

INTERIM REPORT

1 JANUARY - 30 JUNE 2023

SECOND QUARTER (1 APRIL - 30 JUNE 2023)

- 8 per cent organic revenue growth (using fixed exchange rates and a comparable group structure)
- Reported operating net sales increased by 6 per cent to 1,366.0 MEUR (1,288.7). Net sales including the reduction of acquired deferred revenue amounted to 1,365.0 MEUR (1,282.3)
- Adjusted gross margin of 65.6 per cent (65.3)
- Adjusted operating earnings (EBIT1) increased by 4 per cent to 394.1 MEUR (378.5)
- Adjusted operating margin amounted to 28.9 per cent (29.4)
- Earnings before taxes, excluding adjustments, amounted to 357.9 MEUR (372.9)
- Net earnings, excluding adjustments, amounted to 293.4 MEUR (305.8)
- Earnings per share, excluding adjustments, amounted to 10.8 Euro cent (11.2)
- Operating cash flow before non-recurring items decreased to 212.5 MEUR (232.6)

MEUR	Q2 2023	Q2 2022	Δ%	6M 2023	6M 2022	Δ%
Operating net sales ²⁾	1,366.0	1,288.7	8 ¹⁾	2,652.6	2,452.1	8 ¹⁾
Revenue adjustment ³⁾	-1.0	-6.4	n.a.	-2.5	-10.1	n.a.
Net sales	1,365.0	1,282.3	8 ¹⁾	2,650.1	2,442.0	8 ¹⁾
Adjusted gross earnings ²⁾	896.1	841.2	7	1,752.2	1,595.1	10
Adjusted gross margin, % ²⁾	65.6	65.3	0.3	66.1	65.1	1.0
Adjusted operating earnings (EBITDA) ²⁾	489.3	465.9	5	951.5	882.1	8
Adjusted EBITDA margin, % ²⁾	35.8	36.2	-0.4	35.9	36.0	-0.1
Adjusted operating earnings (EBIT1) ²⁾	394.1	378.5	4	765.3	713.6	7
Adjusted operating margin, %	28.9	29.4	-0.5	28.9	29.1	-0.2
Earnings before taxes, excluding adjustments	357.9	372.9	-4	702.3	702.2	0
Adjustments (before taxes) ³⁾	-43.9	-43.9	n.a.	-86.7	-143.1	n.a.
Earnings before taxes	314.0	329.0	-5	615.6	559.1	10
Net earnings	257.4	269.8	-5	504.7	454.2	11
Net earnings, excl. adjustments	293.4	305.8	-4	575.8	575.8	0
Earnings per share, Euro cent	9.4	9.9	-5	18.5	16.6	12
Earnings per share, excl. adjustments, Euro cent	10.8	11.2	-4	21.2	21.2	0

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

²⁾For definition, see page 18.

³⁾See more information on page 2.

COMMENTS FROM THE CEO

"I am very pleased to report a strong Q2 performance, and especially 8% organic growth, driven by the continued adoption of our innovative solutions in the A&P, ALI and MI portfolios, all growing at double-digit rates. We also signed a transformational and long-term commitment, the largest in Hexagon's history, to deliver the world's first and largest autonomous road train for mining applications, powered by Hexagon's drive-by-wire technology. Geosystems saw continued growth in its market leading reality capture, mining and AEC software portfolios, partly offset by a slowdown in residential construction demand in developed markets. The SIG division continued to decline, as we unwind non-core, low contribution activities in this field.

Hexagon's operating margin remained resilient at 28.9%, despite a significant negative impact on EBIT from currency.

As we strive to reach our long-term operating margin targets and constantly reallocate investment to core activities and skillsets, we will invest 200 MEUR during the third quarter 2023, with a similar cash impact, in an operational efficiency program. The program is expected to generate annualised cost savings of 160-170 MEUR, reaching the full run-rate impact in early 2025.

In June, we successfully hosted our annual event HxGN Live, announcing exciting innovative solutions and initiatives, from the Reality Cloud Studio built on HxDR, our cross-industry digital platform, to next generation scanning devices and a transformative collaboration with Nvidia around their AI and Omniverse simulation technologies.

Later this year (7 December 2023) we will also be hosting a Capital Markets Day in London where I will share more on my vision for Hexagon."

– Paolo Guglielmini, President and CEO, Hexagon AB

8%

ORGANIC
GROWTH

29%

ADJUSTED OPERATING
MARGIN

84%

CASH
CONVERSION

GROUP BUSINESS DEVELOPMENT Q2

NET SALES

Operating net sales increased by 6 per cent to 1,366.0 MEUR (1,288.7). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 8 per cent. Regionally, organic growth was 14 per cent in Asia, 7 per cent in EMEA and 6 per cent in the Americas. In Asia, China recorded 11 per cent organic growth, driven by strong growth in general manufacturing, power and energy and a stabilization in certain infrastructure and construction markets. The rest of Asia recorded high double-digit organic growth, driven by strong growth across most industries. In EMEA, Western Europe recorded 3 per cent organic growth, driven by strong growth across manufacturing industries and power and energy, partially offset by a slowdown in construction markets. EMEA, excluding Western Europe, recorded strong double-digit organic growth. In the Americas, North America recorded 6 per cent organic growth, with strong performance in mining and positioning solutions, but partially offset by a slowdown in construction and the exit of some lower margin defence contracts, as highlighted in Q1 2023. South America recorded single-digit organic growth, driven by strength in power and energy.

