

INTERIM REPORT

1 JANUARY - 30 JUNE 2024
SECOND QUARTER

Strong margins, recurring revenues and cash conversion despite challenging markets

- 0 per cent organic revenue growth (using fixed exchange rates and a comparable group structure)
- Net sales decreased by -1 per cent to 1,353.4 MEUR (1,366.0)
- Net sales including the reduction of acquired deferred revenue amounted to 1,353.4 MEUR (1,365.0)
- Adjusted gross margin of 67.3 per cent (65.6)
- Adjusted operating earnings (EBIT1) increased by 1 per cent to 399.5 MEUR (394.1)
- Adjusted operating margin amounted to 29.5 per cent (28.9)
- Earnings per share, excluding adjustments, amounted to 10.8 Euro cent (10.8)
- Earnings per share, including adjustments, amounted to 9.6 Euro cent (9.4)
- Operating cash flow before non-recurring items increased to 248.5 MEUR (212.5)
- Cash conversion amounted to 85 per cent (84)
- Recurring revenue increased by 8 per cent to 560.7 MEUR (520.3)

0%

ORGANIC
GROWTH

30%

ADJUSTED OPERATING
MARGIN

85%

CASH
CONVERSION

ADJUSTED KEY FIGURES²⁾

| MEUR | Q2 2024 | Q2 2023 | Δ% | 6M 2024 | 6M 2023 | Δ% |
|-------------------------------|---------|---------|-----------------|---------|---------|-----------------|
| Operating net sales | 1,353.4 | 1,366.0 | 0 ¹⁾ | 2,653.3 | 2,652.6 | 1 ¹⁾ |
| Gross earnings | 911.0 | 896.1 | 2 | 1,775.5 | 1,752.2 | 1 |
| Gross margin, % | 67.3 | 65.6 | 1.7 | 66.9 | 66.1 | 0.8 |
| Operating earnings (EBITDA) | 507.9 | 489.3 | 4 | 991.5 | 951.5 | 4 |
| EBITDA margin, % | 37.5 | 35.8 | 1.7 | 37.4 | 35.9 | 1.5 |
| Operating earnings (EBIT1) | 399.5 | 394.1 | 1 | 776.0 | 765.3 | 1 |
| Operating margin, % | 29.5 | 28.9 | 0.6 | 29.2 | 28.8 | 0.4 |
| Earnings before taxes | 357.4 | 357.9 | 0 | 691.2 | 702.3 | -2 |
| Earnings per share, Euro cent | 10.8 | 10.8 | 0 | 20.9 | 21.2 | -1 |

¹⁾Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

²⁾For definition, see page 24. For specification, see page 4

Paolo Guglielmini, President and CEO, Hexagon AB, commented

"The second quarter has underlined the strengthening of our internal fundamentals, despite the weaker backdrop in some of our important end-markets. Strong execution in innovation, incremental operational improvement, and cost and working capital management, generated a good uptick in recurring revenues, record-high gross margins, strong operating margins and solid cash conversion."

Early indicators suggest that the trading environment, particularly the challenged construction and automotive markets, will remain difficult in the third quarter. However, despite this backdrop, our continued focus on innovation and operational efficiencies will help support the EBIT1 margin. We are confident in these fundamentals and see Hexagon's overall market and competitive positioning as a strong foundation for profitable growth once the macro environment improves."

EXECUTIVE SUMMARY

During the second quarter of 2024 we have continued to see a slowdown in key end-markets, with slow demand in automotive and machining activities in EMEA and China affecting our Manufacturing Intelligence (MI) business, and the global weakness of the construction sector impacting the Geosystems division. Despite these headwinds, we recorded strong growth in recurring revenues, solid margin improvement and good cash conversion.

The recurring portion of our revenues, up 8 per cent year-on-year, was driven primarily by growth in subscription and SaaS revenues, while demand in the sensors and robotic portfolio remained challenged.

Our gross margin reached an all time high of 67.3 per cent (65.6) supporting an increase in the EBIT1 margin to 29.5 per cent (28.9). This improvement was driven by continued pricing power, by stronger software sales and the divestment of low margin activities in Manufacturing Intelligence and Safety, Infrastructure and Geospatial (SIG) during 2023.

The rationalisation program launched in 2023 keeps us on track to deliver on our 2026 financial targets, with savings of 38 MEUR realised in the quarter.

The healthy cash conversion of 85 per cent (84) was driven by solid growth in software sales and our continued focus on working capital across divisions.

Manufacturing Intelligence recorded organic growth of 0 per cent (11), with weakness in the automotive sector offsetting the positive momentum in aerospace, and China revenues flat year-on-year.

ALI (Asset Lifecycle Intelligence) grew 9 per cent (11) organically, with strong SaaS and perpetual software sales, driven by the adoption of design tools and enterprise asset management solutions in the context of investments in data centers and new energy.

Geosystems saw organic growth decline by -5 per cent (4), with lower volumes reflecting a worsening in the construction market environment, partially offset by good progress in software sales, including design software and our reality data platform HxDR, and a 12 per cent increase in recurring revenues.

Autonomous Solutions experienced good growth in mining, while Autonomy & Positioning declined against tough comparatives, reflecting the non-recurrence of some large defence projects and a cyclical slowdown in agriculture markets. Despite these factors, the overall decline in organic growth was limited to -2 per cent (27).

SIG grew by 6 per cent (-9), driven by good progress in the public safety and security software portfolio. Our OnCall software platform continues to demonstrate strong growth, with a growing backlog of activity globally.

During the quarter we announced several acquisitions, including Itus Digital in ALI and Xwatch and Voyansi in Geosystems. I would like to welcome these companies to Hexagon. Their solutions strengthen our offering for safety and productivity as well as the Group's financial profile into the future.

Early indicators suggest that the trading environment, particularly the challenged construction and automotive markets, will remain difficult in the third quarter. However, despite this backdrop, our continued focus on innovation and operational efficiencies will help support the EBIT1 margin. This will provide a strong foundation for growth once the macro environment improves and we remain confident in Hexagon's overall market and competitive positioning.

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CONFERENCE CALL

The Interim Report for the second quarter 2024 will be presented on 26 July at 10:00 CET at a telephone conference. Please view instructions at Hexagon's website on how to participate.

<https://investors.hexagon.com/en/upcoming-investor-events>

FINANCIAL CALENDAR

Hexagon gives financial information at the following occasions:

Interim Report Q3 2024

25 October 2024

Year-End Report 2024

1 February 2025

GROUP BUSINESS DEVELOPMENT Q2

NET SALES

Operating net sales decreased by -1 per cent to 1,353.4 MEUR (1,366.0). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 0 per cent. Structure added 0 per cent to growth, reflecting the net contribution of the acquisitions made in the last 12 months. More details on acquisitions and disposals are given in note 6.

Development by Geography

Regionally, organic growth was 4 per cent in EMEA, -1 per cent in the Americas and -3 per cent in Asia.

In Asia, China recorded -4 per cent organic growth, with flat growth in Manufacturing Intelligence and a significant decline in Geosystems, relating to the construction market. The rest of Asia recorded -1 per cent organic growth, impacted by a decline in Mining in Australia and a very difficult comparison in India for Geosystems, which offset strong growth in Manufacturing Intelligence.

In EMEA, Western Europe recorded 2 per cent organic growth, with the continued decline in manufacturing markets impacting Manufacturing Intelligence, which was offset by strong growth in ALI and Autonomous Solutions. EEMEA recorded 11 per cent organic growth.

In the Americas, North America recorded -2 per cent organic growth, reflecting a decline in Geosystems due to further weakness in infrastructure and construction markets, as well as very difficult comparatives within defence for Autonomous Solutions. South America recorded 10 per cent organic growth, with growth in mining and SIG offsetting weaker demand in agriculture.

Development by Product Type

The sensors & robotic solutions portfolio delivered a -7 per cent decline in reported growth during the second quarter, due to lower demand in manufacturing markets for metrology solutions, and sluggish construction markets affecting Geosystems, particularly in surveying and reality capture tools.

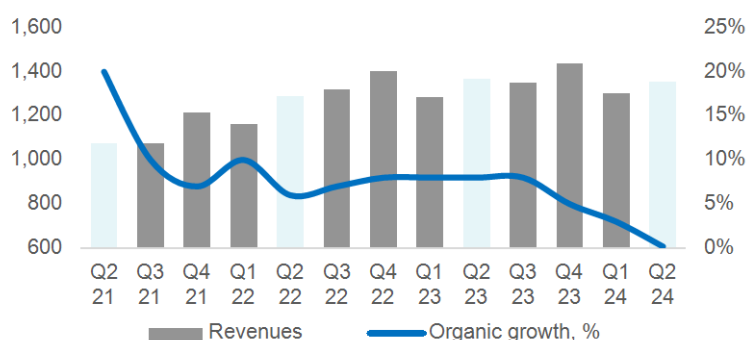
Software and services posted a 4 per cent increase (reported), with robust growth in ALI, good progress in SIG and growth in CAD, strong growth in Design & Engineering software in MI and HxDR applications in Geosystems, offset by slower service revenue growth. Recurring revenue grew quickly by 8 per cent (reported) with positive momentum across most product categories.

SALES BRIDGE - SECOND QUARTER

| | Operating net sales ¹⁾ |
|-------------------|-----------------------------------|
| 2023, MEUR | 1,366.0 |
| Structure, % | 0 |
| Currency, % | 0 |
| Organic growth, % | 0 |
| Total, % | -1 |
| 2024, MEUR | 1,353.4 |

¹⁾ Net sales from acquisitions and divestments during the last twelve months are reported as "Structure" in the table above. Percentages are rounded to the nearest whole per cent.

