

# Hexagon Geosystems Services AG

## Balgach

Report of the statutory auditors to the  
General Meeting

on the financial statements 2021



# Report of the statutory auditors

## on the limited statutory examination to the General Meeting of

### Hexagon Geosystems Services AG

### Balgach

As statutory auditors, we have examined the financial statements of Hexagon Geosystems Services AG, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2021. The limited statutory examination of the prior year financial statements was performed by another auditor.

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 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 appropriate in the circumstances. However, the testing of the 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.

PricewaterhouseCoopers AG

Beat Inauen  
Audit expert  
Auditor in charge

Nino Brenn  
Audit expert

St. Gallen, 11 April 2022

Enclosures:

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

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## Balance sheet

### Hexagon Geosystems Services AG

|                                      | 31.12.2021        |               | 31.12.2020        |               |
|--------------------------------------|-------------------|---------------|-------------------|---------------|
|                                      | CHF               | %             | CHF               | %             |
| <b>Assets</b>                        |                   |               |                   |               |
| <i>Current assets</i>                |                   |               |                   |               |
| Cash and cash equivalents            | 58                |               | 297               |               |
| Trade accounts receivable            |                   |               |                   |               |
| from third parties                   | 1'457'478         |               | 0                 |               |
| from direct or indirect shareholders | 17'235'972        |               | 8'742'537         |               |
| Other accounts receivable            |                   |               |                   |               |
| from third parties                   | 1'534'166         |               | 491'691           |               |
| from direct or indirect shareholders | 2'065'685         |               | 1'319'106         |               |
| Inventories                          | 3'642'964         |               | 0                 |               |
| Prepayments and accrued income       | 311'809           |               | 332'246           |               |
| <i>Total current assets</i>          | <b>26'248'132</b> | <b>96.8%</b>  | <b>10'885'877</b> | <b>92.5%</b>  |
| <i>Non-current assets</i>            |                   |               |                   |               |
| Investments                          | 37'587            |               | 37'587            |               |
| Property, plant and equipment        | 725'658           |               | 750'024           |               |
| Intangible assets                    | 110'088           |               | 91'352            |               |
| <i>Total non-current assets</i>      | <b>873'333</b>    | <b>3.2%</b>   | <b>878'963</b>    | <b>7.5%</b>   |
| <b>Total assets</b>                  | <b>27'121'465</b> | <b>100.0%</b> | <b>11'764'840</b> | <b>100.0%</b> |

## Balance sheet

### Hexagon Geosystems Services AG

|   | 31.12.2021        |               | 31.12.2020        |               |
|---|-------------------|---------------|-------------------|---------------|
|   | CHF               | %             | CHF               | %             |
| <b>Equity and liabilities</b>           |                   |               |                   |               |
| <i>Current liabilities</i>              |                   |               |                   |               |
| Trade accounts payable                  |                   |               |                   |               |
| to third parties                        | 3'358'974         |               | 321'977           |               |
| Current interest-bearing liabilities    | 679               |               | 65                |               |
| Other accounts payable                  |                   |               |                   |               |
| to third parties                        | 1'100'996         |               | 1'653'238         |               |
| to direct or indirect shareholders      | 7'537'424         |               | 4'895'274         |               |
| Accrued liabilities and deferred income | 2'287'164         |               | 1'852'111         |               |
| Current provisions                      |                   |               |                   |               |
| Tax provisions                          | 452'754           |               | 419'121           |               |
| Other current provisions                | 474'193           |               | 0                 |               |
| Provision for translation differences   | 0                 |               | 29'401            |               |
| <i>Total current liabilities</i>        | <i>15'212'184</i> | <i>56.1%</i>  | <i>9'171'187</i>  | <i>78.0%</i>  |
| <i>Non-current liabilities</i>          |                   |               |                   |               |
| Non-current provisions                  | 0                 |               | 109'650           |               |
| <i>Total non-current liabilities</i>    | <i>0</i>          | <i>0.0%</i>   | <i>109'650</i>    | <i>0.9%</i>   |
| <i>Total liabilities</i>                | <i>15'212'184</i> | <i>56.1%</i>  | <i>9'280'837</i>  | <i>78.9%</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                           | 1'334'003         |               | 1'370'642         |               |
| Gain from merger                        | 6'592'237         |               | 0                 |               |
| Profit for the year                     | 3'833'041         |               | 963'361           |               |
| <i>Total shareholders' equity</i>       | <i>11'909'281</i> | <i>43.9%</i>  | <i>2'484'003</i>  | <i>21.1%</i>  |
| <b>Total equity and liabilities</b>     | <b>27'121'465</b> | <b>100.0%</b> | <b>11'764'840</b> | <b>100.0%</b> |