EARNINGS

Adjusted operating earnings (EBIT1) increased by 4 per cent to 394.1 MEUR (378.5), which corresponds to an adjusted operating margin of 28.9 per cent (29.4). The adjusted operating margin (EBIT1) was supported by strong organic growth but negatively impacted by currency movements. Adjusted operating earnings (EBIT1) were negatively impacted by currency translation effects of -20.9 MEUR and negatively impacted by currency transaction effects of -11.4 MEUR (4.7). Earnings before taxes, excluding adjustments, amounted to 357.9 MEUR (372.9) and were negatively impacted by currency translation effects of -20.3 MEUR.

ADJUSTMENTS

The adjustments for the quarter consist of share-based program expenses (LTIP) of 13.5 MEUR (8.9), amortisation of surplus values (PPA) of 29.4 MEUR (28.6) and acquired deferred revenues of 1.0 MEUR (6.4).

FINANCIAL SUMMARY - SECOND QUARTER

MEUR	Net sales			Earnings		
	Q2 2023	Q2 2022	Δ% ¹⁾	Q2 2023	Q2 2022	Δ%
Geospatial Enterprise Solutions	679.4	650.4	6	208.6	205.6	1
Industrial Enterprise Solutions	686.6	638.3	11	191.6	177.9	8
Operating net sales	1,366.0	1,288.7	8			
Revenue adjustment	-1.0	-6.4	n.a.			
Net sales	1,365.0	1,282.3	8			
Group cost				-6.1	-5.0	-22
Adjusted operating earnings (EBIT1)				394.1	378.5	4
Adjusted operating margin, %				28.9	29.4	-0.5
Interest income and expenses, net				-36.2	-5.6	-546
Earnings before adjustments				357.9	372.9	-4
Adjustments				-43.9	-43.9	n.a.
Earnings before taxes				314.0	329.0	-5
Taxes				-56.6	-59.2	4
Net earnings				257.4	269.8	-5

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

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - SECOND QUARTER

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	5%	Negative	Negative
USD	Weakened	-2%	Positive	Negative
CNY	Weakened	-8%	Positive	Negative
EBIT1, MEUR				-20.9

¹⁾Compared to Q2 2022

SALES BRIDGE - SECOND QUARTER

	Operating net sales ¹⁾
2022, MEUR	1,288.7
Structure, %	2
Currency, %	-4
Organic growth, %	8
Total, %	6
2023, MEUR	1,366.0

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.

ORGANIC GROWTH PER REGION

Region	Kv2 2023	
China (15% of sales)	↗	
Asia excl. China (13% of sales)	↗	
EMEA excl. Western Europe (7% of sales)	↗	
North America (34% of sales)	→	>8% ↗
Western Europe (27% of sales)	→	0-8% →
South America (4% of sales)	→	Negative ↘
Total	↗	

GEOSPATIAL ENTERPRISE SOLUTIONS – Q2 2023

Geospatial Enterprise Solutions includes a world-leading portfolio of sensors for capturing data from land and air as well as sensors for positioning via satellites. The sensors are complemented by software (GIS) for the creation of 3D maps and models which are used for decision-making in a range of software applications, covering areas such as surveying, construction, public safety and agriculture. Divisions reported in this segment include: (1) Geosystems, (2) Safety, Infrastructure & Geospatial and (3) Autonomy & Positioning.

NET SALES

Geospatial Enterprise Solutions (GES) operating net sales amounted to 679.4 MEUR (650.4). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 6 per cent. Regionally, organic growth was 17 per cent in Asia, 4 per cent in the Americas and 2 per cent in EMEA. In Asia, China recorded 7 per cent organic growth, as infrastructure and construction showed signs of stabilising. The rest of Asia continued to record double-digit organic growth, driven by continued strong demand for mining and surveying solutions. In the Americas, North America recorded 5 per cent organic growth, fueled by strong growth in mining and defence solutions, but partially offset by weakness in construction markets, as well as by the continued impact from the exit of some low margin defence contracts, highlighted in Q1 2023. South America declined in the quarter. In EMEA, Western Europe recorded -2 per cent organic growth, impacted by a slowdown in construction markets. Excluding Western Europe, EMEA recorded high double-digit organic growth.

The Geosystems division recorded 7 per cent organic growth, driven by strong demand for mining solutions and continued growth in reality capture hardware and software solutions, with CAD-software serving the AEC-market having a particularly strong quarter. This progress was partially offset by a slowdown in residential construction sectors. The Safety, Infrastructure & Geospatial division recorded -9 per cent organic growth, due to the exit of a number of low margin defence contracts. The Autonomy & Positioning division recorded 31 per cent organic growth, fueled by very strong demand for aerospace, defence and precision agriculture solutions.