GROWTH TREND



SALES BY PRODUCT TYPE - SECOND QUARTER

| MEUR | Q2 2024 | % of sales | Q2 2023 | % of sales | Reported Δ% |
|------------------------------|----------------|------------|----------------|------------|-------------|
| Software & Services | 819.5 | 60.6% | 790.1 | 57.8% | 4% |
| Sensors & Robotics Solutions | 533.9 | 39.4% | 575.9 | 42.2% | -7% |
| Total | 1,353.4 | | 1,366.0 | | -1% |
| Recurring revenue | 560.7 | 41.4% | 520.3 | 38.2% | 8% |

SALES BY GEOGRAPHY - SECOND QUARTER

| MEUR | Q2 2024 | % of sales | Q2 2023 | % of sales | Organic Δ% |
|------------------|----------------|------------|----------------|------------|------------|
| North America | 460.6 | 34% | 466.2 | 34% | -2% |
| South America | 59.2 | 4% | 54.7 | 4% | 10% |
| Western Europe | 372.5 | 28% | 365.2 | 27% | 2% |
| EEMEA | 104.5 | 8% | 94.4 | 7% | 11% |
| China | 184.6 | 14% | 203.1 | 15% | -4% |
| Asia, excl China | 172.0 | 13% | 182.4 | 13% | -1% |
| Total | 1,353.4 | | 1,366.0 | | 0% |

EARNINGS Q2

Adjusted operating earnings (EBIT1) increased by 1 per cent to 399.5 MEUR (394.1), which corresponded to an adjusted operating margin of 29.5 per cent (28.9). The adjusted operating margin (EBIT1) was supported by growth in the software portfolio and cost saving benefits of 38 MEUR from the rationalisation programme, but negatively impacted by the weaker growth development in the high margin Geosystems division and currency effects. The adjusted operating margin including amortisation of surplus values (PPA) of -28.2 MEUR (-29.4) amounted to 27.4% (26.7%).

Adjusted operating earnings (EBIT1) were negatively impacted by currency transaction effects of -4.5 MEUR (-11.4) and negatively impacted by currency translation effects of -2.5 MEUR. Earnings before taxes, excluding adjustments, amounted to 357.4 MEUR (357.9).

Total R&D spend (including capitalised amounts) was 215 MEUR, equivalent to 16 per cent of net sales, whereof 121 MEUR was capitalised. Amortisation of previously capitalised R&D amounted to 58 MEUR. The adjusted net R&D cost expensed to EBIT in the quarter was 152 MEUR.

Hexagon's net capital investments, excluding acquisitions and divestitures, amounted to -155.5 MEUR (-151.7) in the second quarter. Depreciation, amortisation and impairment amounted to -136.6 MEUR (-124.6) in the second quarter, whereof impairment charges amounted to -4.5 MEUR (0.0).

The adjustments for the quarter consist of share-based program expenses (LTIP) of -10.8 MEUR (-13.5), amortisation of surplus values (PPA) of -28.2 MEUR (-29.4), acquired deferred revenues of 0.0 MEUR (-1.0)

TAX AND FINANCIAL NET EXPENSE

The Group's tax expense for the first quarter totalled -57.3 MEUR (-56.6). The reported tax rate was 18.0 per cent (18.0) for the quarter. The tax rate, excluding adjustments, was 18.0 per cent (18.0) for the quarter. The Group's financial net expenses amounted to 42.1 MEUR (36.2).

SALES AND OPERATING PROFIT BRIDGE

| MEUR | Q2 2023 | Currency | Structure | Organic | Q2 2024 |
|-------------------------------------|---------|----------|-----------|---------|---------|
| Operating net sales | 1.366.0 | -5 | -6 | -2 | 1.353.4 |
| Adjusted operating earnings (EBIT1) | 394.1 | 4 | 1 | 0 | 399.5 |
| Adjusted operating margin | 28.9% | -90% | -19% | 5% | 29.5% |
| Accretion (dilution) on margin | | 0.4% | 0.2% | 0.0% | |

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - SECOND QUARTER

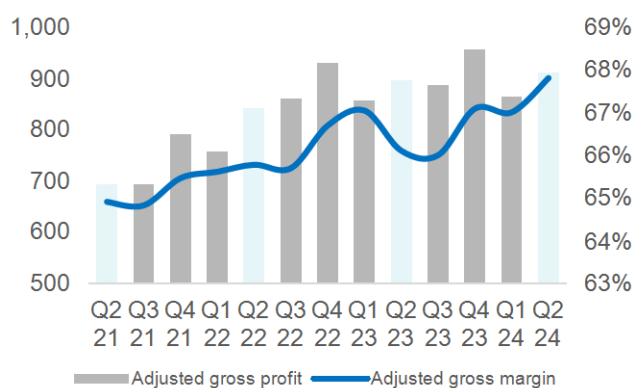
| | Movement ¹⁾ | | Income less cost | Earnings impact |
|-------------|------------------------|-----|------------------|-----------------|
| CHF | Strengthened | 1% | Negative | Negative |
| USD | Strengthened | 1% | Positive | Positive |
| CNY | Weakened | -2% | Positive | Negative |
| EBIT1, MEUR | | | | -2.5 |

¹⁾Compared to Q2 2023

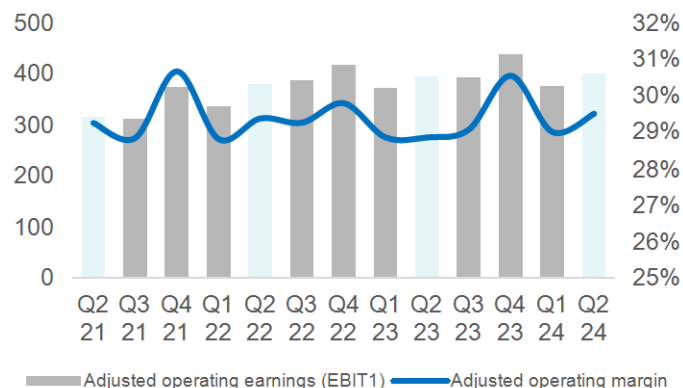
ADJUSTMENTS IN THE QUARTER

| MEUR | Q2 2024 | Adjustments | | Total adjustments | Q2 2024 |
|---|----------|-------------|-------|-------------------|---------|
| | Non-IFRS | PPA | LTIP | | IFRS |
| Operating earnings (EBIT1/EBIT) | 399.5 | -28.2 | -10.8 | -39.0 | 360.5 |
| Depreciation, amortisation and impairment | 108.4 | 28.2 | | 28.2 | 136.6 |
| EBITDA | 507.9 | | | | 497.1 |
| Share program expenses | 0 | | 11.7 | 11.7 | 11.7 |
| Capital gain/loss and other non-cash items | -10.8 | | -0.9 | -0.9 | -11.7 |
| Cash flow from operations before change in working capital excluding taxes and interest | 497.1 | | | | 497.1 |

GROSS PROFIT AND GROSS MARGIN



EBIT1 AND EBIT1 MARGIN



REPORTING SEGMENTS

| MEUR | Q2 2024 | Q2 2023 | Reported Δ% | Organic Δ% | 6M 2024 | 6M 2023 | Reported Δ% | Organic Δ% |
|--|----------------|----------------|-------------|------------|----------------|----------------|-------------|------------|
| Operating net sales | | | | | | | | |
| Manufacturing Intelligence | 483.8 | 497.6 | -3% | 0% | 961.9 | 974.4 | -1% | 3% |
| Asset Lifecycle Intelligence | 203.1 | 186.2 | 9% | 9% | 395.3 | 376.8 | 5% | 6% |
| Geosystems | 405.5 | 424.8 | -5% | -5% | 782.3 | 814.6 | -4% | -4% |
| Autonomous Solutions | 141.2 | 139.3 | 1% | -2% | 276.7 | 264.0 | 5% | 3% |
| Safety, Infrastructure & Geospatial | 119.8 | 115.3 | 4% | 6% | 236.7 | 217.8 | 9% | 6% |
| Other operations & Group costs | 0.0 | 2.8 | -100% | n.a. | 0.4 | 5.0 | -92% | n.a. |
| Total operating net sales | 1,353.4 | 1,366.0 | -1% | 0% | 2,653.3 | 2,652.6 | 0% | 1% |
| Adjusted operating earnings (EBIT1) | | | | | | | | |
| Manufacturing Intelligence | 129.1 | 128.9 | 0% | | 253.9 | 248.4 | 2% | |
| Asset Lifecycle Intelligence | 70.5 | 62.1 | 14% | | 137.0 | 130.4 | 5% | |
| Geosystems | 131.0 | 139.0 | -6% | | 248.5 | 266.5 | -7% | |
| Autonomous Solutions | 52.6 | 48.1 | 9% | | 100.3 | 89.4 | 12% | |
| Safety, Infrastructure & Geospatial | 23.8 | 21.7 | 10% | | 48.1 | 40.1 | 20% | |
| Other operations & Group costs | -7.5 | -5.7 | -32% | | -11.8 | -9.5 | -24% | |
| Total adjusted EBIT | 399.5 | 394.1 | 1% | | 776.0 | 765.3 | 1% | |
| Adjusted operating margin, % | | | | | | | | |
| Manufacturing Intelligence | 26.7% | 25.9% | 0.8% | | 26.4% | 25.5% | 0.9% | |
| Asset Lifecycle Intelligence | 34.7% | 33.4% | 1.4% | | 34.7% | 34.6% | 0.1% | |
| Geosystems | 32.3% | 32.7% | -0.4% | | 31.8% | 32.7% | -1.0% | |
| Autonomous Solutions | 37.3% | 34.5% | 2.7% | | 36.2% | 33.9% | 2.4% | |
| Safety, Infrastructure & Geospatial | 19.9% | 18.8% | 1.0% | | 20.3% | 18.4% | 1.9% | |
| Other operations & Group costs | n.a. | n.a. | n.a. | | n.a. | n.a. | n.a. | |
| Total adjusted EBIT margin % | 29.5% | 28.9% | 0.7% | | 29.2% | 28.9% | 0.4% | |

CASH FLOW AND BALANCE SHEET

Operating cash flow before tax, interest and non-recurring items amounted to 338.5 MEUR (330.2), corresponding to growth of 3 per cent compared to the prior year. The cash conversion ratio amounted to 85% (84%) during the quarter. Working capital saw an outflow of -3.1 MEUR.