## Income statement

### Hexagon Geosystems Services AG

|   | 2021              |              | 2020              |              |
|---|-------------------|--------------|-------------------|--------------|
|   | CHF               | %            | CHF               | %            |
| Revenue from goods and services   | 44'885'166        |              | 23'266'678        |              |
| Revenue deductions  | -18'377           |              | -4'000            |              |
| <b>Net revenue from goods and services</b>                              | <b>44'866'789</b> | 100.0%       | <b>23'262'678</b> | 100.0%       |
| Other operating income  | 19'521            |              | 37'846            |              |
| <b>Net operating performance</b>  | <b>44'886'310</b> | 100.0%       | <b>23'300'524</b> | 100.2%       |
| Cost of materials   | -8'293'328        |              | 0                 |              |
| Personnel expense   | -22'968'327       |              | -16'993'859       |              |
| Other operating expense   | -8'207'807        |              | -4'831'974        |              |
| Depreciation and valuation adjustments on property, plant and equipment | -474'611          |              | -222'456          |              |
| <b>Operating result</b>   | <b>4'942'237</b>  | 11.0%        | <b>1'252'235</b>  | 5.4%         |
| <i>Financial result</i>   |                   |              |                   |              |
| Financial expense   | -70'839           |              | -117'415          |              |
| Financial income  | 111'791           |              | 94'304            |              |
| Translation loss  | -536'869          |              | 0                 |              |
| <i>Total financial result</i>   | <i>-495'917</i>   | <i>-1.1%</i> | <i>-23'111</i>    | <i>-0.1%</i> |
| <i>Extraordinary, non-recurring and prior-period result</i>             |                   |              |                   |              |
| Losses on the disposal of property, plant and equipment                 | -55'356           |              | -3'188            |              |
| Gains on the disposal of property, plant and equipment                  | 55'558            |              | 3'280             |              |
| <i>Total extraordinary, non-recurring and prior-period result</i>       | <i>202</i>        | <i>0.0%</i>  | <i>92</i>         | <i>0.0%</i>  |
| <b>Profit before taxes</b>  | <b>4'446'522</b>  | 9.9%         | <b>1'229'216</b>  | 5.3%         |
| Direct taxes  | -613'481          |              | -265'855          |              |
| <b>Profit for the year</b>  | <b>3'833'041</b>  | 8.5%         | <b>963'361</b>    | 4.1%         |

## Notes

### Hexagon Geosystems Services AG

|  | 31.12.2021                     | 31.12.2020                     |   |   |
|--|--------------------------------|--------------------------------|---|---|
|  | CHF                            | CHF                            |   |   |
| <b>1 Applied principles</b>  |                                |                                |   |   |
| <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>Inventories are in general stated at acquisition or production costs. In case the net realizable value at the balance sheet date is lower than the acquisition or production costs, the book value is reduced to the net realizable value. In addition, a lump-sum allowance as accepted from a tax perspective is considered as required. The acquisition and production costs are determined based on standard costs.</p> <p>The option to set up hidden reserves is used as and when required.</p> | <p>1.0331</p> <p>1.0810</p>    | <p>1.0802</p> <p>1.0703</p>    |   |   |
| <b>2 Name and legal form of the Company</b>  |                                |                                |   |   |
| Name   | Hexagon Geosystems Services AG | Hexagon Geosystems Services AG |   |   |
| Legal form   | Limited company                | Limited company                |   |   |
| Domicile   | Balgach                        | Balgach                        |   |   |
| <b>3 Number of full-time positions</b>   |                                |                                |   |   |
| Number of full-time positions (yearly average)   | >50                            | >50                            |   |   |
| <b>4 Significant shareholdings</b>   |                                |                                |   |   |
| <i>Company name</i>  | <i>Country/Purpose</i>         | <i>Currency</i>                | <i>Nominal capital/Investment Quota</i> | <i>Nominal capital/Investment Quota</i> |
| Hexagon Geosystems Services AT GmbH  | AT Services                    | EUR                            | 35'000 100.0%                           | 35'000 100.0%                           |
| The specified investment quota represents the share of capital and votes held.   |                                |                                |   |   |

|  |           |           |
|--|-----------|-----------|
| <b>5 Merger</b>  |           |           |
| By means of mergers, the Company acquired all assets and assumed all liabilities of Safemine AG, Zug as of 01.07.2021 according to the merger agreement dated 25.11.2021. The gain from this merger is included in voluntary retained earnings. The income statement comprises the expenses and income of the former Safemine AG for the entire financial year 2021. |           |           |
| <b>6 Contingent liabilities</b>  |           |           |
| 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.   |           |           |
| <b>7 Residual amount of leasing commitments</b>  |           |           |
| Buildings, cars and IT equipment   | 3'525'481 | 2'954'682 |

## Appropriation of available earnings

Hexagon Geosystems Services AG

|  | 31.12.2021        | 31.12.2020       |
|--|-------------------|------------------|
|  | CHF               | CHF              |
| <b>Proposal of the Board of Directors/Actual appropriation of the prior year</b> |                   |                  |
| Available earnings carried forward from prior year                               | 1'334'003         | 1'370'642        |
| Gain from merger   | 6'592'237         | 0                |
| Profit for the year  | 3'833'041         | 963'361          |
| <b>Available earnings before appropriation by the General Meeting</b>            | <b>11'759'281</b> | <b>2'334'003</b> |
| Dividend (Offset with cash-pool receivable from shareholder)                     | -4'000'000        | -1'000'000       |
| <b>Balance to be carried forward</b>   | <b>7'759'281</b>  | <b>1'334'003</b> |