EARNINGS

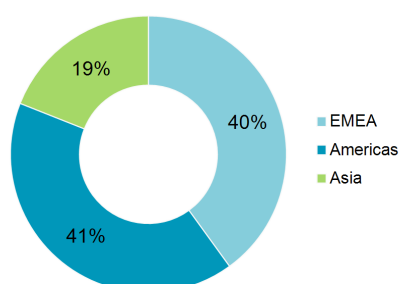
Adjusted operating earnings (EBIT1) increased by 1 per cent to 208.6 MEUR (205.6), which corresponds to an adjusted operating margin of 30.7 per cent (31.6). The adjusted operating margin (EBIT1) was negatively impacted by currency movements.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

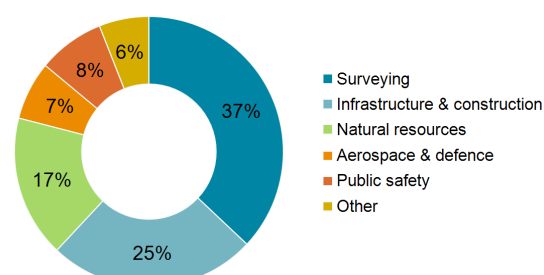
MEUR	Q2 2023	Q2 2022	Δ%	6M 2023	6M 2022	Δ%
Operating net sales	679.4	650.4	6 ¹⁾	1,296.4	1,233.1	5 ¹⁾
Adjusted operating earnings (EBIT1)	208.6	205.6	1	395.7	381.2	4
Adjusted operating margin, %	30.7	31.6	-0.9	30.5	30.9	-0.4
Avg. number of employees				10,783	9,897	9

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

NET SALES PER REGION – SECOND QUARTER



NET SALES PER CUSTOMER SEGMENT - SECOND QUARTER



INDUSTRIAL ENTERPRISE SOLUTIONS – Q2 2023

Industrial Enterprise Solutions includes metrology systems that incorporate the latest in sensor technology for fast and accurate measurements, as well as CAD (computer-aided design), CAM (computer-aided manufacturing) and CAE (computer-aided engineering) software. These solutions optimise design, processes and throughput in manufacturing facilities and create and leverage asset management information critical to the planning, construction and operation of plants and process facilities in a number of industries, such as automotive, aerospace and oil and gas. Divisions reported in this segment include: (1) Manufacturing Intelligence and (2) Asset Lifecycle Intelligence.

NET SALES

Industrial Enterprise Solutions (IES) operating net sales amounted to 686.6 MEUR (638.3). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 11 per cent. Regionally, organic growth was 13 per cent in EMEA, 12 per cent in Asia, and 8 per cent in the Americas. In EMEA, Western Europe recorded 11 per cent organic growth, driven by strong demand across manufacturing industries, as well as power and energy. The rest of EMEA recorded double-digit organic growth. In Asia, China recorded 12 per cent organic growth, driven by strong growth in automotive, particularly in Electric Vehicles, manufacturing and power and energy markets. The rest of Asia recorded double-digit organic growth, driven by solid demand for solutions within power and energy and general manufacturing. In the Americas, North America recorded 7 per cent organic growth, driven by growth strong growth in automotive manufacturing and power and energy. South America recorded double-digit organic growth, driven by strong demand in power and energy.

The Manufacturing Intelligence division recorded 11 per cent organic growth, driven by increased demand across both hardware and software. The Asset Lifecycle Intelligence division recorded 11 per cent organic growth, driven by strong growth for both design and enterprise asset management software.

EARNINGS

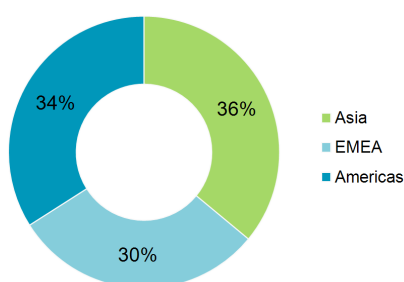
Adjusted operating earnings (EBIT1) increased by 8 per cent to 191.6 MEUR (177.9), which corresponds to an adjusted operating margin of 27.9 per cent (27.9). The adjusted operating margin (EBIT1) was negatively impacted by currency movements, but positively impacted by strong organic growth.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

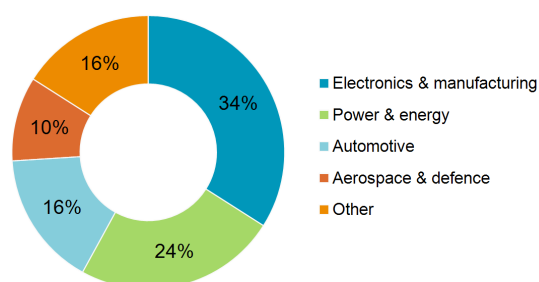
MEUR	Q2 2023	Q2 2022	Δ%	6M 2023	6M 2022	Δ%
Operating net sales	686.6	638.3	11 ¹⁾	1,356.2	1,219.0	11 ¹⁾
Adjusted operating earnings (EBIT1)	191.6	177.9	8	380.2	343.6	11
Adjusted operating margin, %	27.9	27.9	0.0	28.0	28.2	-0.2
Avg. number of employees				13,484	12,653	7

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

NET SALES PER REGION – SECOND QUARTER



NET SALES PER CUSTOMER SEGMENT – SECOND QUARTER



FINANCIAL SUMMARY – 6M 2023

NET SALES

Operating net sales amounted to 2,652.6 MEUR (2,452.1) for the first six months of the year. Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 8 per cent.

