317
Tangible assets	8	24.925.263	28.375.442
Other fixed asset investments		17.287	17.287
Deposit		3.990.400	3.648.206
Other receivables		287.012	2.781.902
Fixed assets investments	9	4.294.699	6.447.395
Total non-current assets		181.542.894	155.589.689
Inventories	10	63.649.547	117.944.949
Trade receivables		32.323.944	39.648.396
Contract Work in Progress	11	10.484.298	4.813.053
Receivables from group entities		319.599.331	299.476.442
Other receivables		5.473.516	5.327.846
Prepayments	12	3.178.555	5.505.535
Receivables		371.059.643	354.771.272
Cash at bank and in hand		2.402	28.848.055
Current assets total		434.711.592	501.564.276
Assets total		616.254.487	657.153.965

Balance sheet 31 December

	Note	2024 DKK	2023 DKK
Liabilities and equity			
Share capital	13	2.000.000	2.000.000
Reserve for development costs		112.767.247	82.197.794
Proposed dividends		50.000.000	50.000.000
Retained earnings		270.492.988	296.288.761
Equity		435.260.235	430.486.555
Provision for deferred tax	15	29.748.498	21.896.619
Other provisions	16	105.000	127.000
Total provisions		29.853.498	22.023.619
Trade payables		53.900.150	34.614.129
Prepayments received recognized as liabilities	11	1.887.903	1.201.526
Payables to group entities		72.517.892	107.227.818
Corporation tax		3.487.625	27.141.241
Other payables		12.661.438	27.775.503
Deferred income	17	6.685.749	6.683.574
Total current liabilities		151.140.757	204.643.790
Total provisions and liabilities		180.994.255	226.667.409
Liabilities and equity total		616.254.487	657.153.965
Proposed distribution of profit	14		
Rental agreements and lease commitments	18		
Related parties and ownership structure	19		
Fee to the auditors appointed at the general meeting	20		
Subsequent events	21		

- when it has to be **right****Annual report 2024****Statement of changes in equity**

2024	Share capital	Reserve for development expenditure	Retained earnings	Proposed dividends	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2024	2.000.000	82.197.794	296.288.760	50.000.000	430.486.554
Dividends paid				- 50.000.000	- 50.000.000
Development costs for the year		30.569.453	- 30.569.453	0	0
Net profit/loss for the year			2.794.060	50.000.000	52.794.060
Other equity movements			1.979.619		1.979.619
Equity at 31 December 2024	2.000.000	112.767.247	270.492.988	50.000.000	435.260.235

2023	Share capital	Reserve for development expenditure	Retained earnings	Proposed dividends	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January 2023	2.000.000	73.459.932	301.282.108	30.000.000	406.742.040
Dividends paid				-30.000.000	-30.000.000
Development costs for the year		8.737.862	- 8.737.862	0	0
Net profit/loss for the year			1.467.514	50.000.000	51.467.514
Other equity movements			2.277.000		2.277.000
Equity at 31 December 2023	2.000.000	82.197.794	296.286.760	50.000.000	430.486.554

- when it has to be **right****Annual report 2024**

Notes to the annual report

1 Revenue

	<u>2024</u>	<u>2023</u>
	DKK	DKK
Machine Control Division		
EMEA	480.575.004	511.494.501
Americas	137.246.172	197.826.493
Asia	32.467.981	34.747.861
Other countries	110.508.000	61.086.000
	<u>760.797.157</u>	<u>805.154.855</u>
Content Service Division		
EMEA	92.008.551	92.823.585
Americas	9.648.407	2.217.030
Asia	805.155	-
Other countries	286.779	2.089.000
Total provisions	<u>102.748.892</u>	<u>97.129.615</u>
Total revenue	<u>863.546.049</u>	<u>902.284.470</u>

2 Staff costs

	<u>2024</u>	<u>2023</u>
	DKK	DKK
Staff costs		
Wages and salaries	95.341.200	102.528.162
Pensions	8.882.197	9.939.221
Other social security cost	909.157	1.476.119
Other staff costs	552.372	602.674
	<u>105.684.926</u>	<u>114.546.176</u>
Including remuneration to the executive and board of directors	<u>3.303.673</u>	<u>2.864.201</u>
Capitalized staff costs	-43.171.589	-24.548.872
Average number of employees	146	170

At the ultimate parent company, Hexagon AB's Annual General Meeting on 29 April 2021, it was decided to implement the Share Programme 2021/2024, on the Annual General Meeting on 29 April 2022, it was decided to implement the Share Programme 2022/2025, on the Annual General Meeting on 2 May 2023 it was decided to implement the Share Programme 2023/2026 and at the Annual General Meeting on 29 April 2024, it was decided to implement the Share Programme 2024/2027 for key employees in the Hexagon Group and its subsidiaries including Leica Geosystems Technology A/S.