Net interest payments amounted to -39.3MEUR (-33.4) during the quarter, largely reflecting higher interest rates. Taxes paid amounted to -50.7 MEUR (-84.3).

Operating cash flow before non-recurring items amounted to 248.5 MEUR (212.5), corresponding to a growth of 17 per cent compared to the prior year.

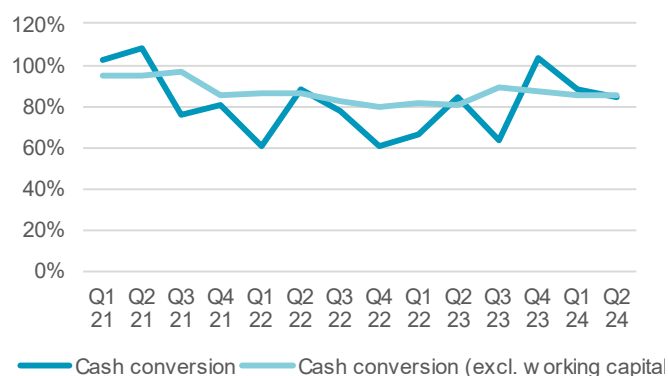
CASH FLOW STATEMENT

| MEUR | Q2 2024 | Q2 2023 | Δ% | 6M 2024 | 6M 2023 | Δ% |
|---|--------------|--------------|-----------|--------------|--------------|-----------|
| Adjusted operating earnings (EBIT1) | 399.5 | 394.1 | 1 | 776.0 | 765.3 | 1 |
| D&A (excl adjustments) | 108.4 | 95.2 | 14 | 215.5 | 186.2 | 16 |
| Adjusted EBITDA | 507.9 | 489.3 | 4 | 991.5 | 951.5 | 4 |
| Non-cash items | -10.8 | -17.8 | -39 | -27.6 | -27.6 | 0 |
| Capital expenditures | -155.5 | -151.7 | 3 | -302.1 | -299.9 | 1 |
| Cash flow post investment | 341.6 | 319.8 | 7 | 661.8 | 624.0 | 6 |
| Working capital | -3.1 | 10.4 | n.a. | 9.6 | -49.2 | n.a. |
| Operating cash flow before tax and interest | 338.5 | 330.2 | 3 | 671.4 | 574.8 | 17 |
| Cash conversion | 85% | 84% | 1 | 87% | 75% | 12 |
| Taxes paid | -50.7 | -84.3 | -40 | -121.9 | -163.6 | -25 |
| Interest received and paid, net | -39.3 | -33.4 | 18 | -81.6 | -57.2 | 43 |
| Operating cash flow before non-recurring items | 248.5 | 212.5 | 17 | 467.9 | 354.0 | 32 |

NET DEBT BRIDGE

| MEUR | Q2 2024 |
|---|-----------------|
| Net debt opening balance | -3,408.7 |
| Operating cash flow | 229.0 |
| Investments in subsidiaries | -55.4 |
| Investments/divestments in financial fixed assets | -1.4 |
| Share program | -88.8 |
| Dividend | -355.6 |
| New/changed lease contracts | -12.0 |
| Currency | 0.7 |
| Other | 0.9 |
| Net debt closing balance | -3,691.3 |
| Net debt to EBITDA | 1.8 |

CASH CONVERSION



CAPITAL EFFICIENCY

Capital employed increased to 14,598.5 MEUR (14,236.6), largely reflecting acquisitions and currency movements. Return on average capital employed for the last twelve months was 11.3 per cent (11.2). Return on average shareholders' equity for the last twelve months was 8.4 per cent (10.6). The capital turnover rate was 0.4 times (0.4).

FINANCIAL POSITION

Total shareholders' equity increased to 10,395.8 MEUR (9,867.1). The equity ratio was 60.2 per cent (58.4). Hexagon's total assets increased to 17,279.8 MEUR (16,904.0), with the increase in total assets was driven primarily by acquisitions and currency movements.

Hexagon's main sources of financing consist of:

- 1) A multicurrency revolving credit facility (RCF) established in 2021. The RCF amounts to 1,500 MEUR with a tenor of 5+1+1 years.
- 2) A Swedish Medium Term Note Programme (MTN) established during 2014. The MTN programme amounts to 20,000 MSEK with tenor up to 6 years.
- 3) A Swedish Commercial Paper Programme (CP) established during 2012. The CP programme amounts to 15,000 MSEK with tenor up to 12 months.

On 30 June 2024, cash and unutilised credit limits totalled 1,345.5 MEUR (1,311.1). Hexagon's net debt was 3,691.3 MEUR (3,864.4). The net indebtedness was 0.33 times (0.37). Interest coverage ratio was 7.8 times (9.2).

MANUFACTURING INTELLIGENCE – Q2 2024

Hexagon's Manufacturing Intelligence division provides customers hardware and software solutions to allow improved design, process, quality and efficiency. Key solution areas include Design and Engineering (conceptual design and detailed engineering tools), Production (CAD & CAM software) and Metrology (stationary & portable metrology, automated inspection), Quality Management Systems (ETQ) and the manufacturing cloud platform (Nexus). By geography Manufacturing Intelligence revenues in 2023 were split 30% Americas, 30% EMEA and 40% APAC.

NET SALES AND EARNINGS

| MEUR | Q2 2024 | Q2 2023 | Δ% | 6M 2024 | 6M 2023 | Δ% |
|-------------------------------------|---------|---------|------------------|---------|---------|------------------|
| Operating net sales | 483.8 | 497.6 | 0% ¹⁾ | 961.9 | 974.4 | 3% ¹⁾ |
| Adjusted operating earnings (EBIT1) | 129.1 | 128.9 | 0% | 253.9 | 248.4 | 2% |
| Adjusted operating margin, % | 26.7% | 25.9% | 0.8% | 26.4% | 25.5% | 0.9% |

¹⁾Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES

Manufacturing Intelligence (MI) operating net sales amounted to 483.8 MEUR (497.6). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 0 per cent. Aerospace grew strongly during the quarter and there was a positive trend in medical and general manufacturing. Electronics also grew during the quarter, with activity centered around larger customers. Offsetting this positive trend was the Automotive segment, where markets weakened in the quarter.

By geography, Manufacturing Intelligence saw growth in the Americas and Asia, where China was flat and India delivered double digit growth. EMEA slowed further, driven by the challenging economic environment in select markets in Western Europe.

By solution area, there was good growth in demand for portable metrology solutions, offset by weakness in stationary devices. Design & Engineering software grew well and ETQ recorded double digit software bookings, strong SaaS growth and good progress in geographic diversification.

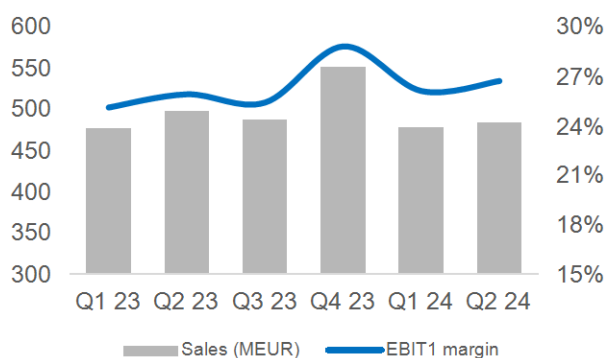
EARNINGS

EBIT1 was flat compared to the prior year, corresponding to an adjusted operating margin of 26.7 per cent (25.9). This performance was driven by the benefits of cost saving actions taken under the rationalisation programme and the sale of the TESA PMI business. The improvement was partially offset by currency movements.

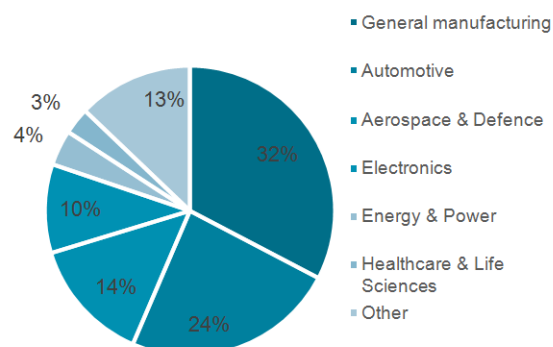
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

Manufacturing Intelligence acquired Edge Technology, a reseller of Hexagon Production Software and Helmee, a provider of Metrology inspection solutions.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY 2023)



ASSET LIFECYCLE INTELLIGENCE – Q2 2024

Hexagon's Asset Lifecycle Intelligence division is a market leading software provider to Fortune 500 companies that helps clients design, construct, operate, maintain and secure more profitable, safe, and sustainable industrial facilities around the world. The division's core technologies help produce actionable insights that enable better decision-making and intelligence across the asset lifecycle of capital-intensive projects, leading to improvements in safety, quality, efficiency, and productivity, which contribute to economic and environmental sustainability. Key solution areas include Design and Engineering (conceptual design and detailed engineering tools), Project Planning & Execution (construction, fabrication and supply chain management) and Operations & Maintenance (enterprise asset management, predictive maintenance and OT cyber security software). By geography Asset Lifecycle Intelligence revenues in 2023 were split 46% Americas, 30% EMEA and 24% APAC.

NET SALES AND EARNINGS

| MEUR | Q2 2024 | Q2 2023 | Δ% | 6M 2024 | 6M 2023 | Δ% |
|-------------------------------------|---------|---------|------------------|---------|---------|------------------|
| Operating net sales | 203.1 | 186.2 | 9% ¹⁾ | 395.3 | 376.8 | 6% ¹⁾ |
| Adjusted operating earnings (EBIT1) | 70.5 | 62.1 | 14% | 137.0 | 130.4 | 5% |
| Adjusted operating margin, % | 34.7% | 33.4% | 1.3% | 34.7% | 34.6% | 0.1% |

¹⁾Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES

Asset Lifecycle Intelligence (ALI) operating net sales amounted to 203.1 MEUR (186.2). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 9 per cent. Organic growth was driven by strong software sales, with good growth in both SaaS and perpetual deals, offset slightly by a reduced contribution from services revenues.