EARNINGS

Adjusted operating earnings (EBIT1) amounted to 765.3 MEUR (713.6), which corresponds to an adjusted operating margin of 28.9 per cent (29.1). Adjusted operating earnings (EBIT1) were negatively affected by currency translation effects of -22.3 MEUR and negatively affected by currency transaction effects of -16.3 MEUR.

The financial net amounted to -63.0 MEUR (-11.4) for the first six months of the year.

Earnings before taxes, excluding adjustments, amounted to 702.3 MEUR (702.2). Earnings before taxes, including these items, amounted to 615.6 MEUR (559.1) and were negatively impacted by currency translation effects of -22.3 MEUR.

Net earnings, excluding adjustments, amounted to 575.8 MEUR (575.8) or 21.2 Euro cent (21.2) per share. Net earnings, including these items, amounted to 504.7 MEUR (454.2) or 18.5 Euro cent (16.6) per share.

FINANCIAL SUMMARY - 6M 2023

MEUR	Net sales			Earnings		
	6M 2023	6M 2022	Δ% ¹⁾	6M 2023	6M 2022	Δ%
Geospatial Enterprise Solutions	1,296.4	1,233.1	5	395.7	381.2	4
Industrial Enterprise Solutions	1,356.2	1,219.0	11	380.2	343.6	11
Operating net sales	2,652.6	2,452.1	8			
Revenue adjustment ²⁾	-2.5	-10.1	n.a.			
Net sales	2,650.1	2,442.0	8			
Group cost				-10.6	-11.2	5
Adjusted operating earnings (EBIT1)				765.3	713.6	7
Adjusted operating margin, %				28.9	29.1	-0.2
Interest income and expenses, net				-63.0	-11.4	-453
Earnings before adjustments				702.3	702.2	0
Adjustments ³⁾				-86.7	-143.1	n.a.
Earnings before taxes				615.6	559.1	10
Taxes				-110.9	-104.9	-6
Net earnings				504.7	454.2	11

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

²⁾Reduction of acquired deferred revenue (haircut) related to acquisitions

³⁾Adjustments in 2023 relates to share programmes (LTIP), amortisation of surplus values.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - 6M 2023

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	5%	Negative	Negative
USD	Strengthened	1%	Positive	Positive
CNY	Weakened	-5%	Positive	Negative
EBIT1, MEUR				-22.3

¹⁾Compared to 6M 2022.



Hexagon announced a collaboration with NVIDIA to enable industrial digital twin solutions that unite reality capture, manufacturing twins, AI, simulation and visualisation to deliver real-time comparison to real-world models. The collaboration will connect industry-leading technologies from Hexagon and NVIDIA to enable seamless, multi-user workflows through a unified view for factory planning and design.

GROUP SUMMARY

PROFITABILITY

Capital employed increased to 14,236.6 MEUR (13,784.6). Return on average capital employed for the last twelve months was 11.2 per cent (12.5). Return on average shareholders' equity over the previous twelve months was 10.6 per cent (9.8). The capital turnover rate was 0.4 times (0.4).

FINANCIAL POSITION

Total shareholders' equity increased to 9,867.1 MEUR (9,637.9). The equity ratio was 58.4 per cent (58.6). Hexagon's total assets increased to 16,904.0 MEUR (16,435.1). The increase in total assets is 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 in 2014. The MTN programme amounts to 20,000 MSEK with tenor up to 6 years
- 3) A Swedish Commercial Paper Programme (CP) established in 2012. The CP programme amounts to 15,000 MSEK with tenor up to 12 months.

On 30 June 2023, cash and unutilised credit limits totalled 1,311.1 MEUR (1,208.5). Hexagon's net debt was 3,864.4 MEUR (3,673.9). The net indebtedness was 0.37 times (0.36). Interest coverage ratio was 9.2 times (40.2).

CASH FLOW

During the second quarter, cash flow from operations before changes in working capital amounted to 353.8 MEUR (350.0), corresponding to 13.2 Euro cent (13.0) per share. Cash flow from operations in the second quarter amounted to 364.2 MEUR (358.5), corresponding to 13.5 Euro cent (13.3) per share. Operating cash flow in the second quarter, including non-recurring items, amounted to 204.1 MEUR (228.1).

For the first six months of the year, cash flow from operations amounted to 653.9 MEUR (650.3) corresponding to 24.3 Euro cent (24.1) per share. The operating cash flow, including non-recurring items, amounted to 320.8 MEUR (392.4).

INVESTMENTS, DEPRECIATION, AMORTISATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -151.7 MEUR (-125.9) in the second quarter and -299.9 MEUR (-246.4) in the first six months of the year. Depreciation, amortisation and impairment amounted to -124.6 MEUR (-116.0) in the second quarter and -243.6 MEUR (-219.6) during the first six months of the year, whereof no impairment charges in the second quarter and no impairments during the first six months of the year.

