

To the General Meeting of
Hexagon Geosystems Services AG, Balgach

St. Gallen, 16 April 2021

Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Hexagon Geosystems Services AG for the financial year ended 31 December 2020.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

BSc FHO in Business Administration

Enclosures

- ▶ Financial statements (balance sheet, income statement and notes)
- ▶ Proposed appropriation of available earnings

Balance sheet

Hexagon Geosystems Services AG

	31.12.2020		31.12.2019	
	CHF	%	CHF	%
Assets				
<i>Current assets</i>				
Cash and cash equivalents	297		659	
Trade accounts receivable				
from direct or indirect shareholders	8'742'537		4'922'896	
Other accounts receivable				
from third parties	491'691		213'240	
from direct or indirect shareholders	1'319'106		603'771	
Prepayments and accrued income	332'246		173'992	
<i>Total current assets</i>	10'885'877	92.5%	5'914'558	85.2%
<i>Non-current assets</i>				
Investments	37'587		37'587	
Property, plant and equipment	750'024		866'774	
Intangible assets	91'352		120'824	
<i>Total non-current assets</i>	878'963	7.5%	1'025'185	14.8%
Total assets	11'764'840	100.0%	6'939'743	100.0%

Balance sheet

Hexagon Geosystems Services AG

	31.12.2020		31.12.2019	
	CHF	%	CHF	%
Equity and liabilities				
<i>Current liabilities</i>				
Trade accounts payable				
to third parties	321'977		299'556	
Current interest-bearing liabilities	65		48	
Other accounts payable				
to third parties	1'653'238		1'268'311	
to direct or indirect shareholders	4'895'274		1'745'410	
Accrued liabilities and deferred income	1'852'111		1'532'985	
Current provisions				
Tax provisions	419'121		442'047	
Provision for translation differences	29'401		20'953	
<i>Total current liabilities</i>	<i>9'171'187</i>	<i>78.0%</i>	<i>5'309'310</i>	<i>76.5%</i>
<i>Non-current liabilities</i>				
Non-current provisions	109'650		109'791	
<i>Total non-current liabilities</i>	<i>109'650</i>	<i>0.9%</i>	<i>109'791</i>	<i>1.6%</i>
<i>Total liabilities</i>	<i>9'280'837</i>	<i>78.9%</i>	<i>5'419'101</i>	<i>78.1%</i>
<i>Shareholders' equity</i>				
Share capital	100'000		100'000	
Statutory retained earnings	50'000		50'000	
Voluntary retained earnings				
Available earnings				
Carry forward	1'370'642		271'143	
Profit for the year	963'361		1'099'499	
<i>Total shareholders' equity</i>	<i>2'484'003</i>	<i>21.1%</i>	<i>1'520'642</i>	<i>21.9%</i>
Total equity and liabilities	11'764'840	100.0%	6'939'743	100.0%

Income statement

Hexagon Geosystems Services AG

	2020		2019	
	CHF	%	CHF	%
Revenue from goods and services	23'266'678		24'293'120	
Revenue deductions	-4'000		-1'894	
Net revenue from goods and services	23'262'678	100.0%	24'291'226	100.0%
Other operating income	37'846		85'743	
Net operating performance	23'300'524	100.2%	24'376'969	100.4%
Personnel expense	-16'993'859		-17'244'760	
Other operating expense	-4'831'974		-5'266'457	
Depreciation and valuation adjustments on property, plant and equipment	-222'456		-283'347	
Operating result	1'252'235	5.4%	1'582'405	6.5%
<i>Financial result</i>				
Financial expense	-117'415		-105'179	
Financial income	94'304		2'217	
Translation loss	0		-25'908	
<i>Total financial result</i>	<i>-23'111</i>	<i>-0.1%</i>	<i>-128'870</i>	<i>-0.5%</i>
<i>Extraordinary, non-recurring and prior-period result</i>				
Losses on the disposal of property, plant and equipment	-3'188		-5'366	
Gains on the disposal of property, plant and equipment	3'280		1'806	
<i>Total extraordinary, non-recurring and prior-period result</i>	<i>92</i>	<i>0.0%</i>	<i>-3'560</i>	<i>0.0%</i>
Profit before taxes	1'229'216	5.3%	1'449'975	6.0%
Direct taxes	-265'855		-350'476	
Profit for the year	963'361	4.1%	1'099'499	4.5%

Notes

Hexagon Geosystems Services AG

	31.12.2020	31.12.2019														
	CHF	CHF														
1 Applied principles																
<p>These financial statements have been prepared in accordance with the accounting principles stated in the Swiss Code of Obligations.</p> <p>Since 01.01.2016 the accounting of the headquarter and the Swiss branches is performed in Euro, the accounting of the foreign branches is performed in the corresponding local currency. The financial reporting occurs in Swiss Francs. The modified period-end exchange rate method is applied for the translation from accounting currencies to Swiss Francs. The currency differences resulting from the translation of the financial statements are charged to the income statement in case of a translation loss and provided for in case of a translation gain, respectively.</p> <p>The following exchange rates have been applied:</p> <p>EUR/CHF: Closing rate</p> <p>EUR/CHF: Average rate</p>	<p>1.0802</p> <p>1.0703</p>	<p>1.0854</p> <p>1.1125</p>														
2 Name and legal form of the Company																
Name	Hexagon Geosystems Services AG	Hexagon Geosystems Services AG														
Legal form	Limited company	Limited company														
Domicile	Balgach	Balgach														
3 Number of full-time positions																
Number of full-time positions (yearly average)	>50	>50														
4 Significant shareholdings																
<table border="1"> <thead> <tr> <th>Company name</th> <th>Country/Purpose</th> <th>Currency</th> <th colspan="2">Nominal capital/Investment Quota</th> <th colspan="2">Nominal capital/Investment Quota</th> </tr> </thead> <tbody> <tr> <td>Hexagon Geosystems Services AT GmbH</td> <td>AT Services</td> <td>EUR</td> <td style="text-align: center;">35'000</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">35'000</td> <td style="text-align: center;">100.0%</td> </tr> </tbody> </table> <p>The specified investment quota represents the share of capital and votes held.</p>	Company name	Country/Purpose	Currency	Nominal capital/Investment Quota		Nominal capital/Investment Quota		Hexagon Geosystems Services AT GmbH	AT Services	EUR	35'000	100.0%	35'000	100.0%		
Company name	Country/Purpose	Currency	Nominal capital/Investment Quota		Nominal capital/Investment Quota											
Hexagon Geosystems Services AT GmbH	AT Services	EUR	35'000	100.0%	35'000	100.0%										
5 Contingent liabilities																
<p>Joint and several liability from group taxation for current and future value-added tax liabilities of Leica Geosystems AG, Hexagon Technology Center GmbH, GeoMax AG, Leica Geosystems Tools Trading AG and Safemine AG.</p>																
6 Residual amount of leasing commitments																
Buildings, cars and IT equipment	2'954'682	3'580'341														

Appropriation of available earnings

Hexagon Geosystems Services AG

	31.12.2020	31.12.2019
	CHF	CHF
Proposal of the Board of Directors/Actual appropriation of the prior year		
Available earnings carried forward from prior year	1'370'642	271'143
Profit for the year	963'361	1'099'499
Available earnings before appropriation by the General Meeting	2'334'003	1'370'642
Dividend (Offset with cash-pool receivable from shareholder)	-1'000'000	0
Balance to be carried forward	1'334'003	1'370'642