By geography, growth was strong across all regions with low double-digit growth in EMEA and China, high single digit growth in the Americas and mid-single digit growth in APAC.

By solution area, the standout growth areas were Enterprise Asset Management (EAM), Design & Engineering and Operations & Maintenance software. EAM revenues grew at low double digit rates, led by a faster development in SaaS.

EARNINGS

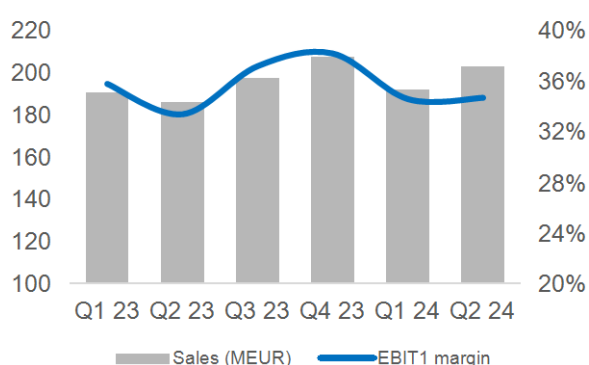
EBIT1 increased compared to the prior year period, corresponding to an adjusted operating margin of 34.7% (33.4). Margins benefited from savings in operating costs and higher gross margins, offset slightly by unfavourable currency movements.

ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

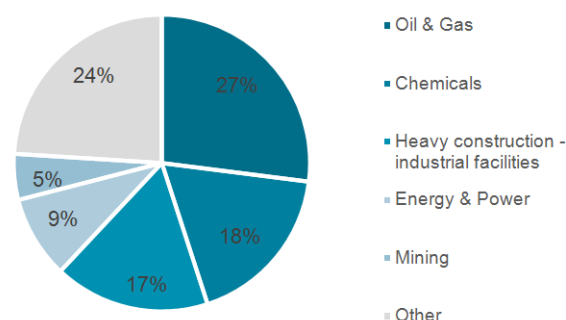
On 4 April 2024 Hexagon ALI acquired Itus Digital, a US based provider of asset performance management (APM) software. Itus is expected to generate revenues of around 1 MEUR in 2024, growing quickly, with a profitability level initially below that of Hexagon.

Post quarter end ALI announced a major product update, launching SDx2, a cloud-native, multi-tenant SaaS solution designed to deliver a connected, insightful digital backbone for industrial facilities. HxGN SDx2 combines operational data, work processes and information systems to deliver contextualized, role-based insights throughout the asset lifecycle – transforming industrial projects and facilities into resilient, efficient and safe operations.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY 2023)



GEOSYSTEMS – Q2 2024

Hexagon's Geosystems division provide a comprehensive portfolio of digital solutions that capture, measure, and visualise the physical world and enable data-driven transformation across industry ecosystems. Their reality-capture technologies create digital worlds from different views, whether a single dimension between two walls in a house, cadastral boundaries of properties or 3D shapes of cities, infrastructures, utilities, entire countries or even crime scenes. These digital worlds provide actionable information vital for understanding, planning and execution. Key solution areas include reality capture sensors and software, mapping solutions and map data, survey hardware and software and machine control. By geography Geosystems revenues in 2023 were split 32% Americas, 46% EMEA and 22% APAC.

NET SALES AND EARNINGS

| MEUR | Q2 2024 | Q2 2023 | Δ% | 6M 2024 | 6M 2023 | Δ% |
|-------------------------------------|---------|---------|-------------------|---------|---------|-------------------|
| Operating net sales | 405.5 | 424.8 | -5% ¹⁾ | 782.3 | 814.6 | -4% ¹⁾ |
| Adjusted operating earnings (EBIT1) | 131.0 | 139.0 | -6% | 248.5 | 266.5 | -7% |
| Adjusted operating margin, % | 32.3% | 32.7% | -0.4% | 31.8% | 32.7% | -0.9% |

¹⁾Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES

Geosystems operating net sales amounted to 405.5 MEUR (424.8). Using fixed exchange rates and a comparable group structure (organic growth), net sales declined by -5 per cent. Growth was negatively impacted by weaker construction markets.

By geography, growth turned negative in North America and continued to be challenging in Asia, particularly in China, as well as a strong comparative in India. EMEA recorded growth, mainly focused on the Middle East, whereas Western Europe was flat.

By solution area, the sensor portfolio was most challenged, with weakness across geomatics, reality capture and surveying tools. Software, including design, grew well despite the overall market conditions, and this drove a 12 per cent increase in recurring revenue. The HxDR platform recorded good growth, with a growing pipeline during the quarter.

EARNINGS

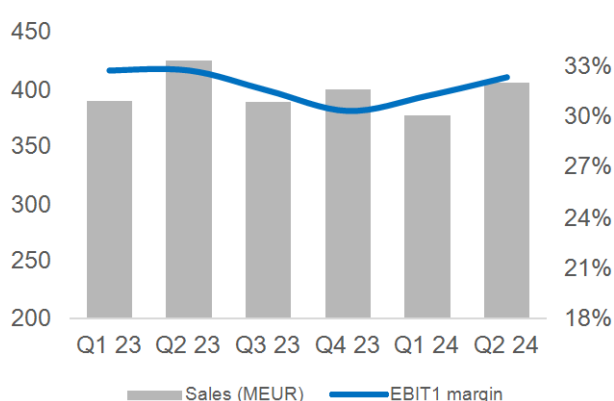
EBIT1 declined compared to the prior year, corresponding to an adjusted operating margin of 32.3% (32.7), which reflected lower volumes and currency headwinds, somewhat offset by cost saving initiatives and pricing.

ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

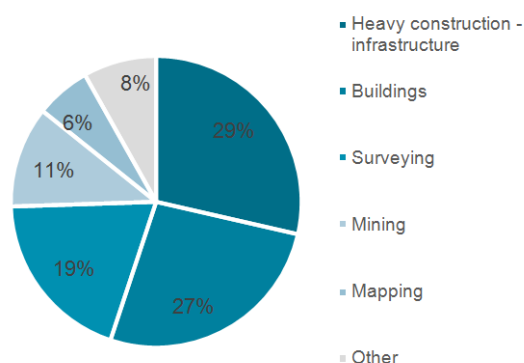
On 23 April 2024 Geosystems acquired Xwatch Safety Solutions, a provider of machine control hardware and software technologies designed to enhance safety protocols on construction sites. In 2023, Xwatch generated revenues of around 4 MEUR, with operating margins slightly below the Geosystem's division average.

On 18 June 2024 Geosystems acquired Voyansi, an AECO focused provider of BIM solutions, reality capture services and BIM workflow software development. In 2023, Voyansi generated revenues of around 14 MEUR, with a growing recurring revenue profile. It has margins similar to the Geosystems division.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY 2023)



AUTONOMOUS SOLUTIONS – Q2 2024

Hexagon's Autonomous Solutions brings together our autonomy & positioning (A&P) and mining capabilities. A&P pioneers end-to-end solutions for assured autonomy and positioning on land, sea and air by providing high precision positioning technology and perception technologies to advance navigation and autonomy systems, delivering safety, security, reliability and availability for applications requiring assured autonomy and positioning. Key A&P solutions include assured positioning, autonomy, navigation and positioning and high performance antenna. Mining empowers mines to connect all parts of their business with technologies that make sense of data in real time, which integrating, automating and optimising critical workflows. Key solution areas include surveying, design, fleet management, production optimization and collision avoidance in a single life-of-mine solution. By geography Autonomous Solutions revenues in 2023 were split 60% Americas, 24% EMEA and 16% APAC.

NET SALES AND EARNINGS

| MEUR | Q2 2024 | Q2 2023 | Δ% | 6M 2024 | 6M 2023 | Δ% |
|-------------------------------------|---------|---------|-------------------|---------|---------|------------------|
| Operating net sales | 141.2 | 139.3 | -2% ¹⁾ | 276.7 | 264.0 | 3% ¹⁾ |
| Adjusted operating earnings (EBIT1) | 52.6 | 48.1 | 9% | 100.3 | 89.4 | 12% |
| Adjusted operating margin, % | 37.3% | 34.5% | 2.8% | 36.2% | 33.9% | 2.3% |

¹⁾Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES

Autonomous Solutions operating net sales amounted to 141.2 MEUR (139.3). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -2 per cent. The Mining business recorded strong growth, driven by good demand for safety related solutions. A&P recorded negative growth, with a strong performance in marine offset by a subdued market environment in agriculture and very strong comparatives in aerospace and defence, which enjoyed some large, programmes throughout 2023.

By geography growth was highest in EMEA. The Americas were mixed, with difficult market conditions in agriculture in South America and high prior year comparatives in aerospace and defence, but good activity in mining.

By solution area there was strong demand for mining safety solutions and correction services in the marine segment.