TAX RATE

The tax expense for the first six months of the year amounted to -110.9 MEUR (-104.9). The reported tax rate was 18.0 per cent (18.0) for the quarter and 18.0 per cent (18.8) for the first six months of the year. The tax rate, excluding non-recurring items, was 18.0 per cent (18.0) for the quarter and 18.0 per cent (18.0) for the first six months of the year.

EMPLOYEES

The average number of employees during the second quarter was 24,398 (22,672). The number of employees at the end of the quarter was 24,875 (23,245).

SHARE DATA

Earnings per share, including adjustments, for the second quarter amounted to 9.4 Euro cent (9.9). Earnings per share, excluding adjustments, for the second quarter amounted to 10.8 Euro cent (11.2).


Earnings per share, including adjustments, for the first six months of the year amounted to 18.5 Euro cent (16.6). Earnings per share, excluding adjustments, for the first six months of the year amounted to 21.2 Euro cent (21.2).

On 30 June 2023, equity per share was 3.66 EUR (3.56) and the share price was 132.75 SEK (106.25).

Hexagon's share capital amounts to 85,761,451 EUR, represented by 2,689,677,888 shares, of which 110,250,000 are of series A with ten votes each and 2,579,427,888 are of series B with one vote each. Hexagon holds 15,800,000 treasury shares.

PARENT COMPANY

The parent company's earnings before taxes in the second quarter amounted to -9.6 MEUR (138.7) and -32.1 MEUR (277.2) for the first six months of the year. The equity was 4,692.9 MEUR (6,577.4). The equity ratio of the parent company was 31 per cent (47). Liquid funds including unutilised credit limits were 796.4 MEUR (711.2).



Hexagon announced the launch of Reality Cloud Studio, a software-as-a-service (SaaS) application built on the HxDR platform. Reality Cloud Studio enables users to easily upload reality capture data to the cloud for automated processing, accelerating the creation of photorealistic digital twins.

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 2022, see note 1 for further information.

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 2022.

RELATED PARTY TRANSACTIONS

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

SUBSEQUENT EVENTS

On 12 July 2023 Hexagon acquired Hard-Line., a global leader in mine automation, remote-control technology and mine production optimization. The acquisition enhances Hexagon's life-of-mine technology stack, and particularly complements HxGN Underground Mining, HxGN Autonomous Mining and HxGN MineProtect solutions. The acquisition is immaterial from a revenue and profitability perspective.

On 26 July 2023 Hexagon announced the launch of an operational efficiency programme. Hexagon will take a one-off charge of approximately 200 MEUR in Q3 2023, with a similar cash impact. The program will be implemented over the next 6 quarters and is expected to generate annualised cost savings of 160-170 MEUR, reaching the full run-rate impact in early 2025.

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 2023
Hexagon AB (publ)

Ola Rollén
Chair of the Board

Paolo Guglielmini
President and CEO

John Brandon
Board Member

Gun Nilsson
Board Member

Erik Huggers
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 2023	Q2 2022	6M 2023	6M 2022	2022
Net sales	1,365.0	1,282.3	2,650.1	2,442.0	5,160.5
Cost of goods sold	-471.3	-448.1	-903.1	-863.5	-1,799.5
Gross earnings	893.7	834.2	1,747.0	1,578.5	3,361.0
Sales expenses	-276.8	-250.0	-536.4	-476.9	-1,019.3
Administration expenses	-110.5	-99.8	-218.6	-200.5	-416.7
Research and development expenses	-155.2	-153.0	-313.1	-294.7	-607.1
Other income and expenses, net	-1.0	3.2	-0.3	-35.9	-31.2
Operating earnings ¹⁾	350.2	334.6	678.6	570.5	1,286.7
Financial income	2.1	2.8	5.7	4.0	8.8
Financial expenses	-38.3	-8.4	-68.7	-15.4	-47.5
Earnings before taxes	314.0	329.0	615.6	559.1	1,248.0
Taxes	-56.6	-59.2	-110.9	-104.9	-228.9
Net earnings	257.4	269.8	504.7	454.2	1,019.1
Attributable to:					
Parent company shareholders	253.7	266.7	498.1	448.5	1,007.6
Non-controlling interest	3.7	3.1	6.6	5.7	11.5
¹⁾ of which adjustments	-43.9	-43.9	-86.7	-143.1	-231.1
Earnings include depreciation, amortisation and impairments of	-124.6	-116.0	-243.6	-219.6	-467.0
- of which amortisation of surplus values (included in adjustments)	-29.4	-28.6	-57.4	-51.1	-107.7
Basic earnings per share, Euro cent	9.4	9.9	18.5	16.6	37.4
Earnings per share after dilution, Euro cent	9.4	9.9	18.4	16.6	37.2
Total shareholder's equity per share, EUR	3.66	3.56	3.66	3.56	3.65
Closing number of shares, thousands	2,689,678	2,692,928	2,689,678	2,692,928	2,689,678
Average number of shares, thousands	2,689,678	2,694,555	2,689,678	2,695,133	2,693,019
Average number of shares after dilution, thousands	2,705,478	2,707,105	2,705,478	2,706,509	2,706,294