The total cost of each the share-based incentive programmes is estimated at 60 MEUR across the Hexagon Group.

An amount of this is allocated to management and employees at Leica Geosystems Technology A/S and is recognized as a personnel expense in profit or loss during the vesting period. In 2024 a total of 32.800 shares were allocated to employees at Leica Geosystems Technology A/S regarding the share programme 2024/2027, of which 13.800 were allocated to members of the Executive Board.

Final allotment of the shares is conditioned by the performance condition being met and that management and employees participating in various share programmes are still employed by Leica Geosystems Technology A/S to fulfil service condition (e.g. to serve for a period of 3 years).

- when it has to be right



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	<u>2024</u>	<u>2023</u>
	DKK	DKK
3		
Depreciation, amortisation and impairment of Intangible assets and property, plant and equipment		
Depreciation intangible assets	25.745.835	23.739.134
Impairment intangible assets	8.105.000	0
Depreciation tangible assets	7.062.952	6.381.047
Impairment tangible assets	4.065.182	0
	<u>44.978.969</u>	<u>30.120.181</u>
4		
Financial income		
Interest received from group companies	4.917.321	1.986.923
Other financial income	745.840	341.584
Exchange adjustment	12.553.270	6.524.014
	<u>18.216.431</u>	<u>8.852.521</u>
5		
Financial costs		
Interest paid to group companies	17.929	337.807
Other financial cost	511.079	126.971
Exchange adjustment	10.166.302	10.068.329
	<u>10.695.310</u>	<u>10.533.107</u>
6		
Tax on profit/loss for the year		
Current tax for the year	5.554.516	13.590.918
Deferred tax for the year	7.851.879	214.498
	<u>13.406.395</u>	<u>13.805.416</u>

- when it has to be right



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7 Intangible assets

	Completed development projects	Acquired patents	Goodwill	development projects in progress	total
Cost at 1 January 2024	<u>292.017.181</u>	<u>7.039.220</u>	<u>14.090.076</u>	51.602.152	364.748.629
Additions for the year	4.312.000			61.094.916	65.406.916
Transfers for the year	<u>6.735.000</u>	<u>0</u>	<u>0</u>	- 6.735.000	<u>0</u>
Cost at 31 December 2024	<u>303.064.181</u>	<u>7.039.220</u>	<u>14.090.076</u>	<u>105.962.068</u>	<u>430.155.545</u>
Impairment losses and amortisation at 1 January 2024	232.031.134	7.019.115	4.931.528	0	243981777
Depreciation for the year	24.316.722	20.105	1.409.008	0	25.745.835
Impairment for the year	<u>4.607.000</u>	<u>0</u>	<u>0</u>	<u>3.498.000</u>	<u>8.105.000</u>
Impairment losses and amortisation at 31 December 2024	<u>260.954.856</u>	<u>7.039.220</u>	<u>6.340.536</u>	<u>3.498.000</u>	<u>277.832.612</u>
Carrying amount at 31 December 2024	<u>42.109.325</u>	<u>0</u>	<u>7.749.540</u>	<u>102.464.068</u>	<u>152.322.933</u>

Goodwill is amortized over a period of 10 years, as it is a long-term strategic acquisition. COWI mapping unit provides airborne imagery and lidar acquisition services with focus in Europe on global reach: the rationale for acquisition is to strengthen the HxGN Content Program in Europe. Along with North West Geomatics, Sigmaspace, Melown Technologies and Thermopylae Sciences and Technologies, this acquisition accelerates Hexagon's mission to put data to work and increase efficiency and productivity.

Completed development projects include product development and testing of machine control equipment for construction business, which have been commissioned and depreciated over 3 to 9 years.

Management has not found any indications of impairment in relation to the carrying amount. Development projects in progress include development and testing of new machine control equipment. Cost consists essentially of internal costs, which are recorded through the company's internal project module. The development of new machine control equipment solutions ensure the company's continued competitiveness in a highly competitive market.

8 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Total
	DKK	DKK	DKK
Cost at 1 January 2024	48.416.938	19.394.543	67.811.481
Retirements for the year	-4.115.817		-4.115.817
Additions for the year	7.728.590		7.728.590
Cost at 31 December 2024	<u>52.029.711</u>	<u>19.394.543</u>	<u>71.424.254</u>
Impairment losses and depreciation at 1 January 2024	32.747.813	6.688.226	39.436.039
Depreciation for the year	5.376.040	1.686.912	7.062.952
Impairment and depreciation of sold assets for the year	4.065.182	0	4.065.182
Impairment losses and depreciation at 31 December 2024	<u>42.189.035</u>	<u>8.375.138</u>	<u>50.564.173</u>
Carring amount at 31 December 2024	<u><u>9.840.676</u></u>	<u><u>11.019.405</u></u>	<u><u>20.860.081</u></u>