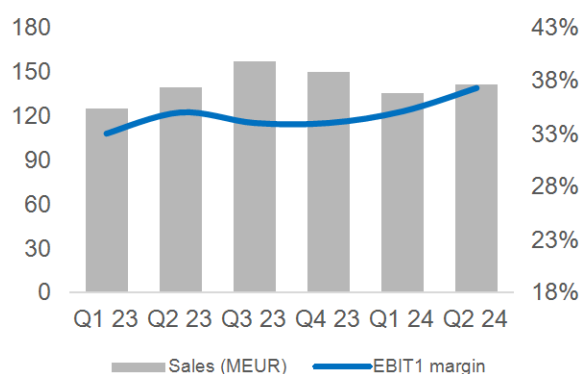
EARNINGS

EBIT1 improved compared to prior year, corresponding to an adjusted operating margin of 37.3% (34.5). Margins were positively impacted by product mix, which more than offset a drag from currency effects

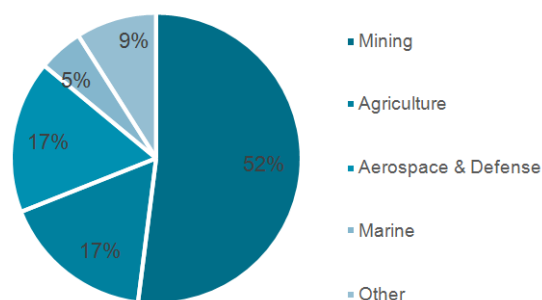
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

There were no acquisitions during the quarter.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY 2023)



SAFETY, INFRASTRUCTURE & GEOSPATIAL – Q2 2024

Hexagon's Safety, Infrastructure and Geospatial (SIG) division makes the world's critical services and infrastructure more resilient and sustainable. Their technologies transform complex data about people, places and assets into meaningful information and capabilities for better, faster decision making in public safety, defense, transportation and government. SIG are the global leader in public safety solutions, protecting over 1 billion people worldwide. They also support government defense agencies with mapping and imagery intelligence, and ensure safe and reliable transportation for travellers worldwide via mapping and monitoring traffic and services. Key solution areas include computer aided dispatch, GPS & positioning technologies and VMS & PSIM. By geography SIG revenues in 2023 were split 59% Americas, 33% EMEA and 8% APAC.

NET SALES AND EARNINGS

| MEUR | Q2 2024 | Q2 2023 | Δ% | 6M 2024 | 6M 2023 | Δ% |
|-------------------------------------|---------|---------|------------------|---------|---------|------------------|
| Operating net sales | 119.8 | 115.3 | 6% ¹⁾ | 236.7 | 217.8 | 6% ¹⁾ |
| Adjusted operating earnings (EBIT1) | 23.8 | 21.7 | 10% | 48.1 | 40.1 | 20% |
| Adjusted operating margin, % | 19.9% | 18.8% | 1.1% | 20.3% | 18.4% | 1.9% |

¹⁾Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES

Safety, Infrastructure and Geospatial operating net sales amounted to 119.8 MEUR (115.3). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 6 per cent. Growth was driven by public safety and security solutions, which grew significantly in the quarter.

By geography, growth was strongest in both EMEA and the Americas, with a slight positive contribution from Asia.

By solution area the OnCall dispatch software platform continued to demonstrate good momentum and geospatial software solutions also performed strongly during the quarter. Qognify, the physical safety software platform, also delivered good growth.

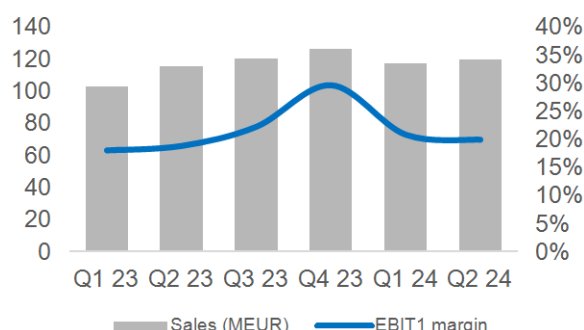
EARNINGS

EBIT1 improved compared to prior year, corresponding to an adjusted operating margin of 19.9% (18.8). This improvement reflected the exit of the low margin defence services contracts in 2023 and also a return to growth, which offset a drag from currency effects.

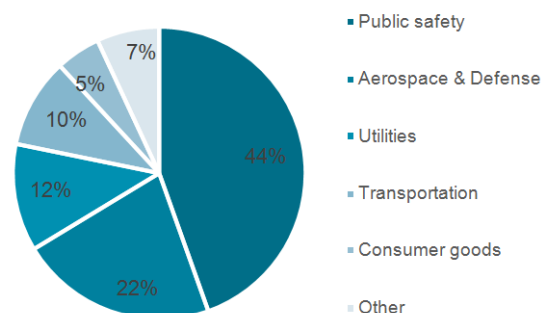
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

There were no acquisitions during the quarter.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY 2023)



FINANCIAL SUMMARY – 6M 2024

NET SALES

Operating net sales amounted to 2,653.3 MEUR (2,652.6) for the first six months of the year. Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 1 per cent.

EARNINGS

Adjusted operating earnings (EBIT1) amounted to 776.0 MEUR (765.3), which corresponds to an adjusted operating margin of 29.2 per cent (28.9). Adjusted operating earnings (EBIT1) were negatively affected by currency transaction effects of -3.6 MEUR (-16.3) and negatively affected by currency translation effects of -16.0 MEUR.

The financial net amounted to -84.8 MEUR (-63.0) for the first six months of the year.

Earnings before taxes, excluding adjustments, amounted to 691.2 MEUR (702.3). Earnings before taxes, including these items, amounted to 611.6 MEUR (615.6).

Net earnings, excluding adjustments, amounted to 566.8 MEUR (575.8) or 20.9 Euro cent (21.2) per share. Net earnings, including these items, amounted to 501.5 MEUR (504.7) or 18.5 Euro cent (18.5) per share.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - 6M 2024

| | Movement ¹⁾ | | Income less cost | Earnings impact |
|-------------|------------------------|-----|------------------|-----------------|
| CHF | Strengthened | 3% | Negative | Negative |
| USD | Strengthened | 0% | Positive | Positive |
| CNY | Weakened | -4% | Positive | Negative |
| EBIT1, MEUR | | | | -16.0 |

¹⁾Compared to 6M 2023.

SUBSEQUENT EVENTS

No significant events affecting the financial reporting have occurred during the period between quarter-end and date of issuance of this report.

The Board of Directors and the President and CEO declare that this Interim Report provides a true and fair overview of the Company's and the Group's operations, its financial position and performance, and describes material risks and uncertainties facing the Company and companies within the Group.

Stockholm, Sweden, 26 July 2024
Hexagon AB (publ)

Ola Rollén
Chair of the Board

Paolo Guglielmini
President and CEO

John Brandon
Board Member

Annika Falkengren
Board Member

Ralph Haupter
Board Member

Erik Huggers
Board Member

Gun Nilsson
Board Member

Märta Schörling Andreen
Board Member

Sofia Schörling Högberg
Board Member

Brett Watson
Board Member

This Interim Report has not been reviewed by the Company's auditors.

CONDENSED INCOME STATEMENT

| MEUR | Q2 2024 | Q2 2023 | 6M 2024 | 6M 2023 | 2023 |
|---|--------------|--------------|----------------|----------------|----------------|
| Net sales | 1,353.4 | 1,365.0 | 2,653.3 | 2,650.1 | 5,435.2 |
| Cost of goods sold | -443.4 | -471.3 | -879.8 | -903.1 | -1,892.0 |
| Gross earnings | 910.0 | 893.7 | 1,773.5 | 1,747.0 | 3,543.2 |
| Sales expenses | -273.4 | -276.8 | -538.0 | -536.4 | -1,159.3 |
| Administration expenses | -104.8 | -110.5 | -209.2 | -218.6 | -481.2 |
| Research and development expenses | -171.5 | -155.2 | -336.9 | -313.1 | -674.5 |
| Other income and expenses, net | 0.2 | -1.0 | 7.0 | -0.3 | -12.2 |
| Operating earnings ¹⁾ | 360.5 | 350.2 | 696.4 | 678.6 | 1,216.0 |
| Financial income | 4.5 | 2.1 | 7.3 | 5.7 | 13.1 |
| Financial expenses | -46.6 | -38.3 | -92.1 | -68.7 | -168.4 |
| Earnings before taxes | 318.4 | 314.0 | 611.6 | 615.6 | 1,060.7 |
| Taxes | -57.3 | -56.6 | -110.1 | -110.9 | -188.9 |
| Net earnings | 261.1 | 257.4 | 501.5 | 504.7 | 871.8 |
| Attributable to: | | | | | |
| Parent company shareholders | 258.0 | 253.7 | 495.8 | 498.1 | 858.9 |
| Non-controlling interest | 3.1 | 3.7 | 5.7 | 6.6 | 12.9 |
| ¹⁾ of which adjustments | -39.0 | -43.9 | -79.6 | -86.7 | -380.7 |
| Earnings include depreciation, amortisation and impairments of | -136.6 | -124.6 | -271.4 | -243.6 | -563.0 |
| - of which amortisation of surplus values (included in adjustments) | -28.2 | -29.4 | -55.9 | -57.4 | -115.9 |
| Basic earnings per share, Euro cent | 9.6 | 9.4 | 18.5 | 18.5 | 32.0 |
| Earnings per share after dilution, Euro cent | 9.5 | 9.4 | 18.3 | 18.4 | 31.7 |
| Total shareholder's equity per share, EUR | 3.86 | 3.66 | 3.86 | 3.66 | 3.73 |
| Closing number of shares, thousands | 2,684,378 | 2,689,678 | 2,684,378 | 2,689,678 | 2,684,378 |
| Average number of shares, thousands | 2,684,378 | 2,689,678 | 2,684,378 | 2,689,678 | 2,687,690 |
| Average number of shares after dilution, thousands | 2,705,478 | 2,705,478 | 2,705,478 | 2,705,478 | 2,706,141 |

CONDENSED COMPREHENSIVE INCOME STATEMENT

| MEUR | Q2 2024 | Q2 2023 | 6M 2024 | 6M 2023 | 2023 |
|--|--------------|--------------|--------------|---------------|---------------|
| Net earnings | 261.1 | 257.4 | 501.5 | 504.7 | 871.8 |
| Other comprehensive income | | | | | |
| Items that will not be reclassified to income statement | | | | | |
| Remeasurement of pensions | 0.0 | -0.2 | 1.8 | 0.8 | -10.4 |
| Taxes on items that will not be reclassified to income statement | 0.0 | -0.1 | 0.0 | -0.1 | 1.5 |
| Total items that will not be reclassified to income statement, net of taxes | 0.0 | -0.3 | 1.8 | 0.7 | -8.9 |
| Items that may be reclassified subsequently to income statement | | | | | |
| Exchange rate differences | 102.5 | 7.1 | 280.0 | -195.7 | -366.1 |
| Taxes on items that may be reclassified subsequently to income statement | -0.5 | -4.8 | -12.5 | -0.7 | 11.3 |
| Total items that may be reclassified subsequently to income statement, net of taxes | 102.0 | 2.3 | 267.5 | -196.4 | -354.8 |
| Other comprehensive income, net of taxes | 102.0 | 2.0 | 269.3 | -195.7 | -363.7 |
| Total comprehensive income for the period | 363.1 | 259.4 | 770.8 | 309.0 | 508.1 |
| Attributable to: | | | | | |
| Parent company shareholders | 359.8 | 257.7 | 764.8 | 305.0 | 497.3 |
| Non-controlling interest | 3.3 | 1.7 | 6.0 | 4.0 | 10.8 |