CONDENSED COMPREHENSIVE INCOME STATEMENT

MEUR	Q2 2023	Q2 2022	6M 2023	6M 2022	2022
Net earnings	257.4	269.8	504.7	454.2	1,019.1
Other comprehensive income					
Items that will not be reclassified to income statement					
Remeasurement of pensions	-0.2	-0.3	0.8	-0.4	20.8
Taxes on items that will not be reclassified to income statement	-0.1	0.1	-0.1	0.1	-5.0
Total items that will not be reclassified to income statement, net of taxes	-0.3	-0.2	0.7	-0.3	15.8
Items that may be reclassified subsequently to income statement					
Exchange rate differences	7.1	574.0	-195.7	771.3	435.4
Taxes on items that may be reclassified subsequently to income statement	-4.8	-30.7	-0.7	-36.6	-35.5
Total items that may be reclassified subsequently to income statement, net of taxes	2.3	543.3	-196.4	734.7	399.9
Other comprehensive income, net of taxes	2.0	543.1	-195.7	734.4	415.7
Total comprehensive income for the period	259.4	812.9	309.0	1,188.6	1,434.8
Attributable to:					
Parent company shareholders	257.7	809.4	305.0	1,181.9	1,424.1
Non-controlling interest	1.7	3.5	4.0	6.7	10.7

CONDENSED BALANCE SHEET

MEUR	30/6 2023	30/6 2022	31/12 2022
Intangible fixed assets	13,091.9	12,984.9	12,805.6
Tangible fixed assets	600.8	579.7	592.9
Right-of-use assets	200.3	213.7	198.0
Financial fixed assets	157.8	67.8	114.5
Deferred tax assets	160.9	114.6	122.3
Total fixed assets	14,211.7	13,960.7	13,833.3
Inventories	613.9	543.0	577.2
Accounts receivables	1,221.9	1,178.2	1,285.8
Other receivables	145.5	99.1	121.4
Prepaid expenses and accrued income	205.9	181.3	173.0
Total current receivables	1,573.3	1,458.6	1,580.2
Cash and cash equivalents	505.1	472.8	486.3
Total current assets	2,692.3	2,474.4	2,643.7
Total assets	16,904.0	16,435.1	16,477.0
Equity attributable to parent company shareholders	9,831.8	9,599.2	9,830.2
Equity attributable to non-controlling interest	35.3	38.7	34.4
Total shareholders' equity	9,867.1	9,637.9	9,864.6
Interest bearing liabilities	2,743.3	3,501.9	3,032.4
Lease liabilities	150.7	158.8	145.5
Other liabilities	153.4	114.2	121.9
Pension liabilities	49.7	76.0	53.9
Deferred tax liabilities	637.8	585.3	581.8
Other provisions	9.3	18.6	9.5
Total long-term liabilities	3,744.2	4,454.8	3,945.0
Interest bearing liabilities	1,366.2	343.3	633.8
Lease liabilities	59.6	66.7	62.4
Accounts payable	304.3	292.3	309.8
Other liabilities	320.7	340.8	377.8
Other provisions	33.9	105.8	59.2
Deferred income	783.5	771.4	741.2
Accrued expenses	424.5	422.1	483.2
Total short-term liabilities	3,292.7	2,342.4	2,667.4
Total equity and liabilities	16,904.0	16,435.1	16,477.0

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 STATEMENT OF CHANGES IN EQUITY

MEUR	Q2 2023	Q2 2022	2022
Opening shareholders' equity	9,864.6	8,764.7	8,764.7
Total comprehensive income for the period¹⁾	309.0	1,188.6	1,434.8
Acquisition of treasury shares	0.0	-35.9	-71.0
Dividend	-325.9	-295.8	-304.4
Share based programme (LTIP)	19.4	16.3	40.5
Closing shareholders' equity²⁾	9,867.1	9,637.9	9,864.6
1) Of which: Parent company shareholders	305.0	1,181.9	1,424.1
Non-controlling interest	4.0	6.7	10.7
2) Of which: Parent company shareholders	9,831.8	9,599.2	9,830.2
Non-controlling interest	35.3	38.7	34.4

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
2023-06-30 Total outstanding	110,250,000	2,579,427,888	2,689,677,888
Total amount of treasury shares	-	15,800,000	15,800,000
2023-06-30 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.

CONDENSED CASH FLOW STATEMENT

MEUR	Q2 2023	Q2 2022	6M 2023	6M 2022	2022
Cash flow from operations before change in working capital excluding taxes and interest	471.5	450.4	923.9	859.7	1,820.4
Taxes paid	-84.3	-94.0	-163.6	-122.5	-235.9
Interest received and paid, net	-33.4	-6.4	-57.2	-11.1	-38.0
Cash flow from operations before change in working capital	353.8	350.0	703.1	726.1	1,546.5
Cash flow from change in working capital	10.4	8.5	-49.2	-75.8	-173.8
Cash flow from operations	364.2	358.5	653.9	650.3	1,372.7
Investments tangible assets, net	-28.2	-28.9	-61.8	-60.3	-138.8
Investments intangible assets	-123.5	-97.0	-238.1	-186.1	-413.9
Operating cash flow before non-recurring items	212.5	232.6	354.0	403.9	820.0
Non-recurring cash flow ¹⁾	-8.4	-4.5	-33.2	-11.5	-41.9
Operating cash flow	204.1	228.1	320.8	392.4	778.1
Cash flow from acquisitions and divestments	-174.9	-1,124.3	-317.3	-1,152.6	-1,194.8
Cash flow from other investing activities	-47.9	1.6	-49.2	2.0	-50.1
Cash flow after other investing activities	-18.7	-894.6	-45.7	-758.2	-466.8
Dividends paid	-325.9	-295.8	-325.9	-295.8	-304.4
Repurchase of Treasury shares	-	-25.7	0.0	-35.9	-71.0
Cash flow from other financing activities	254.6	991.4	408.4	1,082.4	868.7
Cash flow for the period	-90.0	-224.7	36.8	-7.5	26.5
Cash and cash equivalents, beginning of period	610.7	698.2	486.3	472.1	472.1
Effect of translation differences on cash and cash equivalents	-15.6	-0.7	-18.0	8.2	-12.3
Cash flow for the period	-90.0	-224.7	36.8	-7.5	26.5
Cash and cash equivalents, end of period	505.1	472.8	505.1	472.8	486.3