9 Fixed assets investments

	Other fixed assets investments	Deposits	Other receivables	Total
	DKK	DKK	DKK	DKK
Cost at 1 January 2024	17.287	3.648.206	2.781.902	6.447.395
Additions for the year	0	342.194		342.194
Disposal	0	0	-2.494.890	-2.494.890
Cost at 31 December 2024	<u>17.287</u>	<u>3.990.400</u>	<u>287.012</u>	<u>4.294.699</u>
Carring amount at 31 December 2024	<u><u>17.287</u></u>	<u><u>3.990.400</u></u>	<u><u>287.012</u></u>	<u><u>4.294.699</u></u>

- when it has to be **right****Annual report 2024**

	<u>2024</u>	<u>2023</u>
	DKK	DKK
10 Inventories		
Raw materials and consumables	25.904.929	34.329.055
Work in progress	1.197.626	1.197.819
Finished goods and goods for resale	<u>36.546.992</u>	<u>82.418.076</u>
	<u>63.649.547</u>	<u>117.944.949</u>
11 Contract work in progress		
	<u>2024</u>	<u>2023</u>
	DKK	DKK
Work in progress, selling price	29.342.462	76.979.442
Work in progress, payments received on account	<u>-20.746.064</u>	<u>-73.367.915</u>
	<u>8.596.398</u>	<u>3.611.527</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognized in assets	10.484.301	4.813.053
Prepayments received recognized in debt	<u>-1.887.903</u>	<u>-1.201.526</u>
	<u>8.596.398</u>	<u>1.037.725</u>

12 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

- when it has to be **right****Annual report 2024****13 Equity**

The share capital consists of 2.000.000 shares at a nominal value of DKK 1.

No shares carry any special rights.

14 Distribution of profit

	<u>2024</u>	<u>2023</u>
	DKK	DKK
Retained earnings	52.794.060	51.467.514
Proposed dividend	-50.000.000	-50.000.000
	<u>2.794.060</u>	<u>1.467.514</u>

15 Provision for deferred tax

	<u>2024</u>	<u>2023</u>
	DKK	DKK
Provision for deferred tax at 1 January 2024	21.896.619	21.682.121
Deferred tax recognised in income statement	<u>7.851.879</u>	<u>214.498</u>
Provision for deferred tax at 31 December 2024	<u>29.748.498</u>	<u>21.896.619</u>

- when it has to be **right****Annual report 2024****16 Other provisions**

	<u>2024</u>	<u>2023</u>
	DKK	DKK
Other provisions	<u>105.000</u>	<u>127.000</u>
Balance at 31 December 2024	<u><u>105.000</u></u>	<u><u>127.000</u></u>

Provisions comprise provisions for guarantee commitments

17 Deferred income

Deferred Income, DKK 6.685.749, consists of payments received from customers related to income that may not be recognized as revenue until the subsequent financial year. The payments will be recognized as revenue in the Income Statement over the next year.

18 Rental agreements and lease commitments**Rent and lease liabilities**

Total future lease payments :

	<u>2024</u>	<u>2023</u>
	DKK	DKK
Within 1 year	10.405.877	8.784.768
Between 1 and 5 years	<u>12.112.986</u>	<u>8.383.994</u>
	<u><u>22.518.863</u></u>	<u><u>17.168.762</u></u>

- when it has to be **right****Annual report 2024****Other contingent liabilities**

Purchase obligation, goods	36.134.945	41.174.329
Repair obligation, service contracts	148.237	136.292
	36.283.182	41.310.621

19 Related parties and ownership structure

Controlling interest	Basis
Leica Geosystems AG, Schweiz	Majority of shares

Transactions

Sales of goods and services to group entities	643.646.369
Purchase of goods and services from other group entities	440.643.360
Financial income	4.849.505
Financial expense	17.929
Receivables group entities	319.599.331
Payables group entities	72.517.892
Financial assets group entities	17.287

Other obligations

The Group companies from Denmark are jointly and severally liable for tax on a jointly taxed income etc. of the group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustment of corporation taxes and withholding taxes may increase the company's liability.

- when it has to be **right**



Annual report 2024

Consolidated financial statements

The company is included in the Group Annual Report of:

<u>Name</u>	<u>Registered office</u>
Hexagon AB	Sweden

20 Fee to auditors appointed at the general meeting

Audit fees are not disclosed with reference to section 96(3) in the Danish Financial Statements Act. The fee is disclosed in the consolidated financial statements for Hexagon AB.

21 Subsequent events

No significant subsequent events have occurred between the balance sheet date and the issuance of this annual report. Therefore, there are no subsequent events to disclose.