CONDENSED BALANCE SHEET

| MEUR | 30/6 2024 | 30/6 2023 | 31/12 2023 |
|--|-----------------|-----------------|-----------------|
| Intangible fixed assets | 13,422.2 | 13,091.9 | 12,993.7 |
| Tangible fixed assets | 605.9 | 600.8 | 600.2 |
| Right-of-use assets | 198.5 | 200.3 | 200.4 |
| Financial fixed assets | 163.5 | 157.8 | 158.1 |
| Deferred tax assets | 159.5 | 160.9 | 179.3 |
| Total fixed assets | 14,549.6 | 14,211.7 | 14,131.7 |
| Inventories | 581.0 | 613.9 | 584.7 |
| Accounts receivables | 1,207.4 | 1,221.9 | 1,303.1 |
| Other receivables | 207.0 | 145.5 | 117.2 |
| Prepaid expenses and accrued income | 223.4 | 205.9 | 200.0 |
| Total current receivables | 1,637.8 | 1,573.3 | 1,620.3 |
| Cash and cash equivalents | 511.4 | 505.1 | 547.1 |
| Total current assets | 2,730.2 | 2,692.3 | 2,752.1 |
| Total assets | 17,279.8 | 16,904.0 | 16,883.8 |
| Equity attributable to parent company shareholders | 10,365.1 | 9,831.8 | 10,013.9 |
| Equity attributable to non-controlling interest | 30.7 | 35.3 | 32.2 |
| Total shareholders' equity | 10,395.8 | 9,867.1 | 10,046.1 |
| Interest bearing liabilities | 2,929.3 | 2,743.3 | 2,831.7 |
| Lease liabilities | 147.1 | 150.7 | 152.0 |
| Other liabilities | 148.7 | 153.4 | 124.4 |
| Pension liabilities | 53.8 | 49.7 | 56.9 |
| Deferred tax liabilities | 582.5 | 637.8 | 580.0 |
| Other provisions | 7.1 | 9.3 | 8.1 |
| Total long-term liabilities | 3,868.5 | 3,744.2 | 3,753.1 |
| Interest bearing liabilities | 1,010.8 | 1,366.2 | 1,040.2 |
| Lease liabilities | 61.7 | 59.6 | 59.5 |
| Accounts payable | 283.9 | 304.3 | 288.5 |
| Other liabilities | 305.2 | 320.7 | 280.4 |
| Other provisions | 115.5 | 33.9 | 159.4 |
| Deferred income | 832.3 | 783.5 | 790.4 |
| Accrued expenses | 406.1 | 424.5 | 466.2 |
| Total short-term liabilities | 3,015.5 | 3,292.7 | 3,084.6 |
| Total equity and liabilities | 17,279.8 | 16,904.0 | 16,883.8 |

FINANCIAL INSTRUMENTS

In Hexagon's balance sheet derivatives and other long-term securities holdings are carried at fair value. Derivatives are measured at fair value based on valuation techniques with observable market data as input (level 2 according to definition in IFRS 13). Other long-term securities holdings amount to insignificant numbers. Liabilities for contingent considerations are measured at fair value and based on management's best estimation of the most probable outcome (level 3 according to definition in IFRS 13). Other assets and liabilities are carried at accrued cost.

For financial assets and liabilities that are carried at accrued cost, the fair value is deemed to be coincident with the carrying amount except for long-term liabilities to credit institutions. The difference between the fair value and the carrying amount for these long-term liabilities is deemed to be insignificant relative to the total balance sheet since the interest rate duration is short.

CONDENSED CASH FLOW STATEMENT

| MEUR | Q2 2024 | Q2 2023 | 6M 2024 | 6M 2023 | 2023 |
|--|--------------|--------------|--------------|--------------|----------------|
| Operating earnings | 360.5 | 350.2 | 696.4 | 678.6 | 1,216.0 |
| Depreciation, amortisation and impairment | 136.6 | 124.6 | 271.4 | 243.6 | 563.0 |
| Share program expenses | 11.7 | 9.7 | 23.3 | 19.4 | 56.3 |
| Capital gain/loss and other non-cash items | -11.7 | -13.0 | -27.2 | -17.7 | 117.5 |
| Taxes paid | -50.7 | -84.3 | -121.9 | -163.6 | -276.2 |
| Interest received and paid, net | -39.3 | -33.4 | -81.6 | -57.2 | -146.5 |
| Cash flow from operations before change in working capital | 407.1 | 353.8 | 760.4 | 703.1 | 1,530.1 |
| Change in inventories | -13.1 | -12.6 | -20.5 | -46.7 | -23.2 |
| Change in current receivables | 14.0 | -18.3 | 59.5 | 10.7 | -57.5 |
| Change in current liabilities | -4.0 | 41.3 | -29.4 | -13.2 | 2.5 |
| Cash flow from operations | 404.0 | 364.2 | 770.0 | 653.9 | 1,451.9 |
| Investments tangible assets, net | -28.1 | -28.2 | -51.2 | -61.8 | -108.3 |
| Investments intangible assets | -127.4 | -123.5 | -250.9 | -238.1 | -490.0 |
| Operating cash flow before non-recurring items | 248.5 | 212.5 | 467.9 | 354.0 | 853.6 |
| Non-recurring cash flow ¹⁾ | -19.5 | -8.4 | -48.3 | -33.2 | -81.5 |
| Operating cash flow | 229.0 | 204.1 | 419.6 | 320.8 | 772.1 |
| Cash flow from acquisitions and divestments | -55.4 | -174.9 | -39.2 | -317.3 | -375.8 |
| Cash flow from other investing activities | -1.4 | -47.9 | -1.9 | -49.2 | -56.4 |
| Cash flow after other investing activities | 172.2 | -18.7 | 378.5 | -45.7 | 339.9 |
| Dividends paid | -355.6 | -325.9 | -355.6 | -325.9 | -335.8 |
| Share programme | -88.8 | - | -88.8 | - | -47.1 |
| Cash flow from other financing activities | 276.0 | 254.6 | 29.9 | 408.4 | 133.6 |
| Cash flow for the period | 3.8 | -90.0 | -36.0 | 36.8 | 90.6 |
| Cash and cash equivalents, beginning of period | 506.0 | 610.7 | 547.1 | 486.3 | 486.3 |
| Effect of translation differences on cash and cash equivalents | 1.6 | -15.6 | 0.3 | -18.0 | -29.8 |
| Cash flow for the period | 3.8 | -90.0 | -36.0 | 36.8 | 90.6 |
| Cash and cash equivalents, end of period | 511.4 | 505.1 | 511.4 | 505.1 | 547.1 |
| ¹⁾ Non-recurring cash flow consists of restructuring costs. | | | | | |
| Operating cash flow before interest, tax and non-recurring cash flow | 338.5 | 330.2 | 671.4 | 574.8 | 1,276.3 |
| Cash conversion | 85% | 84% | 87% | 75% | 80% |
| Cash flow per share, Euro cent | 15.1 | 13.5 | 28.7 | 24.3 | 54.0 |
| Cash flow per share before change in working capital, Euro cent | 15.2 | 13.2 | 28.3 | 26.1 | 56.9 |

CONDENSED STATEMENT OF CHANGES IN EQUITY

| MEUR | Q2 2024 | Q2 2023 | 2023 |
|---|-----------------|----------------|-----------------|
| Opening shareholders' equity | 10,046.1 | 9,864.6 | 9,864.6 |
| Total comprehensive income for the period¹⁾ | 770.8 | 309.0 | 508.1 |
| Share program | -88.8 | 0.0 | -47.1 |
| Dividend | -355.6 | -325.9 | -335.8 |
| Share based programme (LTIP) | 23.3 | 19.4 | 56.3 |
| Closing shareholders' equity²⁾ | 10,395.8 | 9,867.1 | 10,046.1 |
| 1) Of which: Parent company shareholders | 764.8 | 305.0 | 497.3 |
| Non-controlling interest | 6.0 | 4.0 | 10.8 |
| 2) Of which: Parent company shareholders | 10,365.1 | 9,831.8 | 10,013.9 |
| Non-controlling interest | 30.7 | 35.3 | 32.2 |

KEY RATIOS

| MEUR | Q2 2024 | Q2 2023 | 6M 2024 | 6M 2023 | 2023 |
|---|-----------|-----------|-----------|-----------|-----------|
| Adjusted operating margin, % | 29.5 | 28.9 | 29.2 | 28.9 | 29.4 |
| Profit margin before taxes, % | 23.5 | 23.0 | 23.1 | 23.2 | 19.5 |
| Return on shareholders' equity, 12-month average, % | 8.4 | 10.6 | 8.4 | 10.6 | 8.6 |
| Return on capital employed, 12-month average, % | 11.3 | 11.2 | 11.3 | 11.2 | 11.4 |
| Equity ratio, % | 60.2 | 58.4 | 60.2 | 58.4 | 59.5 |
| Net indebtedness | 0.33 | 0.37 | 0.33 | 0.37 | 0.33 |
| Interest coverage ratio | 7.8 | 9.2 | 7.6 | 10.0 | 7.3 |
| Average number of shares, thousands | 2,684,378 | 2,689,678 | 2,684,378 | 2,689,678 | 2,687,690 |
| Basic earnings per share excl. adjustments, Euro cent | 10.8 | 10.8 | 20.9 | 21.2 | 43.5 |
| Basic earnings per share, Euro cent | 9.6 | 9.4 | 18.5 | 18.5 | 32.0 |
| Cash flow per share, Euro cent | 15.1 | 13.5 | 28.7 | 24.3 | 54.0 |
| Cash flow per share before change in working cap, Euro cent | 15.2 | 13.2 | 28.3 | 26.1 | 56.9 |
| Share price, SEK | 119.65 | 132.75 | 119.65 | 132.75 | 121.00 |
| Share price, translated to EUR | 10.53 | 11.24 | 10.53 | 11.24 | 10.90 |