¹⁾ Non-recurring cash flow consists of restructuring costs.

KEY RATIOS

MEUR	Q2 2023	Q2 2022	6M 2023	6M 2022	2022
Adjusted operating margin, %	28.9	29.4	28.9	29.1	29.3
Profit margin before taxes, %	23.0	25.7	23.2	22.9	24.2
Return on shareholders' equity, 12-month average, %	10.6	9.8	10.6	9.8	10.3
Return on capital employed, 12-month average, %	11.2	12.5	11.2	12.5	11.5
Equity ratio, %	58.4	58.6	58.4	58.6	59.9
Net indebtedness	0.37	0.36	0.37	0.36	0.32
Interest coverage ratio	9.2	40.2	10.0	37.3	27.3
Average number of shares, thousands	2,689,678	2,694,555	2,689,678	2,695,133	2,693,019
Basic earnings per share excl. adjustments, Euro cent	10.8	11.2	21.2	21.2	45.2
Basic earnings per share, Euro cent	9.4	9.9	18.5	16.6	37.4
Cash flow per share, Euro cent	13.5	13.3	24.3	24.1	51.0
Cash flow per share before change in working cap, Euro cent	13.2	13.0	26.1	26.9	57.4
Share price, SEK	132.75	106.25	132.75	106.25	109.00
Share price, translated to EUR	11.24	9.90	11.24	9.90	9.80

SUPPLEMENTARY INFORMATION

NET SALES PER SEGMENT

MEUR	Q2 2023*	Q1 2023*	2023*	Q4 2022*	Q3 2022*	Q2 2022*	Q1 2022*	2022*
Geospatial Enterprise Solutions	679.4	617.0	1,296.4	662.0	641.9	650.4	582.7	2,537.0
Industrial Enterprise Solutions	686.6	669.6	1,356.2	741.2	678.3	638.3	580.7	2,638.5
Group	1,366.0	1,286.6	2,652.6	1,403.2	1,320.2	1,288.7	1,163.4	5,175.5

ADJUSTED OPERATING EARNINGS (EBIT1) PER SEGMENT

MEUR	Q2 2023	Q1 2023	2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Geospatial Enterprise Solutions	208.6	187.1	395.7	208.3	197.0	205.6	175.6	786.5
Industrial Enterprise Solutions	191.6	188.6	380.2	213.4	198.1	177.9	165.7	755.1
Group costs	-6.1	-4.5	-10.6	-3.7	-8.9	-5.0	-6.2	-23.8
Group	394.1	371.2	765.3	418.0	386.2	378.5	335.1	1,517.8
Adjusted operating margin, %	28.9	28.9	28.9	29.8	29.3	29.4	28.8	29.3

AMORTISATION SURPLUS VALUES (PPA) PER SEGMENT

MEUR	Q2 2023	Q1 2023	2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Geospatial Enterprise Solutions	-6.2	-5.7	-11.9	-5.6	-5.7	-5.5	-5.4	-22.2
Industrial Enterprise Solutions	-23.2	-22.3	-45.5	-24.0	-21.3	-23.1	-17.1	-85.5
Group	-29.4	-28.0	-57.4	-29.6	-27.0	-28.6	-22.5	-107.7

NET SALES BY REGION

MEUR	Q2 2023*	Q1 2023*	2023*	Q4 2022*	Q3 2022*	Q2 2022*	Q1 2022*	2022*
EMEA	459.6	448.2	907.8	506.7	421.9	433.2	409.7	1,771.5
Americas	520.9	475.8	996.7	546.0	527.7	494.8	427.0	1,995.5
Asia	385.5	362.6	748.1	350.5	370.6	360.7	326.7	1,408.5
Group	1,366.0	1,286.6	2,652.6	1,403.2	1,320.2	1,288.7	1,163.4	5,175.5

