

To the General Meeting of
Hexagon Geosystems Services AG, Balgach

St. Gallen, 22 April 2020

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 2019.

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)

Licensed audit expert

Enclosures

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

Balance sheet

Hexagon Geosystems Services AG

| | 31.12.2019 | | 31.12.2018 | |
|--------------------------------------|------------------|---------------|------------------|---------------|
| | CHF | % | CHF | % |
| Assets | | | | |
| <i>Current assets</i> | | | | |
| Cash and cash equivalents | 659 | | 148 | |
| Trade accounts receivable | | | | |
| from direct or indirect shareholders | 4'922'896 | | 5'853'863 | |
| Other accounts receivable | | | | |
| from third parties | 213'240 | | 172'488 | |
| from direct or indirect shareholders | 603'771 | | 868 | |
| Prepayments and accrued income | 173'992 | | 149'370 | |
| <i>Total current assets</i> | 5'914'558 | 85.2% | 6'176'737 | 84.8% |
| <i>Non-current assets</i> | | | | |
| Investments | 37'587 | | 37'587 | |
| Property, plant and equipment | 866'774 | | 959'820 | |
| Intangible assets | 120'824 | | 110'483 | |
| <i>Total non-current assets</i> | 1'025'185 | 14.8% | 1'107'890 | 15.2% |
| Total assets | 6'939'743 | 100.0% | 7'284'627 | 100.0% |

Balance sheet

Hexagon Geosystems Services AG

| | 31.12.2019 | | 31.12.2018 | |
|---|------------------|---------------|------------------|---------------|
| | CHF | % | CHF | % |
| Equity and liabilities | | | | |
| <i>Current liabilities</i> | | | | |
| Trade accounts payable | | | | |
| to third parties | 299'556 | | 460'139 | |
| Current interest-bearing liabilities | 48 | | 45 | |
| Other accounts payable | | | | |
| to third parties | 1'268'311 | | 762'430 | |
| to direct or indirect shareholders | 1'745'410 | | 3'016'805 | |
| Accrued liabilities and deferred income | 1'532'985 | | 1'218'042 | |
| Current provisions | | | | |
| Tax provisions | 442'047 | | 243'067 | |
| Provision for translation differences | 20'953 | | 58'904 | |
| <i>Total current liabilities</i> | 5'309'310 | 76.5% | 5'759'432 | 79.1% |
| <i>Non-current liabilities</i> | | | | |
| Non-current provisions | 109'791 | | 104'052 | |
| <i>Total non-current liabilities</i> | 109'791 | 1.6% | 104'052 | 1.4% |
| <i>Total liabilities</i> | 5'419'101 | 78.1% | 5'863'484 | 80.5% |
| <i>Shareholders' equity</i> | | | | |
| Share capital | 100'000 | | 100'000 | |
| Statutory retained earnings | 50'000 | | 50'000 | |
| Voluntary retained earnings | | | | |
| Available earnings | | | | |
| Carry forward | 271'143 | | 506'520 | |
| Profit for the year | 1'099'499 | | 764'623 | |
| <i>Total shareholders' equity</i> | 1'520'642 | 21.9% | 1'421'143 | 19.5% |
| Total equity and liabilities | 6'939'743 | 100.0% | 7'284'627 | 100.0% |

Income statement

Hexagon Geosystems Services AG

| | 2019 | | 2018 | |
|---|-------------------|--------------|-------------------|--------------|
| | CHF | % | CHF | % |
| Revenue from goods and services | 24'293'120 | | 17'842'321 | |
| Revenue deductions | -1'894 | | -719 | |
| Net revenue from goods and services | 24'291'226 | 100.0% | 17'841'602 | 100.0% |
| Other operating income | 85'743 | | -97'965 | |
| Net operating performance | 24'376'969 | 100.4% | 17'743'637 | 99.5% |
| Personnel expense | -17'244'760 | | -12'514'708 | |
| Other operating expense | -5'266'457 | | -3'894'834 | |
| Depreciation and valuation adjustments on property, plant and equipment | -283'347 | | -287'489 | |
| Operating result | 1'582'405 | 6.5% | 1'046'606 | 5.9% |
| <i>Financial result</i> | | | | |
| Financial expense | -105'179 | | -28'458 | |
| Financial income | 2'217 | | 15'264 | |
| Translation loss | -25'908 | | -21'153 | |
| <i>Total financial result</i> | <i>-128'870</i> | <i>-0.5%</i> | <i>-34'347</i> | <i>-0.2%</i> |
| <i>Extraordinary, non-recurring and prior-period result</i> | | | | |
| Losses on the disposal of property, plant and equipment | -5'366 | | -133 | |
| Gains on the disposal of property, plant and equipment | 1'806 | | 40 | |
| <i>Total extraordinary, non-recurring and prior-period result</i> | <i>-3'560</i> | <i>0.0%</i> | <i>-93</i> | <i>0.0%</i> |
| Profit before taxes | 1'449'975 | 6.0% | 1'012'166 | 5.7% |
| Direct taxes | -350'476 | | -247'543 | |
| Profit for the year | 1'099'499 | 4.5% | 764'623 | 4.3% |

Appropriation of available earnings

Hexagon Geosystems Services AG

| | 31.12.2019 | 31.12.2018 |
|--|-------------------|-------------------|
| | CHF | CHF |
| Proposal of the Board of Directors/Actual appropriation of the prior year | | |
| Available earnings carried forward from prior year | 271'143 | 506'520 |
| Profit for the year | 1'099'499 | 764'623 |
| Available earnings before appropriation by the General Meeting | 1'370'642 | 1'271'143 |
| Dividend (Offset with cash-pool receivable from shareholder) | -1'000'000 | -1'000'000 |
| Balance to be carried forward | 370'642 | 271'143 |