CONDENSED PARENT COMPANY INCOME STATEMENT

| MEUR | Q2 2024 | Q2 2023 | 6M 2024 | 6M 2023 | 2023 |
|---|--------------|-------------|--------------|--------------|----------------|
| Net sales | 7.5 | 5.3 | 15.1 | 10.6 | 26.3 |
| Administration expenses | -11.9 | -8.6 | -20.1 | -18.6 | -41.4 |
| Operating earnings | -4.4 | -3.3 | -5.0 | -8.0 | -15.1 |
| Earnings from shares in Group companies | 210.4 | - | 212.4 | - | 1,807.8 |
| Interest income and expenses, net | -33.3 | -6.3 | -18.5 | -24.1 | -156.1 |
| Appropriations | - | - | - | - | 22.2 |
| Earnings before taxes | 172.7 | -9.6 | 188.9 | -32.1 | 1,658.8 |
| Taxes | 8.0 | 7.0 | 32.2 | 7.1 | 3.7 |
| Net earnings | 180.7 | -2.6 | 221.1 | -25.0 | 1,662.5 |

CONDENSED PARENT COMPANY BALANCE SHEET

| MEUR | 30/6 2024 | 30/6 2023 | 31/12 2023 |
|-------------------------------------|-----------------|-----------------|-----------------|
| Total fixed assets | 14,518.1 | 13,915.9 | 14,919.3 |
| Total current receivables | 2,096.1 | 1,427.1 | 1,533.7 |
| Cash and cash equivalents | 28.1 | 39.7 | 60.2 |
| Total current assets | 2,124.2 | 1,466.8 | 1,593.9 |
| Total assets | 16,642.3 | 15,382.7 | 16,513.2 |
| Total shareholders' equity | 6,153.6 | 4,692.9 | 6,333.3 |
| Untaxed reserves | - | 13.8 | - |
| Total long-term liabilities | 2,927.8 | 2,743.2 | 2,835.6 |
| Total short-term liabilities | 7,560.9 | 7,932.8 | 7,344.3 |
| Total equity and liabilities | 16,642.3 | 15,382.7 | 16,513.2 |

NOTE 1 ACCOUNTING PRINCIPLES

Hexagon applies International Financial Reporting Standards (IFRS) as adopted by the European Union. Hexagon's report for the Group is prepared in accordance with IAS 34, Interim Financial Reporting and the Annual Accounts Act. Parent company accounts are prepared in accordance with the Annual Accounts Act. Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2023, see note 1 for further information.

NOTE 2 RISKS AND UNCERTAINTY FACTORS

As an international group, Hexagon is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity and the ability to raise funds. Risk management in Hexagon aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. There has been no change in the risks facing the Group compared to what was reported in the Annual Report 2023.

NOTE 3 RELATED PARTY TRANSACTIONS

No significant related party transactions have been incurred during the quarter.

NOTE 4 EMPLOYEES

The average number of employees during the second quarter was 24,615 (24,398). The number of employees at the end of the quarter was 24,647 (24,875).

NOTE 5 SHARE DATA

Earnings per share, including adjustments, for the first quarter amounted to 9.6 Euro cent (9.4). Earnings per share, excluding adjustments, for the first quarter, amounted to 10.8 Euro cent (10.8).

On 30 June 2024, equity per share was 3.86 EUR (3.66) and the share price was 119.65 SEK (132.75).

Hexagon's share capital amounts to 85,761,451 EUR, represented by 2,684,377,888 outstanding shares, of which 110,250,000 are of series A with ten votes each and 2,574,127,888 are of series B with one vote each. Hexagon holds 21,100,000 treasury shares.

NOTE 6 ACQUISITIONS AND DIVESTMENTS

| MEUR | 6M 2024 | 6M 2023 |
|---|--------------|--------------|
| Fair value of acquired assets and assumed liabilities | | |
| Intangible fixed assets | 15.6 | 65.8 |
| Other fixed assets | 0.4 | 0.5 |
| Total fixed assets | 16.0 | 66.3 |
| Total current assets | 10.1 | 20.3 |
| Total assets | 26.1 | 86.6 |
| Total long-term liabilities | -4.4 | -8.1 |
| Total current liabilities | -5.9 | -24.7 |
| Total liabilities | -10.3 | -32.8 |
| Fair value of acquired assets and assumed liabilities, net | 15.8 | 53.8 |
| Goodwill | 72.6 | 315.8 |
| Total purchase consideration transferred | 88.4 | 369.6 |
| Less cash and cash equivalents in acquired companies | -4.7 | -3.3 |
| Adjustment for non-paid consideration and considerations paid for prior years' acquisitions | -16.7 | -49.0 |
| Cash flow from acquisition of companies/businesses | 67.0 | 317.3 |

During the first six months of the year 2024, Hexagon acquired the following companies:

- Edge technology, a reseller of Hexagon Production Software
- Xwatch Safety Solutions, a provider of machine control hardware and software technologies
- Itus Digital, a provider of asset performance management (APM) software
- Helmee, a provider of Metrology inspection technology
- Voyansi, a provider of BIM (Building Information Modelling) and VDC (Virtual Design and Construction) solutions

During the first six months of the year 2024, Hexagon divested the following companies:

- Tesa PMI business, which generated revenues of 47.3 MEUR (50.2) in 2023. The disposal value amounted to 35.1 MEUR and the net book value of intangible assets, tangible asset and net working capital amounted to 33.4 MEUR, of which cash was 7.3 MEUR. The net loss on disposal after deduction of transaction costs is -0.7 MEUR and is reported in other income and expense.

The acquisitions are individually assessed as immaterial from a group perspective which is why only aggregated information is presented. The analysis of the acquired net assets is preliminary and the fair value might be subject to change. Contingent considerations are recognised to fair value (level 3 according to definition in IFRS 13) each reporting period and based on the latest relevant forecast for the acquired company. The valuation method is unchanged compared to the previous period. The estimated liability for contingent considerations amounted to 168.8 (204.1) as of 30 June, whereof the fair value adjustment in 2024 amounted to 24.0 MEUR (5.3). In connection with the valuation of contingent considerations the assets acquired and liabilities assumed in the purchase price allocation are reviewed. Any indication of impairment due to the revaluation of contingent considerations is considered and adjustments are made to offset the impact from revaluation.

NOTE 7 SEGMENT BREAKDOWN

NET SALES PER SEGMENT

| MEUR | Q2 2024* | Q1 2024* | 2024* | Q4 2023* | Q3 2023* | Q2 2023* | Q1 2023* | 2023* |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Manufacturing Intelligence | 483.8 | 478.1 | 961.9 | 551.5 | 487.1 | 497.6 | 476.8 | 2,013.0 |
| Asset Lifecycle Intelligence | 203.1 | 192.2 | 395.3 | 207.6 | 197.6 | 186.2 | 190.6 | 782.0 |
| Geosystems | 405.5 | 376.8 | 782.3 | 399.4 | 389.0 | 424.8 | 389.8 | 1,603.0 |
| Autonomous Solutions | 141.2 | 135.5 | 276.7 | 150.0 | 157.1 | 139.3 | 124.7 | 571.1 |
| Safety, Infrastructure & Geospatial | 119.8 | 116.9 | 236.7 | 126.1 | 120.0 | 115.3 | 102.5 | 463.9 |
| Other operations | 0.0 | 0.4 | 0.4 | 0.7 | 1.3 | 2.8 | 2.2 | 7.0 |
| Group | 1,353.4 | 1,299.9 | 2,653.3 | 1,435.3 | 1,352.1 | 1,366.0 | 1,286.6 | 5,440.0 |

ADJUSTED OPERATING EARNINGS (EBIT1) PER SEGMENT

| MEUR | Q2 2024 | Q1 2024 | 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | 2023 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Manufacturing Intelligence | 129.1 | 124.8 | 253.9 | 158.9 | 123.5 | 128.9 | 119.5 | 530.8 |
| Asset Lifecycle Intelligence | 70.5 | 66.5 | 137.0 | 79.3 | 73.5 | 62.1 | 68.3 | 283.2 |
| Geosystems | 131.0 | 117.5 | 248.5 | 121.1 | 122.7 | 139.0 | 127.5 | 510.3 |
| Autonomous Solutions | 52.6 | 47.7 | 100.3 | 50.2 | 54.0 | 48.1 | 41.3 | 193.6 |
| Safety, Infrastructure & Geospatial | 23.8 | 24.3 | 48.1 | 37.3 | 26.6 | 21.7 | 18.4 | 104.0 |
| Other operations and Group costs | -7.5 | -4.3 | -11.8 | -8.4 | -7.3 | -5.7 | -3.8 | -25.2 |
| Group | 399.5 | 376.5 | 776.0 | 438.4 | 393.0 | 394.1 | 371.2 | 1,596.7 |
| Adjusted operating margin, % | 29.5 | 29.0 | 29.2 | 30.5 | 29.1 | 28.9 | 28.9 | 29.4 |

NET SALES BY REGION

| MEUR | Q2 2024* | Q1 2024* | 2024* | Q4 2023* | Q3 2023* | Q2 2023* | Q1 2023* | 2023* |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| EMEA | 477.1 | 449.7 | 926.8 | 521.7 | 448.9 | 459.6 | 448.2 | 1,878.4 |
| Americas | 519.7 | 498.2 | 1,017.9 | 553.6 | 546.9 | 520.9 | 475.8 | 2,097.2 |
| Asia | 356.6 | 352.0 | 708.6 | 360.0 | 356.3 | 385.5 | 362.6 | 1,464.4 |
| Group | 1,353.4 | 1,299.9 | 2,653.3 | 1,435.3 | 1,352.1 | 1,366.0 | 1,286.6 | 5,440.0 |