EXCHANGE RATES

Average	Q2 2023	Q1 2023	2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
SEK/EUR	0.0873	0.0893	0.0883	0.0914	0.0941	0.0955	0.0954	0.0941
USD/EUR	0.9176	0.9313	0.9248	0.9808	0.9929	0.9389	0.8914	0.9523
CNY/EUR	0.1309	0.1361	0.1336	0.1378	0.1449	0.1421	0.1405	0.1413
CHF/EUR	1.0219	1.0074	1.0146	1.0170	1.0271	0.9732	0.9648	0.9965
Closing	Q2 2023	Q1 2023	2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
SEK/EUR	0.0847	0.0886	0.0847	0.0899	0.0917	0.0932	0.0967	0.0899
USD/EUR	0.9203	0.9195	0.9203	0.9376	1.0259	0.9627	0.9008	0.9376
CNY/EUR	0.1266	0.1338	0.1266	0.1359	0.1442	0.1436	0.1420	0.1359
CHF/EUR	1.0217	1.0032	1.0217	1.0155	1.0459	1.0040	0.9740	1.0155

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

ACQUISITIONS

MEUR	6M 2023	6M 2022
Fair value of acquired assets and assumed liabilities		
Intangible fixed assets	65.8	276.8
Other fixed assets	0.5	6.7
Total fixed assets	66.3	283.5
Total current assets	20.3	38.4
Total assets	86.6	321.9
Total long-term liabilities	-8.1	-68.6
Total current liabilities	-24.7	-44.5
Total liabilities	-32.8	-113.1
Fair value of acquired assets and assumed liabilities, net	53.8	208.8
Goodwill	315.8	1,008.1
Total purchase consideration transferred	369.6	1,216.9
Less cash and cash equivalents in acquired companies	-3.3	-19.5
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions	-49.0	-44.8
Cash flow from acquisition of companies/businesses	317.3	1,152.6

During the first six months of the year 2023, Hexagon acquired the following companies:

- LocLab, a leader in 3D digital twin content creation
- Projectmates, provider of SaaS-based enterprise construction project management software
- Comernal Software, a software development center
- Qognify, a leading provider of physical security and enterprise incident management software solutions
- Cads Additive, a provider of specialised software for metal additive manufacturing (AM)

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 204.1 MEUR (181.9) as of 30 June, whereof the fair value adjustment in 2023 amounted to 5.3 MEUR (0.6). 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 off-set the impact from revaluation.

ACQUISITION OF QOGNIFY

In April 2023, Hexagon acquired Qognify, a leading provider of physical security and enterprise incident management software solutions.

Background and reasons for the transaction

Serving more than 4,000 customers worldwide in banking, government, logistics, manufacturing, retail, transportation and more, Qognify's solutions link business and operational workflows with video data to minimise the impact of security, safety and operational incidents. End markets include everything from large utility networks and educational campuses to complex industrial facilities - the same customers that also benefit from Hexagon's computer-aided dispatch (CAD) solutions, which play a crucial role in mobilising the people ultimately responsible for incident resolution. Qognify's solutions are a natural expansion of our public safety portfolio, adding comprehensive and tightly integrated video capabilities that can provide dispatchers, responders and investigators with new levels of intelligence to serve and protect their communities.

From the date of acquisition, Qognify has contributed 10.8 MEUR of net sales in 2023. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 22.1 MEUR. The contribution to the group operating margin has been slightly dilutive.

CONDENSED PARENT COMPANY INCOME STATEMENT

MEUR	Q2 2023	Q2 2022	6M 2023	6M 2022	2022
Net sales	5.3	4.3	10.6	8.5	19.9
Administration expenses	-8.6	-6.5	-18.6	-15.0	-45.9
Operating earnings	-3.3	-2.2	-8.0	-6.5	-26.0
Earnings from shares in Group companies	-	61.7	-	202.5	-1,283.3
Interest income and expenses, net	-6.3	79.2	-24.1	81.2	98.4
Appropriations	-	-	-	-	-17.3
Earnings before taxes	-9.6	138.7	-32.1	277.2	-1,228.2
Taxes	7.0	-16.0	7.1	-15.7	-12.0
Net earnings	-2.6	122.7	-25.0	261.5	-1,240.2

CONDENSED PARENT COMPANY BALANCE SHEET

MEUR	30/6 2023	30/6 2022	31/12 2022
Total fixed assets	13,915.9	12,414.3	13,921.2
Total current receivables	1,427.1	1,485.6	976.4
Cash and cash equivalents	39.7	18.5	33.3
Total current assets	1,466.8	1,504.1	1,009.7
Total assets	15,382.7	13,918.4	14,930.9
Total shareholders' equity	4,692.9	6,577.4	5,040.6
Untaxed reserves	13.8	-	14.6
Total long-term liabilities	2,743.2	3,353.1	3,033.5
Total short-term liabilities	7,932.8	3,987.9	6,842.2
Total equity and liabilities	15,382.7	13,918.4	14,930.9

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.

BUSINESS DEFINITIONS

Americas	North, South and Central America
Asia	Asia, Australia and New Zealand
EMEA	Europe, Middle East and Africa
GES	Geospatial Enterprise Solutions
IES	Industrial Enterprise Solutions

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
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 a 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 5.2bn EUR. Learn more at [hexagon.com](https://www.hexagon.com) and follow us [@HexagonAB](https://twitter.com/HexagonAB).

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Interim Report Q3 2023	27 October 2023
Year-End Report 2023	1 February 2024

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

TELEPHONE CONFERENCE

The Interim Report for the second quarter 2023 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.

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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 2023.

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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