*Operating net sales, i.e. excluding revenue adjustment (haircut)

NOTE 8 EXCHANGE RATES

| Average | Q2 2024 | Q1 2024 | 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | 2023 |
|---------|---------|---------|--------|---------|---------|---------|---------|--------|
| SEK/EUR | 0.0870 | 0.0887 | 0.0878 | 0.0872 | 0.0850 | 0.0873 | 0.0893 | 0.0871 |
| USD/EUR | 0.9288 | 0.9210 | 0.9249 | 0.9299 | 0.9190 | 0.9176 | 0.9313 | 0.9248 |
| CNY/EUR | 0.1283 | 0.1281 | 0.1282 | 0.1287 | 0.1268 | 0.1309 | 0.1361 | 0.1306 |
| CHF/EUR | 1.0271 | 1.0537 | 1.0401 | 1.0481 | 1.0402 | 1.0219 | 1.0074 | 1.0289 |
| Closing | Q2 2024 | Q1 2024 | 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | 2023 |
| SEK/EUR | 0.2492 | 0.0868 | 0.0880 | 0.0901 | 0.0867 | 0.0847 | 0.0886 | 0.0901 |
| USD/EUR | 0.0230 | 0.9250 | 0.9341 | 0.9050 | 0.9439 | 0.9203 | 0.9195 | 0.9050 |
| CNY/EUR | 0.1286 | 0.1280 | 0.1286 | 0.1274 | 0.1293 | 0.1266 | 0.1338 | 0.1274 |
| CHF/EUR | 1.0380 | 1.0240 | 1.0380 | 1.0799 | 1.0342 | 1.0217 | 1.0032 | 1.0799 |

NOTE 9 NUMBER OF SHARES

| | series A | series B | Total |
|---|--------------------|----------------------|----------------------|
| 2014-12-31 Total issued and outstanding | 15,750,000 | 341,639,213 | 357,389,213 |
| New issue, warrants exercised | - | 2,947,929 | 2,947,929 |
| 2015-12-31 Total issued and outstanding | 15,750,000 | 344,587,142 | 360,337,142 |
| New issue, warrants exercised | - | 106,000 | 106,000 |
| 2016-12-31 Total issued and outstanding | 15,750,000 | 344,693,142 | 360,443,142 |
| New issue, warrants exercised | - | - | - |
| 2017-12-31 Total issued and outstanding | 15,750,000 | 344,693,142 | 360,443,142 |
| New issue, warrants exercised | - | 2,481,550 | 2,481,550 |
| 2018-12-31 Total issued and outstanding | 15,750,000 | 347,174,692 | 362,924,692 |
| New issue, warrants exercised | - | 4,614,610 | 4,614,610 |
| 2019-12-31 Total issued and outstanding | 15,750,000 | 351,789,302 | 367,539,302 |
| New issue, warrants exercised | - | 11,500 | 11,500 |
| Repurchase of treasury shares | - | -646,000 | -646,000 |
| 2020-12-31 Total outstanding | 15,750,000 | 351,154,802 | 366,904,802 |
| Repurchase of treasury shares | - | -204,000 | -204,000 |
| Split 7:1 outstanding shares | 94,500,000 | 2,105,704,812 | 2,200,204,812 |
| Repurchase of treasury shares | - | -1,400,000 | -1,400,000 |
| Issue in kind | - | 132,622,274 | 132,622,274 |
| Repurchase of treasury shares | - | -2,000,000 | -2,000,000 |
| 2021-12-31 Total outstanding | 110,250,000 | 2,585,877,888 | 2,696,127,888 |
| Repurchase of treasury shares | - | -850,000 | -850,000 |
| 2022-03-31 Total outstanding | 110,250,000 | 2,585,027,888 | 2,695,277,888 |
| Repurchase of treasury shares | - | -2,350,000 | -2,350,000 |
| 2022-06-30 Total outstanding | 110,250,000 | 2,582,677,888 | 2,692,927,888 |
| Repurchase of treasury shares | - | -2,000,000 | -2,000,000 |
| 2022-09-30 Total outstanding | 110,250,000 | 2,580,677,888 | 2,690,927,888 |
| Repurchase of treasury shares | - | -1,250,000 | -1,250,000 |
| 2022-12-31 Total outstanding | 110,250,000 | 2,579,427,888 | 2,689,677,888 |
| Repurchase of treasury shares | - | -5,300,000 | -5,300,000 |
| 2023-12-31 Total outstanding | 110,250,000 | 2,574,127,888 | 2,684,377,888 |
| 2024-06-30 Total outstanding | 110,250,000 | 2,574,127,888 | 2,684,377,888 |
| Total amount of treasury shares | - | 21,100,000 | 21,100,000 |
| 2024-06-30 Total issued | 110,250,000 | 2,595,227,888 | 2,705,477,888 |

Each share of series A carries entitlement to ten votes and each share of series B carries entitlement to one vote.

DEFINITIONS

In addition to the financial measures as required by the financial reporting framework based on IFRS, this report also includes other measures and indicators that are used to follow-up, analyze and manage the business. These measures also provide Hexagon stakeholders with useful financial information on the Group's financial position, performance and development in a consistent way. Below is a list of definitions of measures and indicators used in this report.

FINANCIAL DEFINITIONS

| | |
|---|--|
| Amortisation of surplus values | When a company is acquired, the purchase consideration is allocated to the identified assets and liabilities of the company. Intangible assets are most often allocated the substantial part of the purchase consideration. The amortisation of surplus values is defined as the difference between the amortisation of such identified intangible assets and what the amortisation would have been in the acquired company had the acquisition not taken place at all |
| Adjusted gross earnings | Operational net sales less cost of goods sold excluding adjustments related to cost of goods sold |
| Adjusted gross margin | Adjusted gross earnings divided by operating net sales |
| Adjusted operating earnings (EBIT1) | Operating earnings excluding capital gains on shares in group companies and adjustments. Adjustments are excluded to facilitate the understanding of the Group's operational development and to give comparable numbers between periods |
| Adjusted operating earnings (EBITDA) | Adjusted operating earnings (EBIT 1) excluding amortisation, depreciation and impairment of fixed assets. The measure is presented to give depiction of the result generated by the operating activities |
| Adjusted EBITDA margin | Adjusted operating earnings (EBITDA) as a percentage of operating net sales |
| Adjusted operating margin | Adjusted operating earnings (EBIT1) as a percentage of operating net sales |
| Adjustments | Adjustments consists of expenses related to the share programme (LTIP), amortisation of surplus values (PPA) and non-recurring items which refers to income and expenses that are not expected to appear on a regular basis and impact comparability between periods |
| Capital employed | Total assets less non-interest-bearing liabilities |
| Capital turnover rate | Net sales divided by average capital employed |
| Cash conversion | Operating cash flow excluding interest, tax payments and non-recurring items divided by operating earnings (EBIT1) |
| Cash flow per share | Cash flow from operations, after change in working capital, excluding non-recurring items divided by average number of shares |
| Earnings per share | Net earnings excluding non-controlling interest divided by average number of shares |
| Equity ratio | Shareholders' equity including non-controlling interests as a percentage of total assets |
| Interest coverage ratio | Earnings before taxes plus financial expenses divided by financial expenses |
| Investments | Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestitures of subsidiaries |
| Net debt | Interest-bearing liabilities including pension liabilities and interest-bearing provisions less cash and cash equivalents |
| Net indebtedness | Interest-bearing liabilities less interest-bearing current receivables and liquid assets divided by shareholders' equity excluding non-controlling interests |
| Organic growth | Net sales compared to prior period excluding acquisitions and divestments and adjusted for currency exchange movements |
| Operating net sales | Net sales adjusted by the difference between fair value and book-value of deferred revenue regarding acquired businesses. |
| Profit margin before taxes | Earnings before taxes as a percentage of net sales |
| Recurring revenues | Contractually recurring revenues from software (SaaS, subscription & maintenance), services and hardware subscriptions, plus recurring services and consumables. |
| Return on capital employed (12-month average) | Twelve months to end of period earnings after financial items, excluding adjustments, plus financial expenses as a percentage of twelve months to end of period average capital employed. The twelve months average capital employed is based on average quarterly capital employed |
| Return on shareholders' equity (12-month average) | Twelve months to end of period net earnings excluding non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months. The twelve months average shareholders' equity is based on quarterly average shareholders' equity. |
| Shareholders' equity per share | Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end |
| Share price | Last settled transaction on Nasdaq Stockholm on the last business day for the period. |



Hexagon is the global leader in digital reality solutions, combining sensor, software and autonomous technologies. We are putting data to work to boost efficiency, productivity, quality and safety across industrial, manufacturing, infrastructure, public sector, and mobility applications. Our technologies are shaping urban and production ecosystems to become increasingly connected and autonomous – ensuring a scalable, sustainable future. Hexagon (Nasdaq Stockholm: HEXA B) has approximately 24,000 employees in 50 countries and net sales of approximately 5.4bn EUR. Learn more at hexagon.com and follow us [@HexagonAB](https://twitter.com/HexagonAB).

BUSINESS DEFINITIONS

| | |
|----------|----------------------------------|
| Americas | North, South and Central America |
| Asia | Asia, Australia and New Zealand |
| EMEA | Europe, Middle East and Africa |

FINANCIAL INFORMATION

Financial information is available in Swedish and English at the Hexagon website and can also be ordered via phone +46 8 601 26 20 or e-mail ir@hexagon.com

This is information that Hexagon AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 26 July 2024.

This communication may contain forward-looking statements. When used in this communication, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" are intended to identify forward-looking statements. They may involve risks and uncertainties, including technological advances in the measurement field, product demand and market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of Hexagon's management as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by Hexagon's management and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Hexagon disclaims any intention or obligation to update these forward-looking statements.

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